

G7 Trade Ministers' Statement

Neuhardenberg, 15 September 2022

We, the Trade Ministers of the Group of Seven (G7), met to discuss and exchange on approaches and joint responses to global economic disruptions, trade frictions and rising challenges for global trade.

We continue to condemn Russia's brutal, unprovoked, unjustifiable and illegal war of aggression against Ukraine. We remain steadfast in our commitment to our unprecedented sanctions in defense of the rules-based international order. In a joint effort with others, we have acted to suspend the Most-Favoured-Nation treatment to products from the Russian Federation and we will continue to coordinate in the relevant G7 working groups on measures affecting trade with Russia. We will also maintain and expand our coordinated efforts to prevent Russia from profiting from its illegal aggression and to curtail Russia's ability to prosecute the war.

Russia's war of aggression against Ukraine, including its attacks on Ukraine's production and exports, has triggered disruptions in agricultural production, supply chains and trade, causing particular concern for developing and least developed countries. We stand by our commitment to keep food and agricultural markets open, transparent, and predictable and call on all partners to avoid unjustified restrictive trade measures. We welcome and support the Ministerial Declaration on the emergency response to food insecurity adopted at the 12th Ministerial Conference of the World Trade Organisation (WTO).

We reaffirm our unwavering commitment to support the government and people of Ukraine and are committed to support Ukraine's reform and recovery efforts through trade. Trade can be an important driver for economic recovery of Ukraine. To this end, we welcomed the exchange with the First Deputy Prime Minister, Minister of Economy of Ukraine, Yulia Svyrydenko. We reviewed various countries' past and future efforts to support Ukraine's economy and also explored ideas to improve Ukraine's business environment. We took stock of the range of trade measures implemented by different partners so far, such as temporary full liberalisation of imports from Ukraine, the temporary suspension of trade defense measures on certain Ukrainian imports, the facilitation of Ukrainian exports by simplifying customs and non-essential border procedures and checks, and measures to help the delivery of goods to Ukraine. Moreover, we discussed potential further trade-related steps to aid the Ukrainian's economy. We will continue to coordinate

future trade and investment measures to support Ukraine's recovery efforts and call on all partners to join our efforts, and engage with us to help Ukraine to rebuild its future.

Reforming the WTO and modernizing its rulebook

We reaffirm our commitment to revive and reform the rules-based multilateral trading system with the WTO at its core. The WTO needs to reflect our shared values such as openness, transparency, fair competition, and the rule of law. We will work together with the aim of improving the WTO rulebook and reforming the WTO in order to achieve these goals.

We stand behind the vision that our global trade rulebook must enable economic transformation, promote sustainable, inclusive, and resilient growth, and be responsive to the needs of people globally. We will work together with our partners in developed and developing countries towards realizing this vision for all and we will defend against any attempt to undermine it. The 12th WTO Ministerial Conference (MC12) has demonstrated that the WTO can deliver meaningful results as the global rulemaking organization on trade by providing responses to today's challenges such as sustainable development, the future of our oceans, the continued health crisis, and the food security crisis, exacerbated by the Russian war of aggression against Ukraine. We note that these crises pose particular challenges to developing and least developed countries and we therefore remain particularly attentive to their needs.

We, the G7 Trade Ministers, commit to engage constructively on ideas to reform all functions of the WTO as agreed at MC12, with a view to achieving concrete progress by MC13. This includes 1) conducting discussions with a view to having a fully and well-functioning dispute settlement system accessible to all WTO Members by 2024, 2) working toward improving the WTO monitoring function, to ensure greater transparency and effective dialogue in WTO bodies, and 3) working toward improving the WTO negotiating function, by engaging in discussions to better integrate developing and least developed country members into the global economy and to develop flexible and creative approaches through, for example, plurilateral joint statement initiatives.

We are committed to plurilateral joint statement initiatives in which we participate. We look forward to significantly advancing the WTO E-commerce negotiations by MC13. We are also committed to finding a permanent solution to the Moratorium on Customs Duties on Electronic Transmissions. Furthermore, we reiterate our commitment to the G7 Digital Trade Principles as adopted in 2021 and remain united in our support for open digital markets and data free flow with trust, and in our opposition to digital protectionism and digital authoritarianism.

Resilient and sustainable supply chains

Recent crises have highlighted systemic vulnerabilities to chronic risks and acute supply chains shocks, affecting economic growth and security. We, the G7 Trade Ministers, underline that diversifying trade and expanding trading relations on a mutually beneficial basis is key to ensuring well-functioning supply chains and to improving the resilience and sustainability of our economies.

We will continue to seek new opportunities to work together to support supply chain robustness, as well as enhancing existing collaboration by continuing to share insights and best practices on mechanisms for identifying, monitoring and minimising market vulnerabilities and potential logistical bottlenecks in advance of shocks. Building on the report on Security of Supply for Critical Raw Materials, prepared by the Organisation for Economic Co-operation and Development (OECD) and submitted to Leaders for the Elmau summit, we will further intensify our work towards building responsible, sustainable, and transparent critical minerals supply chains, and, to that end, establishing a strategy via international cooperation, policy, and financial tools. This includes addressing export restrictions and trade barriers at the international level.

We, the G7 Trade Ministers, believe that trade and trade policy can be drivers for environmental and social sustainability. We share the view that supply chains should promote our climate goals and the sustainable use of resources. In light of the global crises of climate change, biodiversity loss and pollution, trade and environmental policies should be mutually supportive and contribute to optimal use of the world's limited resources in accordance with the objectives of sustainable development.

We will actively engage in the discussions at the WTO, including on facilitating trade in environmental goods and services, on promoting the circular economy, and on how trade-related climate measures and policies can best contribute to climate and environmental goals and to meeting our Paris Agreement and Glasgow Pact commitments while being consistent with WTO rules and principles. As leading industrialized countries, we recognize our responsibility to be at the forefront of this debate. We also note the discussions on fighting plastics pollution at the WTO and on inefficient fossil fuel subsidies reform in the WTO and in other international fora.

We recall the G7 Leaders' Communique of June 2022 and the G7 Trade Ministers' Statement on Forced Labor in October 2021, and reiterate our concern of the use of all forms of forced labour and child labour in global supply chains. We agree on the importance of upholding human rights and of international labour standards in global supply chains. We recommit to taking measures to strengthen our cooperation and collective efforts towards eradicating the use of all forms of forced labour and child labour in global supply chains, including through

measures that promote corporate due diligence, and will work to further enhance predictability and certainty for businesses.

Levelling the playing field and addressing economic coercion

We will sustain and further step up our efforts working toward a level playing field through more effective use of existing tools, as well as developing appropriate new tools and stronger international rules and norms on nonmarket policies and practices. Our shared concerns include unfair practices, such as all forms of forced technology transfer, intellectual property theft, lowering of labour and environmental standards to gain competitive advantage, market-distorting actions of state-owned enterprises, and harmful industrial subsidies, including those that lead to excess capacity. We will also promote discussions at the WTO on how to improve transparency to shed light on and reduce challenges posed by non-market policies and practices that harm the global economy, and on modernizing the global trade rulebook. We thank the OECD for its work in this area.

We are seriously concerned by the use of trade-related economic coercion, which undermines economic security, free and fair trade in the multilateral trading system, global security and stability and aggravates international tension. In order to fight attempts at economic coercion, reaffirming the G7 Leaders' commitment, we will enhance cooperation and explore coordinated approaches to address economic coercion both within and beyond the G7 in relevant fora to improve assessment, preparedness, deterrence, and response to such actions.