

# FOSTERING SUSTAINABLE AND INCLUSIVE TRADE – RECOMMENDATIONS FOR POLICY MAKERS & PRACTITIONERS

SUMMARY REPORT:  
GOTRADE SUMMIT 2023

Connecting People, Improving Lives



An initiative of  
DHL Group







## PREFACE

Dear readers,

Global trade connects people and improves lives across the globe. Its pivotal role emerges from its substantial contribution to post World War II reconstruction, its fostering of stability and its catalyzing of unparalleled investments while uplifting a significant share of the global population from poverty, most notably in Asia. Throughout the COVID-19 pandemic trade has been the center of attention, helping economies weather adversity and access critical supplies. The rapid development of new vaccines and their global distribution at ultra-low temperatures is a landmark of human ingenuity and collaboration. But without doubt, global supply chains are currently exposed to multiple challenges. These relate to geopolitical tensions, but also echo the sentiments of those that “have been left behind” and those that highlight the inability of the planet to deal the consumption pattern of the richer half of the global population. Policy makers are facing challenging decisions to sustain the prosperity of trade, ensuring that its benefits persist in connecting people and improving their quality of life.

In this context, the keyword “sustainability” holds paramount significance. It applies to a broad range of issues – from gender parity to supporting small- and medium-sized businesses to leveraging global market opportunities. It also relates to enabling export market opportunities for least developed and developing countries. But the issue of sustainability is particularly urgent in the biggest challenge of our generation: global warming. In this regard trade plays an important role by mobilizing essential resources to facilitate and execute the green transition, standing as an integral part of the solution.

DHL Group was honored to host numerous distinguished guests and panelists at the GoTrade 2023 Summit and discuss these urgent issues and subsequent actions. Public-private partnerships play a big part in ensuring that adopted policies meet their desired outcomes, optimizing both public and private resources. Clarity in the “rules of the road” significantly benefit business and investment decisions, irrespective of the enterprise’s scale. Effective communication and dialogue are essential in garnering the necessary support and momentum behind these guidelines. This becomes imperative in safeguarding the continuous functionality of global trade regulations for goods and services – especially with a focus on the WTO’s ministerial Conference 13 in Abu Dhabi – while also ensuring the integration of an ever-expanding Environmental, Social, and Governance (ESG) policy portfolio.



Despite challenges and calls for action, it is also worth reflecting on such successes at the WTO Trade Facilitation Agreement, and how it has been able to help reduce red tape, give ever more small- and medium-sized enterprises access to new markets and helped orchestrate investment in many trade capacity building initiatives from which we all benefit.

DHL Group is a stakeholder-driven organization which has duties towards its employees, customers, and shareholders – and to society as a whole. This report and its many action points feed into our DHL trade facilitation activities that we deploy through our “DHL GoTrade” initiative.

However, its scope extends beyond our organization. Collaborative actions are more effective by definition if taken together. In this spirit, we very much welcome your feedback, but also the opportunity to coordinate responses to the many action points that were identified at the GoTrade 2023 Summit in Bonn. Please use the opportunity now and do not wait until the next GoTrade Summit in a year’s time. We hope you will find this report to be a valuable resource.

Best regards,

**Tobias Meyer**  
CEO DHL Group

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# INTRODUCTION



In October we hosted our first in-person GoTrade Summit, in Bonn; our second to date. We were joined by leading experts in the field of global trade and trade facilitation, representing both the public and private sectors as well as members of the academic world.

Our aim: To come together in an informal and personal setting to share insights and combine our efforts to produce tangible actions and recommendations to support sustainable and inclusive economic growth through trade.

This report seeks to capture a summary of the discussions at this event with the intention to produce recommendations that will be useful to all those involved in both global trade and trade facilitation.

The case for supporting the multilateral rules-based system has never been stronger given the recent challenges of COVID-19 and conflicts around the world that have placed additional strain on available resources. Global supply chains have come under strain but have shown their resilience in getting goods to where they are needed.

Finally, I would like to express my gratitude to all of you who took the time to join us in Bonn.

Given the roles that you have, the distance that some of you came, and your busy schedules, we did not take your participation for granted.

Together you helped produce this report, which I hope will be used as a working document by trade practitioners wherever they are and whatever their role.

I hope to see you again next year where we will revisit this report and see how many of the recommendations have been adopted and explore ways to push the bar even higher. Thank you.

**Steven Pope**

Head of Trade Facilitation, GoTrade  
DHL Group

## PANEL DISCUSSION ON: WHERE ARE WE IN TERMS OF THE WTO REFORM?

<b>Date</b>	<b>October 11, 2023</b>
<b>Moderator</b>	<b>Sean Doherty</b> , Head of Trade and Investment, World Economic Forum
<b>Keynote speaker(s)</b>	<b>Tobias Meyer</b> , CEO DHL Group (live, in-person keynote address) <b>Alan Wolff</b> , Peterson Institute for International Economics (recorded keynote address)
<b>Panelists</b>	<b>Joao Aguiar Machado</b> , EU Ambassador to the WTO (virtual participation) <b>Marion Jansen</b> , Director, Trade and Agriculture Directorate, OECD <b>Hamid Mamdouh</b> , Senior Counsel, King & Spalding <b>Tobias Meyer</b> , CEO DHL Group <b>Stefan Schepers</b> , Executive Director, High Level Group <b>Valerie Picard</b> , Head of Trade – International Chamber of Commerce

### STANDOUT POINTS AND KEY TAKEAWAYS

- Current trade negotiation challenges are many and include: geopolitical tensions; the fact that politicians are answerable to their electorates who do not always see the benefits of trade; the real or perceived need to protect certain industries; and of course, the transition towards green energy
- There is a need for politicians and civil servants to be humble and listen, and to acknowledge that there are opposing narratives to global trade and legitimate concerns. These need to be addressed to safeguard continued, sustainable growth in wealth
- Global warming is “the challenge of our generation” for which trade is part of the solution, but effective rules are needed to help structure economic behavior
- Unnecessary bureaucracy creates costs, erodes the benefits of trade – and in the case of new environmental reporting requirements risks distraction from the main policy objective, which is to reduce carbon
- Trade facilitation is the “script for seamless trade” and while good progress has been made, there is a strong business case for making sure that trade can be made more seamless
- Stakeholders may need to recognize that global trade is faced with new realities. “We are at a turning point.”

Institutional mechanisms and approaches to agenda setting need to be revisited. The informed voice of business – as demonstrated in the spirit of the WTO Trade Facilitation Agreement – can help make regulation more effective and impactful without eroding trade flows. Active but humble engagement by big and small businesses within the trade policymaking machinery – including the WTO and in the member states – should be supported and encouraged

- There are concrete steps that the business community can take to support of the global rules-based trade system. They include business leadership, effective advocacy, and communication with the public. And it is important to remind ourselves of the benefits of trade, and to communicate these effectively to trade policy makers at the WTO and in the capitals
- Lessons to inform direction and leadership can also be taken from history. We might take comfort from the example of how the WTO was created; it was a response to addressing dysfunctions in the GATT. The institutional infrastructure that was then created, including the option to settle disagreements via dispute settlement mechanisms, deserves to be protected because in the current geopolitical climate it would be difficult – if not impossible – to recreate
- Trade must be equitable. This includes responsibilities by government to help those adversely effected – whether at home through the reskilling of citizens and other welfare measures or abroad by assisting countries with similar measures that they are unable to fund
- As a principle, it is prudent to start first with objectives and desired outcomes. When drafting new policies, as a principle, it is best to start first with agreeing objectives and desired outcomes. This ensures that required, regulatory systems are designed in a collaborative manner and implemented in the most effective way. The business community has a strong role to play in this regard. Trade policy makers and their stakeholders need to recognize that their influence may be diminished by other policy portfolios taking the lead. Suitable communication and coordination channels might be needed

### SUMMARY

This GoTrade2023 Summit opening session elaborated on insightful reminders about why the case for trade and a global rules-based system is as compelling as ever – and the term “re-globalization” was discussed by some of the panelists in this

context<sup>1</sup>. The history of the global trade system and subsequent lessons were reflected upon. There was considerable debate and signaling about the need to protect the global rules-based trade system and how to best go about it. There was a keen realization that we are now entering an era of new realities and that attitudes towards trade negotiations and expected outcomes must change – and at the very least, for the global West to be humbler. The voice of business matters, especially as it can help connect policy makers to explore what is possible and how rules can be best shaped to ensure their regulatory objectives. Those rules may be specific to trade or to many newly added agenda items where trade policy makers may no longer be in the driver's seat.

The session kicked off with a keynote address by the GoTrade 2023 Summit's host **Tobias Meyer, CEO DHL Group**<sup>2</sup>, in which he gave food for thought by detailing his views about the importance of global trade and the actions that companies like his can take. This was then immediately followed with a recorded address by **Alan Wolff** from the **Peterson Institute for International Economics in Washington DC** and former Deputy Director General of the WTO<sup>3</sup>. He too gave a brief account of current challenges and what business could do in preparation of the forthcoming WTO Ministerial Conference in Abu Dhabi (MC13)<sup>4</sup>.

All panelists were prominent figures at the forefront of trade policymaking. They were: Joao Aguiar Machado, EU Ambassador to the WTO (virtual participation); Marion Jansen, Director, Trade and Agriculture Directorate, OECD; Hamid Mamdouh, Senior Counsel, King & Spalding; Tobias Meyer, CEO DHL Group; Stefan Schepers, Executive Director, High Level Group; and Valerie Picard, Head of Trade at the International Chamber of Commerce (ICC). The following pages detail the content of the two keynote addresses, the extensive debate and insights offered in the subsequent two-hour panel discussions, additional points made in response to questions by the audience, and highlights



that panelists really wanted to drive home. This report ends with an extensive list of actual and implied action points.

## KEYNOTES

In his keynote presentation **Tobias Meyer** explained that global trade is obviously very important to DHL Group. For the around 600,000 or so staff in 220 countries and territories that the company employs, the facilitation of trade is what they do – it is in their DNA. As practitioners it is their job to transport goods and clear customs across different geographies. But, he stated, **efforts to facilitate trade might not be as seamless as desired**. He then referred to challenges in previous years<sup>5</sup>, the desire to help with resources whenever there is a specific need, and events that required DHL Group's active hand.

He felt that **it is important to remind ourselves why it is good to trade**, and for us to organize ourselves within a market-based society. He thus drew attention to the very positive message of how trade has, according to the World Bank, **helped lift 1 billion people out of poverty**, enabled rapid export-led economic development for countries like China, and created

1 A term that is also used in the WTO's most recent "World Trade Report 2023"; [https://www.wto.org/english/res\\_e/publications\\_e/wtr23\\_e.htm](https://www.wto.org/english/res_e/publications_e/wtr23_e.htm)

2 Prior to July 1, 2023, the "DHL Group" was referred to as "Deutsche Post DHL Group"; see: <https://group.dhl.com/en/media-relations/press-releases/2023/deutsche-post-dhl-group-renames-to-dhl-group.html>

3 His most recent book, entitled "Revitalizing the World Trading System," was published by Cambridge University Press (<https://www.cambridge.org/gb/universitypress/subjects/law/international-trade-law/revitalizing-world-trading-system>). Written as a guidebook for policy makers and other interested parties, it considers the history of trade, the current trading system and how it should be reformed in the future

4 See: [https://www.wto.org/english/thewto\\_e/minist\\_e/mc13\\_e/mc13\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc13_e/mc13_e.htm)

5 The experiences made during the COVID-19 pandemic were a constant backdrop throughout the previous GoTrade 2022 summit, as were the dependencies of medical supplies on the transport and logistics sector. In the report's foreword, the Group's CEO at that time, Frank Appel, wrote his own reflections on the war in Ukraine <https://www.dhl.com/content/dam/dhl/global/delivered/documents/pdf/dhl-gotrade-summit-2022-summary-report.pdf>

significant increases in global prosperity<sup>6</sup>. He then outlined several principles and benefits that can be attributed to the global trade and production system. For instance:

- **Trade helps stabilize economies** through export market opportunities – especially if domestic economies, following periods of weakness for whatever reason, find themselves with a depreciated currency that then makes them more competitive internationally
- **Trade enables a larger manufacturing basis**, which thanks to scale can be more efficient and help fund innovation
- **The scale of manufacturing** in countries like China has, for many, **made the cost of supplied goods much more affordable**
- **Trade helps economic diversification** because new sectors can access markets abroad. This principle can be observed, for example, in the SME sector, where SMEs in Africa have used e-commerce distributions channels to good effect

In his keynote he also reflected on the importance of the global trade and production system for making advances in the development and utilization of **renewable energies. Without efficient manufacturing bases in China and other strong manufacturing countries, he felt, such progress will be difficult to achieve.** And if countries were to choose to act on their own, progress would be hindered by the absence of economies of scale in production and innovation. He thus surmised that the development of manufacturing hubs is essential, as is a distributed system of economic participation, as are the benefits from innovation and technology that are derived from scale in certain niche segments.

He also touched on key trade benefits derived from e-commerce, and that now **the variety of goods that can be purchased online is ever increasing.** But trade and **trade flows have faced a few crises.** BREXIT, for instance, has had a significant impact on UK-based businesses and their trade activities with European neighbors and partners. In a wider context, he cited both the COVID-19 pandemic, with its obvious impacts on global trade flows, and a new war in Europe. There are also signs of rising tensions and fragmentation along geopolitical lines. He observed that:

- as an outcome of those developments trade within blocks is growing faster than the trade between blocks
- despite lower energy prices and the lifting of pandemic restrictions in China we have not yet really seen revitalized economic activity and trade
- many parts of the world have the overhang of rising interest rates
- relatively high energy costs in Europe are a hurdle for macroeconomic development there

Reference was also made to **global warming**, described as “**the challenge of our generation**,” and for which he sees global trade to be part of the solution. But a discussion about the practicalities, including the necessary resources and how to marshal the necessary resources in finance and production, needs to be had. And he observed that heightened protectionism adds complexity and cost that have no value to smaller businesses and consumers or enterprises in developing and least developed countries who struggle most with unnecessary bureaucracy.

The cost from unnecessary bureaucracy can be substantial, as the example of BREXIT recently demonstrated<sup>7</sup>. The DHL Group had to recruit several hundred extra people in the UK and continental Europe. Moreover, e-commerce between the UK and continental Europe visibly plummeted – thus demonstrating how new red-tape can setback business activity and negatively impact the economy. But even with increasing pressures on regulatory complexity, **it is the job of companies like DHL Group, through the skills their services make accessible, to help SMEs to tackle those challenges and gain from trade.**

**GoTrade**, Tobias Meyer explained, is about enabling those businesses to take advantage of global trade opportunities. This brings wider economic development and growth for all concerned. Through its work activities DHL Group is able to observe first hand exactly what challenges businesses face, the bottlenecks in cross-border trade flows, and the opportunities for making trade easier. The latter could be, for instance, by streamlining trade regulations, informing legislators about practical options, and lending a private sector perspective to how trade can be effectively facilitated and made more accessible. **The guiding principle is that trade flows need to be as seamless as possible and fast.**

<sup>6</sup> See, for example: Bartley Johns, Marcus, et al. (2015), ‘The Role of Trade in Ending Poverty’ (Washington, D.C.: World Bank Group); <http://documents.worldbank.org/curated/en/726971467989468997/The-role-of-trade-in-ending-poverty>

<sup>7</sup> The UK’s Office for Budget Responsibility, for example, finds that “the new trading relationship between the UK and EU [...] will reduce long-run productivity by 4% relative to remaining in the EU.” See: OBR (2022), ‘Brexit analysis: current assumptions and judgements’, <https://obr.uk/forecasts-in-depth/the-economy-forecast/brexit-analysis/#assumptions>



Another feature of the GoTrade program that he highlighted is the need to empower SMEs so that they benefit from global trade opportunities, grow their business, and contribute to the economic development of their respective economies. For example, GoTrade programs have helped farmers in developing and least developing countries place their produce directly on global markets and thereby secure a great share of the value added for their local economy. Over 100 DHL Group colleagues are currently involved in these activities and have provided more than 100,000 hours of training. In concluding his speech, Tobias Meyer stated that **the company is keen to discuss the contributions it could make to the global trade system that enables such SME business opportunities**. He also hopes that there will be forthcoming breakthroughs that will overcome recent setbacks and **advance the multilateral rule-based system again – especially by addressing the level of experienced bureaucracy and subsequent cost to doing business**, but also by recognizing that **practical solutions are needed** to overcome current regulatory challenges and demands.

**Alan Wolff**, in his subsequent recorded address, stressed that the challenges to the world trading system are indeed serious and growing. And “to the extent that the world trading system can help provide solutions, it must begin to do so.” Moreover, it is imperative that the **WTO** becomes a place **where trade agreements are negotiated on a regular basis**, where

**disputes are settled with finality**, and **where deep knowledge is present** of the factors that make trade flow or impede it. With reference to the forthcoming Ministerial in Abu Dhabi, he highlighted that advice and input from summit participants is needed, and thus urged that they focus on **three basic messages**. One: that it is “necessary to **preserve the trading system that exists**, and that it is not weakened by the addition of exceptions and exclusions, such as making digital commerce dutiable.” Two: “to **repair what has been lost**,” particularly by putting in place a binding dispute settlement that is acceptable to all. And three: “to build on what exists to meet emerging challenges:

1. by extending the global trade system to cover ecommerce;
2. fully implementing the trade facilitation agreement;
3. using trade to overcome food insecurity;
4. creating equitable rules to govern the trade aspects of climate change before conflicts arise;
5. being better prepared to deal with future pandemics; and
6. preparing rules that deal with new technologies like artificial intelligence (AI) and similar innovations that will enhance global living standards through trade.

He concluded by stating that the **first step is to achieve in Abu Dhabi what can be achieved, and then set a good, solid work program for delivering the rest**.





Hamid Mamdouh, Senior Counsel, King &amp; Spalding

## PANEL DISCUSSIONS

The panel discussions, moderated by **Sean Doherty**, drew on many of the points set out or addressed in the preceding key-notes. It was observed, for instance, that this is not the first time that the WTO and the global trading system has faced difficulties. And **Hamid Mamdouh** explained, for instance, that the GATT was in bad shape and efforts to address its dysfunctions led, via the Uruguay Round<sup>8</sup>, to the creation of the **WTO** – referred to by him as the “**biggest reform program in the history of the global trade system since 1947**” (the year in which the GATT was agreed).

Although we now live in a different world to when the WTO was brought to life (in 1995) there are lessons that can be learned. Back then, Hamid Mamdouh noted, there were **three enabling factors that drove the reform and helped overcome the dysfunctions**. The first factor was **thought leadership**, especially that of the business community, in addition to the hegemonic political leadership of the USA and like-minded countries. **The second factor was a blueprint** developed among thought leaders of what the new system should look like. The **third factor was the tremendous active support of the private sector**, for example, CEOs ambassadors how the system needs to be transformed and be fit for purpose. Today, he observed, we have deficits in all three factors, and it is important to redress this. Importantly, **it is the responsibility of the business community to enlighten policy makers about their needs and why the global trade system is of critical importance for global business**.

The good news, however, in the current situation compared to then is that we now have a treaty and the institutional infrastructure – the WTO – to support the global trading system which did not exist before. That **institutional infrastructure deserves protecting** since recreating anything like it is unlikely to succeed in the near future. At the same time, business needs today compared to back then are similar. Businesses want predictability and stability, along with trade facilitation and other issues, that enable sound long-term investment decisions. However, compared to the Uruguay Round, there is an **observable deficit in global leadership**, and the **business community appears to have taken the WTO for granted**. Against this backdrop Hamid Mamdouh argued that regulators need to face ever greater **complexity of trade policy issues arising from technology-driven innovative business models**. They need to strike the difficult balance between effective regulation and the least trade restrictive measures. This adds to the difficulty of managing the global trade system and its agenda, especially in the absence of sufficient consultation with the business community. It was even suggested by one panellist that the common purpose of the WTO has gone missing and that for some members it may no longer serve their best interests. It was thus urged **that a vision of a game plan to help reform the existing system is needed**.

In further conversations among panelists, it was highlighted by **Tobias Meyer** that despite recent global challenges trade has proved surprisingly resilient. 2022 saw record-breaking trade volumes, but with some shifts that are not the outcome of trade and tariff policy. Those shifts have arisen from efforts to make supply chains more resilient to restrictions in certain technologies. And they have resulted in more trade activity with secondary Chinese manufacturing locations like Mexico, Turkey, India, and much of Southeast Asia. Thus, to **help inform long-term business decisions, he emphasized the need for a discussion about common goals**. And while unilateral protective trade policies are somewhat disruptive, he also suggested that in some sectors the desire to protect national interests and production capabilities, such as in the defense sector, is quite understandable. Such needs can be accommodated within the global trade system, especially since the affected trade flows are comparatively small and the prize from wider trade-led growth should not be overlooked.

Tobias Meyer also made the point that politicians need to work out how they wish to treat carbon emissions within a global

<sup>8</sup> A helpful summary of the Uruguay Round is provided by the WTO – see: [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact5\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact5_e.htm)

trade system. **Rules are needed and rulemaking, he stressed, is the job of politicians.** The **task of the business community is to inform** on how to best comply and make them effective. Trade facilitation was cited by several panelists as one example where this model has been successful. The focus here is not on questioning regulatory objectives, but on **making the administration of regulatory requirements more effective and less costly to comply with.** But **Valerie Picard** noted that the challenges relating to legal reform underpinning trade facilitation must not be underestimated. But the WTO can have a very positive impact in pushing enabling trade-facilitating legislation on the ground for example, in the case of the WTO Trade Facilitation Agreement. In this context she also referred to the ICC Digital Standards Initiative<sup>9</sup>. This initiative, which was later explained by her colleague **Pamela Mar** during the final session (Day 2), seeks to establish a globally harmonized digital trade environment and thus enable wider use of modern technologies and make the management of trade flows and their driving commercial documentation more efficient and cost-effective. The provisions of the WTO Trade Facilitation Agreement, as emphasized by Valerie Picard, offer a powerful incentive to overcome legal obstacles like the need to manually sign paper documents. The UK, among a few other countries, was cited for having recently adopted its **Electronic Trade Document Bill**. This, thanks to prevalence of English law in cross-border commerce, will yield significant worldwide cost savings for SMEs that include eased access to trade finance<sup>10</sup>.

**Marion Jansen** reminded summit participants that the WTO was created to promote open trade between nations and avoid protectionist measures that harm the international trading system. In the absence of binding rules, nations may be tempted to resort to protectionism for political gain or engage in wasteful subsidy races with trading partners. The purpose of the WTO is thus “to bind the hands of countries that have agreed to bind their hands.” The **WTO dispute settlement system is at the core of what makes the WTO unique among other international organizations.** This, she stressed, is an achievement, but she felt that the trade community had become complacent and entered “an administrative mode” which is inappropriate when faced with a “tsunami of changes” that include, for example, the great financial crisis.

**Marion Jansen** also explained that there has been a **significant change in the equilibrium of the WTO’s membership.** China, for instance, has grown significantly since joining the WTO. This has created new issues, for example, in relation to subsidies. Marion Jansen referred to OECD work on industrial subsidies and acknowledged that trade rules might need to be overhauled to address such issues<sup>12</sup>. The disequilibrium has also been spurred by a new generation of trade-related policies, originating from several big economies. Some of these policies imply an increased focus on corporate accountability and many of the new ones are not designed by trade ministries. The **global trade community thus cannot be complacent: it needs to put itself back in the driving seat** and find a way to manage trade and the many new trade-related policies. To help address this complicated situation, the OECD has, for the first time in its history, endorsed an organization-wide trade strategy: “**The OECD’s Contribution to Promoting Open Markets and a Rules-Based International Trading System in Good Working Order**”<sup>13</sup>. The OECD is actively supporting the WTO agenda, including through work on fisheries subsidies and digital trade. Including the OECD’s most recent publication “Understanding the potential scope, definition and impact of the WTO e-commerce Moratorium”<sup>14</sup>.

Following Marion Jansen’s remarks about the disequilibrium within the WTO, panelists explored whether the disagreements between its more powerful members need to be fixed first. On this point **Stefan Schepers** reiterated that the WTO is indeed one of the most successful international organizations ever. But it is in trouble because the contextual conditions have changed. There is a generational conflict for a new global order, and there are fundamental differences in views about that order between business leaders of large corporations, who by their nature are cosmopolitan in outlook, and politicians, who are driven by national interests and electorates. That gap presents itself on the one hand in deliberations about the world’s **two dominant economic systems** – that of the USA with its **transactional capitalism** and that of China with its **state-directed social market mechanisms**. On the other hand, we also have two major global challenges: climate change and inequality.

<sup>9</sup> In this panel and later panels; see also the GoTrade2022 Summit Report, which made frequent reference to the mechanisms for public-private partnership in support of trade facilitation

<sup>10</sup> <https://www.dsi.iccwbo.org>

<sup>11</sup> See, for example, the recommended Trade Finance Global (2023) article at <https://www.tradefinanceglobal.com/posts/breaking-king-signs-off-the-electronic-trade-documents-bill-act/>

<sup>12</sup> See, for example, the OECD’s “Government support in industrial sectors: A synthesis report” (2023) at [https://one.oecd.org/document/TAD/TC\(2022\)8/FINAL/en/pdf](https://one.oecd.org/document/TAD/TC(2022)8/FINAL/en/pdf)

<sup>13</sup> The OECD Trade Strategy was agreed at the meeting of the OECD ministerial council in Paris, 2023,

<https://www.oecd.org/mcm/documents/The-OECD-Contribution-to-Promoting-Open-Markets-and-a-Rules-Based-International-Trading-System-in-Good-Working-Order.pdf>

<sup>14</sup> <https://www.oecd.org/publications/understanding-the-potential-scope-definition-and-impact-of-the-wto-e-commerce-moratorium-59ceace9-en.htm>



Stefan Schepers reasoned, as others have before, that climate change and the need to come together might be as much an opportunity as it is a challenge. But inequality, he asserted, by reference to the 1930s Kaldor-Hicks paradigm<sup>15</sup>, results from the fact that **free trade creates losers that need to be compensated**. He explained that the European Union with the establishment of its common market offered significant compensatory and reconversion funding to regions, industries and groups that lost out. Something similar, he argued, is missing within the global order and needs to be addressed.

He also highlighted that the European Union with its welfare requirements stands in the middle between the systems of the USA and China. And the WTO membership consists of many middle powers who like elements of the American economic model (e.g., innovation and dynamism) and elements of the Chinese or European model, and this membership will determine the future of the WTO. His personal view is that **Europe has considerable swing power in shaping the global trade system by virtue of the fact that it has elements of both economic models**. This, he explained, is important because the WTO and its members need to consider the serious collateral effects of trade and how to deal with them, especially when politicians have to address the social consequences and subsequent anti-democratic trends (e.g., in the USA and parts of Europe).

Another point Stefan Schepers emphasized to fellow panelists and the audience is the **need to consider how the WTO can become an umbrella for countries subscribing to different economic systems**, since there will not be one single system. While some countries and regions have their preferences, others are wavering and thanks to the arrival of China have found space for maneuvering. Some countries and regions have specific economic and political challenges for which solutions need to be found. **“The whole world we imagined stable [and] well organized since the 1950s and 60s is in a state of flux.”** This is why dialogue – such as that through the GoTrade Summit – is so valuable. **For the WTO “we need far more informal discussions,”** including under Chatham House rules, because these help officials navigate innovative pathways and possible solutions. Concluding his statement, he also urged that it is important that electorates understand that **“free trade is the solution**

**and not the problem.”** This necessitates a communication strategy that explains the benefits and also what has been overlooked and needs to be dealt with.

EU Ambassador Aguiar Machado stated that current geopolitical competition is unlikely to go away soon and reiterated that inequalities that were created are the basis of some populist governments. He also referred to ongoing questions about the suitability of the WTO to deal with issues concerning technology competition between the EU and USA. But, he stressed, that, **first** of all, it is **important to preserve the trade system that we have**. Here he also reminded that **trade policy is made by nation states and influenced by domestic debates**. These have in many developed countries focused on safeguarding industries and jobs; and echoing Stefan Schepers he referred to **the need for effective communication**. Later<sup>16</sup> he also made a **second point**, which is the need for **WTO reform** and that a **top priority must be the reestablishment of a fully functioning dispute settlement process**. Such a process is needed to ensure the stability of commitments made by members over the years and is crucial for business – **about 75% of global trade, he explained, is conducted under WTO rules**. The EU would like that system **to be binding, to be impartial, and to have a mechanism for reviewing legal errors** that may happen during the first stage panel system. That appeals mechanism does not necessarily have to be in the form of the Appeal Body. But Ambassador Aguiar Machado also questioned – despite readiness from all other WTO members – whether the USA, too, is ready for this, especially when considering next year’s US elections and the public criticism in both the US Houses and in both Parties. His final, **third point** concerned the need for the **WTO** within the current political context **to be as relevant as possible** and engage in topics that reach across countries and societies, such as trade and climate change or industrial subsidies. **As a guiding principle he believed that we should be ambitious but realistic**, especially when considering what can be achieved within the current geopolitical situation within the next few years.

Panel conversations then expanded on the above points about whether the WTO had a role to play in communicating, to how one could support communications about the benefits and negative aspects of trade – especially at the domestic levels. Here

15 See Kaldor, N. (1939) “Welfare propositions of economics and interpersonal comparisons of Utility” Econ. J. 549–552., and Hicks, J.R. (1939) “The foundations of welfare economics” Econ. J. 696 – 712.

16 There were technically difficulties and his connection dropped

**Valerie Picard** reiterated that **trade protectionism is indeed a concern**, including those aspects specific to the fight on climate and subsequent green industry policies, and that the benefits of trade – as presented earlier by Tobias Meyer – deserve to be highlighted. But the potential **impacts of barriers also need to be explained**. International competition drives domestic industries to become more competitive. Barriers to trade also makes domestic supply less resilient, evidenced for example by the recent shortage of baby formula in the United States, where the market was quite closed<sup>17</sup>.

For effective competition to exist, she argued, a thriving WTO is needed with effective, fit-for-purpose rules<sup>18</sup>. **One challenge here is that the rulemaking is lagging in many areas and rules need to be either updated or newly created**. To address this requires a strengthened WTO, but not on a piecemeal basis. **“We need to hear a vision,”** one that everyone is able to get behind, and take a holistic approach to WTO reform. And, she argued, all three functions<sup>19</sup> of the WTO need reform, and is hoping that at the upcoming MC13 in Abu Dhabi **there will be a work program that includes the WTO Secretariat and takes a holistic approach to WTO reform**. The **Secretariat**, she explained, has lots of excellent professionals who are very good at their jobs, and they need to be given the tools and be allowed to do their jobs correctly. They play, for example, an important role in monitoring protectionism. But as could be observed during the COVID-19 pandemic, were slow in the beginning. **ICC would thus like to see the role of the Secretariat boosted**.

And the rulebook, she reiterated, needs updating, especially in the areas of green trade and e-commerce. She is hoping that the efforts made in the WTO E-commerce Joint Statement Initiative (JSI) can be agreed and quickly integrated into the WTO architecture. She also felt that it is really important the WTO stays true to its function, and made reference to conversations in Geneva about creating standards. But here she stated that there are enough standard setting organizations and what is needed is for the WTO to engage with other organizations more effectively. **“We don’t want to duplicate work or work in silos but have robust and constructive conversations with those other organizations.”** This could, with reference to Marion

Jansen’s comments earlier, be an **approach to drawing in conversations from other trade-related areas** to make sure that trade is indeed participating in those conversations.

Reflecting on previous conversations she also restated that those countries working on WTO reform are also rolling out protectionist measures. **Business, she asserted, has an incredibly important role to play in bridging that divide**. And it is important for them to impress upon policy makers in their capitals the importance of the multilateral rules-based trade systems. There are no alternatives to these systems; unilateralism is a really poor substitute. As a final word, picking-up on the comments made by Stefan Schepers, she stated that ICC recognizes that the gains of trade have not been distributed equally. Thus, **it is important to make sure that the new rules create a level playing field for SMEs and for developing countries**. This also requires, she explained, robust domestic measures that ensure that workers are given the necessary skills and tools. Funding for reskilling and improving trainer working programs is required. Resources have to be made available to developing countries so that they can do the same and also bridge the digital divide. Offering a short concluding soundbite, she summarized that **“the WTO is designed as an insurance policy against protectionism, so it needs to go back to that to ensure that it’s actually delivering on that.”**

**Tobias Meyer** added further thoughts about previous statements and explained that from a **western point of view** we might have **underestimated the importance that China has for the middle powers** described by Stefan Schepers, and from a European point of view also **overestimated the influence that we actually have**. This needs to be considered in how we deal with each other. As an example, he drew attention to things that have been put in place by the European Union that arguably violate the Universal Postal Union – an international convention that predates the GATT and WTO by a good hundred years<sup>20</sup>. He also asserted that efforts in the EU to align its policies internally are considerable, and that these require so much energy that **there is little time, if any, to align positions with others**. Developed policies may thus seem rational from an EU perspective, but not be suitable to the other side of the negotiation

17 On May 12, 2022, the White House issued a short Fact Sheet about steps to address infant formula shortage that resulted from domestic manufacturing problems to which one solution is to increase supply through imports; see: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/12/fact-sheet-president-biden-announces-additional-steps-to-address-infant-formula-shortage/>

18 The ICC’s recent report about “How to fix the WTO: A holistic framework for reform” was strongly recommended; see: <https://iccwbo.org/news-publications/policies-reports/how-to-fix-the-wto-a-holistic-framework-for-reform>

19 i.e. to 1) operate trade rules, 2) provide a forum for negotiating trade agreement, and to 3) settle trade disputes and support the needs of developing countries

20 Established in 1874, the Universal Postal Union (UPU), with its headquarters in the Swiss capital of Bern, is the second oldest international organization worldwide and currently has 192 member countries; see: <https://www.upu.int/en/Universal-Postal-Union/About-UPU/History>

table. Companies like DHL Group can make a real contribution here. DHL Group is active across the world and has first-hand insights that are informed by experience. He thus stated that **it is the responsibility of companies like DHL Group to inform policy makers at the WTO and in the national capitals about how compelling their developed positions might be to others and help them see the world as it is**. Tobias Meyer added that this responsibility also applies to challenges like climate change, because “we haven’t found good rules for how to deal with that, [and] how to get on a joint path [to] really implement the Paris Agreement and have the right incentives everyone in the world trading system [...] and time is running out.” Tobias Meyer also felt that conflicts here have the potential to further widen existing divides between blocks. And while governments are responsible for deciding how to deal with that, to decide how to deal with that, he felt that **the humble perspectives and insights from businesses like his can help bridge the divides**.

Following these remarks, Marion Jansen drew attention to the divide between ordinary people and big business and the perception that these companies do not pay their fair share of taxes. While this is not a specific WTO issue, it is one of globalization. Domestic tax **base erosion and profit shifting (BEPS) is a topic that is actively being addressed at the OECD**<sup>21</sup>. The **OECD/G20 Inclusive Framework on BEPS** seeks to improve the coherence of national tax rules, avoiding a race to the bottom. This, she feels, is very important for the distributional impact of globalization. And **while it is important to bring in the views of business into WTO policymaking, it must be done in a very delicate way**. It should not erode public support for globalization or give the impression that the organization is shaped by big players that stand to gain the most. She suggested that the WTO engage with businesses on the more technical aspects of trade policy, such as the implementation aspects of the WTO Trade Facilitation Agreement and the standard setting aspects on topics such as the environment. On the latter, the business community can inform and shape the work of standard setting bodies, which in turn feeds into the work of the WTO.

In the latter third of the panel discussion, conversations focused in more detail on the green transition. Exploring whether the green transition is creating unfair protectionism, whether we

could do better, or whether the topic is just too urgent for exploring the best possible outcomes. Here **Marion Jansen** felt that economists have still not developed a comprehensive understanding of the possible trade-offs between meeting environmental objectives while pursuing efficiency through open borders. Moreover, environment ministries – not trade ministries – are currently in the driving seat, and environmental concerns are likely to be prioritized. What is thus needed is for trade experts to come into the design phase of environmental policies at a much earlier point. For this to work, the trade community must be humble and open-minded when speaking to environmental experts who are driving these policies. Current green policies might not be designed to be protectionist but could potentially conflict with WTO rules.

Marion Jansen also elaborated on three **aspects of green policies that can create real trade issues**. The **first aspect** is the **uncertainty about new laws and regulations**, which results in business costs. And she went on to explain that the CBAM example shows that these new laws and regulations are a very different animal from what trade experts might be familiar with. She also referred to new due **diligence requirements** that are linked to corporate social responsibilities that have become, or are about to become, binding in several countries, as another example. She referred to the German Supply Chain Act (“Lieferkettengesetz”)<sup>22</sup> as one case in point, and similar efforts at the EU level. Similar examples can also be found in the US where there are discussions about conditional transparency requirements for public stock listings. Another example is the Inflation Reduction Act and its strong environmental components.

The **second** aspect relates to implementation of these new rules. Marion Jansen explained that this will be complex and encouraged the audience to take a look at the recently published CBAM implementation rules<sup>23</sup>, which make reference to many details, including what will happen at the border and cross-references to environmental standards and what to do in the absence of standards. She also **highlighted that the national and international standard setting frameworks for climate change objectives do not yet exist, and underlined the need to support both national and international institution building**.

21 <https://www.oecd.org/tax/beps/#>

22 The Act on Corporate Due Diligence Obligations in Supply Chains (Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten). This Act requires companies to monitor human rights and environmental risks in their supply chains

23 Details, including legislation, guidance notes and e-learning courses can be accessed via the European Commissions CBAM landing page at [https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism\\_en](https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en)



The third aspect related to enforcement mechanisms. European due diligence rules would, for example, be settled in the national courts and tribunals, even if third countries are involved, and not via the WTO dispute settlement mechanism. She thus warned that this may result in a further weakening of the WTO. Moreover, these new routes to dispute settlement appear not to have been designed with external trade partners in mind. She explained that this is a complex situation which the OECD is taking seriously and drew attention to the OECD's Inclusive Forum on Carbon Mitigation Approaches (IFCMA). Over 100 countries attended the launch of IFCMA, including many non-OECD countries, bringing different approaches to how they want to implement the Paris Agreement.

Following on from this, **Tobias Meyer** observed that from a developing country perspective there have been many examples of agenda items that are being pushed by the global West. Such agenda items include security, border protection, narcotics, tax, defense technology, sanctions, data privacy, among other initiatives – and “now carbon is the next thing.” He thus thought it is right to ask if the agenda setting is balanced, and if the global South is reflected in the agenda setting? To this **Stefan Schepers** later responded that **the West might suffer from a superiority complex** having industrialized first, but we are now only 10% of the global population and 20% or 30% of global GDP. Thinking in Brussels and in Washington thus must change. And in Brussels there is the added challenge that policy makers see their remit through the eyes of the European Treaty and the competences they have. This feeds down to how they act. He thus cautioned that member state governments may scapegoat the European Commission when it suits them. That same principle applies to the WTO, when **“free trade” is blamed for governments having not adapted their welfare state mechanisms timely enough** to offset the impacts on those adversely effected. He also explained that the European welfare states were designed for an industrial economy but “we are evolving into a globalized post-industrial economy and the adaptation to that process is yet to start in many countries.” And where it has started, the resistance to free trade is much less.

In response to a question about **what can be learned specifically from the WTO Doha (Development) Round**<sup>25</sup> where



some elements have been delivered and others have not, **Hamid Mamdouh** felt that discussions about whether the round is dead or alive does not really matter. What matters is that **it has lost the will to live** as a framework or agenda. But nevertheless, he explained, there is an agreement that the Doha issues as such need to be addressed. He thus felt that there was a problem with how the Doha framework was designed and managed, especially in view of its many challenges. Those challenges, he thought, related first to timing, since it was launched only a few years after the WTO was created in 1995 – a huge project in itself with impacts on domestic regulatory regimes, covering trade in goods and services in all sections, protection of intellectual property, and new regulatory disciplines across a wide range of policy frameworks. **“You need to give governments, particularly in developing countries, time to digest all that.”** Thus, the timing of the Doha Round was a problem in itself.

Hamid Mamdouh also explained that the modalities for negotiation back then, with the benefit of hindsight, were a problem too. He referred to factors that have held back the negotiation function until today, and that there are institutional constraints – stating that the negotiating machine was broken and that it needs to be fixed. One example was the application of special and differential treatment for developing countries. Under the Doha Round, he explained, we were still under the impression that **“one size fits all”** was still the approach to be followed.

24 See <https://www.oecd.org/climate-change/inclusive-forum-on-carbon-mitigation-approaches/>

25 Editorial note: A fundamental objective of the Doha Round, launched at the 2001 Ministerial Conference in Doha, is to improve the trading prospects of developing countries. See: [https://www.wto.org/english/tratop\\_e/dda\\_e/dda\\_e.htm](https://www.wto.org/english/tratop_e/dda_e/dda_e.htm)

However, when you compare, for example, China with Mozambique, it **does not work**. This has negotiation implications on “the way you identify objectives and aim for outcomes.”

He further asserted that we need to “**be clearer about the way we negotiate.**” And while plurilateral negotiation techniques in the WTO are not new and have been common practice for the past 70 years (i.e., since the GATT), he felt that there is no need to make it a controversy now. But it is necessary to have **conversations about clarifying some of the relevant rules**. For instance, it needs to be clarified that you “do not need a consensus decision for a subset of the membership to launch a plurilateral negotiation” – as was the case with the Information Technology Agreement about reducing tariffs for a group of information technology products. Lastly, he asserted, that we need capacity building for least developed and developing countries to effectively participate in negotiations. **Resources should not be just mobilized for implementation of negotiated outcomes, but also for negotiation purposes.** He also cautioned that failures in negotiation normally lead to increased litigation, which fosters overall dysfunction, erodes trust, and leads to negotiation paralysis. These lessons need to be learned as we go forward. And he also asked that cross-border data rules that are already covered in the WTO Services Agreement and schedules should be clarified, so that we have a solid ground to actually move forward on such an important issue.

Responding to an audience question about whether the WTO Trade Facilitation Agreement is enforceable, **Hamid Mamdouh** made the point that it is indeed part of the WTO framework and thus subject to its dispute settlement process. However, whether this process is currently functional is a different matter.

On a different matter, he stressed that enforceable rules are important. However, we must keep in mind that the WTO is not the forum to set technical standards. However, the WTO uses technical standards set by specialized organizations as “benchmarks” for regulatory approaches that would not consider more trade restrictions than necessary to achieve a legitimate policy objective. Thus, enforceable standards are important, such as standards for carbon emissions, which inform trade discipline. And the WTO has experience with this, for example by following standards set by the International Organization for Standards

(ISO)<sup>26</sup> or the Codex Alimentarius of the Food and Agriculture Organization<sup>27</sup>.

### ADDITIONAL POINTS

**Tobias Meyer**, in response to question from the audience about regionalism, explained that it is better than having no trade agreement. But he cautioned that regionalism draws businesses into conflicting schemes. This is experienced by DHL Group in areas like customs and duties as well as in trade sanctions. It creates practical operational challenges, especially when it comes to compliance in all jurisdictions, and can be extremely difficult to resolve. Global agreements on rules and standards, compared to regionalism, are thus much more preferable.

In response to audience questions about effective business messages that can be fed into the negotiating efforts of members and at the WTO, **Ambassador Aguiar Machado** emphasized that business has “**a very important role to play with governments in passing the message that it is key they do everything they can to preserve the system,**” including that of dispute settlements. He referred to an EU summit with the US and the MC13 in Abu Dhabi and stated **that it would be a persuasive argument if business leaders from both sides of the Atlantic and elsewhere were to write letters to the respective leaders and explain how crucial a dispute settlement mechanism is** and how important it is for rules to be stable and predictable. Furthermore, he also stressed that **businesses could communicate messages about the need to extend the e-commerce moratorium<sup>28</sup>** at the MC13 meeting. He also stressed that **businesses may need to explain that plurilateral negotiation are likely to be the only viable way forward in coming years** – though he also made reference to the recent multilateral success on the matter of fish subsidies, where the focus was on sustainability and without conflicting intersections on technology between the EU and China.

Following-up on an audience question about what businesses should do when facing new barriers to trade, such as sustainability conditions in the form of ESG reporting and similar, **Tobias Meyer** sought to expand on the communication recommendations of **Ambassador Aguiar Machado** by suggesting

<sup>26</sup> <https://www.iso.org/home.html>

<sup>27</sup> <https://www.fao.org/fao-who-codexalimentarius/en/>

<sup>28</sup> Editorial note: See, for example, [https://www.wto.org/english/news\\_e/news23\\_e/ecom\\_18jul23\\_e.htm](https://www.wto.org/english/news_e/news23_e/ecom_18jul23_e.htm)

that it would be helpful if the topic were framed by trade agreements. And he agreed with the Ambassador that dispute settlement mechanisms and overcoming the blockages on the e-commerce moratorium would be desirable. But, he stated that **the problem with ESG is that “we are losing the forest for the trees.”** He also stated that **“the EU taxonomy is the biggest codification of distrust towards the private sector”** since it is not helpful and distracts disproportionately from the main thing, which is to fix the carbon issue. This is something that needs to be communicated from a business perspective. He sought to reassure that “we got it that we need to be a good employer” and due to demographics and a shrinking workforce we also need to be in the EU. He thus stressed that there are market forces influencing the Sustainability component (the S); we have the Governance aspects (the G), but **problems lie with the Environmental aspects (the E) where rules are needed!** This includes rules for the trade system and norms specific for the allocation of scarce green energy and fuels. Decisions about the use of ammonia for shipping also need to be made, so that the massive resources necessary for making investments into the transition towards green energy can be mobilized. At present, he asserted, what is happening in Europe is not sufficient, and the necessary capital and subsequent implementation efforts are not in place. He stressed that **“it’s too little too late and we need the rules to get us on that very important journey.”**

Picking-up on questions from the audience about visions for **“re-globalizing”**<sup>29</sup> Marion Jansen stated that this is a **very good rebranding approach**. Business, she suggested, would be well advised to use this term. It acknowledges that things have changed and the “re” in globalization offers a way for open discussions about globalization and the need for more sustainability and more resilience. Marion Jansen explained that the OECD has a view on what re-globalization looks like and that this is spelled out in its new trade strategy<sup>30</sup>. Key points relate to: maintaining and strengthening the WTO system; how open markets provide for resilient supply chains along with the necessary cooperation between countries in the regulatory space, and flexibility, essential in times of crises; the need for business preparedness forums that connect businesses and governments to effectively respond to a crisis. She **also asserted that more openness, more diversification, and cooperation**

**between countries, businesses and government are needed to advance the sustainability agenda.** Moreover, she stated that rather than taking the lens of trade and security, **it would be better to take a supply chain lens** that would then also address the many challenges outlined by Tobias Meyer. In her statement she also took the opportunity to highlight the OECD’s newly amended Arrangement on Officially Supported Export Credits<sup>31</sup>. OECD members agreed to modernize the arrangement to better enable environmentally friendly investment projects – such as in hydrogen, wind and solar power. Marion Jansen felt that it was important to highlight that the Arrangement details what project members consider to be environmentally friendly<sup>32</sup>.

29 Editorial note: i.e., a renewed drive towards a broader and more inclusive integration, as opposed to fragmentation, and elaborated on in the WTO 2023 World Trade Report for download at [https://www.wto.org/english/res\\_e/publications\\_e/wtr23\\_e.htm](https://www.wto.org/english/res_e/publications_e/wtr23_e.htm)

30 The trade strategy was agreed at the meeting of the OECD ministerial council in Paris, 2023, <https://www.oecd.org/mcm/documents/The-OECD-Contribution-to-Promoting-Open-Markets-and-a-Rules-Based-International-Trading-System-in-Good-Working-Order.pdf>

31 Available for download at <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5005>

32 Editorial note: See Appendix I of the Agreement cooperation





Right to left: **Sean Doherty**, WEF, **Hamid Mamdouh**, King & Spalding, **Marion Jansen**, OECD, **Tobias Meyer**, DHL Group, **Stefan Schepers**, High Level Group, **Valerie Picard**, ICC

### LAST BUT NOT LEAST

Ending the panel, facilitator **Sean Doherty** asked each panelist to take one minute to outline any concluding thoughts.

- **Hamid Mamdouh** stated that **we need to pay attention to the realities of the WTO** and the changing nature of the trade negotiating agenda, which is moving away from traditional market access and border measures to more behind the border regulation. This, he observed, is a very important shift in the nature of the negotiation agenda and adds to the complexity of trade negotiation issues. One of the challenges that we need to pay attention to is what Tobias Meyer referred to as the challenge of **regulatory diversity across different jurisdictions**. This challenge is part of our new reality.
- **Marion Jansen** concluded that **we are in a challenging period** and **“that we may actually be at a turning point where the system will go in a direction that those of us here do not like.”** She stressed the need for **more cooperation** across borders and that that cooperation needs to be

reciprocal. Importantly, Western countries – acknowledging that she is European – **need to be more humble** in the way we approach our partners. She also stressed the need for **more cooperation between the public and private sector**, but noted that this needs to be done carefully to ensure that the collaboration benefits the general population and contributes to making globalization work for all. The **GoTrade2023 Summit**, she felt, is an important event to help continue the dynamic discussions that lie ahead.

- **Stefan Schepers** offered three concluding suggestions. One: **“More trust-building efforts between the West and the rest.”** Two: more holistic analysis and informed impact assessments driven by business to **ensure objective scientific analysis of potential trade benefits and collateral effects, and thus ensure the better management of those effects** – thereby avoiding the mistakes of the past decades. Three: to link climate change and inequality. The key issue here is carbon for which the key answer has to be technology sharing by the West. Here he noted that the West and China are making considerable investments and

**we need to have the political courage to share with other countries** who cannot afford those technologies – and if we do not, “we will deepen divisions in the world, deepen instability, and deepen the resistance to free trade.” Technology sharing, in his view, **“is an essential tool for the future.”**

- **Valerie Picard** came back to the question of private sector engagement at the WTO, stating that this is an essential part of the reform because **it is business that is using the rules**. If business does not feed into the rulemaking and how they could work, “the rulemaking will end up falling flat.” At present there are WTO members who do not want business in the room because they claim that these discussions happen in the capitals. But these members are most often not the same ones as in the capitals so there would be little risk of duplication. Moreover, it is worth noting that i) robust public-private dialogue in capitals does not always happen. And, ii) if it is happening, the people in the negotiating room in Geneva are usually not the ones engaging in the dialogues with business – information gets lost. iii) Not all economies have business sectors to which the rules apply – a point that goes back to the nature of trade and the fact that expertise comes from other countries. ICC is thus calling for a more structured engagement at the WTO, including the ability to work formally with committees and be in rooms when it is appropriate so that the expertise, insights and data from the private sector can be brought in. In the process, this will help build support for the WTO and with transparency. And it is important that the voices brought in are not just those of large businesses but also of MSMEs, and in a thoughtful way.
- **Ambassador Aguiar Machado** concluded that we are indeed at a turning point and that he thinks “we won’t be able to go back to where we were.” and that “we are navigating into a new waters.” This needs to be done as smoothly as possible, but there will be tensions. He agreed that a more structured discussion with business in the WTO is necessary, and explained that there are other ways to engagement, too. For instance, businesses have already

been invited to informal meetings at WTO committees and bodies. He thus pleaded that the need for discussion with the business community must be communicated to the highest levels. He also stressed that “we need you to continue to shepherd the system.”

- **Tobias Meyer** thanked fellow panelist for an extremely interesting and insightful panel lasting for more than two hours. He offered three conclusions. One: **we need to talk more collectively about the benefits of trade**. It not only matters for Western democracies, it still is a good formula for driving common goals – especially the common goal of prosperity. Two: we need to **understand that there is no successful world trade system without China**. This is a fact we need to deal with, whether some might like it or not – it is a reality. This is not just of relevance to the bilateral relationships between the West and China, but also of “massively increased relevance” to the rest of the world – and the Middle East, Africa, and Latin America in particular. Three: **“we, especially in the West, need to build around common goals and reconfirm those common goals before we move to specific measures, actions and detailed policies.”**

## PANEL DISCUSSION ON: WHERE ARE WE IN TERMS OF THE WTO REFORM? – IMPLIED OR STATED ACTION POINTS

### PRINCIPLES AND POSITIONS

- Preserve the global trade system that we have, and make the case for dispute settlement mechanisms to policy leaders in the respective WTO member countries; seek to repair what has been lost, and build on what exists to meet emerging challenges
- Remind ourselves why it is good to trade, and communicate that message effectively
- Recognize that global trade and production networks are central to finding solutions to the climate change problem
- Recognize that global warming is the challenge of our generation
- Recognize that the global trade system is not just for big business, but also creates opportunities for MSMEs
- Appreciate that the equilibrium among the WTO membership has changed significantly. This has implications for negotiation positions and negotiation approaches. The global West needs to be more humble
- Recognize that the trade system creates losers and that politicians who approve trade policy are answerable to their constituents. Measures to encourage equitable trade require support. This principle applies to helping communities and people as well as to countries that have lost out to global trade force
- Recognize that trust-building efforts between countries as well as with the business community are essential
- Recognize that we are in a world of new realities

### TOPICS

- Global trade rules for environmental policy objectives, including supporting norms and standards, are urgently needed. This must be addressed
- We need to make cross-border trade flows more seamless
- Discussions about the practicalities of marshalling investments and resources to address climate change need to be had – especially about developing and implementing enabling rules and norms
- Recognize that business voices may not be effectively heard at the WTO level; there is a need to redress this
- A vision of how the future trade system might look in the long term, with leading support from the business community, is desirable
- Countries, especially developing countries, need the time and capacity to digest any new trade rules and their implications – if this is to be speeded-up and made fair, significant support needs to be offered by those who can afford it





## APPROACHES

- Realize that we should be ambitious but realistic in general as a guiding principle.
- Recognize that negotiation positions for the MC13 can still be influenced, for example through businesses urging their national leaders to protect the WTO trade system and its dispute settlement mechanisms
- Recognize as a principle that conversations about regulatory objectives and outcomes are usually the best starting point and should take place before details about measures are specified
- Seek to make new policy objectives focused on the environment and sustainability operable and fair, especially for developing countries – communicate obstacles and solutions to ensure that regulatory objectives can be effectively realized
- Understand the impact of new bureaucracy, including costs, and communicate this effectively
- Reflect on history since the global trade system has dealt on numerous occasions with significant challenges
- Rekindle business leadership to make the case for a global rules-based trade system
- Understand that the job of politicians is to make rules, and that the task of business is to help inform; and recognize the role business can play in bridging gaps, whether between policy portfolios and regulatory regimes or between countries at different ends of the table
- Celebrate successes like the Electronic Trade Document Bill
- Communicate just how special and important the WTO dispute settlement system is for business and cross-border trade and investment activity
- Understand that there are many ways for business to participate in global trade conversations, especially in bodies and organizations that deal with the operational aspects of trade – such as trade facilitation, but also in the setting and agreeing of standards
- Appreciate the role Europe may have in shaping positions among middle countries; but also appreciate that Europe consumes a lot of time aligning its own position at the expense of engaging with trade partners – an information gap that the international business community might be able to effectively help bridge
- Support and strengthen the WTO Secretariat
- Encourage deeper cooperation between the WTO and other international organizations
- Recognize the importance that China has in the global trade system
- Recognize that pushing business friendly agendas there is a need to be humble; there is a large public that may be hostile towards globalization due to business tax arrangements that have eroded national tax bases
- Communicate the impacts that might result from negotiation failures, including for example the proliferation of localities at which disputes would need to be settled
- Realize that countries with the technology to address climate change challenges need to have the political courage to share with countries that do not have such technology

## PANEL DISCUSSION ON: ADVANCING EVOLVING PARTNERSHIPS BETWEEN GOVERNMENT AND BUSINESSES

<b>Date</b>	<b>October 11, 2023</b>
<b>Moderator</b>	<b>Phillippe Isler</b> , Director, Global Alliance for Trade Facilitation
<b>Panelists</b>	<p><b>Ragnheiður Elín Árnadóttir</b>, Director, OECD Development Centre</p> <p><b>Volker Ratzmann</b>, Head of Corporate Affairs, DHL Group, (virtual participation)</p> <p><b>Paul Fekete</b>, Senior Trade Advisor USAID</p> <p><b>Akos Koszegvary</b>, Chief Public Private Partnerships, UNIDO</p> <p><b>Henni Heymans</b>, CEO DHL Express Sub-Saharan Africa</p>

consider the application of peer pressure and mutual learning.

### SUMMARY

This panel continued the morning's discussion about "Spearheading trade-oriented politics – where are we in terms of the WTO reform?" and further elaborated on the points made there about the need for effective partnerships between governments and the business community when making trade policy. Participants offered extensive first-hand insights, which in the case of **Ragnheiður Elín Árnadóttir**, drew from her work at the OECD Development Centre<sup>33</sup> as well as from reflections that drew on her previous career as an elected senior politician in Iceland. Similarly, **Volker Ratzmann**<sup>34</sup> was also able to draw on his broad experience in politics and regulation, which was gained through a career in the Berlin House of Representatives and in the public sector as the Secretary of the State Ministry for the German state of Baden-Württemberg. **Paul Fekete** gave examples from the USA<sup>35</sup> that provided valuable donor insights into the need for business partnerships. **Akos Koszegvary** offered further perspectives about the needs of international organizations – especially those of UNIDO<sup>36</sup>. **Henni Heymans** reflected on his activities within the DHL Group in Sub-Saharan Africa. The panel was moderated by **Phillippe Isler** from the Global Alliance for Trade Facilitation<sup>37</sup>.

**Phillippe Isler** set the scene by sharing his observation that despite current challenges there has been a convergence between the public and private sector over the last decade. And he mused whether an event like the GoTrade2023 Summit could have happened 10 years ago – perhaps a testimonial to the progress made, and how companies like DHL have positively contributed to development aid and trade-led growth. But he also noted that motivations for participation in public-private partnership might differ, and it would be useful to develop an understanding – perhaps definitions – of what such partnerships mean. Picking-up on this cue the respective panelist elaborated various partnership models.

**Ragnheiður Elín Árnadóttir**, for instance, explained by reference to the morning's panel discussion that "the world has become complex and has multidimensional problems, so we

### STANDOUT POINTS AND KEY TAKEAWAYS

- There is an observable convergence between the public and private sector to jointly address the challenges of our time, especially those of climate change, and to make sure that ESG issues and trade facilitation are effectively addressed
- Businesses have a vested interest in mobilizing substantial resources towards the sustainability of their business environment; those interests also extend to their staff and the company's many stakeholders. Policy makers can steer those vested interests to address their complex regulatory needs and safeguard public goods – including a functioning trade and business environment
- Businesses and their networks are able to effectively support policy makers by sharing their expertise and insights, such as those specific to the implementation of technical details or the needs of their stakeholders – such as customers, suppliers, and staff at home and abroad
- The world is complex, and given the urgent need for action, requires a coordinated multi-stakeholder approach that is based on the principles of partnership, trust, and shared commitment to the desired outcomes.
- Further advocacy is necessary to demonstrate that partnerships work. Stepping stones may include pilot projects that are scaled-up. There is also scope to better coordinate and foster independent academic research, and to

33 <https://www.oecd.org/dev/>

34 <https://group.dhl.com/en/media-relations/press-releases/2020/volker-ratzmann-will-become-executive-vice-president-corporate-public-policy-and-regulation-management.html>

35 <https://www.usaid.gov>

36 <https://www.unido.org>

37 <https://www.tradefacilitation.org>



Left to right: **Phillipe Isler**, Global Alliance for Trade Facilitation, **Ragnheiður Elín Árnadóttir**, OECD Development Centre, **Paul Fekete**, USAID, **Akos Koszegvary**, UNIDO, **Hennie Heymans**, DHL Express, **Volker Ratzmann**, DHL Group

need multidimensional solutions. [...] That is where **we have to include public, private, and international organizations, and everyone who is involved here** [in the room at the GoTrade2023 Summit].” She then elaborated that the OECD Development Centre, where she is the Director, was formed 60 years ago “when the world was also very complex.” The mission of the Centre, as proposed by John F Kennedy<sup>38</sup>, is to offer a forum for dialogue on equal footing between countries of all income levels. Today’s membership is drawn from across the world. A unique feature is its **ability to facilitate discussions outside of geopolitical groupings**, and to **build bridges** because meetings do not always need to end in consensus. Discussions are facilitated by the Centre to **help learn from each other and make better policies for better lives** – which is an OECD core objective<sup>39</sup>.

The Development Centre can thus draw on the in-house expertise from across the OECD, but a key necessity for conversations to work, she emphasized, is that they involve other stakeholders too. This might be, for example, the African Union with whom

the Development Centre produces its flagship annual “African Development Dynamics” reports<sup>40</sup>; and similar collaborations also take place in Latin America and the Caribbean<sup>41</sup> as well as in Asia Pacific<sup>42</sup>. But importantly, the facilitated dialogue also needs to include the private sector. This is why the Development Centre established in 2006 its **Emerging Markets Network (EMnet)**<sup>43</sup>. Operating under the Chatham House Rule, it brings together high-level public officials, private businesses, and multinational corporations. Resulting publications have the purpose of informing policies. A **key contribution of the private sector are views that can help policy makers design policies and regulations in a way that makes sure they are implementable**. However, she stressed, policy makers must still view society as a whole; and this is why such dialogue between the public and private sector within EMnet also helps facilitate learning.

**Philippe Isler** noted that donors like USAID have been at the forefront of interactions with the private sector. A prompt to which **Paul Fekete** responded by explaining that in the United

38 <https://youtu.be/tVO4HifEqEk>

39 See, for example, OECD (2011) “Better policies for better lives: The OECD and 50 and beyond” at: <https://www.oecd.org/about/47747755.pdf>

40 <https://www.oecd.org/dev/africa/development-dynamics/>

41 <https://www.oecd.org/dev/americas/>

42 <https://www.oecd.org/dev/asia-pacific/>

43 <https://www.oecd.org/dev/emnet-emerging-markets-network.htm>





Hennie Heymans, CEO DHL Express SSA Region

States there has been a long-standing tradition of cooperation between the public and private sector on trade matters; it is nothing new. A prominent example is the 1974 Trade Act<sup>44</sup>, which also created the US trade advisory committee system. That system consists of 26 different committees and about 700 individual participants and is “intended to foster the dialogue between government and the private sector as far as the US trade policy is developed, formulated, [and] implemented.” Within the specific context of USAID **Paul Fekete** also highlighted the Advisory Committee on Voluntary Foreign Aid, which was established after World War II<sup>45</sup>. This committee, he explained, is used for seeking input – from the private sector, the NGO community, and from the non-profit community – about what foreign policy and foreign aid should be addressed<sup>46</sup>.

But he stressed that “USAID has been really doubling down in the last few years in terms of what we now characterize as **private sector engagement**.” The use of such vocabulary is important, as was evident in the setting up and supporting of Global Alliance for Trade Facilitation. He noted that these days “**we talk less and less about public-private partnerships [...], we talk more about multi-stakeholder initiatives or MSIs**.” He added that the two terms do not mean very dramatically different things, but – as the example of the Global Alliance for Trade Facilitation shows – allow for interactions where USAID might

be the primary funder, interactions where the private sector may be the primary funder, or all manner of intermediate arrangements.

By reference to the history of the Global Alliance for Trade Facilitation **Paul Fekete** also stressed the importance that the voice of the private sector has in achieving the WTO Trade Facilitation Agreement’s objectives and the implementation of its measures<sup>47</sup>. “It is a crucial element [...] of our ability to make progress in countries around the world.” And he added that “**we are stronger when we come together**,” especially when other donors – like Germany and Canada who are actively involved in the Global Alliance – get involved, and it is not viewed solely as a US policy initiative. He reiterated that the ability to share the burden and the advocacy among a number of different stakeholders are important. Partners within the Global Alliance for Trade Facilitation includes 40 large companies (including DHL Group) and many more SMEs. Later, in response to audience questions, **panelists** also considered the importance of National Trade Facilitation Committees (NTFCs), which are crucial to the WTO Trade Facilitation Agreement, and whether greater involvement from the logistics sector can be encouraged<sup>48</sup>.

The United Nations Industrial Development Organization (UNIDO), **Akos Koszegvary** explained, is a specialized agency that seeks to promote inclusive and sustainable industrial development. It was established in 1966 and became a specialized United Nations agency with its own governing bodies in 1985. The focus, he stressed, is on ensuring that developing countries can support their industries and develop those industries in a **sustainable and inclusive** manner. The term industry is used to encompass all business sectors. And since “**you cannot set up and improve industry if you do not work with the industry**” UNIDO has to work with the private sector in the developing and developed world – whether individual entrepreneurs or multinational companies. UNIDO works on the request of its member states and is concentrated on three main areas<sup>49</sup>: i) ending hunger by helping businesses from farm to fork – which will often be in partnership with FAO and WFP;

44 Available for download here: <https://www.govinfo.gov/content/pkg/COMPS-10384/pdf/COMPS-10384.pdf>

45 See also: <https://www.usaid.gov/organization/advisory-committee>

46 See also: <https://www.usaid.gov/organization/advisory-committee>

47 Editorial Note: A topic that was also considered in relevant trade policy literature, such as that by Grainger: (2014) “The WTO Trade Facilitation Agreement: Consulting the Private Sector,” *Journal of World Trade*, 48(6):1167-1188 [DOI: 10.54648/TRAD2014041]

48 A topic that was also discussed at the GoTrade2022 Summit

49 See also: <https://www.unido.org/about-us/who-we-are>

ii) supporting sustainable supply chains; and of particular concern iii) stopping climate breakdown by using renewable energy and energy efficiency to reduce industrial greenhouse gas emissions – which requires alliances with industry, such as the Decarbonization Initiative<sup>50</sup> and the Global Hydrogen Program<sup>51</sup> among other initiatives.

**Henni Heymans** elaborated on the previous three outlines about how private sector engagement is viewed by sharing his private sector perspective as a CEO responsible for Sub-Saharan Africa. And he stressed that “if you look at the role of the supply chain, the supply chain really makes the global economy turn.” Therefore, as a company **“we have a role and a responsibility to translate everything** that we’ve heard today [at the GoTrade2023 Summit] into practical terms and say: **How do we make this work in practical terms?**” He reiterated messages from the first panel session that “it is not our job to implement policies,” but rather to give input as to how, based on the company’s knowledge of current processes and practices, improvements can be made – such as those that enable an entrepreneur in Africa to access sophisticated markets like those in Europe. Reflecting on public-private partnership initiatives in recent years he also felt it fascinating to see how the appetite for getting the voice of business involved in policymaking has evolved. The reception when visiting a government office in Africa just five or six years back would probably not have been so warm. The hands-off or frosty approach from back then has changed. **Companies now get invited.**

**Henni Heymans** also elaborated on the **SME** sector in Africa and how DHL Group sees enormous potential there provided that the sector “were to find conducting international business a little less scary.” He also referred to numbers, explaining that there are approximately 44 million SMEs in Africa, but they only contribute 23% to the GDP – these numbers contrast starkly with OECD countries where the GDP contribution is 61%. Challenges experienced by SMEs might relate to how they formalize themselves, barriers to entry, overcoming skill shortages, and understanding the market opportunities available to them. **Helping such SMEs overcome those challenges “is the role that we have to play [and] programs such as GoTrade give us that vehicle to execute and to assume that role in a responsible manner across the world.”** He highlighted here that DHL

Group has a large, unique knowledge base in 220 countries and territories that can be put to good use in this regard.

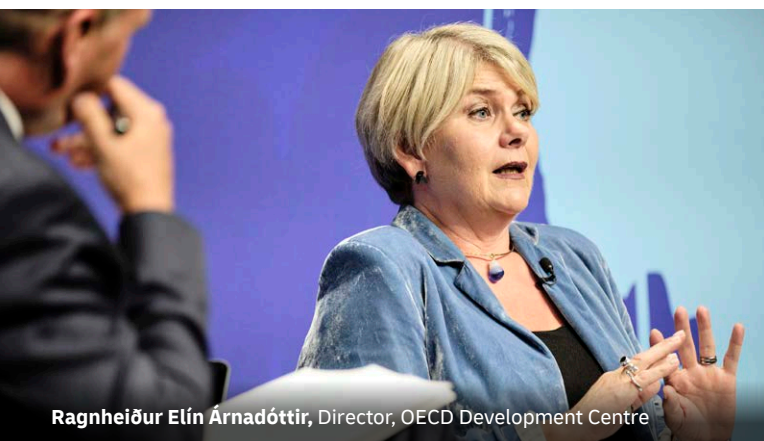
**Akos Koszegvary** explained that when it comes to working with the private sector “the UN is a bit cautious” and partnerships are enabled through **strong due diligence processes**. “We really want to make sure that when we work with the private sector, there is a clear intention to support sustainable development and [to have] a positive social impact.” And this value added is something all UNIDO’s partners need to focus on. He echoed Paul Fekete’s previously stated sentiment about public-private partnerships, and **that multi-stakeholder partnerships are absolutely essential**. He also explained that UNIDO also partners with other organizations, for example with the ITC, and with the WTO on cotton value chains. These initiatives also include engagement with many private sector partners and international organizations.

Within subsequent panel discussions about potential pitfalls and governance issues in the partnerships between businesses and governments, **Volker Ratzmann** reminded that the need for partnership could not be more urgent and that “we really have to improve the collaboration between politics on the one hand and the private sector on the other.” This is because of the considerable challenges that we all currently face, such as the geopolitical distortions that impact trade at a high level, and also the challenge of transforming the whole global economy towards more sustainability. And while the exchange of information – as was emphasized by Ragnheiður Elín Árnadóttir – is indeed important, **collaboration is needed too**. This is to ensure the practical implementation of policies into the business sector, a task that due to the complexity of the world may be described as an “art.” He expressed a need to learn from each other about how policies are performing, how policy makers develop their policies, and what influences they have to that effect. He also argued that policy makers need a much clearer understanding of how businesses work.

Furthermore, **Volker Ratzmann** noted that in Europe there might be a fear about undue private sector influence and argued that such attitudes need to be changed. This is because there is general agreement about the objectives underlying the new policies; but those policies also need to be effectively

<sup>50</sup> <https://www.unido.org/IDDI>

<sup>51</sup> <https://www.unido.org/hydrogen>



Ragnheiður Elín Árnadóttir, Director, OECD Development Centre

implemented. Too often, he felt that the technical implementation of policies has not worked – especially in Europe. Attitudes that prevent collaboration on such issues are a real bottleneck to effective policymaking, and solutions – like the due diligence mechanisms already in place at UNIDO – need to be found. He felt that it needs to be acceptable within the public space that “only collaboration can address the challenges of our time.”

Such change in attitude, **Volker Ratzmann** noted, can also take place within businesses like DHL Group that have moved away from a shareholder perspective of the firm towards that of a **stakeholder view**<sup>52</sup>. “Companies and the whole private sector know that if we don’t shape the environment of sustainability and our business model together, there will be no future for both sides.” Later, in response to an audience question, he further elaborated that it is important for a company like DHL to understand **that every staff member has children and aspirations for their future**. Concern for ESG issues is thus in the company’s DNA, and its stakeholder view towards governance (as opposed to a shareholder view) with supporting organizational structures and bodies makes absolute sense. To this **Henni Heymans** later added that the company has shifted from a KPI-driven organization to a purpose-driven organization. This can be evidence through the large sums that the company spends, and is published in the company’s annual accounts, as well as the time that its 600,000 staff allocate to making a difference.

Reflecting on Volker Ratzmann’s statements, **Phillipe Isler** suggested that the link between policymaking, getting policies over the line, and implementing policies can often be missing.

**Ragnheiður Elín Árnadóttir** agreed by sharing an anecdote that stressed just how important it is to get all the key stakeholders at one table and agree on a common objective and how that objective can be best implemented. Such an approach does not necessarily require new institutions; a clear action plan that is supported can be enough. She also observed that at the OECD there are experts in all sorts of silos, but under the leadership of the new Secretary General there is a drive for everyone to work “across the house.” This builds partnerships, drives trust, and facilitates results. Change in attitudes may take time but are necessary if you are dealing with a complex world.

**Volker Ratzmann**, in response to questioning, reported that the coming together of business interests to deal with the challenges of a complex world is indeed happening – and there are a lot of initiatives. And he added that big multinational companies have lots of opportunities to do so, and that there is increasing awareness of their respective responsibilities in working towards those shared goals. Initiatives and engagement from those companies manifest themselves in the work of foundations, their own activities, and at the World Economic Forum. He also stated that while the work of one company alone will not have much of an impact, sitting together and working together – as was also highlighted by **Ragnheiður Elín Árnadóttir** – can indeed make a big difference. He stated that **“together there is a lot of power;”** reemphasizing that the coming together should not be just about information sharing, but also about working on the solutions to concrete problems. As an example, he referred to the policy makers’ focus on targets at the Climate Change Conference (COP 27) in Sharm el-Sheikh. Such focus on targets, he argued, may be at the expense of discussions that seek to untangle complexity, free up investments, and apply new technologies that could help meet such targets. He then went on to stress that **the coming together should not just be among leaders, but also between the respective workforces of the public and private sector**. They are the specialists and can figure out where the problems are and how to solve them.

Responding to the identified need of getting specialists from the public and private sector to work together, **Akos Koszegvary** outlined approaches at UNIDO. He explained that they take a systems approach to technical cooperation. UNIDO **will help countries review the policies that they have and adjust those to best global practices**. In parallel, there is also support for

<sup>52</sup> Editorial note: This is a key theme in the academic corporate governance literature, as might be discussed in many business and management textbooks by reference to the seminal work of Edward Freeman and others



capacity building to help foster entrepreneurship and enable access to new export markets. To illustrate this approach, he explained that support in the development of infrastructure services is not enough; it also requires support to SMEs so that local services have a market and are able to generate a sustainable income.

Discussing the influence of the private sector in conversations about applicable rules themselves and in conversations about rulemaking, several panelists observed that the boundaries between these two types of conversations can be blurry. For an organization like the OECD, **Ragnheiður Elín Árnadóttir** explained, clear delineation is necessary since the OECD sets global standards and **integrity must be maintained**. She also stated that public-private dialogue is vital nevertheless, **but policy makers need to be able to differentiate** between “being lobbied and influenced” and “having a dialogue where we can learn from each other.” As an example of learning, **Ragnheiður Elín Árnadóttir** explained how large companies may choose to assist or enable suppliers with implementing new standards, such as those relating to ESG, across their global supply chain networks for the greater good.

Responding to audience questions, panelists also addressed the needs of public sector organizations that potential business partners need to be aware of. Reference, for example, was made to KPI-type targets that public sector organizations must meet in order to demonstrate success. **Paul Fekete** reiterated here that vocabulary is indeed important, and that conversations need to be had about commonalities – “akin to overlapping circles in a Venn diagram.” For instance, for the USAID the core remit is economic growth, prosperity and development more broadly. “The private sector will have similar interests in mind but will work from a different perspective.” Thus, he argued, there is unlikely to be a full alignment between the public and private sector. Giving another example, USAID may pay greater attention to LDC while the private sector may have a stronger interest in emerging markets. This, he argued, should not frustrate collaborative efforts, and can be resolved – not necessarily quickly – through trust, dialogue, commitment, and search for common ground. He also added that a lot of lessons can be learned from USAID’s various multi-stakeholder initiatives with the private sector and drew attention to a formal review – available on the USAID website<sup>53</sup> – that discusses these. He then went on to reflect that USAID’s views of the

private sector have evolved over the decades from just being contractors that may implement initiatives to initiatives where partnerships lead to “co-creation”<sup>54</sup>. To enable this, mindset changes within the administration were necessary, including changes to established government procurement rules. This, **Paul Fekete** explained, took some time.

**Ragnheiður Elín Árnadóttir** added that different actors have different needs. For instance, **a private sector company may want to work at pace**, to help the company grow. Public entities on the other hand need to convince their constituencies that the project is trustworthy and beneficial. Such differences in needs must be considered during the design and in the implementation of a project. Most importantly, she added, there is also the need of developing countries to be able to state what solutions might work for them – as opposed to what distant policy makers in other countries with incomplete knowledge about local



requirements might want<sup>55</sup>. **Philippe Isler** also noted that **pace is important** and explained that the Global Alliance for Trade Facilitation, in response to private sector pressures, is now able to approve projects within two weeks. **This creates, he observed, a certain ecosystem of energy and dynamism.**

Discussions also focused on whether pace puts unwanted pressure on politicians, who may then suspect ulterior motives. It was thus highlighted by **Ragnheiður Elín Árnadóttir** that it is important that we learn and understand the psyche of different

53 Which can be downloaded here: <https://www.usaid.gov/documents/multi-stakeholder-initiatives-private-sector>

54 Editorial note: Co-creation and coevolution are topics discussed elsewhere in the trade and logistics literature too.

This includes, for example, the work of John Child et al. and the observed influence of Corporate Co-Evolution in the development of China

55 A point also made by Tobias Meyer in the first panel



Akos Koszegvary, UNIDO, Hennie Heymans, DHL Express

partners, and possible pushbacks. To this, it was emphasized by **Volker Ratzmann** that politicians also want things done and to be implemented. He felt that this is where the private sector can really contribute, especially when pressure ensures the realization of projects. And **Ragnheiður Elín Árnadóttir**, in response to a later audience question, added that governments are often constrained by four-year terms and thus indeed want to deliver, but the processes necessary to manage project risks can slow project delivery down.

Responding to a specific question about how to build relationships with government agencies in Africa, **Henni Heymans** offered a few thoughts. He explained that building trust is important. It is achieved by virtue of the fact that businesses are neutral when placed between those that make policies and those that have to live by those policies, i.e., because “businesses simply have to execute.” Therefore, government agencies with limited resources may initially turn to the private sector for insights and guidance on emerging agenda items like ESG. This helps build trust, especially if the business subscribes to a stakeholder approach to corporate governance. In addition, trust can also be cultivated through how the company behaves (“walks the talk”), and by being transparent about priorities – especially in Africa where so much is happening and “less is sometimes more.” Here he also felt that it would be good for conversations about priorities to include what informs those respective stakeholders’ priorities. Audience comments in response to these points referred to the **need for managing expectations and ambitions**. These, **Akos Koszegvary** felt, must be addressed at the beginning of any public-private partnership. This includes the key conversations about what respective partners can give to each other and to the developing

country partners. Subsequent pilot projects may help respective parties work together, learn and then scale up.

In response to audience questions, it was observed by panelists that there is scope for better informed policymaking by bringing in and coordinating academic research, especially with regard to studies already conducted by organizations represented on the panel, but also by drawing on evaluation studies and lessons learned. Here **Akos Koszegvary** added that there are several UNIDO initiatives where partners draw extensively on studies to ensure industry is moving in the right direction. At USAID, **Paul Fekete** explained, detailed studies and evaluations are a core activity, though there are methodological challenges.

#### LAST BUT NOT LEAST

- **Ragnheiður Elín Árnadóttir:** Conversations help create peer pressure among companies towards best practices and development
- **Paul Fekete:** Advocacy is as much an art as it is a science. This is what companies like DHL Group can do in developing countries to help drive their activism.
- **Akos Koszegvary:** The strengthening of private sector engagement is very necessary, especially since we are very close to 2030 and without that engagement we won’t get there.
- **Henni Heymans:** The world is a complex place and if we hold each other accountable to common priorities, this will accelerate activities and yield benefits.
- **Volker Ratzmann:** It is important to advocate for more public-private partnerships and cooperation, and new forms of working together will indeed be very helpful.

## PANEL DISCUSSION ON: ADVANCING EVOLVING PARTNERSHIPS BETWEEN GOVERNMENT AND BUSINESSES – **IMPLIED OR STATED ACTION POINTS**

- Define and agree a language to describe what effective business partnerships mean and achieve; this extends to building an understanding of what drives the respective partners' priorities, and what partners can bring to the table in terms of resources, insights, and expertise
- Recognize the diversity of partnership initiatives that are available to both businesses and government, including those at international organizations, as well as topic specific initiatives like the Global Alliance for Trade Facilitation, or those at national levels like the National Trade Facilitation Committees
- Recognize that there is considerable overlap between the interests of the public and private sector
- Work out commonalities between the public and private sector to ensure that the challenges of our time are best addressed
- Understand that there are obstacles to effective partnership, and that these need to be addressed to safeguard the common good
- Recognize that although there is a sense of urgency, the rules that are implemented need to work and make sure that resource are put to best use – including those efforts necessary to reduce carbon
- Recognize that meetings do not always need to end in consensus as long as they help build bridges and lead to actions



Paul Fekete, USAID, Akos Koszegvary, UNIDO



## BREAKOUT SESSION 1

# TAILORED EDUCATIONAL SOLUTIONS FOR SUSTAINABLE GROWTH

<b>Date</b>	<b>October 11, 2023</b>
<b>Moderator / Panel</b>	<b>Sarah Meinert</b> , Head of Knowledge Management, DHL Group GoTrade
<b>Participants</b>	<b>Julia de Macedo Meira</b> , Project Manager, DHL Group GoTrade <b>Rick Jackson</b> , Executive Vice President Engagement & Enablement, DHL Group <b>Dan Le Clair</b> , CEO, Global Business School Network



### SUMMARY

This was an interactive session facilitated by **Sarah Meinert**, **Rick Jackson** and **Julia de Macedo Meira** from DHL Group as well as Dan Le Clair from the Global Business School Network (GBSN). Most people in the room have first-hand SME training experiences and much of the conversations focused on how to strengthen SME development through capacity building. One initiative that was discussed in detail was the **DHL GoTrade GBSN Fellowship Program** in collaboration with the GBSN<sup>56</sup>. This program links business school students with SMEs to explore their business development needs and offer hands-on support. The program's objective is to teach SMEs and Fellows about the value of cross-border trade and give SMEs the tools to access the global marketplace. Additionally, it creates meaningful experiential learning opportunities for top performing business students. These will learn, through collaboration with the entrepreneurs, to operate in often ill-defined markets, with scarce resources, and in less structured environments.

It was explained that top business school students have access to multiple programs offered by top firms which lead to financially rewarding careers, but many top students are more motivated by wanting to make a difference – this makes the DHL GoTrade GBSN Global Fellowship Program so attractive to them. Similarly, it was also noted that companies like DHL Group have moved towards a stakeholder view of the firm, and this move aligns well with students that seek “purpose.” Highlighted in detail were the challenges of matching students with SMEs and the skills – including soft skills – necessary to building trusting, impactful relationships with those SMEs. Discussed, too, was whether similar fellowship models could be

developed by linking the resources of companies to SME mentoring. Conversations here steered towards SME development training activities focused on skills specific to e-commerce, logistics and international trade as well as on the development of general business skills. The DHL “Trade & Grow Beyond Borders” training curriculum is being applied outside of the organization, for example, through programs like GoTrade and SME training activities.

In interactive group activities the questions of how to best engage students or trainees was explored. Discussions here also touched on the points specific to encouraging SMEs to register, “show up,” participate, and complete the training on offer. It was remarked here that formal recognition for participation in training is important. This can entail, for example, formal certification along with other forms of recognition. The value of teaching methods, including gamification and other interactive experiences, were mentioned. Discussed too were the practical needs that drive registration and the motivation to participate. Those discussions also touched upon the importance of acting on feedback as well as making sure that training content is relevant. Some suggestions also related to the need of building communities around training activities and creating “a sense of belonging.” Another point that was explored was the question of whether SMEs should be charged a fee for participation – most participants said “no” – as well as the time that an SME needs to invest when participating in development programs.

56 <https://gbsn.org/what-we-do/programs/gotrade-gbsn-fellowship-program/>

## BREAKOUT SESSION 2

### SUSTAINABILITY IN TRADE

<b>Date</b>	<b>October 11, 2023</b>
<b>Moderators / Panel</b>	<b>Maximilian Effah</b> , Regional Trade Facilitation Manager, DHL Global Forwarding
<b>Participants</b>	<b>Steven Pope</b> , Head of GoTrade, DHL Group
	<b>Ludivine Tamiotti</b> , Head of the Environment Section, Trade and Environment Division, World Trade Organization
	<b>Adnan Šerić</b> , Head of the Innovation Lab, United Nations Industrial Development Organization

#### SUMMARY

This workshop focused on sustainability in trade and adopted a “fireside” format in which participants sat in a circle together with a core panel of three. There was a spare seat next to the panelists for anyone in the circle to use when adding to the conversations. Core panelist consisted of **Adnan Šerić**, **Ludivine Tamiotti**, and **Steven Pope**, who is responsible for DHL Group’s GoTrade program. The session was facilitated by **Maximilian Effah**, who has GoTrade responsibilities for Sub-Saharan Africa, from DHL Group.

Conversations focused to a large part on the link between growth in global production, trade-led economic growth, and the impacts on the natural environment that result from economic growth – especially within the context of climate change. Points addressed included the need for more **sustainable production** models, “**green growth**”<sup>57</sup>, and **decarbonization**. Elaborated, too, was the **need for trade facilitation** to help make sure that emerging new regulatory regimes do not become bureaucratic hurdles. Noted was the public perception that trade and industrial growth is often “**scapegoated**” for the adverse environmental impacts of industrialization, and that the link between trade and finding **sustainable solutions** to growth is not always understood.

Highlighted were **trade actions in response to climate change challenges**. These include, for example: lower import tariffs for green equipment and green technologies; procurement rules that favor low carbon goods and services; WTO mechanisms that seek to address environmentally harmful industry subsidies; and decarbonization trade measures, including standards, for the steel industry. Explored, too, were the **emerging trade policy discussions** at the multilateral level about energy transition, circular economies, and plastic pollution. Considered, too, were the



Marion Jansen, OECD, Steven Pope, DHL Group

sustainability issues and their **impacts on the SME sector**, along with the responsibilities of public-private partnerships to assist. Explored, too, were options for support that enable SME businesses, including agricultural producers, to transition to more sustainable production techniques. Another point raised was South-South cooperation and how this can foster useful knowledge exchanges about effective production methods and best regulatory practices.

Workshop conversations also touched on the role of the private sector in **pushing policy makers** for appropriate **environmental standards** that enable a common understanding of the requirements – and also give the private sector certainty so that they can invest in the right green measures. But it was noted that the topic of standards can be technically demanding. There is, for example, the risk that standards and the need to comply with them adversely impact SMEs. Recognized, too, was the **need for the private sector to inform and assist policy makers** – especially in developing and least developing countries – to be able to effectively engage in relevant conversations that lead to the setting of standards.

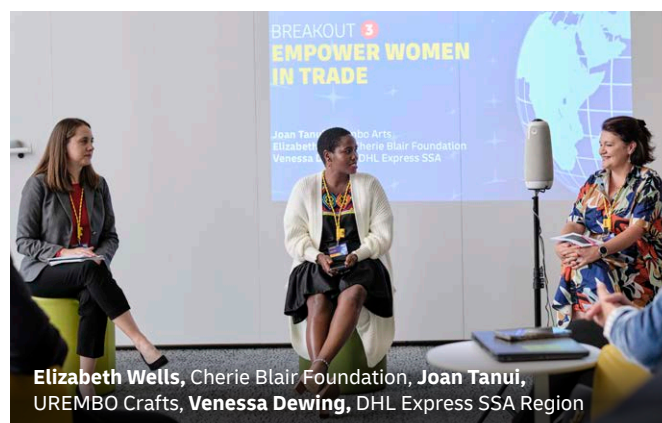
Another topic covered was **technical assistance** to ensure SME producers in developing countries can take a larger share of the profit within their respective value chains. This in turn, it was argued, is a prerequisite for investing and transitioning towards sustainable production models. Stressed here was the invaluable **local expertise** necessary to identify issues, opportunities, and scope for support. Noted, too, were the necessary **ecosystems** that foster such expertise. These could, it was suggested by several in the room, be enabled through public-private support – and maybe also include the involvement of retired experts and **policymakers** from developed economies.

57 See, for example, UNIDO’s account of best practices: [https://www.unido.org/sites/default/files/2013-04/GREENBOOK\\_0.pdf](https://www.unido.org/sites/default/files/2013-04/GREENBOOK_0.pdf)

## BREAKOUT SESSION 3

### EMPOWER WOMEN IN TRADE

<b>Date</b>	<b>October 11, 2023</b>
<b>Moderators / Panel</b>	<b>Venessa Dewing</b> , Head of Core Sales Region Sub-Saharan Africa, DHL Express
<b>Participants</b>	<b>Elizabeth Wells</b> , Head of Entrepreneurship, Cherie Blair Foundation for Women <b>Joan Tanui</b> , Founder and CEO of UREMBO CRAFTS



**Elizabeth Wells**, Cherie Blair Foundation, **Joan Tanui**, UREMBO Crafts, **Venessa Dewing**, DHL Express SSA Region

#### SUMMARY

This workshop focused on how to empower women in trade by taking an interactive approach. Conversations involved everyone in the room and were captured through small group exercises. The workshop was led by **Venessa Dewing**, **Elizabeth Wells** from the Cherie Blair Foundation<sup>58</sup>, and **Joan Tanui**<sup>59</sup>. A key focal point was on how to reach SME entrepreneurs, especially in countries with inequalities that marginalize women. It was highlighted that women can often be marginalized from formal employment and are disproportionately represented in informal economic activities that are organized around family and care commitments.

Conversations explored approaches to engagement with female entrepreneurs and the subsequent mentoring to assist with their specific business development needs. A key challenge that was identified is the diversity in SME requirements and businesses motivations – which often include the urgent need for generating income and financial independence. Acknowledged, too, was that there are many private sector initiatives that seek to assist, and there is scope for better coordination and cooperation.

Highlighted were the options of e-commerce to deliver goods as well as social media platforms to directly engage with end-customers near and far. It was also explained how tools like Google translate can be effectively used to overcome language barriers and supply new markets. The importance of technical skills specific to online marketing, website development, and order fulfilment was illustrated by reference to the example of Urembo Crafts Art. Examples of gender-specific challenges in

the management of male staff, as well as in accessing finance, and in government support were also shared.

It was emphasized how effective mentoring and partnerships can be really helpful. Explained, too, were examples of red tape specific to SME government support initiatives that make them less attractive. Within small group discussions further ideas about current challenges and subsequent support were explored. Conversations here touched on experienced barriers to trade, the need for trade facilitation, information solutions, the performance of support agencies, and practical approaches to support and mentoring – among other issues.

<sup>58</sup> <https://cherieblairfoundation.org>

<sup>59</sup> <https://www.facebook.com/urembocraftske/>

## PANEL DISCUSSION ON: ENCOURAGING SUSTAINABLE AND INCLUSIVE ECONOMIC EXPANSION FOR SMES

<b>Date</b>	<b>October 12, 2023</b>
<b>Moderator</b>	<b>Hennie Heymans</b> , CEO, DHL Express SSA
<b>Keynote speaker</b>	<b>Thomas Ogilvie</b> , Member of the Corporate Board, DHL Group
<b>Panelists</b>	<b>Kati Souminen</b> , CEO Nextrade Group <b>Robert Skidmore</b> , Director, Chief, Sector and Enterprise Competitiveness, ITC <b>Belinda Esaete</b> , CEO BelDeluxe <b>Pascal Kerneis</b> , Managing Director, European Services Forum <b>Hennie Heymans</b> , CEO, DHL Express SSA <b>Hanna Norberg</b> , CEO and Founder, TradeExperettes

### STANDOUT POINTS AND KEY TAKEAWAYS

- Approaches to fostering sustainable and inclusive economic expansion for SMEs need to be multifaceted. One project alone is seldom going to achieve much; thought needs to be given to the interconnectedness of activities, whether in capacity building, advocacy for a better regulatory environment, or policymaking
- The development of ecosystems in digital services can be particularly effective in making lasting impacts
- Services are central to global trade activity, whether in their own right or in a trade-enabling capacity. In terms of company numbers, this sector is dominated by SMEs and provides an opportunity for significant trade-led growth. That opportunity has to be embraced by policy makers
- The risk of new barriers in digital services that disproportionately damage SME trade is very real. It is thus important for policy makers to be ambitious. Capacity building to support policy makers may be necessary, too. Crucially, it is important for policy makers to recognize just how important the extension of the e-commerce moratorium is for the SME community and subsequent economic activity – whether in terms of jobs or economic growth.



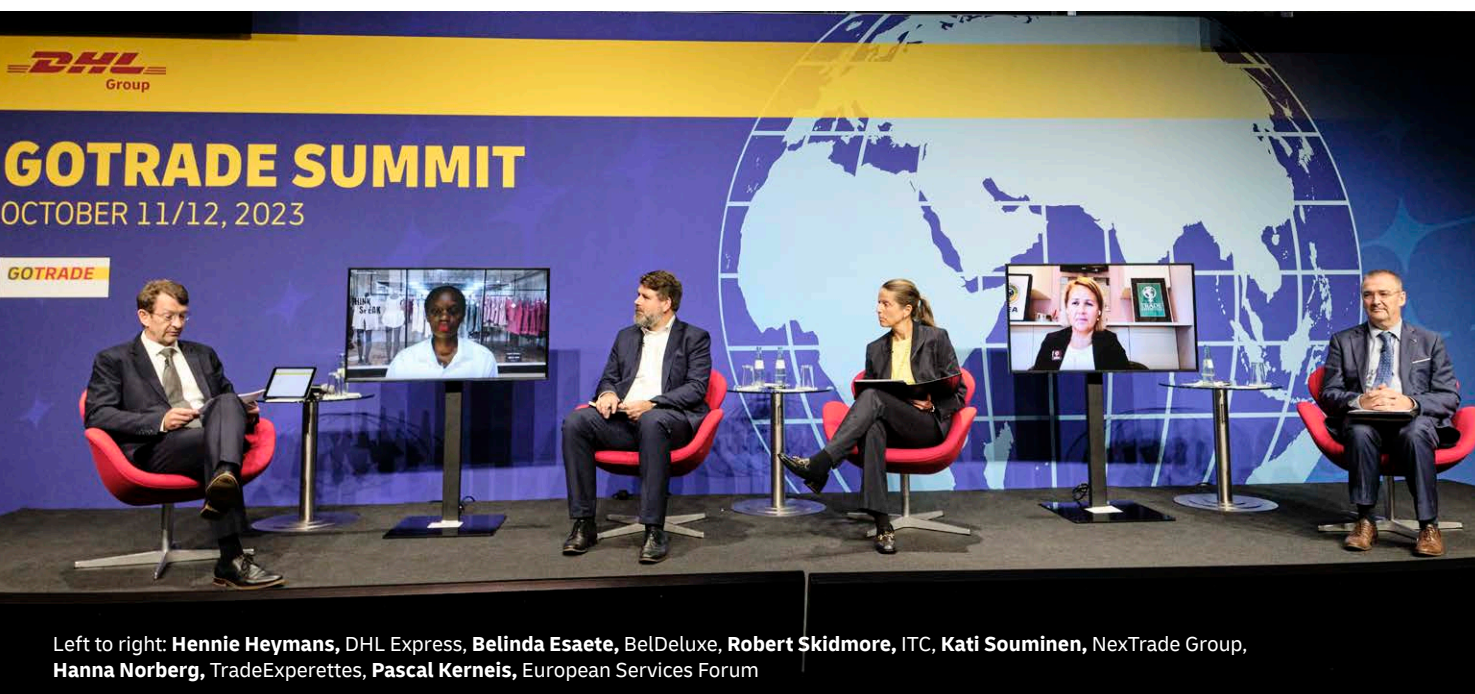
### SUMMARY

The topic of the morning panel on day two of the GoTrade Summit 2023 was “Encouraging sustainable and inclusive economic expansion for SMEs.” Much of the conversations had built on those from the previous day, but with specific focus on the needs of SMEs and sustainable growth. And while it was recognized that the current “rules of the road” may have been developed with the capabilities of multinational companies in mind, the SME sector is vast and offers considerable potential as an engine for further economic growth – especially in developing countries. To this end, panelists were **drawn from the SME sector** and those that seek to foster that sector through **SME advocacy** and better trade policymaking, **SME capacity building**, and **practical, hands-on support**. Thomas Ogilvie helped set the scene in his keynote speech by emphasizing the need for strengthening the global trade system through empowering the SME sector to take full advantage of it. Subsequent panel discussions then elaborated significantly on the many details that deserve to be considered and pursued. This included many reflections and points for action that all in the room and afar should consider.

### KEYNOTE

**Thomas Ogilvie** opened his keynote speech in a light-hearted way by drawing an analogy to the GoTrade Summit 2023’s social dinner, explaining how food – along with other social activities like music, dance, and sports – are **universal currencies** that help bring people together and make meaningful





connections. This is important, he stated, especially during times like these. Moreover, **trade also creates connections** between people and improves their lives. Utilizing the imagery of a network that is akin to that of a safety net, he explained that trade ensures peace, prosperity, and sustainability. But, if fibers within that safety net are cut out or weakened, the system becomes imbalanced. One obvious solution to this problem is **the principle of “the more the merrier.”** Thus, we need many more small fibers that interconnect to create stability and resilience, and thereby help strengthen the global trade network.

**This is where SMEs come into play.** A world in which just a few large multinational enterprises are connected is less stable. And while companies like DHL Group are facilitators of global trade “a doubling down on SMEs is a necessity for the functioning of global trade, for the evolution of global trade, and also for the resilience of global trade.”

Policymaking, he argued, may be top-down and akin to the governance of the internet, but it ensures interoperability and smooth processes. It needs to be driven by the national and supranational forces that are in part represented at the GoTrade Summit 2023. But bottom-up powers also need to be enabled. In Germany, he explained, SMEs are the backbone of the

economy. And globally, **SMEs** represent more than half of the employed population. In emerging markets, he stated, SMEs are the main drivers for GDP growth – in short: **“a force for good.”** Clusters of SMEs – gravity centers – he pointed out, can also be a good foundation for local employment and create demand for local products and materials, thereby reducing dependencies on international sourcing, which in turn is also important when facing climate related challenges.

**Thomas Ogilvie** also felt that SMEs are “by far the most entrepreneurial people” and “not stuck in whatever corporate structures.” Their motivation is to grow and support their families and employees within the communities that they operate in. But although SMEs have ambitions, they may struggle to access the skills and knowledge necessary to grow their ventures, especially when those ventures seek opportunities in markets further afield. He thus challenged panelists and GoTrade2023 Summit participants to think about the levers, the catalyzing factors, and the facilitation skills that help SMEs from the bottom up – so that SMEs can grow and be competitive.

At DHL Group, he went on to explain, there is considerable expertise that can be shared and be put to good use. He also

explained that DHL has two SME support programs. **GoTrade** is one of those, and draws directly on the company's resources – especially the knowledge of its staff and their efforts to share that knowledge with SMEs. As a result, more than 4,000 SMEs have received practical trade-enabling training in 27 countries. He also explained that SMEs need partners and mentors. This is where the collaboration with the **Global Business School Network** comes into play, which tasks MBA graduates with assisting and mentoring SME entrepreneurs. In this context, **Thomas Ogilvie** also drew attention to DHL Group's commercial interests since these two programs help drive demand for logistics services and increase the talent pool from which the Group may recruit. But he emphasized that these initiatives are not exclusive, they are inclusive and that the “more the merrier” principle applies!

## PANEL DISCUSSIONS

Facilitated by **Hennie Heymans** the panel first sought to unpack how sustainable and inclusive SME growth can be further encouraged, especially when considering that SME issues have already been on the agenda for so long<sup>60</sup>. To this **Rob Skidmore** stressed that although organizations like his, the ITC, support many thousands of SMEs in a direct or indirect capacity, things have not yet sufficiently changed for the SME community. Citing examples from conversations with SMEs in a specific developing country, he highlighted that all those to whom he spoke have no access to finance. Instead, entrepreneurs there would raise their own personal funds through mortgages on their house to enable their enterprises. He explained that good competitive firms often do not get any financial support and the life of an SME entrepreneur remains extremely difficult. He also explained that the ITC does regular Non-Tariff Measure business surveys that ask about the export difficulties<sup>61</sup>. Responses suggest that a good 70% of barriers to trade are found at home and that SMEs are not only experiencing a lack of support, but also “...an economic system, paperwork, and other things [that are] skewed in a way against SMEs with high compliance.” **Rob Skidmore** argued that while progress has been made, we are still not there where we should be. He also expressed the fear shared by many that with more fragmented and disjointed new compliance requirements the burden on SMEs will rise disproportionately. He thus called for the need to

design incoming systems in a way that meet regulatory objectives in a more sustainable and inclusive way; one that takes the life of an SME and its support requirements into account. In this regard, he also drew attention to ITC's efforts in encouraging the European Union to consider such principles.

**Hanna Norberg** added to the debate by offering her perspectives about the importance of SMEs within the global economy, and reemphasized that SMEs are indeed the backbones to most economies, regardless of the level of development in their respective countries. She also argued that access to international markets not only gives them access to more consumers, but crucially, **also exposes them to competition that sharpens them to become better at what they do**. The later point makes them more productive, more profitable, and transfers back into the domestic economy as better jobs. However, as an economist she sees that most businesses that trade are large multinationals. And the benefits from trade, such as the great jobs with higher wages that support the local economy, tend to come from them. This, she reasoned, is why it is so important to assist the SME sector with accessing the global market, especially since they do not have the benefits of scale like large companies.

**Kati Souminen** added to the debate by drawing attention to the USAID-funded eTrade Alliance (that she is part of)<sup>62</sup> and a recent survey that sought to identify what different players in the development arena are doing in their support for SMEs and e-commerce. By reference to that survey she explained that there have been about 2,600 projects within the past five years that seek to support SMEs across the world. Of these projects, about 200 focus on e-commerce and just 100 on SME e-commerce<sup>63</sup>. Those findings indicate that there is considerable scope for further development. She also reported that while many projects have the initial aim of growing trade, there is also some diversification which seeks to develop the digital skills necessary so that businesses who do not yet trade, can graduate towards trading. She also explained that, overall, the individual project size is relatively small, having an average budget of something like \$370,000, and that in general their focus is quite narrow. She thus mused about how impacts and reach could be **scaled for instance by serving hundreds of thousands of SMEs instead of just a few thousand** and addressing

60 A topic that was also explored at the GoTrade Summit 2022 within the context of e-commerce (Panel 3), sustainable growth and training (Panel 6), and equality (Panel 7)

61 <https://ntmsurvey.intracen.org/ntm-survey-data/>

62 <https://www.allianceforetradedevelopment.org>

63 Further data, including links to the survey report and subsequent updates, can be found here: <https://www.allianceforetradedevelopment.org/ecommerce-and-digital-policy-index>

issues like: interoperability between online marketplaces; the use of AI for mass customized SME capacity building; and leveraging digital identity tools so that SMEs can access digital services at scale.

**Kati Souminen** also reflected on the sustainability of project approaches in which experts from outside are “parachuted in” and a couple of months later little of what was offered remains. Thus, the eTrade Alliance started collaborating with local platforms, in regions like Latin America. The result, she stated, has been an explosion of SME service providers that offer digital, logistics, payment, and financial services that enable other SME businesses to trade effectively. And later in the panel discussion **she stressed just how important the need for cultivating such sustainable ecosystems might be.** She also stressed that public-private partnerships can play a significant role in the development of such enabling ecosystems. She also felt that such partnerships have a role to play in policy development. Here, she cited a proliferation of digital compliance requirements – such as those governing data protection, privacy and transfer rules – that SMEs struggle to keep-up with. And, she stressed, those policies are in addition to the already complex market-specific consumer protection rules, and the many tax rules that apply to different countries in different ways. There is significant scope, she suggested, to **address these challenges through combined public-private efforts.**

Elaborating on the question of whether SMEs have a voice in trade policymaking, **Pascal Kerneis** explained that “the big companies will always be able to find their way,” which is why the ESF is advocating for global rules that work for SMEs. This is important, he stated, because in Europe more than 70% of GDP comes from services and more than 70% of the jobs, and nearly all those services jobs – 98% – are with SMEs. Moreover, he emphasized, the services trade represents 30% of EU GDP and in total about EURO 1,300 billion; but in developing countries – echoing previous panelists – such high figures are not the case. He also observed that in Europe, despite its economic significance, the services sector is underrepresented. Perhaps, he mused, this is because the services sector is so very broad and includes companies like banks, insurance agencies, accountants, lawyers, engineers, retailers, and transport and logistics providers. However, he also pointed to the positive development of international coalitions between service sector business associations to help set rules in services – though he

added that this is proving complicated. He highlighted some key objectives that include the need for tariffs on services not to be raised, an extension to the WTO e-commerce moratorium, and global rules in e-commerce that ensure digitalization benefits everyone. He also added that while advocacy efforts in the developed world are well organized, this is not necessarily so in the developing world. “So, we’re trying to link forces to go together and push for this voice [i.e., that of the developing world].”

In response to a question about how to best address the financing issue for SME businesses, **Kati Souminen** added that this is indeed a longstanding problem that has been known for many decades. He thus suggested that the real question should be about what we should do differently to address that issue. And he suggested several approaches. One: Address constraining prudential rules and other things that govern banks and bring in the voice of SMEs. Two: SMEs are not aware of all the financial products available to them nor of whom to contact. The task at hand is thus to raise awareness about the type of financial services that can be accessed. Three: To reduce the costs associated with due diligence, for example, by standardizing pre-qualifying processes across multiple providers and exploring fintech solutions. Costs can also be reduced through blending, for example, by leveraging guarantees and grants (or matching grants) to access further finance and reducing the lender’s risks. **Kati Souminen** emphasized here that technology can really play a big part, especially when finance solutions are embedded in an online marketplace like Amazon. Other examples include Grab<sup>64</sup> in Southeast Asia and MercadoLibre<sup>65</sup> in Latin America where credit products are linked to the marketplace. Referring to research in Mexico she found that companies that sell online are likely to use fintech solutions precisely because they disperse fast working capital. She thought that there is a huge opportunity in this area and that “we are only just starting to scratch the surface.” The same, she thought, applies to AI and whether it should be used at scale for credit scoring and similar trade enabling activities. On this point **Robert Skidmore** later added that it is indeed important to think about how to build AI tools build scale in reach and assist SMEs with issues like preparing paperwork or prequalifying themselves for access to trade finance.

Referring to recent SME surveys about sustainability standards, **Kati Souminen** also explained that companies are not yet losing

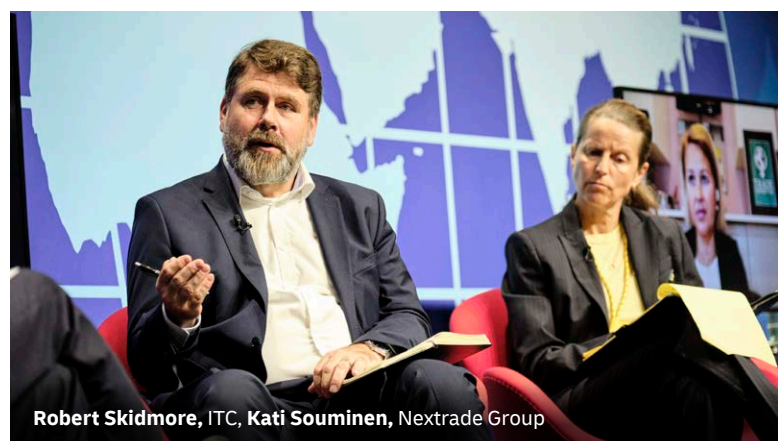
64 <https://www.grab.com/sg/>

65 <https://mercadolibre.com>

business, but they are concerned. She added that many companies report that they are already taking steps towards sustainability reporting because their customers are demanding it. She also noted that companies looking at sustainability issues are also using such criteria when choosing their logistics service providers. Furthermore, she reported that companies that are exporting and growing fast seem to be investing the most in their respective greening. But referring to earlier panel discussions she also reiterated the case for policy makers to sort out the SME-damaging proliferation of different standards, and to support SME businesses in complying with those standards and their reporting requirements.

The panel also revisited a key point discussed on day one of the summit: the need for extending the **WTO e-commerce moratorium**, which if not extended could result in tariffs on digitally delivered services. This, it was highlighted by panelists throughout the discussions, is important because of the very high number of SMEs that could be adversely affected. Digital services, **Hanna Norberg** emphasized, are everything you find on your phone, and “digitally delivered services is the new oxygen” for many types of SME businesses, and those of women in particular. Here she referred to a publication by the TradeExperettes<sup>66</sup> and how the digitalized services that unfolded after the Covid pandemic have become an amazing equalizer<sup>67</sup>. She argued that digital services have helped make the world flat: “When you tap into the power of digitally delivered services, what happens is that the world goes flat because there are no tariffs, and all you do is upload things to your phone.” As a result, “it is as easy to access your domestic market as it is the global ones.” She added that the TradeExperettes’ study shares plenty of anecdotal evidence of how “women have turned lemons into lemonade” and through digital services have been able to move from unemployment at the beginning of the pandemic to becoming entrepreneurs and employers. Furthermore, for many SMEs this development has also brought them out from the informal economy into the formal, official economy – with all the economic development benefits that come from this. **Hanna Norberg** also stated that she is quite concerned that many of these gains could be lost if the e-commerce moratorium is not extended.

**Pascal Kerneis** shared Hanna Norberg’s concerns, since if the moratorium were not to be extended, it would be the first time



in human history that trade tariffs can be applied to services. He explained that countries like India, South Africa, Pakistan, Sri Lanka and Indonesia are currently questioning whether it is right not to have tariffs on electronic transmissions. He explained further that digital services amount to about 54% of global trade and also include services that are necessary for the trade in goods – i.e., those that make the global distribution of goods possible. Thus, he argued, **if tariffs were to suddenly be introduced on services – for which there are no upper bands – it would threaten most of the global trade activity.** Given such risks, he mentioned that the services sector is very active in making the case for the extension of the moratorium. This includes a global letter that has been signed by all tech and digital business associations around the world, stating that the extension of the moratorium is absolutely crucial. At present, he reported, there are about 140 signatures, but more signatures from African countries are still needed before the decision deadline at the MC13 meeting in February. **Pascal Kerneis** also referred to several studies, including that of the IMF, which concluded that **taxes like VAT are more efficient than trade tariffs**<sup>68</sup>. He also referred to the work of the OECD, which featured on day one in the first panel, and mentioned a sponsored study by the Global Services Coalition that highlights the benefits of the moratorium for SMEs in India with its growing digital services sector. A similar study to that in India for Indonesia has just been completed, and further studies focused on Kenya, Saudi Arabia, and Nigeria are in preparation.

Another SME issue highlighted in the panel discussion was the inadequate access to digital infrastructure – case in point made

<sup>66</sup> <https://www.tradeexperettes.org/report-2022>

<sup>67</sup> A topic that was also explored in detail at the GoTrade Summit 2022

<sup>68</sup> See: <https://www.elibrary.imf.org/view/journals/068/2023/005/article-A001-en.xml>



by the panel's repeated failed attempts to connect with the SME entrepreneur Belinda Esaete in Uganda and bring her into the conversations. **Kati Souminen** explained that although this is a real problem, she is also encouraged by the uptake of digital services by SMEs around the world. She suggested that according to her surveys covering about 200,000 companies in 100 countries about **80% of SMEs actively use digital payments, online banking, social media**, and similar business enabling digital services. There are also many SMEs that use online market places or stores – probably about 40% or 50% of the surveyed SMEs – for selling their goods locally or internationally. She also reported that more and more SME businesses use cybersecurity tools and technologies and also seek to streamline their operations by using electronic Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) systems – with a significant uptick within the last three years. All this, she stated, is good news, as the fact that after the Covid pandemic something like 40% of the surveyed SMEs now use their technologies to internationalize – thus becoming more resilient and growing faster. But, she also highlighted that there are many businesses – perhaps 25% – where we have seen a growth decline or no growth in the past five years. Often, she asserted, these firms are in rural areas that lack connectivity and IT skills. She added that often these firms are also run by women that “unfortunately, too often, [...] are barely making it.” The picture is very different for firms that have access to and embrace digital technologies. “It is as if you are looking at two different planets.”

**Kati Souminen** thus felt that it is important to help struggling firms move up the ladder by enabling them to use **digital tools**, but “the **ICT infrastructure** is really critical to get them going.” And where SMEs are women-led, she urged, there are additional support needs – such as those that help them formalize when faced with **gender-specific obstacles**, access business licenses, and similar issues<sup>69</sup>. The keyword, here is “enabling,” and **support from donor communities for this specific SME segment can make very big differences**. **Robert Skidmore** echoed that there are indeed significant donor opportunities to make a difference through e-commerce-focused support in these SME segments, and cited the ITC's ecomConnect<sup>70</sup> initiative as an example. This initiative gives SMEs access to key

information about costing, fulfilment, logistics, and payment. It also offers training and facilitates peer-to-peer learning. **Robert Skidmore** also referred to several partnership projects that seek to transfer technology skills in manufacturing – such as smart factory technology – and ensure that the beneficiary companies can continue to compete effectively. Other initiatives that he highlighted were “Switch On”<sup>71</sup> as well as various partnership that help build bandwidth, training, and in some case also provide access to electricity. He also stressed the need for financing, so that SMEs can purchase devices.

The SME-enabling tasks for organizations like the ITC are manifold, and include the need to bring together different companies and foster ecosystems, influence relevant policy areas, and shape conversations on the global stage. **Robert Skidmore** added that while he felt that projects are great, they are often measured in terms of predefined KPIs. There may thus be a need to think more about impacts and outcomes (beyond delivering the project), recognizing that the issues and solutions are multifaceted and come with different perspectives and needs. One example of where this is recognized is the “SheTrades”<sup>72</sup> program, which is showing some really interesting results.. He also suggested that initiatives like DHL's GoTrade can help make the necessary connections beyond the world of projects and in the execution. But in response to audience questions, he later also clarified that it is important to develop trade supporting institutions, like those that provide for sanitary and phytosanitary certifications, to ensure export market access.

**Pascal Kerneis** added that “the best projects won't work if we do not change regulation” and stated that there is a policy problem – especially with regard to the **national regulation** of trade finance, and also with market access barriers that make foreign direct investments by financial services difficult. He thus suggested that there is a case for taking these issues to the WTO in order to spark competition and subsequent innovation. He also noted that many developing countries are not sufficiently aware of the importance of trade in services, and that WTO provisions about transparency in rules – e.g., how to register a business or make appeals – have not yet been sufficiently implemented. **Hanna Norberg**, too, observed that the regulation as a topic is indeed often overlooked. She emphasized the importance of

69 A topic that was also elaborated at the GoTrade Summit 2022

70 <https://ecomconnect.org>

71 <https://intracen.org/our-work/projects/global-digital-connectivity-and-trade-switch-on>

72 <https://www.shetrades.com>

issues like regulation standards and accreditations. She also outlined the need for more support for trusted quality institutions that form part of the overall business infrastructure. And among panelist, there was considerable consensus about the need to help companies establish and address the costs associated with, for instance, the efforts of working out how to go about it.

**Rob Skidmore** added that one ambition could be to align these requirements, for example on a continental level within the framework of the African Continental Free Trade Agreement. And it is important that the voices of SMEs are brought in early to shape policies and regulation. **Kati Souminen** added that one pathway for helping SMEs in the digital journey is to recognize their journey. This starts with helping them to adopt digital technologies first, followed by support for making use of technology to interact with their customers and showcase their products and services. From here on the focus would be on the new challenges that they may face by having adopted digital tools – such as those concerning cyber security, digital regulation and policies – and eventually those challenges faced when seeking to internationalize their operations.

**Pascal Kerneis** suggested that ambitions should extend to the global, WTO level to ensure that harmonized rules for the service sector are in place – noting that negotiations have started subsequent to the Buenos Aires Ministerial Conference in December 2017. He also reported of progress where 89 WTO member countries have reached consensus on SME-friendly rules like the use of e-signatures, the e-authentication of companies, e-invoicing, paperless trading and digital customs clearance, open access to the internet, and cyber security rules. Though he highlighted that in addition to persuading the remaining WTO members, there are also the thorny issues of cross-border data flow, data privacy, and the protection of intellectual properties for source code to that still need to be untangled. Data localization requirements, he highlighted, are another disproportionate cost for SMEs and are adding to the digital divide. Here, **Kati Souminen stressed** the importance of monitoring digital policies and their implementation. Several panelist, including some audience members, also suggested that it might be good to **build on current negotiation momentum** in services to ensure that the need for continuously seeking an extension to the e-commerce moratorium is replaced with something more ambitious. To this Hanna Norberg

strongly agreed and declared it to be necessary, especially since the nature of trade is changing – and the changes should thus also be reflected in trade policy. But importantly, trade policy makers need to be ready to engage on those new issues – i.e., to become “policy makers 2.0.” This requires support and as a good example she cited the Young African TradeExperettes program<sup>73</sup>, invited summit participants to consider this program and reach out to her. **Pascal Kerneis** noted here that although negotiations between many countries are taking place, there is a risk that in the absence of service commitments under African FDAs, those countries will be left behind. And he added that it is not for the North to come to the South, since there is currently very little interregional trade within Africa and considerable scope to improve upon this through the development of a regional service sector.

73 Listen also to <https://www.tradeexperettes.org/podcasts/episodes/meet-the-yates>

## LAST BUT NOT LEAST

All participants were asked to offer a closing statement focused on how to expand sustainable growth economically for SMEs. To this, responses were as follows:

- **Hanna Norberg** stressed the importance of continued learning and sharing, and to continue working on ways to strengthen the communication back and forth between those who drive on the road and those who make the rules there.
- **Kati Souminen** emphasized the need to build scale and leverage digital tools including AI to mass-customize SME-focused services, but also to promote interoperability, and take advantage of opportunities to secure digital trade agreements – in Asia, the Americas, the AfCFTA digital protocol – in order to secure a bottom-up digital trade architecture. But that architecture still needs to be implemented and monitored and create a simpler world for SMEs. And free trade – including the extension of the moratorium – she argued, is absolutely essential for all of this. She reminded everyone that India's and Indonesia's rapid growth has come in large part from digital, SME-enabled dividends and that it is important “not to kill the golden goose.”

- **Pascal Kerneis** stressed Hanna Norberg's notion of digital tools as the new oxygen for SME growth. Thus, “we need to do everything we can do to improve digitalization and therefore investments into infrastructure and investments into better regulation.” He also stressed the need for more transparency so that we can become more effective at addressing digital trade barriers and referred to the OECD's Services Restrictiveness Index<sup>74</sup> and the more specific OECD Digital Services Trade Restrictiveness Index<sup>75</sup>, which he felt should be extended to many more countries – efforts that organizations like UN ESCAP are already undertaking in collaboration with the OECD<sup>76</sup>.
- **Robert Skidmore** felt that in reflection for someone like himself the key “KPI should be integration and co-creation, not delivery of projects.” But he also wanted to reemphasize: the need for greater creativity and “for each of the solutions we're proposing in different countries to be very clearly adapted to the institutional environment;” and “to think in a nuanced way about how we can make systemic change.”

<sup>74</sup> The latest 2023 edition can be accessed here: [https://issuu.com/oecd.publishing/docs/stri\\_policy\\_trends\\_up\\_to\\_2023\\_final](https://issuu.com/oecd.publishing/docs/stri_policy_trends_up_to_2023_final)

<sup>75</sup> <https://goingdigital.oecd.org/en/indicator/73>

<sup>76</sup> See: <https://www.unescap.org/projects/dtra>

## PANEL DISCUSSION ON: ENCOURAGING SUSTAINABLE AND INCLUSIVE ECONOMIC EXPANSION FOR SMES – **IMPLIED OR STATED ACTION POINTS**

- Recognize the significance that services play within global trade and the scale of SME activity within the service sector – whether as online traders or service providers that support cross-border trade activity
- Appreciate that SMEs are a force for good and if well supported are the backbone of any successful economy
- Advocate for the voice of the SME sector and its needs to be reflected in global trade rulemaking
- Lend wholehearted support to various initiatives that seek to extend the WTO e-commerce moratorium. In the short term this also includes encouragement for developing countries – especially on the African Continent – to engage on this topic
- Be ambitious in support of digital trade policies that ensure large-scale, unfettered (free) market access
- Put public-private partnerships to good use and maximize support for the SME sector
- Explore new tools and approaches for increasing the impact of SME trade capacity building. This includes, for example, the use of AI for mass customized capacity building activities
- Design SME trade capacity building projects in a way that reflects the needs of SME clients in their pathway from formation towards cross-border trade activity
- Consider sustainability aspects from the onset of project design, including, for example, the lasting benefits that result from fostering SME ecosystems
- Address key barriers to SME development, such as those relating to finance and/or gender
- Understand the links between SME capacity building project design, advocacy, and the regulatory environment – especially within the context of digital services
- Communicate and learn from peers, exchange the good and not so good experiences, be reflective, be humble, understand the needs of SME clients, advocate, and strive to continuously become better





## PANEL DISCUSSION ON: REMOVING RED TAPE – HONORING THE AMBITION OF THE TFA

<b>Date</b>	<b>October 12, 2023</b>
<b>Moderator</b>	<b>Steven Pope</b> , Group Head Trade Facilitation, DHL Group
<b>Panelists</b>	<p><b>Carlos Grau Tanner</b>, Director General, Global Express Association</p> <p><b>Lars Karlsson</b>, Head of Trade &amp; Customs, Maersk</p> <p><b>Poul Hanssen</b>, Chief, Trade Facilitation, UNCTAD</p> <p><b>Dolores Halloran</b>, Secretary to the Trade Facilitation Committee, WTO (virtual participation)</p> <p><b>Sofia Boza</b>, Chile Ambassador to the WTO (virtual participation, until 1:00 p.m.)</p>

### STANDOUT POINTS AND KEY TAKEAWAYS

- The benefits of trade facilitation are increasingly well understood, and conversations are moving beyond the commitments of the TFA towards wider impacts that can be achieved from trade facilitation. And sharing of experiences is important to help explore such trade facilitation opportunities, especially those that seek to reduce or remove the impact of new red and green tape
- A key outcome from the TFA is that it has helped in many places to foster dialogue between the stakeholders responsible for the efficient and effective administration of cross-border trade flows. Well-functioning National Trade Facilitation Committees (NTFC) and robust government support are often a hallmark for effective and ambitious trade facilitation programs
- Dialogue between stakeholders and the private sector is important for coordinating implementation activities, identifying the best possible implementation approaches, and also for exploring how to make sure implemented measures are sustainable and are developed further
- Opportunity for dialogue and the sharing of experiences also exist within the South-to-South context among peer countries with similar challenges, as well as between government agencies that have embraced trade facilitation (like customs) and those that still need to be convinced
- Although the implementation of TFA measures has resulted in significant economic benefits, the opportunity

for further gains is manifold – especially when considering gaps between what has been implemented and what can still be implemented; or the rapid advances in technology and their application towards facilitating cross-border trade and control

### SUMMARY

This was a lively and informative panel discussion focused on the WTO Trade Facilitation Agreement and whether its ambitions have been honored. That agreement came into force in November 2017 and obliges WTO members to implement a multitude of agreed minimal trade facilitation measures. Conversation in the panel broadly focused on: the progress towards meeting those commitments; the challenges of implementing TFA; principles that make the implementation of trade facilitation measures easier and more impactful; and ambitions for strengthening trade facilitation even more – along with pointers on the further directions that the topic needs to take. Noteworthy is that the panel included representatives from the world's largest transport and logistics companies, **Carlos Grau Tanner** and **Lars Karlsson**. Lars Karlsson is also a former customs officer who held senior positions with responsibilities for customs capacity building at the WCO. Insights from the WTO Secretariat and its members were shared by **Ambassador Sofia Boza** and **Dolores Halloran**. **Poul Hansen** gave further detailed insights from a developing and least developed country perspective and the activities of UNCTAD in particular.

### PANEL DISCUSSIONS

Panel conversations started with **Dolores Halloran** giving an update on the implementation of WTO Trade Facilitation Agreement (TFA) measures. She explained by reference to the WTO members' notification to the WTO Secretariat<sup>77</sup> that the current rate of implementation commitments is just **over 77%**. "And this, she stated, **is already quite a positive impact** on reducing red tape and streamlining the international trade procedures" – a sentiment that was shared by all fellow panelists too. **Dolores Halloran** further reported that within the WTO Trade Facilitation Committee members have also emphasized **positive impacts like increased digitization and the digitalization of border and customs procedures**. Likewise, **Coordinated Border Management** has been recognized as one of the main TFA achievements, while also recognizing the ongoing challenges

77 Which can be also viewed and analyzed within the WTO-managed Trade Facilitation Agreement Database – see: <https://www.tfadatabase.org/en>



Left to right: **Steven Pope**, DHL Group, **Poul Hansen**, UNCTAD, **Lars Karlsson**, Maersk, **Dolores Halloran**, WTO, **Carlos Grau Tanner**, GEA, not in the picture: **Sofia Boza**, Chile Ambassador to the WTO

for some members to implement this measure. She then remarked on the increased **transparency** that has resulted from the implementation of relevant TFA measures, especially when considering the linkages between transparency and expedited border crossing<sup>78</sup>. Another significant achievement she stressed is the level of **capacity building** that the TFA provides for. She then emphasized the positive impact that the establishment of numerous **National Trade Facilitation Committees** (NTFCs) can have<sup>79</sup>. She observed here that “those members that have functioning and [...] successful [...] national trade facilitation committees<sup>80</sup> definitely are moving ahead with implementation.”

**Poul Hansen** followed Dolores Halloran’s overview by describing the specific situation in less and least developed countries. He noted that we are indeed moving forward, but the very positive implementation figures are those that have been self-declared by the members. He explained that there has not yet been much analysis about whether countries have implemented the measures at the same level, and that this is something we look at when we engage with them. **Poul Hansen** also observed

that in many countries when they started out in trade facilitation, there was no dialogue between the relevant government agencies or with the applicable businesses sectors. Thus, **achieving dialogue via the NTFCs was a considerable accomplishment**. And getting the private sector at the table within the NTFCs provides **a great foundation for building trust** and subsequently **ensuring the successful implementation of the TFA commitments** – and any further trade facilitation efforts that follow, which he referred to as TFAplus. Furthermore, he also stressed how the developed relationships can drive other trade initiatives, such those concerning standards and transport infrastructure.

Despite the successes of the WTO TFA, **Poul Hansen** – and other panelists, too – expressed that there is still a long way to go. He mused with the benefit of hindsight that the challenges of implementing the TFA at the national level might have been underestimated by many. He felt that in many countries there is still a lack of sufficient political effort to address trade facilitation type issues, and that there needs to be an upgrade of skills to raise the importance of trade facilitation at the political level.

<sup>78</sup> Editorial note: For example, because traders know how to comply – an outcome from Article 1 implementations such as in the form of trade information portals.

See also: <https://www.tfafacility.org/agreement-article-resources>

<sup>79</sup> Editorial note: Their importance was also emphasized at the GoTrade Summit 2022 in its first panel about public-private partnership, among others.

<sup>80</sup> As required under the TFA commitments in Article 23



Lars Karlsson, Maersk

Challenges, too, he noted, relate to continuous staff turnover within the governmental system. But a very positive experience, he felt, is that the needs of least and developing countries are recognized, and that **stakeholders** and the **private sector are grouping together to assist**. He also felt that if this effort to lend assistance continues and responds to **their expressed needs and requirements**, then “we have a very good chance of achieving something.”

Offering a country-specific perspective **Ambassador Sofia Boza** explained that **Chile** embraced the TFA early on, with all its notifications falling into Category A and 100% implemented<sup>81</sup>. She then outlined the workings of Chile’s NTFC, explaining which government agencies are full members, which government agencies are invited on specific issues, and the involvement of business interest associations<sup>82</sup>. A key outcome of the TFA, she stressed, has been its success at articulating the case for trade facilitation and embedding the subject within the framework of institutional arrangements.

Elaborating on the TFA perspective of the **global express industry**<sup>83</sup>, **Carlos Grau Tanner** explained that as an industry we have always been champions. And in subsequent discussions, reference was also made to the industry’s direct

involvement in the development of ICAO’s Immediate Release Guidelines and the WCO’s Revised Kyoto Convention. **Carlos Grau Tanner** explained furthermore that the industry’s big three<sup>14</sup> fly some 1,500 aircraft and operate 300,000 vehicles, but **their essential task is to deliver on time, and this necessitates good border processes**. Thus, as an industry, the sector conducts an annual global survey to monitor TFA related implementations that matter to the sector<sup>85</sup>. This survey relies on the country staff of the three big express companies, and he reported that as an industry we do indeed see many positive developments. But by reference to a **gap analysis** between survey findings and country commitments under the TFA, there is still scope for considerable improvement<sup>86</sup>. **Carlos Grau Tanner** thus invited summit participants to consider the many economic studies that outline the significant gains from TFA<sup>87</sup> and consider how much more economic benefit can still be had. **Steve Pope** added here that the gap analysis study is a good example for how the private sector can collate data that helps identify opportunities for further improvement.

**Lars Karlsson** emphasized the importance of dialogue, including summits like GoTrade 2023, asserting that we live in a world that is fast changing “in a sense that we will see more changes to international trade in the next five years than we’ve seen in the last fifty.” He also explained that companies like Maersk have **evolved into global integrators**, offering services from door to door, precisely **because this is what customers in a globalized world are asking for**. And as a company, Maersk has seen a lot of positive effects from the TFA, with lots of measures put in place within the last decade or so. He also welcomed – like other panelists – the establishment of NTFCs and the increased level of cooperation between different government agencies. He added that companies like Maersk or DHL now get approached differently. “People are willing to have discussions about pilot projects, about co-designing new trade facilitation measures, [...] or measuring what is happening on the ground.”

81 Editorial note: Details can be viewed in the TFA-Database country profile for Chile, see: <https://www.tfadatabase.org/en/members/chile>

82 Editorial note: Details about the topic and about countries are summarized by UNCTAD

(see: <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/national-trade-facilitation-bodies/country-detail?country=CL>);

Chile’s NTFC website address is: <https://www.subrei.gob.cl/ejes-de-trabajo/comite-nacional-de-facilitacion-de-comercio/comite-nacional-de-facilitacion-de-comercio>

83 including DHL Group

84 DHL, FedEx, and UPS

85 See: <https://global-express.org/index.php?id=271>

86 This gap analysis can be downloaded as an Excel file from the GEA here: <https://global-express.org/?id=1864>

87 For example, a recent WTO staff working paper (ERSD-2023-04) estimates that the TFA has resulted in an increase of 5% for agricultural trade, while total trade has increased by 1.17% worldwide; see: [https://www.wto.org/english/res\\_e/reser\\_e/ersd202304\\_e.pdf](https://www.wto.org/english/res_e/reser_e/ersd202304_e.pdf)

Lars Karlsson urged everyone on the panel and in the room to be **“hyper-focused on doing things, [and] doing it in a new, different way.”** On this point he referred to previous panel conversations about new necessary regulatory objectives, but also **cautioned about replacing red tape with green tape or worse, adding green tape to red tape.** To address these challenges, smart administrative models need to be found. Here he mentioned the **Global Alliance for Trade Facilitation** projects in Asia in which supply chain data is shared with government agencies to improve their risk management capabilities and become better at border processing. He also referred to the UK’s ecosystem of Trust pilots that explored opportunities like voluntary data sharing to improve port and border performance<sup>88</sup>. He felt that there is considerable scope for further cooperation across industries and stakeholders to make such pilot projects more scalable and actionable.

Panelists in subsequent conversations further emphasized the importance of the principle that red tape must not replace or add to green tape. They also shared the notion that through further dialogue – perhaps by also inviting researchers into the public-private policy dialogue<sup>89</sup> – there is a lot of opportunity to learn from one another. Though **Dolores Halloran** cautioned that WTO members might be inspired by examples of best practice and learning, they also understand that **progress is made at the best pace that a member feels able to maintain.** It may thus be difficult to highlight the impact of one specific TFA measure over that of another when it comes to more streamlined border processes. In this regard, she mentioned that a really important standing agenda item within the WTO Trade Facilitation Committee is **experience sharing.** Particularly important here, she stated, are the shared experienced insights into what the respective WTO members are doing.

**Dolores Halloran** also added that **“the most effective strategy, or the best practice, is actually for government to really take ownership of the TFA agreement.”** This then enables the necessary legislative or regulatory changes to be put in place to enable the effective implementation of TFA measures. Such ownership, she noted by reference to delegate feedback in the WTO committee rooms, also filters down through to the various government agencies. Such ownership, she added is also very important where customs agencies are several steps ahead, but other stakeholders still need to be brought onboard to implement TFA measures like Border Agency Cooperation

(TFA Article 8) – that would require extensive cooperation between the various stakeholders. Dolores Halloran added the observation that, in her role at the WTO, “much of the TFA implementation delay is the result of gaps between what customs is doing and achieving when compared to the pace of other agencies.” Thus, she stressed, government engagement in the work of NTFCs, and recognizing the role of all the stakeholders, including the private sector are really important.

**Ambassador Sofia Boza** echoed Dolores Halloran’s emphasis on the benefits of sharing trade facilitation experiences. For instance, for countries like Chile who have already met their TFA obligations, such exchanges are particularly useful for exploring trade facilitation activities that go beyond what is required under the TFA. On this point **Poul Hansen** stressed the **importance of South-South cooperation.** He added that trade facilitation experiences can indeed be shared between countries with similar needs, but he also reiterated the point that experiences can be shared between customs agencies – who are already very digitalized – with other agencies who may not be. He also explained that some non-customs agencies might be resistant to change. This can arise, for example, where those agencies depend on fees for the processing of paper documents, and digitalization represents a threat to their funding model.

**Poul Hansen** also stressed the need to think about next steps in trade facilitation, and how such demands might affect developing countries. Here he stated that **“seeing is believing”** especially when demonstrating good practices, and highlighted that **“the exchange of data is one of the big game changers in trade facilitation. [And] if we can avoid all the repetitive capture of data, then we have come a long way.”** An example where this has been partially achieved in cross-border trade flows is the SIGMAT System, which is an automated transit system for the Economic Community of West African States (ECOWAS)<sup>90</sup>. He also stressed that when exploring and setting-up digital solutions, it is important to consider the sustainability of the project. It is not just about the implementation of technologies and systems, it is also about ensuring that resources – whether financial or human – to sustain the implementation and its continued development are forthcoming.

Discussing the impact of the TFA on reduced corruption and increased control and security, **Dolores Halloran** reiterated the importance of transparency and digitalization measures, and

88 Its recent evaluation report, published in 2023, can be accessed here: <https://www.gov.uk/government/publications/the-ecosystem-of-trust-evaluation-report-2023>

89 A point Lars Karlsson also made on the previous day in Panel 2 during audience contributions to the conversations about public-private partnerships

90 Read, for example: <https://unctad.org/publication/sigmat-system-asyuda-journey-west-africa>





Sofia Boza, Chile Ambassador to the WTO, Poul Hansen, UNCTAD

their impact on reducing the scope for corruption<sup>91</sup>. She also highlighted conversations about how efficient procedures can play an important role for the agricultural sector and thereby also for food security. She observed that WTO members are shifting conversations beyond the specific TFA articles to the impacts that trade facilitation can have. Here **Abassador Sofia Boza** added that trade has strong role to play in meeting Chile's climate change challenges and becoming carbon neutral by 2050. Trade facilitation plays a big part in these efforts by directly touching on topics like: the circular economy and the responsibilities of producers; the improved utilization of transport vehicles; and the ability to do things digitally.

Responding to audience questions, panelists also elaborated on the TFA benefits for SMEs. Referring back to earlier panel conversations, it was stressed that trade facilitation helps reduce compliance costs – especially for SMEs. Transparency measures also help them become more informed about trade compliance requirements and thus manage associated business risks in a better way – including the risk of delay that comes from getting issues like tariff classifications wrong. However, **Carlos Grau Tanner** explained that rules can still be quite complex and suggested that rules could be made easier for SMEs – for instance by offering classification and valuation simplifications for low value shipments – and referred to a proposal on the GEA website<sup>92</sup> about how to do this and the examples of Canada and

Australia. In response to another question, **Lars Karlsson elaborated** on the utility of Authorized Economic Operator (AEO) programs. He felt that this should be inclusive for SMEs, especially since the size of their business would make it easier for them to meet trusted trader objectives. Moreover, he stressed that digital innovations would also make it easier to give SMEs streamlined access to benefits like periodic declarations – or even remove the need to make declarations. The response to the COVID-19 pandemic showed what can be achieved when the need for change is urgent.

#### LAST BUT NOT LEAST

Panelists were asked to suggest one priority that they would like to recommend for action right now. The response to which were as follows:

- **Dolores Halloran:** “To do everything to get the TFA fully implemented.”
- **Poul Hansen** argued that it is very clear from the global dialogue that environmental and sustainability issues must become part of the trade facilitation reforms. This does not mean the TFA needs to be renegotiated, but “we need to change the storyline a little bit.”
- **Lars Karlsson** and **Carlos Grau Tanner** stressed that the WTO TFA “is a winner” and more resources to take trade facilitation to the next level deserve to be invested in.

<sup>91</sup> Editorial note: Which, according to many practitioners, relates to the fact that informed traders are less at risk of being asked to pay bribes for “short-cuts.” A very useful publication worth highlighting is the WCO’s (2021) Integrity Development Guide – see [https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/integrity/instruments-and-tools/integrity\\_guide.pdf?la=en](https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/integrity/instruments-and-tools/integrity_guide.pdf?la=en)

<sup>92</sup> See: <https://global-express.org/assets/files/amgads-paper-de-minimis-vat-gst-on-lvs/GEA%20PROPOSAL%20ON%20DUTY-TAX%20COLLECTION%20ON%20IMPORTED%20LOW%20VALUE%20SHIPMENTS.pdf>

## PANEL DISCUSSION ON: REMOVING RED TAPE – HONORING THE AMBITION OF THE TFA – IMPLIED OR STATED ACTION POINTS

- “Do everything to get the TFA fully implemented”
- Encourage governments that have not already done so to take greater ownership of the TFA
- Encourage the business sector to actively engage with the work of the NTFC – and this should, in accordance with previous panel discussions, also include the active participation of the transport and logistics sector
- Foster dialogue and the sharing of experiences and insights wherever useful
- Recognize the value of learning, especially from peers, but also from pilot programs and/or the involvement of research communities. Explore how learning can be best leveraged into trade facilitation policymaking and implementation
- Move the debate in trade facilitation beyond that of the WTO TFA, especially in anticipation of forthcoming green tape and the risk of this adding to red tape
- Be curious and experiment – for example through pilot studies or insights from elsewhere – with ideas that improve border control outcomes and reduce their impact on trade flows
- Understand that trade facilitation has considerable utility for SMEs
- Refer to what has been achieved in response to the COVID-19 pandemic to help drive similarly urgent trade facilitation demands in years to come



## PANEL DISCUSSION ON: INNOVATING TRADE: DIGITAL SOLUTIONS TO FOSTER GLOBAL COMMERCE

<b>Date</b>	<b>October 12, 2023</b>
<b>Moderator</b>	<b>Dagmar Joswig</b> , DHL Group's Head of Digitalization and Corporate IT Office
<b>Panelists</b>	<p><b>Pamela Mar</b>, Managing Director, ICC Digital Standards Initiative</p> <p><b>Jens Munch Lund-Nielsen</b>, Global Head of Trade &amp; Supply Chains, IOTA Foundation</p> <p><b>Oliver Wieck</b>, Secretary General, ICC Germany</p> <p><b>Yin Zou</b>, Head of Corporate Development, DHL Group</p>



### STANDOUT POINTS AND KEY TAKEAWAYS

- Digitalization is a key topic for enabling inclusive trade-led growth and is at the heart of most trade facilitation measure. Digitalization has also enabled SME businesses to participate more easily in global trade activity, especially through using e-commerce platforms
- Despite the prevalence of digital technologies and solutions, trade is still at an early stage of digitalization. Today, only 2% of Bills of Lading are electronic. However, a confluence of forces could rapidly accelerate uptake, including progress on legal reforms (e.g., enabled through the work of UNCITRAL); clarity on data standards (along with AI) tools that can enable interoperability; new technologies for decentralized approaches to data sharing; and the fact that information is increasingly created as sharable data – not paper documents
- The future, as pointed out by this panel, lies with a standardized open eco-system approach that is inclusive. This approach necessitates concern for good governance and trust, including provisions for digital identities and certification, perhaps also safeguard measures to avoid market abuse by a dominant actor and the risk of users becoming locked in to specific platform services
- It was also stated that the current boom of AI, and especially Generative AI, could just be the next game changer on the digitalization roadmap. But this necessitates all stakeholders to get the basics done right
- Despite the positive outlook, the panel also observed that while some things may look comparatively easy and there is a lot of good will, there are also many obstacles. Those obstacles include inertia relating to legacy systems and the cost and resources needed to transition to an open, trade advancing digital trade environment. There are many action points to make sure the digital trade environment will indeed be inclusive and impactful

### SUMMARY

This was the summit's final panel. Its focus was on digital trade solutions, a topic that previous panels had identified as being central to trade facilitation – especially within the context of digitalization as well as in the development of measures that help streamline the control and administration of cross-border trade flows. Panelists represented key individuals who are at the forefront of ongoing global digitalization efforts and included **Pamela Mar**, the Managing Director of ICC's Digital Standards Initiative (DSI)<sup>93</sup>, and **Jens Munch Lund-Nielsen**, of the IOTA Foundation<sup>94</sup>. Other panelists were Oliver Wieck, the Secretary General of the ICC, and DHL Group's Head of Corporate Development, **Yin Zou**. **Dagmar Joswig**, DHL Group's Head of Digitalization and Corporate IT Office, facilitated the conversations.

<sup>93</sup> <https://www.dsi.iccwbo.org>

<sup>94</sup> <https://www.iota.org>



## PANEL DISCUSSIONS

The panel conversation started with an outline of the link between digitalization and the global trade landscape. **Pamala Mar** explained by reflection on previous panel conversations and her own experiences that “digitalization is the answer to our climate problems<sup>95</sup>, [...] it’s the answer to our inclusion problems, [and] it’s the answer to the trade finance gap.” She also observed that the topic is a rare example of global public and private interests being well aligned. While she acknowledged that everyone in (this GoTrade Summit 2023) room is pro-trade and pro-digital, the real question is: “how do we get there?” This, she explained, is what DSI does by focusing on creating a globally harmonized digital trading ecosystem. Here she added that today only 2% of Bills of Lading<sup>96</sup> are electronic, so there is still much room for improvement!

**Yin Zou**, as a long-term supply chain manager at DHL Group, reflected on the significance of digitalization in B2C operations. He explained that there is a long legacy of enabling technologies that started with fax machines and telephones, and now include EDI and API technologies, among others. **The biggest issue**, he highlighted, **for the B2C trade is trust**. That problem, he explained, has been solved in China through the emergence of Alipay<sup>97</sup> and resulted **in a big boost for e-commerce**. He also referred to the digitalization-enabled track-and-trace systems that are an expectation in countries like Germany. He also highlighted that in other countries preferences differ. In Kiev, for instance, customers still go to postal stations to post and pick up parcels. In Riyadh people prefer to pay cash on delivery. **Yin Zou** observed that growing trust in e-commerce systems and digitalization has contributed to increased e-commerce shipment volumes.

**Oliver Wieck** picked up on the **keyword trust** and elaborated on the need for the right (trade-enabling) legal conditions that if not harmonized between countries should be similar. He commented that at first sight digitalization and the standardization of digital processes might seem to be an easy thing. However, once you take a look at the legal environment and consider the many documentary requirements that apply to trade, the adoption of digital technologies and the interoperability between

systems presents itself as a huge challenge. An example of recent progress made here, he emphasized, is the **UNCITRAL Model Law on Electronic Transferable Records<sup>98</sup>**, which provides a framework for governments to legalize the use of electronic records in trade.

To illustrate the benefits that come from trust and digitalization **Jens Munch Lund-Nielsen** shared an example from the UK “ecosystem of trust”<sup>99</sup>. Under it an exporter of fishfingers was able to save €500 per consignment – a **huge cost savings** for this company. And reflecting on recent and ongoing digital



developments he felt that **many good things are coming together right now**. This includes: the enabling of commercial laws and regulations; the data standards that are slowly getting there, too; the advances in technology; and the fact that information is increasingly created as sharable data – not paper documents<sup>100</sup>.

Pamala Mar offered further insights by explaining that over half of the G7 countries are legally aligned with the UNCITRAL Model Law on Electronic Transferable Records and similar good progress is also being made in the G20 along with ASEAN and APEC members. But she mentioned four challenges. The first

95 Editorial note: Further details and insights are offered by Pamala Mar’s recent article for the World Commerce Review; see: <https://www.worldcommercereview.com/html/mar-digital-trade-is-good-for-growth-can-it-also-solve-our-esg-challenges.html>

96 <https://www.dsi.iccwbo.org>

97 <https://global.alipay.com/platform/site/ihome>

98 [https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic\\_transferable\\_records](https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records)

99 Also mentioned in the previous panel by Lars Karlsson; see: <https://www.gov.uk/government/publications/the-ecosystem-of-trust-evaluation-report-2023>

100 Although electronically created data can still be printed as a PDF and/or paper document



challenge is that **it takes time** for these countries **to implement the legal changes** within their respective national legislative processes<sup>101</sup>. The second and third challenges are **semantic** and **technical**. This, she explained, can be addressed by being transparent around all the public and private baseline global standards<sup>102</sup>. The fourth challenge is **organizational**. On this last point she explained that each company in the world is likely to have its own electronic systems and even minor changes can sap considerable time and resources. This is because those systems are at the heart of the company infrastructure and key to how the company runs its business. She reflected that **“the conundrum is that the more advanced digitally a company is, [the] harder it is to change”**. Thus, it will take a lot of convincing for companies to understand that a standardized digital future – when compared to the upkeep of their legacy systems – is the stronger business case. This, she asserted, requires relevant business interest associations to lend support to helping their members understand the benefits of adopting global standards. “Everyone wants to go digital, but the process is challenging.”



Pamela Mar, ICC

And **Yin Zou** echoed that such challenges are very real indeed, by sharing an experience with a customer who still insists on sending customs-relevant information in paper form, even though it would be less effort for that customer to email that

information in an electronically readable PDF document. **Oliver Wieck** later added that **legal uncertainties** about electronic data or documents have also been real obstacles that inhibit businesses from shifting towards the wider adoption of electronic trade solutions. Though he also added that the **COVID-19 pandemic has significantly helped mobilize efforts** to do so.

**Jens Munch Lund-Nielsen** explained that one of the big opportunities of digitalization is that data can now be **organized in a decentralized way. Data can be shared by giving access to it, rather than sending it** up or down the supply chain or placing it on a third party platform. Such an approach also eases compliance considerations with emerging local data privacy rules. This approach also builds trust since the risk of data being manipulated or corrupted along the way – as might be the case when sending data – falls away. Giving an example to such an approach, **Jens Munch Lund-Nielsen** cited the **“Trade and Logistics Information Pipeline”** that includes the Kenyan Revenue Authority<sup>103</sup>. Reflecting on that pilot he noted that the task of implementing such a solution is not so big as people might think. This is because the data already rests with the relevant parties<sup>104</sup>.

**Pamela Mar** added that she felt that despite the challenges, there are strong prospects for the bulk of global trade to be managed digitally within the next four to five years – especially when considering the current global progress in providing for the enabling legislative environment. But she cautioned that while progress might be very quick there are risk that this progress will not be inclusive. **SMEs**, for example, are likely to **struggle with the administrative burdens** that would result from having to give access to their data across multiple networks – such as those previously highlighted by **Jen Munch Lund-Nielsen**. Therefore, common standards are essential for reducing the administrative burden. But on this point she also referred to the market shaping power that large networks might have and their reluctance to adopt public standards to protect their business model. She thus stressed that **we “should all be advocates for a trading system where an SME has equal ability to get into global trade.”**

Elaborating on the topic of digitalization and SMEs **Yin Zou** commented that a lot of positive developments can be observed in

101 Editorial note: At the time of reporting, legislation based on or influenced by the Model Law has been adopted in eight States and a total of eight jurisdictions; see: [https://uncitral.un.org/en/texts/e-commerce/modellaw/electronic\\_transferable\\_records/status](https://uncitral.un.org/en/texts/e-commerce/modellaw/electronic_transferable_records/status)

102 Details and studies can be explored on the DSI website; see: <https://www.dsi.iccwbo.org>

103 <https://www.tlip.io>

104 Editorial note: For background reading readers might wish to consider the UN CEFAC White Paper about Data Pipelines, available here: [https://unece.org/sites/default/files/2023-10/WhitePaper\\_DataPipeline\\_Eng.pdf](https://unece.org/sites/default/files/2023-10/WhitePaper_DataPipeline_Eng.pdf), and the seminal work by the late David Hesketh (2009), ‘Seamless electronic data and logistics pipelines shift focus from import declarations to start of commercial transaction,’ *World Customs Journal*, 3 (1), 27-32



developing countries where exporters take advantage of e-commerce platforms and trade. Parcel volumes are rising. He also noted that companies like DHL Group, in response to customer demand, can print labels on behalf of their customers, and that sharing technology as well as interoperability are important. **Oliver Wieck** explained that there have been several platforms – such as TradeLens for shipping or Marco Polo Network for finance – that failed because they were, in his view, too exclusive, and suffered from expensive onboarding costs and proprietary rule books. Subsequently, businesses started asking for global standards that would reduce those costs. He stated that it is unlikely there will ever be one standard, but suggested a **certification scheme** that would give accredited SMEs access to multiple export-enabling digital platform providers. Pamela Mar later added in response to an audience question that **the market does indeed need a certification scheme** for reliable systems, since “the more that we encourage people to use electronic records for transacting trade data, the more we need to have common definitions of what constitutes reliability.”

**Oliver Wieck** also suggested that rather than having one exclusive IT platform **there should be a technologically neutral**

**approach** that allows companies to choose their own platforms – emphasizing that such platforms should also be interoperable. This prompted **Jens Munch Lund-Nielsen** to expand the conversation to questions about **governance** and the need for **digital identities**. These are needed to give users access to data, and also to make it easier for businesses to switch platforms – i.e., not be locked in. A particular challenge, he highlighted, related to the governance of identities for government agencies. He also explained later in response to an audience question that sovereign, **government bodies are usually also the first trust anchors** for identity, and they thus have an import role to play in this regard. **Yin Zou** echoed the expressed sentiments that a standardized decentralized approach is the way to go. A one one-size-fits-all system, he explained, would have a single superuser and thus raise further questions about governance and market power.

Commenting on the specific **utility of AI**, **Pamala Mar** explained that “AI will help within the context of decision support, including those decisions that might be too complex for humans to handle within a reasonable time – that would be a good thing”. **Dagmar Joswig** stated “that the current boom of AI and



Yin Zou, DHL Group

digital government transformation, **Yin Zou** emphasized the importance of customs processes<sup>107</sup>, especially since they are already a long way down the digital path and have a vested interest in becoming more efficient in tax revenue collection. Responding to an audience question it was also felt by the panel that conversations about **minimal data element needs** are absolutely necessary, as well as conversations about exploring how **trade can be made easier by cutting out unnecessary regulatory or commercial data demands**. The panel ended with very brief references to the digital challenges that result from emerging regulatory needs for capturing data on green tape from verifiable sources – a topic for further discussion.

especially Generative AI, could just be the next game changer on the digitalization roadmap. That is, if we all together get the basics done right.” **Pamala Mar** added **that AI could also help solve some of the interoperability type challenges**, “because there’s a limit to how much standards organizations and standards developers will converge.” She explained this may come into play where there are two networks with slightly different taxonomies and slightly different ways to manifest data. Here AI could help establish a link for data to move between those two networks. She also felt that **significant gains can be had from people using AI for coding** solutions that meet their needs. She added that this could really help SMEs become empowered to develop or access digital solutions that meet their specific needs. Other panelist strongly echoed these sentiments with **Yin Zou** emphasizing that generative **AI helps makes digital solutions more accessible** and many of the opportunities deserve to be explored<sup>105</sup>.

Reflecting on the challenges of transitioning from paper-driven to paperless technologies, panelists made reference to UN CEFAC initiatives that enable paper documents to be digitally read<sup>106</sup>. **Pamala Mar** also highlighted the direct link between digitalization and trade facilitation, the need for capacity building, and the change management aspects of implementing digital solutions. Here she emphasized that change takes time, and compared to companies, governments are much more complex constructs. Touching on engagement levers that can drive

<sup>105</sup> Editorial note: DHL’s “Delivered” website includes a detailed FAQ discussion about the use of AI within the Group and elsewhere, which can be read here: <https://www.dhl.com/global-en/delivered/digitalization/questions-about-artificial-intelligence-in-the-workplace.html>

<sup>106</sup> Editorial note: Reference was made to the use of QR codes on paper documents, but it might also be worth considering approaches like the “Cross-industry Invoice” among other trade documents – see, for example: [https://unece.org/fileadmin/DAM/cefact/GuidanceMaterials/WhitePapers/WP-PaperlessTrade\\_Eng.pdf](https://unece.org/fileadmin/DAM/cefact/GuidanceMaterials/WhitePapers/WP-PaperlessTrade_Eng.pdf). Of note may also be the efforts of the European Union: <https://ec.europa.eu/digital-building-blocks/>

<sup>107</sup> A theme also explored in the previous trade facilitation panel

## PANEL DISCUSSION ON: INNOVATING TRADE: DIGITAL SOLUTIONS TO FOSTER GLOBAL COMMERCE – **IMPLIED OR STATED ACTION POINTS**

- Encourage businesses and government to adopt open standards, recognizing that this helps fosters and give access to a sustainable open digital trade eco-system
- Trust is a key issue, and a certification scheme to lend such trust is required. Such a scheme could be operated by commercial entities, including trade associations like the ICC. Government agencies are also important “trust anchors” and need to be made aware of that role. Capacity building efforts may be necessary
- Pilot project like the “**Trade and Logistics Information Pipeline**” with its links with the Kenyan Revenue Authority can provide strong learning and proof-of-concept opportunities
- Adoption of the **UNCITRAL Model Law on Electronic Transferable Records** needs to be strongly encouraged, recognizing that legislative processes can take time. Some countries are likely to need significant capacity building support. Likewise, businesses transitioning toward electronic trade will need help – that should be provided – to convince internal stakeholders (for example by building a strong business case)
- It is also essential to consider core data needs and design processes that are not reliant on additional information
- Decentralized data sharing models which give access to data offer alternatives to approaches where information is shared on third-party platforms or between parties up and down the supply chain

# GOTRADE SUMMIT

OCTOBER 11/12, 2023

**GOTRADE**

Dagmar Joswig, DHL Group, Pamela Mar, ICC Digital Standards Initiative



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