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| B20 Trade Taskforce Policy Summary |
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| August 2015 |

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Taskforce constitution and process

**B20 Turkey Leadership**

The Deputy Prime Minister of Turkey Ali Babacan appointed an executive committee that included the representatives of Turkey’s six leading business organizations to guide the work of the B20 Turkey in 2015 under the leadership of Rifat Hisarcıklıoğlu, B20 Turkey Chair and President of the Union of Chambers and Commodity Exchanges of Turkey: Mehmet Büyükekşi, HalukDinçer, Nail Olpak, Erol Kiresepi, Erdal Bahçıvan, and Tuncay Özilhan. The executive committee appointed Sarp Kalkan as B20 Sherpa.

**B20 Taskforce** **Policy Development**

The B20 Turkey has brought together six taskforces on Trade, Infrastructure and Investment, Financing Growth, Employment, Anti-Corruption, and SMEs and Entrepreneurship, which developed recommendations based on the contributions of their members.

The policy development process began with a scoping exercise to develop themes for investigation based on the recommendations of B20 Australia. Each theme was then deeply researched and debated within the taskforce to generate draft recommendations. The draft recommendations were then refined in an iterative process and a series of actions developed to test the practicality of each recommendation. The draft recommendations were also discussed in the regional consultation meetings held in nine countries. The contributions of the taskforce members were coordinated and turned into policy reports by taskforce working groups that include chairmen’s deputies, and representatives of the knowledge and international business network partners. Please see page 27 for the list of the members of the working group of the Trade taskforce.

The Economic Policy Research Foundation of Turkey (TEPAV) provided content for taskforce recommendation development, with a team led by Ussal Sahbaz, B20 Content Lead. Directly reporting to B20 Turkey Chair, the B20 Steering Committee supervised the B20 content. The members of the steering committee were Tunç Uyanık (chairman), Janamitra Devan, Robert Milliner, and Güven Sak.

**Trade Taskforce**

The Trade taskforce was established under the coordinating chairs Güler Sabancı – Chairman of Sabancı Holding, and Harold McGraw III – Chairman of McGraw Hill Financial. The co-chairs were Andrew Liveris – Chairman and CEO of The Dow Chemical Company, Frederico Pinheiro Fleury Curado – President and CEO of Embraer SA, Nils Smedegaard Andersen – Group CEO of The Maersk Group, Aleksey Mordashov – CEO of Severstal, Gaoning “Frank” Ning – Chairman of COFCO Corporation, and Victor Chu – Chairman and CEO of First Eastern Investment Group. The deputies for the coordinating chairs were İlknur Aslan – Sabancı Holding, Advisor and Cindy Braddon – McGraw Hill Financial, Vice President. The taskforce received in-depth content and process support from the Boston Consulting Group (BCG) as its knowledge partner, the Peterson Institute for International Economics (PIIE) as its knowledge expert, and the International Chamber of Commerce (ICC) as its international business network partner.

The Trade Taskforce, which met three times before the B20 Conference and exchanged ideas and materials throughout the year, was comprised of 92 members, most of whom were senior executives in business, business associations, and professional services firms. The membership broadly represented the countries of the G20 (see page 27for details). The taskforce prioritized its agenda to enable G20 leaders to implement the most impactful and actionable recommendations with a view to addressing structural problems in the most immediate way. The taskforce opted for facilitating trade and rolling back protectionism as this year’s two primary priorities because of their crucial importance for expansion of global value chains (GVCs). Meanwhile, “improving the global trade system for the emerging digital economy” is included in the agenda to form the basis of discussions in 2016 under the Chinese presidency. The importance of other key topics – namely, trade in services, effectiveness of preferential trade agreements, strengthening multilateralism, and progress on the Doha round – were acknowledged and recommended for consideration in future years.

executive Summary

Trade growth has been sluggish in recent years, slowing to 3.5 percent in 2013 – half of what it was in 2011 and slightly below current global GDP growth. This growth rate is well below the pre-crisis average of 7 percent (1987–2007) when trade grew at twice the rate of GDP. The International Monetary Fund (IMF) and World Bank estimate that trade growth may decline to 2 percent if current conditions persist. Slower expansion of GVCs, rising protectionism, and the decline in trade-intensive investment components of GDP are some of the main structural drivers. To spur growth to pre-crisis levels, the G20 should ratify and implement the WTO’s Trade Facilitation Agreement, reaffirm the standstill commitment and roll back existing measures (especially non-tariff barriers to trade, starting with forced localization barriers), and improve the global trade system for the emerging digital economy.

Expansion of the GVCs will potentially be one of the main drivers for the recovery of global trade growth. To enable GVCs, products need to cross borders multiple times; red tape in customs represents significant friction against such flows. The Trade Facilitation Agreement aims to streamline customs procedures between nations and expedite the movement and clearance of goods, removing inefficiencies and “greasing the wheels” of international trade. Implementation of the agreement has been estimated to contribute up to $1 trillion (1 percent) to world GDP, creating 21 million jobs – 18 million of which will be in developing countries. Consequently, this agreement plays a significant role in the G20 target of adding 2 percent to global GDP and it is one of the most targeted and actionable actions that the G20 governments could take.

Although governments reiterated their commitment to the standstill agreement and pledged to roll back protectionist measures, last year non-tariff barriers did not receive the desired attention in the Brisbane communiqué and protectionist measures – particularly forced localization policies, including local content requirements – continued to accumulate during 2015. Therefore, the G20 members should reiterate their commitment to the standstill agreement and take specific actions in initiating rollback of protectionist measures. The B20 identified forced localization barriers to trade as the priority for rollback because of their substantial impact and recent proliferation. The rollback of all protectionist measures introduced between 2008 and 2013 would add $460 billion to global trade, while the rollback of LBTs introduced over the same period would add $93 billion.

Finally, the B20 Trade Taskforce recommends that G20 governments unleash the potential of the digital economy by improving the global trading system. In this regard, B20 is seeking to attract G20 governments’ attention on some key issues that impede the gains from the emerging digital economy. These include data-flow restrictions, burdensome custom procedures for e-commerce shipments, onerous compliance to legislation for e-traders, and lowering barriers to the trade of information technology (IT) goods.

The following actions have been suggested by the taskforce to accomplish the proposed recommendations:

1. **Ratify and implement WTO’s Trade Facilitation Agreement:**

* Ratify the WTO’s Trade Facilitation Agreement by the 10th WTO Ministerial Conference in Nairobi in December 2015 or commit to the earliest deadline, to fulfill previous commitments and show leadership to other WTO members.
* Establish and strengthen their national trade facilitation committees to systematically support and coordinate implementation of trade facilitation measures. The committees should have balanced representation from the public and private sectors, and should oversee effective TFA implementation and identify solutions to regulatory, administrative, legislative, and cost barriers to cross border trade.
* Commit to a high-quality and prioritized high-impact implementation plans in order to ensure substantive impact of the TFA on the real economy. Among immediate steps the G20 can take to accelerate implementation is to adopt the “single window” approach, by expanding pre-arrival processing, and improving the transparency and predictability of the advance-ruling mechanism, and developing digital systems in order to increase electronically executed operation and risk assessment.
* Implement tried and tested UN and World Customs Organization (WCO) tools and guidelines most notably the WCO Revised Kyoto Convention and UN TIR Convention to facilitate implementation of TFA.
* Coordinate support to developing and least-developed trade partners and commit as soon as possible to provide the necessary financial resources and capacity building in order to encourage developing countries to ratify the TFA and ensure ambitious implementation the TFA. The G20 should encourage technical assistance be provided by multilateral development banks (MDBs) and other intergovernmental organizations where appropriate.

1. **Reaffirm the standstill commitment and roll back existing protectionist measures, especially non-tariff barriers starting with localization barriers to trade (LBTs):**

* Reaffirm the standstill commitment and roll back existing protectionist measures especially non-tariff barriers
* Focus on eliminating forced localization barriers to trade through bilateral, plurilateral, and regional agreements to demonstrate commitment to rollback of non-tariff barriers. Further elimination of localization barriers to trade should be negotiated through the ongoing development of the Trade in Services Agreement and the Environmental Goods Agreement
* Take the lead in addressing growing issues concerning the movement of data and adopt alternative policies to data localization such as the “accountability” principle.
* Initiate negotiations of a plurilateral code on localization barriers to trade through the WTO, since existing WTO agreements are not sufficient to limit these barriers.

1. **Improve the global trade system for the emerging digital economy:**

* Improve access to IT products by accelerating finalization of the ITA II agreement.
* Discuss measures that go beyond the TFA to facilitate customs procedures with a direct focus on e-commerce transactions.
* Establish one-contact information centers to support SMEs around legislative issues concerning cross-border e-commerce.
* Roll back data flow restrictions and improve cyber-security.

INTRODUCTION

Trade growth has been sluggish in recent years: it slowed to 3.5 percent in 2013 – half the 2011 level and slightly below world GDP growth. This growth rate is well below the pre-crisis average of 7 percent (1987–2007) when trade grew at twice the rate of GDP. The IMF and World Bank estimates that trade growth may decline to 2 percent if current conditions persist. Slower expansion of global value chains (GVCs), rising protectionism, and the decline in trade-intensive investment components of GDP are some of the main structural drivers.[[1]](#footnote-1)More positively, simultaneous progress with the Bali Package,[[2]](#footnote-2) ongoing negotiations of plurilateral and mega-regional agreements, and proliferation of preferential trading areas (PTAs) are expected to contribute to the recovery of trade growth by integrating economies and expanding GVCs.

In light of these developments and as the B20 Turkey embraces “implementation” as its main theme, the Trade Taskforce prioritized its agenda with a view to G20 leaders pushing for implementation of the most impactful and actionable recommendations in order to address structural problems in the most immediate way. The B20 Turkey Trade Taskforce opted for facilitating trade and rolling back protectionism as this year’s focus because of their crucial importance for expansion of GVCs.

Meanwhile, “improving the global trade system for the emerging digital economy” is included in the agenda as a recommendation to form the basis of discussions in 2016 under the Chinese presidency. The B20 recommends four areas of focus during next year’s discussions: access to IT goods and infrastructural equipment; custom barriers to e-commerce; barriers related to compliance with legislation; and data-flow restrictions.

The importance of other key topics– namely, trade in services, effectiveness of preferential trade agreements, strengthening multilateralism, and progress on the Doha round – were also acknowledged and recommended for consideration in future years.

RECOMMENDATION 1: Ratify And Implement WTO’s Trade Facilitation Agreement

**Summary**

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| Reference | TR 1 |
| Recommendation | Ratify and implement WTO’s Trade Facilitation Agreement. |
| Owner | G20 governments. |
| Timing | Ratification: 10th Ministerial WTO meeting in Nairobi in December 2015.  Implementation: 2016 G20 Summit. |
| Value | GDP: $960 billion.  Trade: $1.043 trillion.  Jobs: 20.6 million. |
| KPI | Ratification: number of ratifications of WTO’s TFA Agreement by G20 countries.  Implementation: Score of prioritized TFIs.[[3]](#footnote-3)  Aid for Trade Facilitation: financial support commitment for 2015–20 period. |
| Current (Target) | Ratification: 12 (37).  Implementation: 1.5 (10% annual increase).  Aid for trade facilitation: ($1.4 billion). |

**Context**

Expansion of GVCs will potentially be one of the main drivers for the recovery of global trade growth. To enable GVCs, products need to cross borders multiple times; red tape in customs represents significant friction against such flows. Streamlining customs by simplifying and harmonizing procedures will “grease the wheels” – by eliminating inefficiencies – and will benefit all countries (see Figure 1). The Organisation for Economic Co-operation and Development (OECD) estimates that cutting red tape in customs would result in more than a 15 percent reduction in trade costs for developing and emerging G20 countries and an almost 12 percent reduction for developed G20 countries.[[4]](#footnote-4)

At the 9th Ministerial Conference of the WTO in Bali, 159 WTO members signed the TFA to cut trade red tape by improving the efficiency of customs procedures. On 27 November 2014, WTO members adopted a protocol of amendment to insert the new agreement into Annex 1A of the WTO Agreement. The TFA will enter into force once two-thirds of members have completed their domestic ratification process.

As of 25 August, only 12 of 161 countries have ratified the agreement, namely: Australia, Botswana, Hong Kong, Japan, Malaysia, Mauritius, Nicaragua, Niger, the Republic of Korea, Singapore, Trinidad and Tobago, and the United States. Only five of these are G20 members. Through the advocacy of Trade Taskforce members, the B20 Trade Taskforce has ascertained that all G20 governments are committed to ratifying the WTO’s Trade Facilitation Agreement. However, their busy agendas and technical formalities are causing delays (see Figure 2); these delays are causing ambiguity around members’ commitment to the agreement and the G20 must show progress on this important trade commitment.

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| Figure 1: Estimated trade cost reduction of high-standard implementation of the TFA | |
| Source: OECD |  |

Even though ratification by two-thirds of WTO members is needed for the agreement to become legally binding, B20 Australia urged the G20 countries to start implementation beforehand.[[5]](#footnote-5) Many G20 countries responded to the recommendation by committing to implement trade-facilitation measures as part of their country growth strategies. As of 25 August, 68 developing WTO members have committed to the first step of their implementation plan by providing their Category A provisions[[6]](#footnote-6) to the WTO.[[7]](#footnote-7) However, many countries did not establish a national trade facilitation committee nor commit to an implementation roadmap that will ensure high-standard implementation.

Support for developing countries is the key component of the TFA to improve welfare across the globe. Coordination of technical assistance is necessary to generate maximum impact, and there have been important developments in this respect: WTO launched the Trade Facilitation Agreement Facility for general coordination; the WTO and the World Bank agreed to enhance their cooperation; the World Customs Organization (WCO) and the WTO gave cooperation messages; and three key United Nations agencies –namely, the United Nations Economic Commission for Europe (UNECE), the International Trade Center (ITC), and the United Nations

Conference on Trade and Development (UNCTAD) – have signed a memorandum of understanding to provide a coordinated and integrated program of support. In terms of financial assistance, donations from developed countries and intergovernmental organizations have been increasing, and so far there has been no lack of aid-for-trade facilitation donations; however, going forward, an early commitment to continuing the necessary amount of support would encourage more ratifications and reinforce the ambition of high-standard implementation in developing trade.

**Value**

The Peterson Institute for International Economics estimated that improvements in trade facilitation could increase global exports by over $1 trillion, with global GDP uplift estimated at $960 billion.[[8]](#footnote-8)

According to the OECD’s latest estimates, the agreement signed in Bali would reduce total trade costs by 16.5 percent for low-income countries, 17.4 percent for lower-middle-income countries, 14.6 percent for upper-middle-income countries, and 11.8 percent for OECD countries. The OECD also estimates that a 1 percent reduction in global trade costs results in a $40 billion increase in global income.

**Actions**

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| Figure 2: Status update of G20 governments on ratification of the WTO’s Trade Facilitation Agreement |
| |  |  |  | | --- | --- | --- | | Datei:Flag of Argentina.svg |  | Argentina has presidential elections in October. In this respect, with several urgent topics at hand, delays are expected. | | Argentina | | **Unbenannt-1.png** |  | Ratified on 8 June 2015. | | Australia | | **Datei:Flag of Brazil.svg** |  | Brazil initiated the process and expects to ratify during 2015; however, with economic stability being the government’s main priority, there is some risk of delay. | | Brazil | | **Unbenannt-1.png** |  | Busy economic and political agenda going into 2015 election season (October). Canada likely to comply with whole agreement. | | Canada | | **Datei:Flag of the People's Republic of China.svg** |  | TFA now before State Council for approval after having completed the domestic consultation with relevant agencies; however, government’s agenda is very busy. | | China | | **Datei:Flag of Europe.svg** |  | The EU process is advancing; a vote on the TFA would be held in September; ratification could be submitted by the Council in November 2015. | | EU | | **Datei:Flag of India.svg** |  | There are no obstacles to ratification of TFA; a possible delay in the ratification process is not likely to extend beyond December 2015. | | India | | **Datei:Flag of Indonesia.svg** |  | The government has shown support, but the recent establishment of a new cabinet may delay progress. | | Indonesia | | **Datei:Flag of Japan.svg** |  | Ratified on 1 June 2015. | | Japan | | **Datei:Flag of South Korea.svg** |  | Ratified on 30 July 2015. | | Korea | | **Datei:Flag of Mexico.svg** |  | Started the process for ratification. | | Mexico | | **Datei:Flag of Russia.svg** |  | No significant barriers; expected to be ratified by year end. | | Russia | | **Datei:Flag of Saudi Arabia.svg** |  | No opposition to TFA but some delays may be expected due to alignment needed among Gulf Cooperation Council (GCC) members. | | Saudi Arabia | | **Datei:Flag of South Africa.svg** |  | Cannot commit to ratification before Nairobi; parliament does not take into account extraterritorial timetables. | | South Africa | | **Datei:Flag of Turkey.svg** |  | The last government showed commitment to ratifying the agreement but was unable to ratify before the parliament closed for elections. | | Turkey | | **Datei:Flag of the United States (Pantone).svg** |  | Ratified on 23 January 2015. | | US |     Source: B20 Turkey Trade Taskforce Members, BCG Analysis |

**TR 1.1: Ratify the WTO’s Trade Facilitation Agreement by the 10th WTO Ministerial Conference in Nairobi in December 2015 or commit to the earliest deadline, to show leadership to other WTO members.**

The G20 countries should ratify the WTO’s Trade Facilitation Agreement by the 10th WTO Ministerial Conference in Nairobi in December 2015 to show leadership to other WTO members and demonstrate commitment to the agreement. The G20 should encourage ratification by other countries during bilateral, plurilateral, and multilateral discussions.

To meet the deadline, the B20 urges G20 governments to prioritize ratification of the agreement in their own agenda and solve technical problems that delay the process of ratification. If technical formalities do not allow committing to the Nairobi deadline, the B20 Trade Taskforce urges G20 governments to commit to the earliest deadline technically possible. If all G20 countries can ratify the agreement by the Nairobi meeting, the total number of ratifications will number more than 40 (including current ratifications).

**TR 1.2: Establish and strengthen their national trade facilitation committees, as stipulated in the TFA, to systematically support and coordinate implementation of trade facilitation measures. The committees should have balanced representation from the public and private sectors, and should oversee effective TFA implementation and identify solutions to regulatory, administrative, legislative, and cost barriers to cross border trade.**

National trade facilitation committees are needed to determine steps to fulfill commitments to implement the TFA and to identify solutions to regulatory, administrative, legislative, and cost barriers that may delay full implementation. These national committees need to have a balanced private and public participation.

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| Leading practice 1: Facilitating coordination among public-private stakeholders for the implementation of TFA – Mauritius establishes a national trade-facilitation committee |
| ITC-UNCTAD provided technical assistance and capacity building to help Mauritius set up a national trade facilitation committee to facilitate domestic coordination and implementation of the provisions of the agreement.  Mauritius created a national coordination committee and nine thematic sub-committees comprising private sector, government, and regulatory agencies which share responsibility for policy development for trade-negotiations issues under the WTO.  One of the major benefits of including all stakeholders in this activity was that the public and private sector stakeholders were collectively able to prioritize different measures of the WTO Trade Facilitation Agreement in accordance with their importance to the country’s goals as well as the sequence in which they should be implemented.  As a result of the assistance provided by ITC and UNCTAD, Mauritius ratified the TFA and submitted the letter of acceptance to the WTO in February 2015.  Source: International Trade Centre (http://www.intracen.org/news/ITC-Impact-Mauritius/) |

**TR 1.3: Commit to a high-quality and prioritized, high-impact TFA implementation plan.**

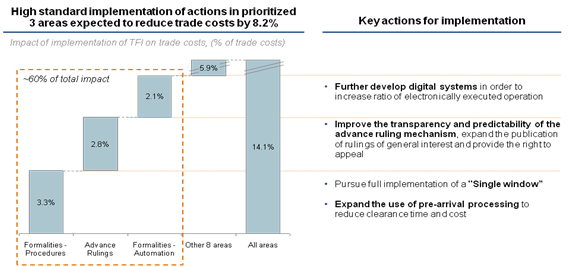
To ensure high-standard implementation and commercially meaningful results as early returns on the impact of the TFA, the G20 must commit to their implementation plans with an emphasis on high-impact measures to be implemented even before the TFA comes into force. The private sector would play a key role in identifying these high-impact measures and its guidance on how the measures are implemented is critical to delivering the benefits of implementing the TFA. The B20 Trade Taskforce offers three priorities across countries as indicated in Figure 3. However, recognizing the varying conditions and capabilities among G20 nations, the B20 Trade Taskforce encourages G20 countries to prepare their own implementation plans, in consultation with the private sector.

The B20 Trade Taskforce identified four priorities for implementation across G20 countries and also in providing technical assistance:

* Pursue full implementation of a “single window”.[[9]](#footnote-9)
* Expand the use of pre-arrival processing.
* Improve the transparency and predictability of the advance-ruling[[10]](#footnote-10) mechanism.
* Further develop digital systems in order to increase the ratio of electronically executed operation.

All WTO members should include these measures in their country growth strategies, as implementation of these four measures would reduce trade costs by 8.2 percent across the G20, according to the OECD study (Figure 3).[[11]](#footnote-11)

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| Figure 3: Impact of four priority actions |



The adoption of digital systems will also be beneficial for reducing corruption at customs. Such corruption can be significant, leading to: inefficient economic decisions; illegal conduct; entry of harmful goods; and delays in trade – increasing the cost of doing business and raising the barriers to market entry. By working together and taking the initiative, businesses can help to improve the quality of available data and address fraud, bribery, and corruption risk. Addressing corruption at points of entry strengthens customs administration and contributes to government objectives, including improved revenue collection and more efficient transit of goods. Further, such improvements also help build a climate of trust for businesses to invest.[[12]](#footnote-12)

Leading practice case studies 2 and 3 demonstrate that the benefits of implementing these identified measures greatly outweigh the implementation costs.

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| Leading practice 2: Single window implementation in South Korea Customs |
| In line with the Revised Kyoto Convention and recommendations from international organizations, including the World Customs Organization and United Nations, the South Korean Government launched its single window project in 2003.  The government implemented the single window in four phases through 2003–12. Implementation of the single window started by connecting 8 government agencies and finally ended up connecting 23 agencies with an upgraded system. The total cost of the single window initiative amounted to $7.3 million over the entire period.  Implementation of the single window reduced clearance times and reduced many duplicative transactions which resulted in significant benefits to South Korean firms by reducing mainly freight storage and inventory costs.  According to a World Bank study, South Korean firms’ annual cost savings amounted to $2.1 billion.  C:\Users\User\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\TS5R1RLC\Box12.png  Source: Korea customs service, World Bank, BCG analysis |

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| Leading practice 3: Establishment of a computer-based risk-assessment system in Turkish Customs |
| Turkey has an import and export control system that is widely based around pre-market control on products when shipments arrive at customs. The prior system required extensive document-checking for all shipments. For two million annual transactions there were 350,000 certificates issued each year.  The traditional system also hindered the establishment of a reliable database in which all transactions and statistical data could be recorded. The absence of such a database prevented competent authorities from conducting risk analysis and from increasing the efficiency of their policies.  Turkey launched a computer-based risk assessment system (PSS) to overcome these shortcomings. As a result, 60 percent of shipments no longer need technical inspection, more time is dedicated to “riskier” transactions, duration of technical controls in exports has been reduced by 90 percent – from about three days to some seven hours. The Turkish customs administration estimates approximately a 10 percent reduction in logistics costs.  Source: Import and export control department of Turkey, BCG analysis |

**TR 1.4: Implement tried-and-tested UN and World Customs Organization (WCO) tools and guidelines most notably the WCO Revised Kyoto Convention (RKC) and UN TIR Convention to facilitate implementation of TFA.**

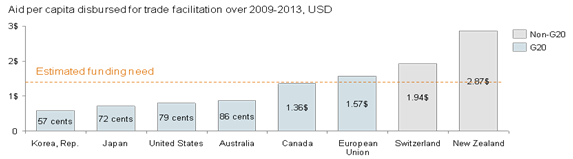
Implementation of the WCO’s Revised Kyoto Convention and UN TIR and Harmonization Conventions inter alia will pave the way for a more rapid and efficient implementation of the TFA. In this respect, these global instruments offer the most-efficient ways to implement many of the key simplification and harmonization objectives of the TFA, notably the release and clearance of goods (Article 7), the formalities connected with importation and exportation and transit (Article 10), freedom of transit (Article 11), and customs cooperation (Article 12).

**TR 1.5: Coordinate support to developing and least-developed trade partners and commit as soon as possible to provide the necessary financial resources and capacity building in order to encourage developing countries to ratify the TFA and ensure ambitious implementation the TFA.**

The G20 should encourage technical assistance to be provided by multilateral development banks (MDBs) and other intergovernmental organizations where appropriate. Consultation with the private sector, through national trade-facilitation committees and chambers of commerce, is highly critical in the context of allocation of this support.

The taskforce also believes that G20 countries should commit early to an adequate amount of aid to encourage developing trade partners to ratify the agreement and implement it with high standards. The European Commission roughly estimates that the total aid for trade facilitation funding needs might climb to $1.4 billion[[13]](#footnote-13) (see Figure 4 for recent historical numbers).

**Figure 4: Current and target aid for trade facilitation per capita of developed countries**



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| Reference | Action |
| TR 1.1 | Ratify the WTO’s Trade Facilitation Agreement by the WTO’s 10th Ministerial meeting in Nairobi in December 2015 or commit to the earliest deadline, to show leadership to other WTO members. |
| TR 1.2 | Establish national committees on trade facilitation in order to coordinate all relevant national stakeholders, including the private sector, with regard to implementation. |
| TR 1.3 | Commit to an implementation plan and prioritize impactful measures with guidance from the private sector. |
| TR 1.4 | Accede to and apply global intermodal trade facilitation agreements, in particular UN’s TIR and Harmonization Conventions to facilitate implementation of TFA. |
| TR 1.5 | Coordinate the support for developing and least-developed trade partners, and commit early to an adequate amount of support. |

RECOMMENDATION 2: Reaffirm The Standstill Commitment And Roll Back Existing Protectionist Measures, Especially Non-Tariff Barriers Starting With Localization Barriers To Trade

**Summary**

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| Reference | TR 2 |
| Recommendation | Reaffirm the standstill commitment and roll back existing protectionist measures, especially non-tariff barriers starting with localization barriers to trade (LBTs). |
| Owner | G20 governments. |
| Value | Rollback of all barriers created since 2008: +$460 billion trade.  Rollback of localization barriers to trade: +$93billion trade. |
| KPI | Number of harmful protectionist measures since the 2008 financial crisis.  Number of forced LBTs since the 2008 financial crisis. |
| Target | Immediate standstill and reversing the increasing trend by 2016. |

**Context**

The B20 also supports the G20’s standstill commitment and welcomes the G20 leaders’ continued recognition of the importance of refraining from protectionism as a core G20 commitment. Nonetheless, numerous reports[[14]](#footnote-14)[[15]](#footnote-15) show that G20 governments are not adhering to their standstill and rollback commitments with regard to regular tariff barriers – a commitment that has been in place since 2008. Moreover, non-tariff barriers can have a much greater negative impact on GDP growth than tariffs, as noted by the 2014 B20 Australia Trade Taskforce.

The taskforce regrets that neither the G20 Summit Declaration nor the Brisbane Action Plan contains any commitments to address non-tariff barriers. The nearest is a mention in the action plan that “some members have […] taken actions to reduce non-tariff barriers.”[[16]](#footnote-16) While this reference indicates that G20 leaders acknowledge the issue, it is far from an adequate response to the growing concerns of the global barriers. This is of even greater concern, considering that the G20’s own monitoring exercise highlighted the need for greater transparency in this area.[[17]](#footnote-17) Therefore, the taskforce seeks to address this roadblock on global trade through offering solutions at different levels.

Different types of non-tariff protectionist measures have been instituted since 2008; the most concerning categories are: forced localization barriers; technical barriers to trade; non-WTO-compliant trade defense measures; selective aid measures and programs; and discriminatory public procurement and migration measures. All of these measures are harming global trade, damaging global welfare, and affecting millions of jobs. In identifying the broad, negative impact of these measures, the B20 Trade Taskforce has made LBTs the priority for its rollback objectives, as a key type of emerging and highly damaging non-tariff barrier.

OECD explains “localization barriers” as a range of measures that favor domestic industry at the expense of foreign competitors.[[18]](#footnote-18) Governments have imposed LBTs for decades, but a wave of new LBTs erupted following the 2008 financial crisis. Now that the crisis is past, additional LBTs should be banned and existing measures should be rolled back.

The LBTs take several forms (Figure 5). In the simplest case, a government requires that a good or service must use domestic inputs for a given percentage of final value. Other forms include restricting the business activities of foreign affiliates, structuring import licenses to discourage foreign inputs, or requiring a firm’s data to be hosted and analyzed locally.

According to the OECD, “Local content requirements related to trade reduce overall trade flows, even in non-implementing economies, potentially reversing the trend of greater economic integration and dampening global growth.” [[19]](#footnote-19)

LBTs can also demand that some intellectual property be transferred into local jurisdiction or set quotas for the share of senior management who need to be citizens of the host country. Local content requirements (LCRs) are the fastest-growing type of LBTs. Between 2008 and 2013 over 100 LCRs were proposed or implemented (Figures 6 & 7).

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| Figure 5: Number of protectionist measures introduced since the 2008 Financial Crisis | |
| Note: “Traditional”means WTO illegal protectionist measures and “Murky” means WTO legal protectionist measures\*  Source: Global Trade Alert  Note: Time intervals of the original data were not matching therefore they are shifted up to 4 months  Source: WTO, Global Trade Alert, BCG analysis | 511 protectionist measures introduced in 2014 of which 390 were introduced by G20 governments |

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| Figure 6: Forms of forced LBTs |
| Forced local content requirements   * Classic mandatory local content requirement (LCR) percentages for goods or services or incentivized local content.   Forced local procurement   * Tax, tariff, and price concessions conditional on local procurement. * Import licensing procedures tailored to encourage domestic purchases of certain products.   Forced local ownership   * Certain lines of business that can be conducted only by domestic firms or that need to have a local shareholder   Forced data storage and processing or obstacles to data migration   * Data localization: data must be stored and analyzed locally or legal barriers against flow of data.   Source: PIIE, BCG analysis |

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| Figure 7: Number of LCRs introduced since the 2008 financial crisis | |
| Source: OECD, Global Trade Alert | OECD identified 146 LCRs between 2008 financial crisis and 2013 and GTA identified 270 LCRs between the 2008 financial crisis and 2014 |

Dataflow restrictions are a new and troubling cause for concern. This particular form of localization will be extensively discussed under Recommendation 3.

|  |  |
| --- | --- |
| Figure 8: GDP impact of data localization measures, % | |
| Brazil (0.2%) China (1.1%) EU (0.4%) India (0.1%) Indonesia (0.5%) Korea (0.4%) Vietnam (1.7%)  Source: ECIPE, BCG analysis | **ECIPE**[[20]](#footnote-20) estimated data localization to result in negative impact in all seven countries analyzed.  Variations of effect mostly based on coverage of measures and trade's share in the economy.  It is estimated that a total coverage of industry would affect roughly 1% GDP on average. |

Business acknowledges that governments use LBTs with different motives: political considerations such as the urgency to create local jobs or shielding domestic firms; strategic motivations such as protecting infant industries and sustaining important industries such as civil aviation, broadcasting, and electric power; or for budgetary reasons, since LBTs are often “off-budget” and do not entail a fiscal cost.[[21]](#footnote-21)

However, OECD and PIIE studies suggest that a well-designed set of horizontal and selective polices targeted at specific barriers, such as the business-operating environment and information asymmetries, can address both immediate and longer-term objectives with fewer potential trade distortions. Moreover, LBTs are shown to have a negligible effect on unemployment: they introduce trade distortions that aggravate, rather than address, the underlying problems related to the policy objectives; and they harm implementing countries mainly by insulating firms from competition and by removing access to technologically advanced inputs, which potentially inhibits innovation.[[22]](#footnote-22)

LBTs’ negative effects are also highly variable; therefore, the consequences are usually difficult to foresee. The support conferred by LBTs on domestic producers varies from 20-100 percent ad valorem tariff equivalent in addition to any cost impact on downstream producers, which is difficult to calculate. LBTs seldom contain “sunset” provisions and hence market distortions may last for a very long time.[[23]](#footnote-23)

LBTs are also a very important threat in the context of GVCs. The OECD study finds that LBTs– by affecting input demand – result in a reduction in trade in intermediaries, and lead to increasing economic isolation, thereby undercutting important gains made from the rise of GVC activity. Reducing trade in intermediate goods in particular threatens to lower productivity and reduce connectivity across the globe.[[24]](#footnote-24)

**Value**

The benefit of reversing all barriers introduced between 2008 and 2013 is estimated to be at least a $460 billion increase in global exports, equivalent to 2.5 percent of current exports[[25]](#footnote-25). This will result in a $423 billion increase in global GDP and nine million jobs supported worldwide. This excludes new measures in 2014 and the significant additional benefit of withholding the introduction of any new trade barriers.

According to the broad survey,[[26]](#footnote-26) more than 100 LCRs have been proposed or implemented over the period 2008–13 by developed and developing countries alike. These measures may have reduced global trade by about $93 billion annually and affected 3,784,000 jobs.

11 LCRs examined by the OECD are estimated to reduce world imports by $12 billion and welfare losses for the world economy are estimated at $5 billion.

**TR 2.1: Reaffirm the standstill commitment and commit to roll back existing protectionist measures, especially non-tariff barriers.**

While the B20 Trade Taskforce recognizes that G20 leaders reiterated their commitment to the standstill agreement and pledged to rollback protectionist measures, these commitments come across as somewhat hollow in the face of limited operational progress, the proliferation of non-tariff barriers, and considerable lack of transparency that clouds the ability to gauge true progress. The G20 members should demonstrate global leadership by reaffirming their commitment to the standstill agreement and advocating broad opposition to non-tariff barriers.

**TR 2.2: Eliminate forced LBTs through bilateral, plurilateral, and regional agreements as a first step, to demonstrate commitment to roll back non-tariff barriers.**

The taskforce calls for the ultimate elimination of all kinds of harmful protectionism, especially non-tariff barriers. However, due to limited action on the rollback of protectionism in the past, G20 governments should initially focus on rolling back and eliminating forced LBTs, including LCRs through bilateral, plurilateral, and regional agreements. LBTs harm implementing countries but they are generally perceived as “beggar-thy-neighbor” measures; therefore, mutual agreements represent one of the most effective ways to eliminate LBTs.

Besides bilateral and regional agreements, G20 governments should seek elimination of LBTs through two agreements where there are ongoing negotiations, namely the Trade in Services Agreement (TiSA) and the Environmental Goods Agreement (EGA). The G20 negotiators should also put a greater focus on LBT disciplines in forthcoming plurilaterals.

**TR 2.3: Initiate negotiations of a plurilateral code on LBTs, through the WTO, since existing WTO agreements are not sufficient to limit these barriers.**

Existing WTO agreements offer limited disciplines on LBTs, and substantial gaps remain. A WTO plurilateral code on LBTs is needed to strengthen existing obligations and add new disciplines where gaps exist in current agreements. The G20 nations should take the lead in initiating negotiations for such a code.

The new LBT code should fill gaps in the WTO’s Government Procurement Agreement (GPA) and the Agreement on Trade-Related Investment Measures (TRIMS), as well as the Agreement on Subsidies and Countervailing Measures (ASCM).The GPA has been joined by 43 countries; however, many members have skirted their commitments. For example, US stimulus spending in the wake of the financial crisis was largely administered by the states, where GPA commitments are much weaker. Strengthening procurement commitments could be a major, albeit politically challenging, aspect of an LBT code[[27]](#footnote-27).

The LBT code would also enlarge the TRIMS commitments of LBT code signatories, by extending the obligation not to impose performance requirements to include services. Most importantly, this would cover technology transfers and data flows. The LBT code should require regular WTO reports of new and existing LBTs imposed by all levels of a signatory’s government. Meaningful penalties should be on hand for members that fail to supply full and timely data to the WTO.

|  |  |
| --- | --- |
| Reference | Action |
| TR 2.1 | Reaffirm the standstill commitment and commit to rollback existing protectionist measures, especially non-tariff barriers. |
| TR 2.2 | Eliminate forced localization barriers – including LCRs – to trade through bilateral, plurilateral, and regional agreements as a first step, to demonstrate commitment to rollback non-tariff barriers. |
| TR 2.3 | Initiate negotiations of a WTO plurilateral code on localization barriers to trade. |

**RECOMMENDATION 3: Improve The Global Trade System For The Emerging Digital Economy**

**Summary**

|  |  |
| --- | --- |
| Reference | TR 3 |
| Recommendation | Improve the global trade system for the emerging digital economy. |
| Owner | G20 governments. |

**Context**

The emerging digital economy fosters global trade but there are new requirements that the global trade system needs to fulfill in order to unleash the digital economy’s full potential.

Boston Consulting Group estimates that the extent of enrichment attributable to digital trade will amount to $4.2 trillion – or more than 5 percent of GDP for the G20 countries in 2016 – and it is growing at a rate of 10 percent annually. There are many ways that the digital economy is supporting trade growth but it is especially important for SMEs’ inclusion in cross-border trade. As SMEs become involved in the digital economy, it opens up opportunities for them to expand their customer reach globally. Many recent studies – including a study by TEPAV on cross-border e-commerce in Turkey – demonstrate that the firms, especially SMEs, increase their geographic reach dramatically with e-commerce. TEPAV’s study shows that Turkish SMEs can increase their “trade range” by 65 percent with an online presence and digital trade.[[28]](#footnote-28) This in turn supports the development of trade and government goals, including creating more job opportunities and increasing GDP.

**TR 3.1: Discuss TFA+ measures to facilitate customs procedures with a direct focus on e-commerce transactions.**

As discussed under the first recommendation concerning implementation of TFA, cutting customs red tape significantly reduces costs of trade. Customs issues area significant concern for e-traders, a large majority of which are smaller companies that deal with large numbers of small shipments; this makes them more sensitive to costs incurred as a result of customs procedures. For example, according to a survey conducted by Kommerskollegium[[29]](#footnote-29) in Europe, many small-to-medium e-traders stated that they do not enter certain markets where custom procedures are outdated and not convenient for small shipments. Examples include countries where e-commerce traders have to declare every single parcel of shipment individually or countries where e-traders experience corruption at customs. In this context, the B20 Trade Taskforce encourages G20 governments to discuss trade-facilitation measures that go beyond the TFA, in order to improve custom procedures with a direct focus on the e-commerce challenges.

**TR 3.2: Establish one-contact information centers to support SMEs around legislation issues concerning cross-border e-commerce.**

Local legislation on import and exports, sales legislation, and consumer-protection rules vary across the globe. Compliance with such regulations is especially burdensome for a small e-trader, particularly when they are not even fully aware of what the rules entail. They usually lack the requisite resources to collect and analyze all of the relevant information for the countries in which they sell. Consequently, many SMEs decide not to export, or learn by “trial and error” and risk violating local laws. Thus, one immediate barrier to tackle is this “lack of information”. There are models of good practice from around the globe where government supports SMEs by establishing single information points, for example the e-commerce genie project sponsored by the European Commission (Leading practice 4). In line with such examples, the B20 Trade Taskforce recommends that G20 governments establish one-contact information centers to support SMEs around legislation issues concerning cross-border e-commerce.

|  |
| --- |
| Leading practice 4: E-commerce genie in EU |
| This EC-sponsored project, dubbed PECOS4SMEs, has set up an “e-commerce genie” where merchants can log in and create their profile with their location information, what they want to sell, and where they would like to sell. The genie provides all the information specifically required for their business.  Source: European Commission |

**TR 3.3: Improve access to IT products by accelerating finalization of ITA II agreement.**

Information technologies enable the digital economy but also support local economies by improving productivity and social development by facilitating access to information. Increased access to IT goods therefore has a crucial role to play in governments’ development goals.

The ITA agreement signed in 1996 eliminates all duties on IT products under the agreement’s coverage. However, since the agreement came into force almost 17 years ago, numerous IT products incorporating increasingly sophisticated technologies have entered the world market. Continue disputes regarding the classification of certain IT products and whether they are covered by the ITA led to the ITA II negotiations, which aim to increase the product coverage of ITA.

It is vital for product coverage under the ITA to be broadened; in light of this, the G20 governments should push for conclusion of ITA II, encompassing the broadest-possible definition of IT goods.

**TR 3.4: Roll back dataflow restrictions and improve standards for cross-border data security.**

Dataflow restrictions are a new and troubling cause for concern. Firms that deal directly with consumers must collect, store, and analyze data in order to gauge the needs of the market. Regulations to protect consumer privacy are perfectly reasonable, but restricting where that data can be stored and analyzed amounts to outright protectionism. OECD analysis finds that these restrictions could affect firms’ ability to adopt the most efficient technologies, influence investment and employment decisions, increase the cost of innovation, and lead to missed business opportunities. The policy challenge is therefore to strike a balance between legitimate concerns about privacy and proprietary information that may vary from country to country and open markets on the other.[[30]](#footnote-30) With this in mind, G20 governments should move to improve the data and cyber security of its citizens in a sensible manner that encourages digital trade and innovations.

Restrictions are also a barrier to growth for the digital economy. Countries that require businesses to store and process their data locally, disable some digitally delivered cross-border services and increase the cost of doing business for e-traders force artificially high costs that are usually passed on to the consumers, resulting in reduced trade. Such measures on data flows are mostly related to privacy and security concern, but the line between legitimate concerns and localization policies is often blurred. While acknowledging legitimate privacy and security concerns, the B20 Trade Taskforce sees dataflow restrictions as a major obstacle hindering development of the digital economy. The taskforce therefore reinforces the recommendation to rollback dataflow restrictions in the context of the digital economy and recommends an emphasis on improving cybersecurity without distorting data flows.

**TR 3.5: Take the lead in addressing growing issues concerning the movement of data and adopt alternative policies to data localization such as the “accountability” principle.**

To address the policy challenge of striking a balance between concerns about privacy and proprietary information and open markets, the B20 Trade Taskforce recommends that G20 governments adopt alternative policies to data localization such as the “accountability” principle (Leading practice 5). The accountability principle places responsibility on the organization carrying out the cross-border transfer, rather than on the data subject or regulatory authority. The transferring organization has an affirmative responsibility to establish rules and procedures that achieve actual data protection, or to participate in a system that does so.[[31]](#footnote-31)

|  |  |
| --- | --- |
| Leading practice 5: Examples of the “accountability” principle | |
| Examples of the accountability principle can be found in Australia, Singapore, the Philippines, as well as between the United States and European Union (US-EU safe harbor) whereby data can be transferred cross-border if the organization ensures that the data is protected abroad in a manner that is comparable to how it is protected locally.  In APEC, 21 countries developed the Cross-Border Privacy Rules (CBPR) and the APEC Privacy Recognition for Processors (PRP) System, which set standards for data transfer – countries can freely transfer data as long as they comply with the standards. Compliance to standards is ensured through verification and certification via licensed audit agents.  Source: AmCham China, <http://www.amchamchina.org/policy-advocacy/policy-spotlight/data-localization> |  |

|  |  |
| --- | --- |
| Reference | Action |
| TR 3.1 | Improve access to IT products by accelerating finalization of ITA II agreement. |
| TR 3.2 | Discuss TFA+ measures to facilitate customs procedures with a direct focus on e-commerce transactions. |
| TR 3.3 | Establish one-contact information centers to support SMEs around legislation issues concerning cross-border e-commerce. |
| TR 3.4 | Roll back dataflow restrictions and improve cyber-security. |
| TR 3.5 | Take the lead in addressing growing issues concerning the movement of data and adopt alternative policies to data localization such as the “accountability” principle. |

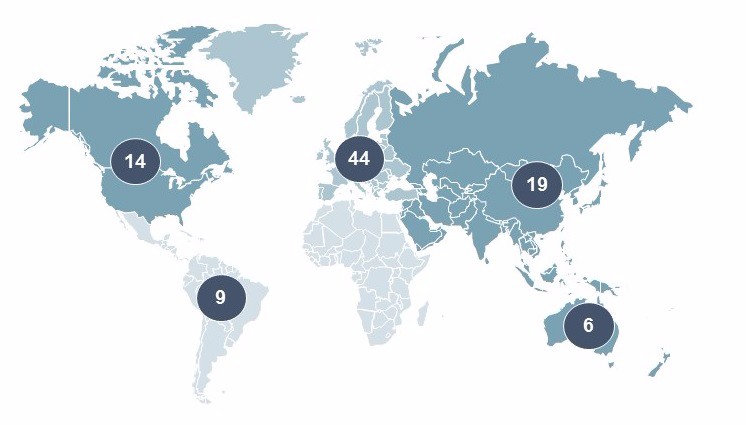
APPENDIX: Taskforce Schedule And Composition

**Schedule of meetings**

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Date | Location | Theme |
| 1 | 9 February | Istanbul, Turkey | Kick-off meeting |
| 2 | 10 March | Teleconference | 1st teleconference |
| 3 | 17 April | Washington D.C., U.S. | 1st joint taskforce meeting |
| 4 | 2 June | Paris, France | 2nd joint taskforce meeting |
| 5 | 7 July | Teleconference | 2nd teleconference |

**Distribution of members**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **No.** | **Country** | **No.** | **Country** | **No.** |
| Argentina | 3 | India | 3 | Saudi Arabia | 2 |
| Australia | 6 | Indonesia | - | South Africa | - |
| Brazil | 4 | Italy | 2 | Turkey | 10 |
| Canada | 3 | Japan | 1 | United Kingdom | 4 |
| China | 7 | Korea | 1 | United States | 11 |
| France | 10 | Mexico | 2 | European Union | 6 |
| Germany | 5 | Russia | 2 | Other | 10 |



**Taskforce members**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Last Name** | | **First Name** | **Position** | **Organization** | | **Country** | | |
| **Coordinating chairs** | | | | | | | | | |
|  | McGraw III | | Harold | Chairman | McGraw Hill Financial | | USA | | |
|  | Sabancı | | Güler | Chairman | Sabancı Holding | | Turkey | | |
| **Co – chairs** | | | | | | | | | |
|  | Andersen | | Nils | Group CEO | The Maersk Group | | Denmark | | |
|  | Chu | | Victor | Chairman and CEO | First Eastern Investment Group | | China | | |
|  | Curado | | Frederico | President and CEO | Embraer SA | | Brazil | | |
|  | Liveris | | Andrew | Chairman and CEO | The Dow Chemical Company | | USA | | |
|  | Mordashov | | Aleksey | CEO | Severstal | | Russia | | |
|  | Ning | | Frank | Chairman | COFCO Corporation | | China | | |
| **Working group** | | | | | | | | | |
|  | Aslan | | İlknur | Advisor | Sabancı Holding | | Turkey | | |
|  | Braddon | | Cindy | Vice President | McGraw Hill Financial | | USA | | |
|  | Aran | | Bozkurt | Director | TEPAV | | Turkey | | |
|  | Drucker | | Daniel | Content Manager | B20 Turkey | | Turkey | | |
|  | Şat | | Damla | Content Manager | B20 Turkey | | Turkey | | |
|  | MorgülBurduroğlu | | Dilek | Project Coordinator | B20 Turkey | | Turkey | | |
|  | Şimerİlseven | | Gizem | Project Coordinator | B20 Turkey | | Turkey | | |
|  | Tansan | | Burak | Partner and Managing Director | BCG | | Turkey | | |
|  | Gökbulut | | Aykan | Partner and Managing Director | BCG | | Turkey | | |
|  | YalazıÖzbek | | Gözde | Project Leader | BCG | | Turkey | | |
|  | Targotay | | Çağlar | Consultant | BCG | | Turkey | | |
|  | Yiğit | | Batu | Associate | BCG | | Turkey | | |
|  | Hardy | | Jeffrey | Director | ICC | | USA | | |
|  | Graugnard | | Nicolle | Executive | ICC | | France | | |
|  | Hufbauer | | Gary Clyde | Reginald Jones Senior Fellow | Peterson Institute for International Economics | | USA | | |
|  | Schott | | Jeffrey J. | Senior Fellow | Peterson Institute for International Economics | | USA | | |
| **Members** | | | | | | | | | |
|  | | Altınok | Mehmet | CEO Unilever Turkey, Central Asia and Iran | | Unilever | | Turkey |
|  | | Bacchus | James | Chair, Global Practice | Greenberg Traurig, P.A. | | | USA |
|  | | Beatty | Perrin | President & CEO | Canadian Chamber of Commerce | | | Canada |
|  | | Beceni | Yasin | YöneticiOrtak | BeceniTürkekulSevimAvukatlıkOrtaklığı | | | Turkey |
|  | | Bertasi | Stefano | Executive Director, Policy and Business Practices | International Chamber of Commerce (ICC) | | | France |
|  | | Biasutti | ConstanzaNegri | Senior Advisor Trade Policy | CNI | | | Brazil |
|  | | Bos | Andrea | CFO | Bos Umberto & C. | | | Italy |
|  | | Bouchard | Francis | Group Head of Government & Industry Affairs | Zurich Insurance Group | | | Switzerland |
|  | | Bulcke | Paul | Chief Executive Officer | Nestlé S.A. | | | Switzerland |
|  | | Campkin | Gary | Director, International Strategy | TheCityUK | | | UK |
|  | | Cansino | Claudio Jose | CEO | La Casa Del Aro | | | Argentina |
|  | | Carter | Ralph | Managing Director | FedEx Express | | | USA |
|  | | Celik | Harun | Manager, Special Projects | International Islamic Trade Finance Corporation (ITFC) | | | Saudi Arabia |
|  | | Cohen | Tod | Vice President and Deputy General Counsel | eBay Inc. | | | USA |
|  | | Contreras Perez | Sergio E. | Executive Vice President, and B20 Sherpa | COMCE | | | Mexico |
|  | | Crane | Andrew | CEO | CBH Group | | | Australia |
|  | | de Pretto | Umberto | Secretary General | International Road Transport Union | | | Switzerland |
|  | | Denton | John W. H. | CEO | Corrs Chambers Westgarth | | | Australia |
|  | | Doherty | Sean | Director, International Trade & Investment | World Economic Forum | | | Switzerland |
|  | | Erdem | ZeynelAbidin | Chairman | Erdem Holding | | | Turkey |
|  | | Felisati | Marco | Deputy Director International Affairs | Confindustria | | | Italy |
|  | | Gao | Jifan | CEO | Trina Solar | | | China |
|  | | Gonzalez Laya | Maria Aranzazu | Executive Director | International Trade Center | | | Switzerland |
|  | | Graugnard | Nicolle | Policy Manager -Trade and Investment | International Chamber of Commerce | | | France |
|  | | Grillo | Ulrich | President | Federation of German Industries (BDI) | | | Germany |
|  | | Guarco | Ariel Enrique | President | Cooperative Confederation of the Argentine Republic | | | Argentina |
|  | | Hardy | Jeffrey | Director, ICC G20 CEO Advisory Group | ICC | | | France |
|  | | Heninger | Leopold | CEO | Voith Hydro Austria | | | Austria |
|  | | Hide | Alistair | Corporate Affairs Director EMEA | Monsanto | | | USA |
|  | | Ho | Meng Kit | Chief Executive Officer | Singapore Business Federation | | | Singapore |
|  | | Hueber | Gregor | Head of Business Development CEE | Austrian Post | | | Austria |
|  | | Hughes | Caroline | Vice President, Government Relations | Ford Motor Company of Canada, Limited | | | Canada |
|  | | Inaishvili | Jemal | President | CACCI | | | Taiwan |
|  | | Jimenez | Enrique | GenelMüdür | Philip Morris / Sabancı | | | Turkey |
|  | | Kassum | Julian | Executive Director | ICC Brasil | | | Brazil |
|  | | Koenigs | Rolf A. | CEO | AUNDE Group | | | Germany |
|  | | Koller | Michaela | Secretary | Global Federation of Insurance Associations | | | Switzerland |
|  | | Kumar | Pranav | Director | Confederation of Indian Industry | | | India |
|  | | Kwon | Ohjoon | CEO | POSCO | | | South Korea |
|  | | Lambkin | Charlotte | Corporate Relations Director | DIAGEO plc | | | UK |
|  | | Landa | Fernando | Director, International Trade Affairs | Techint / UIA | | | Argentina |
|  | | Le Corre | Eric | Corporate Vice-President Public Affairs | Michelin | | | France |
|  | | Lee | J. P. | Chairman | ICC-HK | | | France |
|  | | Leitl | Christoph | Chairman Global Chamber Platfrom / Honorary President of EUROCHAMBRES | Global Chamber Platform/Eurochambres | | | Belgium |
|  | | Letard | Olivier | Founder | PCO-Innovation | | | Canada |
|  | | Low | Patrick | Vice President of Research | Fung Global Institute | | | China |
|  | | Malaikah | Jamal | President | NATPET | | | Saudi Arabia |
|  | | McMullin | Peter | Special Counsel | Cornwall Stodart | | | Australia |
|  | | Mildner | Stormy-Annika | Head of Department External Economic Policy | Federation of German Industries BDI | | | Germany |
|  | | Milliner | Robert | Sherpa | Australia B20 | | | Australia |
|  | | Minard | Catherine | Internal Director | MEDEF | | | France |
|  | | Mulligan | Robert | Senior Vice President, Policy and Government Affairs | U.S. Council for International Business | | | USA |
|  | | Nane | Mehmet | General Manager | Carrefoursa | | | Turkey |
|  | | Nishitani | Kazuo | Project General Manager | The Japan Chamber of Commerce and Industry | | | Japan |
|  | | Nursalim | Cherie | Executive Director | GITI Group | | | Singapore |
|  | | Onan | Kıvanç | Regional Director, Middle East & Africa | PayPal | | | Turkey |
|  | | Özüner | Özlem | CEO | Euler Hermes Sigorta A.Ş. | | | Turkey |
|  | | Penttilä | Risto E. J. | CEO | Keskuskauppakamari | | | Finland |
|  | | Ping | Yu | Vice Chairman | CCPIT | | | China |
|  | | Reis | Jose | Program Leader – Turkey | World Bank | | | USA |
|  | | Rennmann | Denise | Head of Department Public and Governmental Affairs | Bayer AG | | | Germany |
|  | | Romero Corona | Martin | CEO | ECO XPRESS | | | Mexico |
|  | | Safadi | Raed | Deputy Director | OECD | | | France |
|  | | Salgado | Nelson | Vice-President - Institutional Relations and Sustainability | Embraer S.A. | | | Brazil |
|  | | Salloum | Samuel | Co-Chairman | GCEL | | | Switzerland |
|  | | Sanchez | Frédéric | CEO | FIVES GROUP | | | France |
|  | | Santos | Luisa | Director International Relations | BUSINESSEUROPE | | | Belgium |
|  | | Schroeter | Lisa | Global Director of Trade and Investment Policy | The Dow Chemical Company | | | USA |
|  | | Senior | Gary | Global Executive Committee Member | Baker & McKenzie | | | UK |
|  | | Shah | Anish |  | Mahindra and Mahindra LTD. | | | India |
|  | | Smith | Brad | Chief International Officer | American Council of Life Insurers | | | USA |
|  | | Tait | Stuart | Global Head of Global Trade and Receivables Finance | HSBC | | | UK |
|  | | Takahashi | Yasushi | Chairman & CEO | Mitsui & Co. (Australia) Ltd. | | | Australia |
|  | | Tansan | Burak | General Manager | BCG | | | Turkey |
|  | | Thorn | Sarah | Senior Director, International Trade | Walmart | | | USA |
|  | | Tong | Youjun | Chairman | China International Trade Institute | | | China |
|  | | Vaidyanathan | K.N. | EVP & Chief Risk Officer | Mahindra and Mahindra LTD. | | | India |
|  | | Vavilov | Semyon | VP, Strategy & Business Development Asia | Severstal | | | Russia |
|  | | Wang | Peihuan | Chairman | Jiajiayue Group Co. Ltd | | | China |
|  | | Welschke | Bernhard | Secretary General | BIAC | | | France |
|  | | Wieck | Oliver | Secretary General | ICC Germany e.V. | | | Germany |
|  | | Wilfried | Verstraete | CEO | Euler Hermes | | | France |
|  | | Willox | Innes | Chief Executive | Australian Industry Group | | | Australia |
|  | | Zeytinoğlu | Ayhan | Chairman | KocaeliSanayiOdası | | | Turkey |

List of acronyms and glossary of terms

APEC – Asia-Pacific Economic Cooperation, forum for Pacific Rim countries

ASCM – Agreement on Subsidies and Countervailing Measures

BCG – Boston Consulting Group

CBPR – Cross-Border Privacy Rules

EGA – Environmental Goods Agreement

GPA ­– government procurement agreement

GCC – Gulf Cooperation Council

GVC – global value chain

ICC – International Chamber of Commerce

IMF – International Monetary Fund

IT – information technology

ITC – International Trade Center

LBT – localization barrier to trade

LCR – local content requirement

NTFC – National Trade Facilitation Committee

OECD – Organisation for Economic Co-operation and Development

PIIE – Peterson Institute for International Economics

PTA – preferential trading area

PRP – Privacy Recognition for Processors, as in the APEC Privacy Recognition for Processors (PRP) System

PSS – a Turkish customs computer-based risk assessment system

RKC – Revised Kyoto Convention

TFA – Trade Facilitation Agreement

TFI – trade facilitation indicator

TiSA – Trade in Services Agreement

TOBB – Union of Chambers and Commodity Exchanges of Turkey

TRIMS – Agreement on Trade-Related Investment Measures

UNCTAD – United Nations Conference on Trade and Development

UNECE – United Nations Economic Commission for Europe

WCO – World Customs Organization

1. G20 Sherpas meeting: Prospects for Global Trade, IMF and World Bank, March 26, 2015. [↑](#footnote-ref-1)
2. 9th WTO Ministerial Conference, Bali, 2013 – The Bali Ministerial Declaration and accompanying ministerial decisions, known informally as the Bali Package, were adopted at the Bali Ministerial Conference on 7 December 2013. Subsequent decisions related to the Bali ministerial outcomes were adopted by the General Council on 27 November 2014. [↑](#footnote-ref-2)
3. Trade Facilitation Indicators (TFI) is an index measured by the Organisation for Economic Co-operation and Development (OECD). B20 Trade Taskforce prioritized the three TFIs. [↑](#footnote-ref-3)
4. Study shared by the OECD upon request of the B20 Trade Taskforce Working Group. [↑](#footnote-ref-4)
5. B20 Australia Policy Document. [↑](#footnote-ref-5)
6. Provisions that the member will implement by the time the agreement enters into force. [↑](#footnote-ref-6)
7. Information provided by WTO staff. [↑](#footnote-ref-7)
8. Peterson Institute for International Economics, “Payoff from the world trade agenda, 2013”. [↑](#footnote-ref-8)
9. Implementation of a single window system enables international (cross-border) traders to submit regulatory documents at a single location and/or to a single entity. Such documents are typically customs declarations, applications for import/export permits, and other supporting documents such as certificates of origin and trading invoices. [↑](#footnote-ref-9)
10. A written statement issued by an authority empowered to render it with regard to the tax consequences of a transaction. [↑](#footnote-ref-10)
11. Information provided by OECD upon request of B20 Trade Taskforce. [↑](#footnote-ref-11)
12. In line with the B20 Anti-Corruption Taskforce’s recommendation on moving towards a comprehensive digital environment for customs and border clearance through public-private collaboration within five years. [↑](#footnote-ref-12)
13. European Commission’s press release, Brussels, 6 December 2013. [↑](#footnote-ref-13)
14. https://g20.org/wp-content/uploads/2014/12/reports\_g20\_trade\_investment\_measures.pdf. [↑](#footnote-ref-14)
15. http://www.globaltradealert.org/sites/default/files/GTA16.pdf. [↑](#footnote-ref-15)
16. Brisbane Action Plan, 2014. [↑](#footnote-ref-16)
17. Reports on G20 trade and investment measures, OECD, WTO, UNCTAD, 5 November 2014. [↑](#footnote-ref-17)
18. Ibid. [↑](#footnote-ref-18)
19. Emerging policy issues: localisation barriers to trade, OECD, 2015. [↑](#footnote-ref-19)
20. European Center for International Political Economy. [↑](#footnote-ref-20)
21. Hufbauer, Gary C. et al, 2013, *Local Content Requirements: A Global Problem*, Peterson Institute for International Economics, 2013. [↑](#footnote-ref-21)
22. “Emerging policy issues: localisation barriers to trade”, OECD, 2015. [↑](#footnote-ref-22)
23. Hufbauer, Gary C. et al, 2013, *Local Content Requirements: A Global Problem*, Peterson Institute for International Economics, 2013. [↑](#footnote-ref-23)
24. “Emerging Policy Issues: Localisation Barriers to Trade”, OECD, 2015. [↑](#footnote-ref-24)
25. Cadot, Maliszewska and Saez estimate the ad-valorem equivalent (AVE) of non-tariff measures in place in 2010 to be 5-10%. Using data from the World Trade Organisation International Trade Intelligence Portal on the number of in-force anti-dumping, countervailing, safeguard, sanitary, phytosanitary, and technical barriers to trade, and assuming all barriers have an equal AVE, BCG estimates the AVE of all non-tariff barriers currently in force by multiplying Cadot et al’s estimate by the ratio of the number of barriers in force on 1/5/2014 to those in force on 1/7/2010. This yields an AVE of 8-16%. BCG then multiplies by the fraction of those barriers introduced since the crisis to obtain a final AVE of 5-9%. To be conservative, BCG then took the lower value of 5%. [↑](#footnote-ref-25)
26. Hufbauer, Gary C., et al, *Local Content Requirements: A Global Problem*, Peterson Institute for International Economics, 2013. [↑](#footnote-ref-26)
27. *Local Content Requirements: A Global Problem*, PIIE <http://bookstore.piie.com/book-store/6802.html> [↑](#footnote-ref-27)
28. TEPAV, Türkiye’de E-İhracat: Fırsatlar ve Sorunlar. 2014, <http://www.tepav.org.tr/upload/files/haber/1415973180-5.Turkiyede_E_Ihracat_Firsatlar_ve_Sorunlar.pdf>. [↑](#footnote-ref-28)
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30. Ibid. [↑](#footnote-ref-30)
31. AmCham China, <http://www.amchamchina.org/policy-advocacy/policy-spotlight/data-localization>. [↑](#footnote-ref-31)