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Implementation of the mandate and programme of work –
Focused thematic discussion and interactive dialogue
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Bilateral, regional and multilateral trade: friends of enemies of RTD

Wednesday 30 October 2024, 10h to 12h

Transcript of the statement by H.E. Ms. Nadia Theodore,
Permanent Representative of Canada to WTO

Chair, esteemed panelists,

I apologize for my tardiness. It is a privilege to join you all today, for what I hope will be interesting and fruitful dialogue and I stress the word dialogue on trade, development and inclusivity as I was told the subject was about.

I'm going to share a few thoughts; I'm going to be brief because I was told that the point is indeed the opportunity to engage on how we can collectively build a more inclusive and effective global trading system. But I want to begin with what I believe to be and having just heard the previous intervention. It’s even more poignant than when I wrote it last night in my note, a fundamental observation around this debate that we've been having for decades.

That observation is that trade agreements, trade, trade policy, are neither silver bullets nor obstacles to what we are talking about as development writ large. They are indeed instruments, one type of instrument whose impact indeed depends on how they fit within a broader ecosystem of development tools and development policies. Similarly, this perceived tension between regionalism, multilateralism, bilateralism and trade, perhaps in my view, distracts us from what is a more important conversation and that is how a multitude of approaches can work together to create a more inclusive global economy that serves all nations.

For Canada, the multilateral trading system, with indeed the World Trade Organization at its core, has been the cornerstone of our trade policy. We have leveraged bilateral and regional agreements as well as we have 14 bilateral and regional free trade agreements that cover 51 countries and nearly 2/3 of global GDP to be exact that pushes us beyond what is possible in a multilateral context, both in terms of scope and coverage.

Fundamentally for U.S. trade and trade agreements, multilateral, regional and bilateral agreements have allowed the country that I was born and raised in, to explore more deeply how trade and trade policy can be partners in a broader social policy context. But I think it's important to note that there are examples beyond developed countries, beyond the country that I was born and raised in, Canada, of others that are doing the same across the globe and from whom we can all learn and I'd like to share some of those examples.

The African continental free trade agreement is one example that demonstrates how trade integration, on a regional level, can explicitly prioritize inclusive development. Its innovative

approaches to digital trade, small business support and women's economic empowerment offer valuable insights for enhancing multilateral frameworks. Its potential isn't solely in its trade provisions indeed, but in how it's being integrated with concurrent initiatives, in digital infrastructure development, skills training and small business support. This comprehensive approach recognizes that trade agreements must be part of a larger strategy to truly inclusive growth.

The Asian Economic Community has shown how regional integration can be effectively paired, with targeted capacity building their experience in developing for example the Asian single window for customs clearance, while simultaneously investing in digital infrastructure and skills training, particularly in less developed member states, offers valuable lessons about sequencing trade liberalization with domestic capacity building.

Latin America provides yet another instructive example through the Pacific alliance where Chile, Colombia, Mexico and Peru have pioneered approaches to integrating small and medium enterprises into regional value chains, while simultaneously developing digital trade protocols. Their work, for example on digital certification of origin and electronic phytosanitary certificates, demonstrates how trade facilitation can be made more inclusive for smaller businesses.

However, perhaps what is most crucial to acknowledge is that these success stories emerged not in isolation but when synchronized with complementary factors; robust educational systems, sound infrastructure, effective governance frameworks, to name but a few. As this year's WTO's World Trade report emphasizes, many barriers to inclusive trade are rooted in structural domestic factors that require comprehensive approaches to labor policy education and taxation.

The role of developed nations in this context is evolving, understanding that national governments have to exercise leadership over their own development needs. Countries, including Canada, have had a long history of working with developing countries to help provide funding and technical assistance to address some of these issues. And through these types of support, there is an increasing and much needed shift in perspective and focus. An increasing focus on learning from and adapting successful approaches across the development perspective. Looking ahead, the reform of the WTO and future multilateral rules must be shaped by diverse experiences from across this development spectrum.

The path forward requires us to move beyond traditional thinking to move beyond trade agreements being viewed in isolation or frankly evolving or devolving into an “us versus them”, pro versus con's mentality. Instead, we must focus on how these various approaches can work together as part of an integrated development strategy.

One that recognizes the complex interplay between trade domestic policies institutional capacity and social development. The story of trade, of inclusion, of development is so much broader than simple trade rules. Where there has been success, and I provided examples at the top, that success has come through a determined country leadership, an enabling environment for competitive domestic and foreign business growth and investment, the right labor force skills and education sound public financial management and a stable macroeconomic environment.

And as we engage in today's discussion, I would encourage us all to not say in one breath that we don't agree with devolving between pros and cons or and “us versus them” mentality and then quickly in our dialogue, do just that I would encourage us in fact to really truly talk not at each other, but amongst each other and together with each other to truly think about how we can reimagine trade for the better of all.

Thank you.