

# OECD Trade Strategy

## OECD Global Parliamentary Network

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# The world of trade: from policy certainty to muddling through

Across the big 5, policymakers face an avalanche of hard, case-by-case choices in real time.

- Sustainability and climate change
- Digital transformation
- Competitiveness, industrial policy
- Geopolitics and national security concerns
- Distribution of the pain and gains from trade

Need:

- **North Star**
- **Data and analysis**
- **Institutions** to bring all stakeholders around the table
- Culture of **evidence-based decision making**
- **Friends**



# OECD work on trade

## Contribute to open markets and rules-based trade

- Support for the WTO

## Invest in data and analysis

- Cross-country evidence (TFIs, STRI)
- Cutting edge analysis new issues (AI, 3 D printing)

## Bring people together to solve problems

- Peer review, dialogue
- Stakeholder outreach

## Build the toolkit to help open markets work for people

- Standards, rules, codes
- Responsible Business Conduct

## With multidisciplinary expertise

- Trade is not just trade
- Environment, labour, digital ... and now national security

## To help governments as they confront hard choices and trade-offs:

Resilient global supply chains, sustainable trade, Industrial policies and subsidies



**Trade strategy priority:**

**RESILIENT GLOBAL SUPPLY CHAINS**



# Resilient global supply chains

Open & globally integrated markets key for resilience

- Diversification to manage risk
- Access to essential goods and services

But there also risks (re-priced and new)

- Need to understand vulnerabilities
- Mapping interdependencies, alternatives
  - [Towards demystifying “trade dependencies”: at what point to trade linkages become a concern?](#)

And a range of solutions

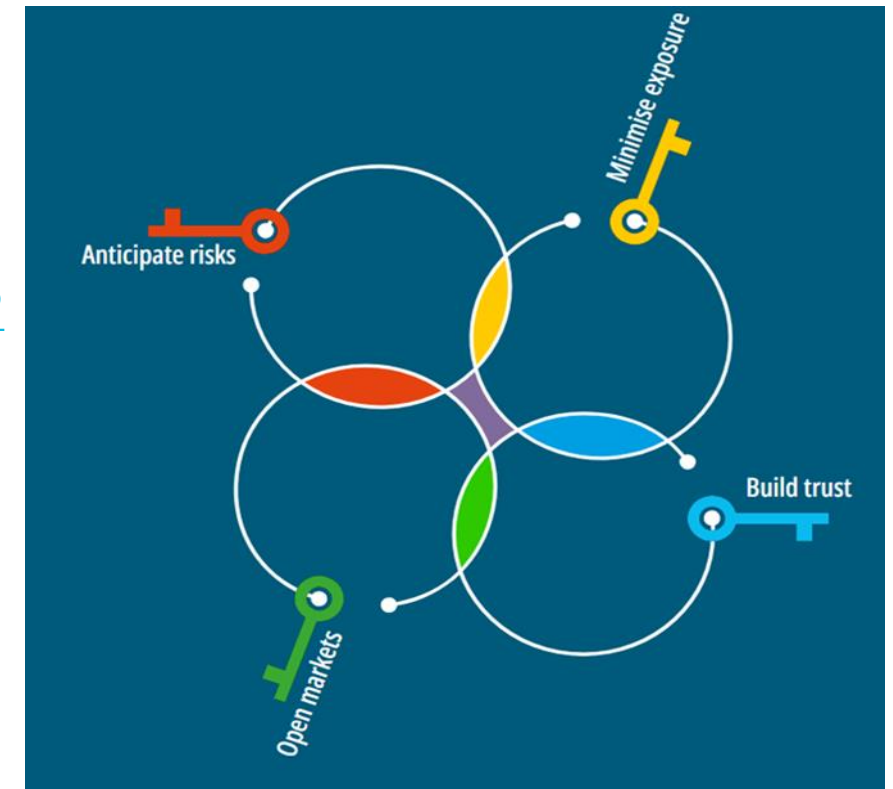
- Transparency, “no-regrets” investments, stockpiles, forward contracts.
- [OECD 4 keys to resilient supply chains](#)

**No trade? No vaccine.**

Which countries do what in vaccine production and distribution?



Click to learn more





# Resilient global supply chains

Role of government/private sector

- Forum on Critical Global Supply Chains
- Promoting resilience and preparedness in supply chains

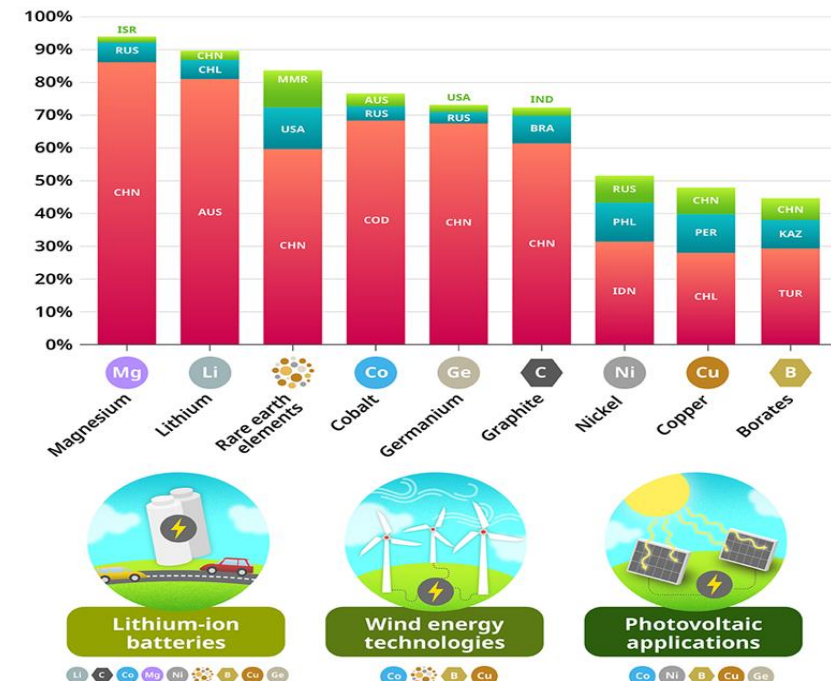
Deep dives on specific supply chains with stakeholders

- Medical goods
- Chips
- Agrifood
- Critical raw materials



## Concentrated production of critical raw materials

Share of top 3 producing countries in global production



Source: OECD Database on Industrial Raw Materials



# Trade strategy priority:

## **SUSTAINABLE TRADE**



# Sustainable trade

Promote mutually supportive trade and environment policies for the green transition by identifying:

- Environmental impacts of trade policies
- Trade impacts of environmental policies
- Win-wins



Optimal policy design

## How trade contributes to sustainability

- Circular economy (li-ion batteries, plastics)
- Technology diffusion (wind turbines)
- Trade in environmental goods and services
- Disciplining environmentally harmful subsidies (fossil fuels)

## Understanding impacts environmental policies on trade

- Carbon leakage and CBAMs

## Convening stakeholders on good policy design

- Carbon footprint monitoring







**LABEL BAS CARBONE**



Fast and f

The IDF global carbon Footprint standard for the dairy sector

**coolfood**

SCIENCE BASED TARGET



LO

**COMET-Team**



**USDA**



Colorado State University



footprint a li



**PNAS**

RESEARCH ARTICLE

ENVIRONMENTAL SUSTAINABILITY SC

**Estimating the environmental**

Michael Clark, Michael Rayner, Jessica Fanzo

Under to en Allah

**Collaboration or fragmentation?**



**THESIS**  
BY THE SUSTAINABILITY CONSORTIUM

Coop Switzerland Introduces Eco-Score Label

**EPD**  
THE INTERNATIONAL EPD SYSTEM

**trase**

**COOL FARM ALLIANCE**



**CARBON TRUST**

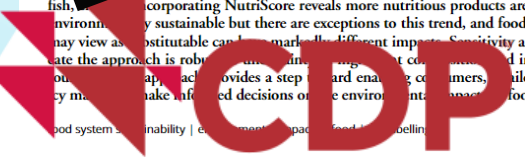


**PACT**  
PARTNERSHIP FOR CARBON TRANSPARENCY

**wbcsd**



**FAIRR**  
A COLLIER INITIATIVE



**DISCLOSURE INSIGHT ACTION**

[www.oecd.org/food-systems](http://www.oecd.org/food-systems)



# Sustainable trade is inclusive trade

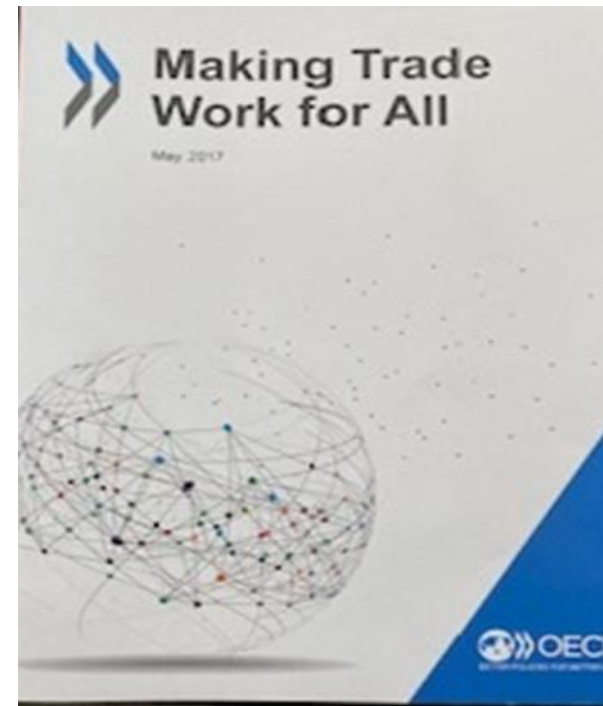
Distribution of benefits of trade

Trade policy-making

MSMEs

Trade and gender

Trade and Indigenous Peoples



## TRADE AND GENDER A FRAMEWORK OF ANALYSIS

OECD TRADE  
POLICY PAPER  
March 2021 n°246





# Trade strategy priority:

**SUPPORTING THE WTO: SUBSIDIES  
& INDUSTRIAL POLICY**



# Subsidies and industrial policy

## Industrial strategies are a growth industry

- Involve many policies, many do not involve or concern trade

But some forms of government support

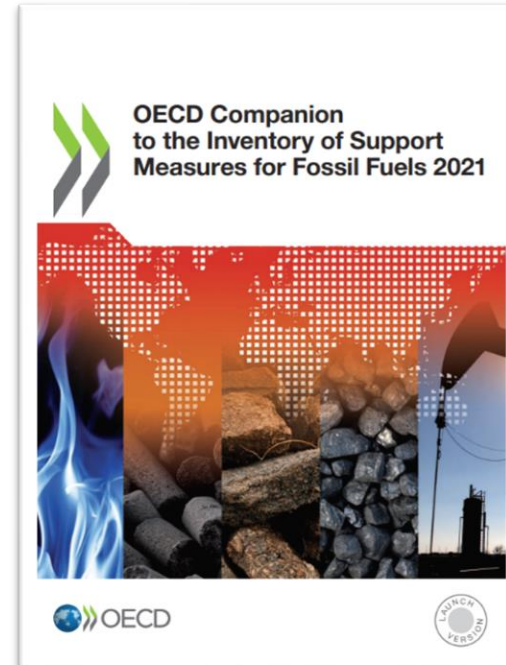
- Distort the **global level playing field**, undermine **benefits trade and competition**
- **Undermine the policy goals** they are seeking to achieve (resilience, env, innovation)
- Risk **wasteful and harmful subsidy races**
- Undermine **public support for globally integrated markets**

Subsidies are **both a global and a domestic story**

- What others do affects your choices
- Subsidy design and reform happens in a political context
- Opportunity costs for scarce public resources



# Subsidies and industrial policy



OECD publishing

## GOVERNMENT SUPPORT IN INDUSTRIAL SECTORS A SYNTHESIS REPORT

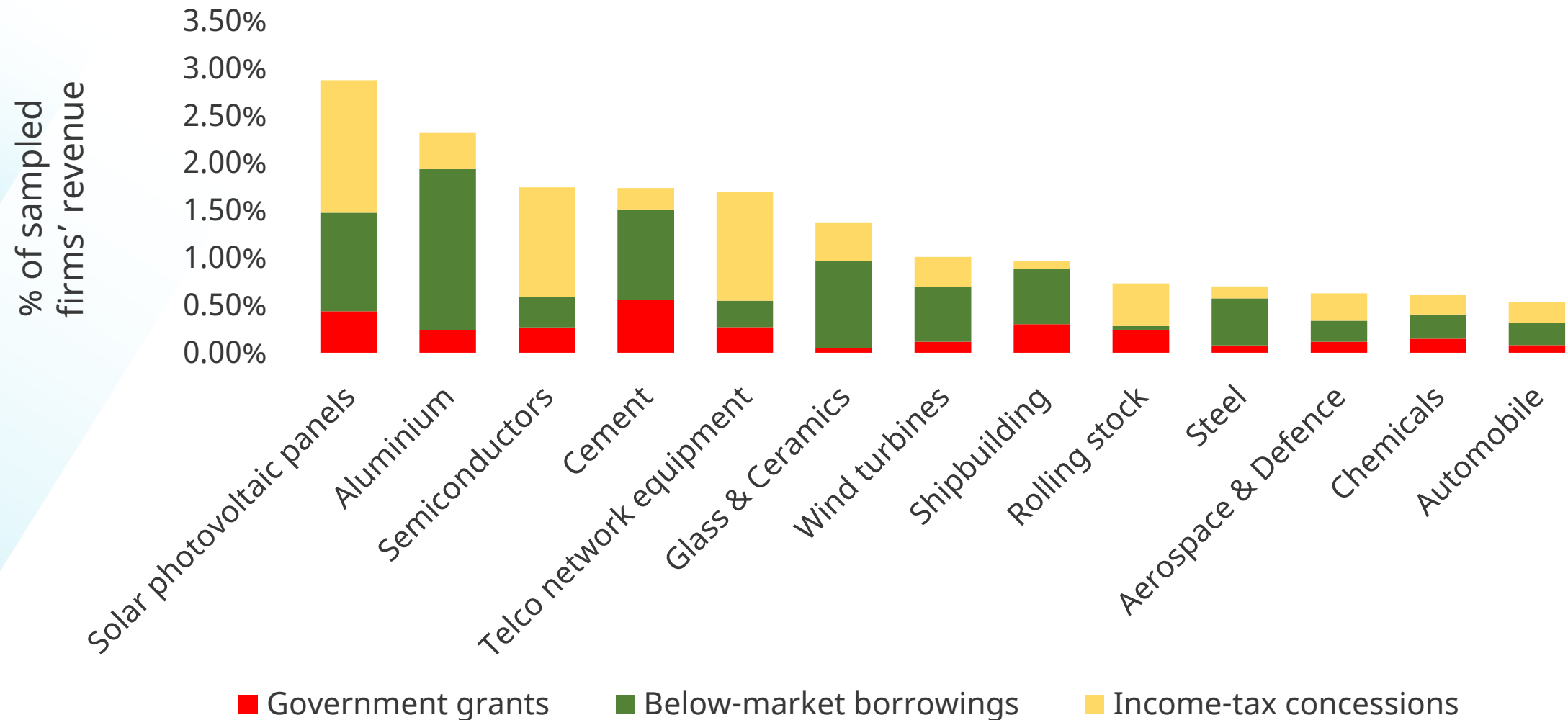
OECD TRADE  
POLICY PAPER  
April 2023 n°270



## The OECD brings transparency to government support across sectors



# Government support has varied by sector (2005-19)

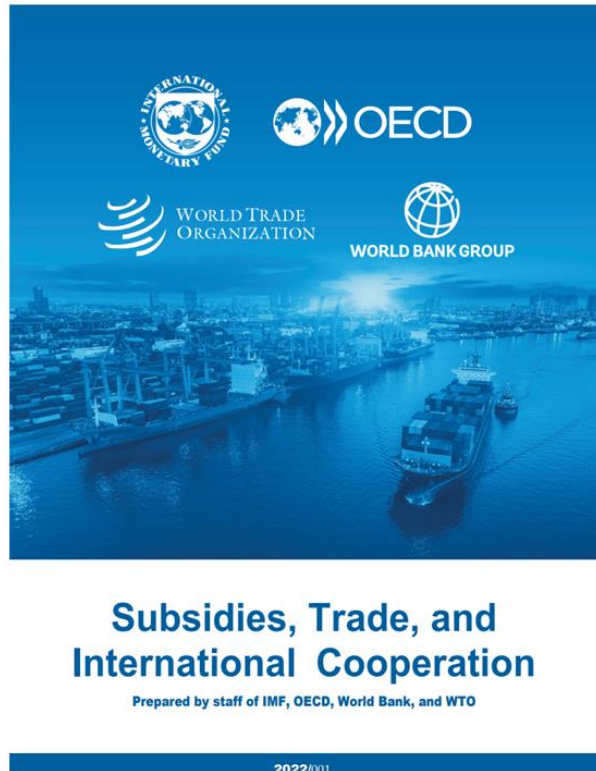


Source: OECD (2023), "Government support in industrial sectors: A synthesis report", *OECD Trade Policy Papers*, No.270, OECD Publishing, Paris, <https://doi.org/10.1787/1d28d299-en>.

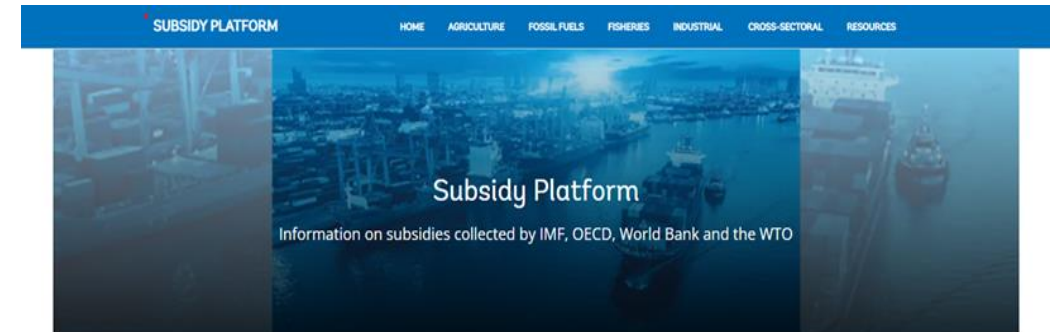


# Work in cooperation with IMF, WBG and WTO

Joint IO report on “Subsidies, Trade and International Cooperation”



Joint IO subsidy data platform:  
[www.subsidydata.org](http://www.subsidydata.org)




## Overview

Improved transparency is a fundamental first step for governments to cooperate more on subsidies. A better understanding of the complexity, size, design, and effects of subsidy measures could facilitate and expedite discussions to strengthen multilateral rules.

Our understanding of subsidies remains uneven and incomplete; while information for some sectors is relatively developed, in others it remains at an earlier stage. Filling important gaps in knowledge on the landscape of subsidies requires building greater transparency by governments at the national level and through international fora. International organizations that invest in collecting information on subsidies can also do more, individually and collectively, to identify and measure subsidies.

This platform is a first step to enhance transparency by bringing together in a common space information on subsidies from the International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), World Bank Group (WBG), and World Trade Organization (WTO). The site will continue to be improved and suggestions are welcome.



**Thank you...and over to  
you**





# Contact us



Access all of the OECD's research and analysis on trade at:

[www.oecd.org/trade](http://www.oecd.org/trade)  
[www.oecd.org/agriculture](http://www.oecd.org/agriculture)



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