



## OUTREACH AND ADVOCACY

### BACKGROUND

- > A revolt against global trade integration is under way in many of the world's largest economies. ICC research indicates that global press coverage of trade liberalization shows a growing negative bias.
- > There is an urgent need to reclaim the narrative around global trade: about why trade matters; about how the gains from trade are realized; about how trade can drive sustainable development; and about how concerns about trade's disruptions can best be handled.
- > ICC's #TradeMatters communications campaign will seek to promote a balanced and evidence-based debate on the role of trade in today's economy. The campaign will also leverage and support output from ICC's World Trade Agenda initiative in partnership with the Qatar Chamber of Commerce and Industry.

### ISSUE-SPECIFIC MESSAGES

#### Jobs and growth

- > Growth in the volume of world trade is expected to remain sluggish in 2016 at 2.8%. This will be the fifth consecutive year of trade growth below 3%. There is an urgent need for governments to take steps to revitalize world trade as a drive of inclusive growth and job creation.
- > Research shows that open economies grow faster than closed ones. World Bank data shows, for instance, that developing countries which opened up to international trade in the 1990s grew more than three times faster than those that maintained a high degree of protectionist policies.
- > Governments must resist the temptation to establish trade barriers and should instead focus on providing support for displaced workers—including skills training for new jobs.
- > Governments can also take steps to create an environment which attracts inward investment (FDI). Research shows that FDI plays a vital role in creating new jobs and driving economic growth.

#### Small business

- > Small- and medium-sized enterprises (SMEs) are the backbone of the world economy. Globally 95% of enterprises are SMEs, representing around 60% of private sector jobs.
- > Exporting can provide a huge boost to SME growth, but small business still often face significant barriers when it comes to accessing global markets.

- > Many SMEs are discouraged from trading internationally as a result of complex paperwork and unnecessary bureaucracy at borders. The World Trade Organization's Trade Facilitation Agreement (TFA) could have a transformational impact on the ability of SMEs to access global markets by streamlining border measures.
- > Governments must speed the implementation of the TFA which research suggests could boost SME exports by up to 80% in some economies.
- > SMEs often rely on bank credit to allow them to export, but ICC data shows that over 50% of SME applications for trade finance are now turned down by banks. If governments are serious about creating jobs, we must urgently help deserving businesses get financing for their international operations.

### **Sustainable development**

- > The slowdown in global trade comes at a time when the international community has identified trade as an important driver of sustainable development.
- > The UN's Sustainable Development Goals—and the associated Addis Ababa agreement on development financing—place a strong emphasis on enabling trade to support poverty reduction through private sector growth and job creation.
- > World Bank studies show that there is a particularly strong link between international trade, economic growth and poverty reduction.
- > The WTO's TFA could have a major impact on efforts to promote inclusive growth and job creation in developing countries.
- > The World Trade Organization's Environmental Goods Agreement (EGA) currently being negotiated aims to remove barriers to trade in environment-friendly goods. This could make a significant contribution to the fight against climate change by speeding the deployment of clean and renewable energy technologies.

### **Global agenda**

- > There are signs that the anti-trade sentiment is already translating into protectionist policies. 2015 saw the biggest rise in protectionist activity since the onset of the financial crisis—with an estimated 40% rise in trade barriers introduced compared to 2014.
- > Over the past two decades trade has been a powerful driver of GDP growth and job creation. That position seems to be changing however and we must not accept this as the new status quo.
- > Governments must work constructively with business to reinvigorate global trade. Through its World Trade Agenda initiative in partnership with the Qatar Chamber of Commerce and Industry, the International Chamber of Commerce is supporting global efforts for instance to streamline customs and border procedures, liberalize trade in green technologies and enhance the supply of finance for small businesses looking to trade internationally.