

Free trade essential to global standards of living

SIMON BIRMINGHAM and ELIZABETH TRUSS and CHAN CHUN SING and DAVID PARKER

In these troubled times there is much that we must work to protect. It is crucial that the battle to save lives from COVID-19 is coupled with long-term efforts to protect livelihoods and ways of life. Advances in health, technology and knowledge have added 25 years to global life expectancies since 1950. More than one billion people have been lifted out of extreme poverty in 20 years. People around the world have been leading longer and better lives. We know, too, that trade drives productivity and innovation — it also lifts employment, incomes and contributes to social cohesion.

These social advances have been underpinned by the opening of markets and growth in trade around the world. Open trade has allowed innovation to flourish while the use of comparative advantages has lifted global productivity. Ultimately, trade has created more jobs globally and allowed goods or services to reach most cost-effectively those who need them.

We are four independent trading nations that have derived success by operating globally. Almost two-thirds of Britain's economy is made up of trade. One in five Australian jobs is trade-related. In New Zealand that number is one in four. Almost two-thirds of Singapore's gross domestic product is generated by external demand. Trade is essential at the best of times. Your pre-COVID-19 daily routine was made possible by deep trade routes, supplying individuals with a mix including food, drink, technology and clothing. Businesses rely on trade to supply critical inputs as part of value chains, essential services and crucial investment.

Your daily routine may have changed for now, but continued, free-flowing trade plays a key role in crises such as these by getting vital supplies where they are most needed. No country is entirely self-sufficient in the provision of all vital medicines, medical supplies and equipment, let alone all of the equally critical agricultural products or other essential goods and services that flow across borders.

For this reason, we welcomed the statement of the G20 trade ministers on COVID-19 that underlined the imperative of countries acting in concert, rather than isolation, to overcome a common enemy that ignores national boundaries. To combat a global problem necessitates a global response. If countries are to emerge from this crisis successfully, this will require more co-operation, not less.

As part of this response to the crisis, we agree on the importance of refraining from the imposition of unnecessary export controls or tariffs and of removing any existing trade-restrictive measures on essential goods, especially food and medical supplies. Such policies will only harm, not help the response to the virus, and any measures that are necessary on public health grounds should be transparent, time-limited and proportionate. We are also committed to ensuring that critical

infrastructure such as our air and seaports remain open to support the viability and integrity of supply chains globally.

Now we need to go further.

Some people think this crisis should mean less trade in the future and onshoring of supply chains. Some argue for a rolling back of the trade liberalisation that has underpinned much of the world's economic growth in recent decades. Increased protectionism would only harm the world's recovery from COVID-19, slowing the return of economic and employment growth.

While there can be good reasons for targeted reshoring of truly essential capabilities, we should not let those who would undo decades of progress take advantage of the crisis. Sharing challenges and diversifying where we buy from and sell to can make us all more resilient and better protect us in the event of future shocks. Diverse supply chains cannot only increase just-in-time efficiency but also boost just-in-case resilience.

For all these reasons and more, putting in place more trade barriers would be the worst possible response to global economic uncertainty. More barriers would further erode business confidence and would slow the investment needed to restart many economies. Developing countries, which often have seen the greatest transformation from opening up, might find themselves shut out of world markets, reducing prosperity and employment.

Therefore we resolve to lead the world in restoring and deepening global trade. Just as the shared calamity of World War II compelled nations to negotiate the settlement at Bretton Woods, so too should the COVID-19 outbreak once again lead us to deepen our commitment to shared rules for the governance of global trade and investment.

Together, we will work to reinvigorate efforts to reform the World Trade Organisation by modernising its rules, improving its transparency and making more efficient its settlement of disputes.

Together, we will urge countries of the world to stand still on trade barriers and, ideally, agree to roll them back.

And together, we will press ahead with our various trade negotiations, seeking to open up opportunities for our businesses in the post-COVID-19 era. We see the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which Britain is seeking to join, as a key part of promoting a liberal free-trading agenda across the world.

Through our co-operation we hope to provide leadership and build confidence. Most important, we aim to ensure our counterparts around the world remember the economic and social benefits delivered by open, rules-based trade before this crisis and join us in continuing policies to enhance lives and livelihoods when it has passed.

Simon Birmingham is Minister for Trade, Tourism and Investment; Elizabeth Truss is UK Secretary of State for International Trade; Chan Chun Sing is Singapore Minister for Trade and Industry; David Parker is New Zealand Minister for Trade and Export Growth.