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News Release

BIAC welcomes WTO Ministers' call for speedy Doha Round deal

Paris, 7 December 2009 – WTO Ministers, at their Seventh Ministerial Conference, in Geneva, announced that the eight-year-old Doha Round negotiations should be concluded quickly. BIAC applauds this statement as it has long called for a conclusion of the Doha Round trade negotiations. The Ministers' message sends a strong political signal on all important WTO issues, which should re-energise the negotiations.

Conclude Doha: As unilateral trade-restrictive action of one country will have negative effects on its trading partners it is more important than ever to strengthen global co-ordination within a multilateral framework. BIAC calls on governments to take action and conclude an ambitious and balanced agreement in 2010. Concluding the Doha Round will bring positive stimulus to the world economy, as well as lower the risk of trade-distortive protectionism.

Avoid Protectionism: In response to the current financial and economic crisis, some countries have applied trade-restrictive measures, often in the form of non-tariff barriers such as procurement requirements and discriminating sectoral support schemes. Protectionism in any form is counterproductive and must therefore be avoided.

BIAC welcomes the important G20 mandated work that the OECD and the WTO, UNCTAD and IMF have done on monitoring and reporting periodically on countries' actions of raising new barriers to trade and investment. However, there are vast areas of trade distorting policy measures, e.g. non-tariff barriers, that are retarding economic recovery and that are beyond the policy of these monitoring efforts.

Governments need to address these issues and refrain from implementing such policy measures, as they tend to encourage retaliatory responses, which reduce economic integration and could easily spark a jump in protectionism. In the context of economic recovery, governments must not apply trade distorting measures in an attempt to protect domestic jobs.

Co-ordinate stimulus exit strategies: BIAC appreciates the concerted government intervention to stabilise and stimulate the economies in response to the financial and economic crisis. However, recovery of long-term economic growth cannot be obtained through continued support schemes.

Governments have been considering implementing exit strategies as the global economy has shown signs of recovery. Co-ordinated, transparent, and timely government action will have significant positive effects on global trade and economic growth. Carefully metered exit strategies are therefore essential. It must be assured that stimulus measures are not followed by, or lead to, future protectionism under the pretext of securing national economies and labour markets.

In conclusion, BIAC welcomes the commitment by governments to further trade liberalisation and conclusion of the WTO Doha Development Round in 2010. Business looks forward to working with government leaders to achieve practical policy approaches across all issues necessary to support sustainable economic activity and enterprise growth.

Founded in 1962 as an independent organisation, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognised representative of the OECD business community. BIAC's members are the major business organisations in the OECD member countries and a number of OECD observer countries.

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