



HM Government

In His Own Words



The Rt Hon Dr Liam Fox MP

Candidate for Director-General of the
World Trade Organization



Free Trade is a Right

Fundamentally, free trade is a right. Every person should be free to sell their goods, services or labour to the highest bidder, and to buy from whomever they choose. This principle allows the benefits of trade to spread to every level of society. Above all, trade has been the greatest liberator of the world's poor, harnessing the forces of globalisation to spread prosperity and lift millions from poverty.”

Dr Liam Fox MP,

Frankfurt, 29th November 2016



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The Choice

I want this DG election to be a real choice – we need the best qualified candidate for the job with the ability to deliver what the Membership is demanding. It cannot be a ‘business as usual’ process.

As a lifelong committed champion of the multilateral trading system, I am passionate about trade, and its role in driving inclusive, sustainable development. My time as a UK Minister, in one of the world’s biggest economies with a respected development agenda, was enormously enriching. In particular, it allowed me to get a real sense of both opportunities and frustrations that lie across the Membership.

The Challenge

The WTO was facing very significant challenges before COVID. Declining trade volumes, disagreements about the normative agenda, and most importantly, a breaking down of the multilateral consensus that enabled the WTO to be established – a belief in the power of open markets to drive economic

development and prosperity. Those headwinds are made all the more urgent by the pandemic. We must provide the momentum for the recovery, and reform the institution to make sure trade delivers for all our societies throughout the world.

Our History and Our Duty

Vision is not a popular word in politics at present. But that sense of a common purpose and shared endeavour, that enabled the creation of GATT in 1947 and the WTO in 1995, needs to be rediscovered. An open and free trading system has been one of the keys to a reduction in extreme poverty on our planet over the past generation, with around 1 billion of our fellow human beings benefiting from one of the greatest achievements in human history. But there is still much more work to be done, to alleviate poverty and raise living standards. It is our duty to ensure that future generations can benefit from even greater opportunity. It is quite unacceptable, economically and morally, for those nations who have profited from an open trading system to put up new barriers, effectively pulling up the ladder behind them.

The Alternative

If we don't have a rules-based system, we will have a power-based system where the most open economies and the most vulnerable will be at greatest risk. It will bring instability and security challenges in its wake. It is a worrying alternative future that we must avoid.

Global Order

The WTO brings order to the global trading environment which would otherwise be chaotic and the dispute resolution mechanism, which is one of the greatest value added elements of the organisation, allows all Members – whether large or small – to enforce the rules they have negotiated.



Dispute Resolution

There is wide consensus that the Appellate Body needs reform. Appellate Body overreach undermines the discipline and efficiency of the system, making it a burden not a help to real businesses. Judgements must uphold the rights negotiated by Members and not create new obligations. The work that has already been done to address the weaknesses represents a good starting point for further discussion.

Gender Pledge

The role of women in trade is of profound importance. We need to ensure that all women can have access to the opportunities that trade brings. I am hugely proud to say that, throughout my career, I have been a champion of empowering the role of women. Trade departments and institutions around the world are – to a large extent – still male-dominated, and I believe this needs to change. I have committed to the WTO Membership that, as DG I would ensure that at least half of the WTO's most senior leadership team are women and would continually look to support a robustly inclusive and discrimination-free Organization.

Working with Other IOs

We need to remember what the WTO is and what it is not. It is primarily there to ensure that the rules of international trade are followed, that disputes are fairly settled, and that further liberalisation occurs by the removal of expensive, unnecessary and distortive trade restrictions. The WTO is not the OECD, the World Bank, the IMF, UNCTAD or the United Nations and needs to keep its primary aims in clear focus.

Yet there is a clear overlap of interest with a range of these other institutions and we need to have better structured cooperation and shared work streams if we are to be more efficient in the use of trade as part of the solution to wider global challenges such as development, gender equality and climate change.

Listening to Members



At an institutional level we have to learn to be better listeners when it comes to the concerns of our Members. Too many feel their voice is not properly heard.

We must also be more creative and innovative in how we work with our Members. As well as liaising with those who coordinate on the basis of geography or status of development, we might look at how to better learn from broader shared perspectives on obstacles and solutions. For example, Members that are landlocked are likely to face many of the same trading issues whether they are in Central Asia, South America or Africa. Likewise, many small islands and coastal economies will face the same issues, including those of severe climate episodes, whether they are in the Pacific, the Caribbean or the Indian Ocean. We need to get better at learning from those shared perspectives and building common solutions to shared problems.

Small and Vulnerable Economies

I believe that there is more that we can do to help small and vulnerable economies by using our data better. For example, if you are a small island state you may well be a medium income economy, measuring income as GDP per capita, the day before a hurricane or a cyclone, yet be a very low-income economy the day after. Surely it makes sense to use data on a rolling basis, such as a five-year cycle, to diminish the unpredictability and disruption that these events can bring to such Members. We need to continuously seek functional solutions to deliver pragmatic analysis and information for the benefit of all Members, societies and businesses. Not only would this provide a more stable basis for planning for the governments concerned, with predictability on issues like trade preferences, but it would also create a much more stable environment for investment.



Climate Change

It is important that, during the COVID-19 pandemic, we do not lose sight of the other ongoing global crisis – that of environmental challenges. We need to find ways to mitigate the impact of climate episodes that are already occurring, especially for small and vulnerable economies. But we must also look forward and try to bring our development, trade and environmental policies closer together. For example, we must ensure that the model of development does not result in growth policies that undermine our own climate objectives. That means, in particular, that we need to ensure that environmentally sustainable means of generating power are available at reasonable cost to developing nations. If we do not, then it is likely that they will seek to generate power from fossil fuel sources. One of the ways in which Members can do this is to give more impetus to initiatives focussed on sustainability such as an environmental goods agreement and work through existing frameworks such as the WTO Committee on Trade and Environment.



Ensuring Trade Works for All

How to best integrate low income countries and ensure that the benefits of growth are equitably distributed has been on the agenda of every trade ministers' meeting that I have attended. Shared global prosperity means that developing countries, especially the poorest, must be fully integrated into the rules-based international system. When the WTO has delivered, and where trade has flourished, it has created prosperity far beyond what any amount of overseas aid could accomplish.

Bridge-Building

I see the role of the DG as building bridges and rebuilding trust across the North-South Divide.

We cannot forget changes in the rules are meaningless if Members do not have the capacity to trade under them. Aid for Trade is a critical part of the development question. My track record speaks for itself. That is why during my time in office, UK Aid for Trade coming through Geneva tripled. It now stands well in excess of £100 million. This includes excellent initiatives such as the ITC's SheTrades initiative, who have done so much to highlight the link between trade and women's economic empowerment.

Agriculture

Members see that agriculture is special and Governments have a fundamental obligation to make sure that their citizens are fed. Agriculture, as well as trade in agricultural goods, can be one of our most potent routes to poverty reduction. It also plays a key ecological and cultural role.

With an increasing proportion of the world's people dependent on open trade in food to avoid starvation we must work to ensure greater efficiency and openness in the agricultural system. That means reducing and reforming trade distortive subsidies and ensuring markets stay open to ensure price stability as well as ensuring transparency. It is at least as urgent as when we started the Doha round.



Fisheries

Getting a conclusion to the fisheries agreement remains one of the most urgent tasks facing the Organization. It is a founding principle of the WTO to ensure that our work allows for the optimal use of the world's resources in line with the objective of sustainable development. The fishing agreement is

of existential importance to some of our smaller and more vulnerable Members. To ensure the trade negotiators of today deliver for the society of tomorrow, we need to put sustainability and the quality of our oceans at the top of their political and environmental agenda.

Small and Medium-Sized Enterprises

Whether their economies fall within developed, developing or LDC groups, over the last months Members across the spectrum have consistently underlined to me the importance of the success of their Small and Medium Enterprises (SMEs). Over two-thirds of global jobs are currently provided by SMEs, as well as over 80% of new jobs, a trend that is likely to continue in the future.

All SMEs require three basic elements for success – access to markets, access to capital and access to skills. The WTO needs to show its relevance to the real economy, real jobs and real prosperity by playing its part in putting SMEs at the top of the global business agenda. We know that better integrating SMEs into global trade is key to inclusive growth, especially when it comes to supporting women-owned businesses as well as ensuring the

gains of free and fair trade reach local and rural communities.

To that end, as DG, I want to make sure that the Secretariat is able to provide solid analysis on three targets - finance, skills and market access – in order to help the WTO deliver for our SMEs. Under each of the three target areas, improved coordination will ensure that the many strands of relevant analysis underway in the WTO are more accessible for SMEs.

This will drive meaningful engagement with developed, developing and LDC Members and facilitate work, where necessary, with other international organisations to ensure that we are able to better support the businesses that are the backbone of the global economy.



The Moral Case for Free Trade

I believe in a moral case for free trade. The WTO is founded on the principle that businesses must not face discrimination as they undertake international trade. We recognise that when Governments intervene to discriminate in favour of some citizens that comes at the expense of others. Groups with the ear of the Government benefit, while ultimately it is the consumer that pays the price - the person with the smallest voice and the least political power. I just don't think that is right. Commerce is essential to prosperity. Commerce across borders is lifeblood of businesses across the world. The small businesses are especially vulnerable.

New trade barriers are a victory of special interests over free choice. That is not only inefficient - it is also unjust.



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Campaign Hub

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