

## G7 Trade Ministers' Statement 4 April 2023

We, the Trade Ministers of the Group of Seven (G7), reaffirmed our strong commitment to maintaining and strengthening the free, fair and rules-based multilateral trading system, which forms an integral part of the stable international order based on the rule of law, and serves as the foundation of global economic development, stability and growth.

Recent years have been marked by great geopolitical and economic turbulence, which has resulted in disruptions across global supply chains and cross-border movement of people as well as high inflation, hitting developing countries particularly hard. Although Russia's war of aggression against Ukraine, which we continue to condemn in the strongest possible terms, and the COVID-19 pandemic have been the immediate trigger of these crises, we also need to take into account the underlying developments in the international trading system, including prolonged non-market policies and practices. There have also been longer-term structural shifts such as the rapid growth of trade in service sectors and the acceleration of digital transformation and transition to net-zero emissions. In light of this situation, we will work towards further ensuring our global trade rulebook enables economic transformation, sustainable, inclusive, and resilient growth, and respond to the needs of global citizens including our workers and communities.

Given this context, we held our first meeting of the year to engage in frank and constructive discussions to develop our shared views. The discussions covered the continued importance of maintaining and strengthening a free and fair trading system based on the rule of law as a key driver for sustained economic recovery, and simultaneously, the need to address economic security, including in collaboration with willing partners beyond the G7.

Our discussion today focused on these issues:

- Recalling the outcomes of the Twelfth WTO Ministerial conference (MC12), we reaffirm our commitment to work, together with partners, towards necessary reform of all three functions of the WTO, including by conducting discussions with the view to having a fully and well-functioning dispute settlement system accessible to all Members by 2024 and by reinforcing deliberations to respond to global trade policy challenges. We look forward to realizing a successful MC13 and to this end, will work together towards achieving concrete outcomes. This includes the prompt entry into force of the Agreement on Fisheries Subsidies and the conclusion of negotiation on comprehensive disciplines on fisheries subsidies, advancement of plurilateral initiatives including the joint statement initiatives (JSIs), making permanent the Moratorium on Customs Duties on Electronic Transmission and progress on agricultural reform. We will instruct our Ambassadors in Geneva to

accelerate the work on these issues and call on others to do likewise. We will also work together with developing country members as integral partners to maintain and strengthen a free, fair and sustainable multilateral trading system. We are grateful for the insightful engagement of the Director General of the World Trade Organization who participated in the meeting.

- We reaffirm our shared concerns with non-market policies and practices, including their problematic evolution, which presents a systemic challenge that requires urgent actions. We will sustain and further step up our efforts towards securing a level playing field for our businesses and workers, by addressing such policies and practices that distort fair global competition, trade, and investment. In this regard, we will pursue more effective use of existing tools, as well as developing appropriate new tools and stronger international rules and norms. We will deepen our collaboration on concrete measures or initiatives to ensure a level playing field for our workers and businesses, starting in the following areas: pervasive and harmful industrial subsidies, market-distortive practices of state-owned enterprises, and all forms of forced technology transfer. We will also discuss overarching issues including our serious concern with comprehensive strategies to use these and other practices to create vulnerabilities and strategic dependence. Based on a shared understanding of recent non-transparent and market-distorting interventions, we will also continue to promote dialogue on subsidy schemes and discussions at the WTO on how to improve transparency. Furthermore, as we respond to the challenges presented by these unfair trade practices, we also reaffirm the importance of working to avoid market distortions and ensuring a global level playing field.
- We recognize that transparency, diversification, security, sustainability, and trustworthiness and reliability are essential principles on which to build and strengthen resilient supply-chain networks among trusted partner countries both within and outside the G7. We will continue to discuss how to strengthen and enhance supply chain resiliency based on these principles, which encompass honoring international norms and obligations, not weaponizing economic interdependence for illegitimate political gains, committing to free, fair and mutually beneficial economic and trade relationships, and refraining from taking measures that undermine these efforts. We also acknowledge the importance of outreach to non-G7 partners, especially emerging and developing countries, as key suppliers, producers and purchasers in global supply chains, and will discuss ways to deepen cooperation with these partners. We will also discuss specific areas for further cooperation among the G7, notably critical minerals.
- We express serious concern with economic coercion that interferes with legitimate choices of another government. We strongly oppose any unilateral attempt to change the

status quo by economic coercion. It is often imposed via trade and investment-related measures, and it undermines economic security and a free, fair and rules-based international order. We will utilize our respective existing tools and develop new ones as needed to deter and counter the use of economic coercive measures. Recognizing the importance of existing joint efforts including at the WTO, we will enhance cooperation and strengthen coordination with each other and other likeminded partners beyond the G7 to increase our collective preparedness, resilience and deterrence to economic coercion. We will also collectively explore responses, as appropriate, to counter coercive economic measures and to mitigate their harm.

- We reaffirm that export controls are a fundamental policy tool to address the challenges posed by the diversion of technology critical to military applications as well as for other activities that threaten global, regional, and national security. We continue to work with other states in strengthening effective and responsible export controls in a way that keeps pace with rapid technological developments. We reiterate that strong enforcement to counter evasion of export controls is an essential element and we will continue to cooperate on this issue. We affirm the importance of cooperation on export controls on critical and emerging technologies such as microelectronics and cyber surveillance systems to address the misuse of such technologies by malicious actors and inappropriate transfers of such technologies through research activities.
- Recognizing the need to deepen discussions within and beyond the G7 on business and human rights, we intend to strengthen cooperation and collective efforts towards ensuring respect for human rights and international labor standards in business activities and further enhancing resilience, predictability and certainty for businesses and call upon others to join us in these efforts, including by aligning with international standards. For this, we will accelerate exchange of information on relevant regulation and policies through a network of experts.
- We will continue discussions at the WTO, and will work collaboratively on solutions to tackle environmental challenges and support efforts towards net-zero emissions, including through facilitating trade in environmental goods and services, and technologies, on promoting the circular economy, and on how trade-related climate and environmental measures and policies can best contribute to climate and environmental goals. We reiterate our commitment to the G7 Digital Trade Principles, our support for open digital markets and our opposition to digital protectionism. We commit to accelerating the WTO JSI E-commerce negotiations and working to conclude an ambitious outcome by the end of 2023. The outcome should be high standard and



commercially meaningful. We affirm the importance of promoting inclusive and sustainable trade, recognizing the challenges faced by micro, small and medium-sized enterprises (MSMEs) and underrepresented groups, such as women and Indigenous Peoples.

Towards the Trade Ministers' Meeting in October, we will pursue further cooperation on these issues and instruct our officials to accelerate their work for this purpose.