

**Written Comments to the OECD Trade Committee**

February 2026

Trade Committee Programme of Work and Budget 2027-30: First Draft

TAD/TC(2026)4

General Comments

Business at OECD (BIAC) welcomes the comprehensive nature of the draft PWB and its ambition to support Members as they navigate an increasingly complex and challenging global trade environment. We also appreciate the Secretariat's efforts in finding consensus among Members against a dynamic and highly sensitive geopolitical and economic background. We however underline three critical concerns upfront:

1. Upholding the OECD's Foundational Commitment to Open, Rules-Based Trade while Recognizing the Evolving Global Context

The PWB introduction should reaffirm the Organisation's core mission as set out in Article 1 of the OECD Convention, which commits Members "to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations." *Business at OECD* fully recognises that today's trade environment is characterised by persistent geopolitical tensions, divergent regulatory approaches, and increasing uncertainty about the prospects for fully multilateral solutions. In this context, it is important that the PWB acknowledge that when progress at the multilateral level proves difficult, pragmatic and ambitious plurilateral approaches – including Joint Statement Initiatives and other voluntary, high-standard arrangements – become essential complements to global rule-making. Reasserting this balanced commitment – multilateralism where possible, plurilateralism where necessary – will reinforce the OECD's credibility as a principled yet practical voice on global trade governance and ensure that the PWB reflects the realities of the current environment without diluting the Organisation's foundational values.

2. Addressing Emerging Structural Trade Imbalances

We recommend that the PWB more explicitly acknowledge the macro-structural pressures reshaping global trade, including the effects of persistent deflation in certain major economies. For example, selected trading partners have experienced an extended period of deflation, while OECD economies have faced a period of inflation, combined with significant real exchange-rate divergence. These forces have contributed to large export surges and widening cost differentials that cannot be fully captured through OECD support-focused analysis alone. Such dynamics risk creating increasingly asymmetric and potentially negative-value trade relationships for OECD economies, with long-term implications for competitiveness, productivity and industrial resilience. A stronger analytical focus on these systemic drivers – and their consequences for global markets – would help ensure that OECD work remains closely aligned with the real-world challenges facing OECD

businesses.

3. Ensuring Clear, Structured Engagement with the OECD's Institutional Stakeholders Business at OECD (BIAC) & TUAC

The OECD's institutionalised integration of BIAC and TUAC is one of its unique strengths and a core differentiator from other international organisations. This model has long ensured that OECD outputs benefit from real world expertise and grounded economic insights, enhancing quality and legitimacy of OECD research, analysis and standards. We are concerned that the document does not sufficiently clarify how institutional stakeholders will be engaged under the new PWB structure, despite the expanded emphasis on flexibility and new formats for Committee work. Structured, predictable and meaningful consultation – rather than ad-hoc engagement – is essential to ensure that OECD work remains relevant, practical and implementable. This also is critical when considering that OECD outputs impact policies and benchmarks beyond its Members. In this context, we take the opportunity to recall that we have actively contributed to the Trade Committee's strategic reflections, including through the presentation of [Navigating Uncertainties Together](#) at the October 2025 meeting, underlining business priorities including on industrial subsidies, supply chain resilience, digital trade, and anti-illicit trade, among other topics of high relevance for the future OECD trade agenda. We would welcome a trusted consultation format with the institutional stakeholders to discuss priority issues, such as market openness of OECD accession countries among others.

4. Concerns Regarding the Proposed Change of Output Area 3.1.2 "Trade liberalisation, facilitation and digitalisation" to "Optimising trade for resilience and security"

While resilience and security are essential policy concepts – alongside openness, affordability and competitiveness – they should complement – not replace – liberalisation, facilitation and digitalisation, which are core pillars of trade policy, a priority for business and central to the OECD's mission. Changing the title risks sending a misleading signal of deprioritising market openness, affordability and competitiveness, shifting the focus toward what business "should be required to do" instead of "what business actually needs to compete and innovate". In this context, we note that paragraph 18 of the PWB draft highlights that Members – via the Medium-Term Orientations (MTO) Survey – ranked the Output Area "Trade liberalisation, facilitation and digitalisation" among the top priorities for increased resourcing across the Organisation. The proposed renaming in our view carries the risk of invalidating this Member preference, and potentially undermine the OECD's standing as a champion of trade liberalisation, facilitation and digital integration.

Specific Comments

Output Area 3.1.1 – Trade and the Level Playing Field

• Industrial Subsidies and the Level Playing Field (Paras. 40-47)

- Para 37: We recommend increasing the number of roundtable discussions outside of flagship events on emerging trade topics, including but not limited to diversifying supply chains, industrial subsidies and level playing field.
- Para 39: We recommend updating the 2025 analysis on industrial subsidies in clean-tech manufacturing to ensure the data reflects the current global context. This is particularly important given recent developments, including the European

Commission's investigation into Chinese-manufactured wind turbines under the Foreign Subsidies Regulation and the ongoing U.S. investigation into wind turbines on national security grounds.

- Paras 40-47: The ongoing development of the MAGIC database remains essential for a solid evidence base. We support accompanying MAGIC updates with clear communication tools and short trend notes. Sectoral briefs are useful for identifying distortion patterns, and we encourage continued close engagement with business.

- **Critical Raw Materials (Para. 48)**

- We urge the Trade Committee to take stronger downstream action to advance the circular economy. The OECD's legally binding instrument – the OECD Decision on the Control of Transboundary Movements of Wastes for Recovery Operations – plays a critical role in enabling secondary inputs. We underline that the Decision "INSTRUCTS the Environment Policy Committee in co-operation with other relevant OECD bodies, in particular the Trade Committee, to ensure that the provisions of this Control System remain compatible with the needs of Member countries to recover wastes in an environmentally sound and economically efficient manner". As *Business at OECD* has underlined during recent discussions on the integration of e-wastes, the implementation of the Decision suffers from operational challenges, exceedingly long timelines for authority responses, and a lack of digitization. The Trade Committee must take emergency action to ensure this Decision is not only environmentally effective, but also efficiently facilitates trade and strengthens supply security..

- **Export Credits (Paras. 48-58)**

- Paras 50-51: We recommend pursuing a more ambitious Phase 2 of the modernisation so the Arrangement remains fit for purpose amid fast-evolving export-finance practices and increasing competition from non-Participants. The objective should be to preserve a genuine level playing field (especially for smaller and mid-size exporters); keep disciplines usable and timely in real transactions; and avoid incentives for avoiding rules.
- Paras 52-54: We recommend strengthening policy coherence across official finance by (i) aligning intersecting elements of the Arrangement and DAC frameworks– (including tied-aid disciplines, concessionality and country classifications) so DFIs and ECAs operate complementarily and public resources remain truly additional; (ii) making matching operable in practice by streamlining information thresholds and clarifying evidentiary standards so Participants can respond credibly to offers from outside the Arrangement; and (iii) enhancing transparency for non-Arrangement products (e.g., untied investment loans, guarantees and insurance) through a proportionate notification approach that improves comparability and trust without creating undue administrative burden. and (iv) enabling a proportional and practical approach to environmental and social due diligence procedures. The streamlining of these good governance practises is essential to ensure that financing provided under the Arrangement continues to be an attractive alternative for buyers and borrowers.
- Paras 55-58: We recommend a more structured outreach strategy to non-Participants and relevant international fora (e.g., finance and development communities) that promotes transparency, convergence on good-governance principles, and practical understanding of Arrangement disciplines; this should be paired with regular

private-sector engagement to ensure outreach priorities reflect real transaction dynamics and, ultimately, to reduce the risk of competing rulebooks and fragmentation across the global export-finance landscape.

- **Countering Illicit Trade (Paras. 59-68)**

- We recommend that the OECD mainstream countering illicit trade across its trade and economic policy work, expanding analysis beyond counterfeits to include non-counterfeit illicit markets, strengthening transparency in Free Trade Zones and online marketplaces, and advancing practical, voluntary governance tools that are usable by authorities and business.

Output Area 3.1.2 – Trade liberalization, facilitation and digitalization

- **Trade in the Digital and AI Era (Paras. 72-77)**

- We strongly support OECD to continue its excellent work on open and trusted digital markets by supporting a permanent WTO moratorium on customs duties on electronic transmissions, opposing forced data localisation, and promoting interoperable, risk-based digital frameworks (data governance, privacy, cybersecurity, AI) that enable seamless, trusted cross-border data flows and avoid unnecessary barriers to digital trade.

- **Trade facilitation for secure prosperity (Paras. 78-90)**

- We support continued strengthening of TFIs, digital TFIs and environmental TFIs to reduce border frictions, accelerate paperless trade and support resilient supply chains, while ensuring new indicators do not become de facto non-tariff barriers or create duplicative compliance burdens—especially for SMEs. *Business at OECD* encourages practical guidance that speeds implementation of modern, digital border procedures and safeguards commercially sensitive business information.

- **Trade in services (Paras. 91-106)**

- We strongly recommend continued work and increased emphasis on OECD work on services trade. We underline that cross-border services are projected to grow at roughly twice the rate of global trade in goods, reaching an estimated USD 11.7 trillion in 2032, which should be considered in the OECD's prioritization. We encourage investment in the STRI (and its sectoral extensions) and broader geographic coverage to enhance transparency and enable reform dialogue. New OECD analysis should caution about NTMs, spotlight how services openness underpins manufacturing competitiveness, address skills and labour shortages in a targeted manner, and facilitate international mobility.

- **Understanding trade developments and monitoring risks (Paras. 107-127)**

- We recommend that this workstream place greater emphasis on providing timely, practical insights that help governments and businesses anticipate and respond to disruptions. To support resilient supply chains, the OECD should focus on a risk-based, sector-aware understanding of emerging pressures – such as regulatory divergence, concentration in critical inputs, logistical bottlenecks and security-related measures – and translate these into clear, actionable analysis, working closely with the private sector.
- The current description of this workstream regrettably does not sufficiently indicate how business expertise will be incorporated going forward. Structured engagement

with *Business at OECD* and the private sector at large would strengthen the relevance of the OECD's assessments and help ensure that security-related initiatives remain proportionate, predictable and coherent across like-minded economies.

- We welcome the continuation of the OECD's supply chain resilience reviews. It is essential that OECD work be closely informed by on-the-ground business realities, including sector-specific risk profiles, practical constraints, and commercially viable diversification pathways. Structured engagement with industry should help ensure the analysis reflects how companies actually manage supply chains and adapt to evolving risks. We underline the global economy has shown a capacity to adapt to a wide array of shocks and challenges, and we underline that this resilience reflects technological advances, which have transformed the supply side of the economy. Many companies today have immediate access to information about alternative inputs, new suppliers, and the stance of competitors. They also have extensive capacity to communicate worldwide in real time
- We recommend that OECD work on economic security emphasise proportionate, predictable and clearly defined approaches, avoiding overly broad measures that could fragment markets or disrupt legitimate trade. Economic security policies should be coherent across like-minded economies, aligned with international obligations, and designed in a way that supports—not constrains—innovation, competitiveness and resilient cross-border supply chains.

- **Market openness (Para. 128)**

- *Business at OECD* stands ready to continue to provide practical business experience and identify concrete reforms needed to support the market openness reviews of OECD accession countries. Candidate countries should fully align with OECD principles such as on transparency, non-discrimination, competitive neutrality and open trade, including after the conclusion of the accession process.

Output Area 3.1.3 – [Inclusive and sustainable trade] / [Making trade work for all]

- **Trade and the environment (Paras. 132-148)**

- We recommend that the OECD focus its trade-and-environment work on ensuring that emerging environmental measures are coherent, non-discriminatory and practical to implement. Where governments design climate-related and other environmental regulations, it is essential that they remain compatible with international trade rules, are based on sound evidence, and minimise unnecessary administrative burdens. Work in this area should help ensure that environmental objectives are pursued in a way that supports open markets, resilient supply chains and competitiveness, while maintaining clear and predictable conditions for business.

- **Trade and productivity (Para. 149)**

- We strongly support new OECD work to underline that raising productivity is a top priority for maintaining the relative competitiveness of OECD economies. Open, predictable markets and efficient, coherent regulation are central to achieving meaningful productivity gains. Higher productivity is also essential for addressing the cost-of-living pressures faced by households and vulnerable consumers.

- **Trade and labour (Paras. 150-153)**

- We recommend that any future OECD work on trade and labour stay firmly anchored

in real-world challenges rather than revisiting well-established findings. What employers urgently need today is progress on labour shortages, including smoother cross-border mobility, services openness and recognition of qualifications. *Business at OECD* encourages the OECD to focus its next steps on these practical bottlenecks, rather than on academic exercises.

- **Trade for all (Paras. 154-157)**

- We recommend placing far greater emphasis on SME integration into global markets, as this is currently under-reflected despite SMEs accounting for the vast majority of firms and employment across OECD economies. Strengthening SME participation is essential if trade openness is to deliver broad-based benefits. Any future OECD work should therefore prioritise practical measures that help SMEs overcome real barriers – administrative complexity, divergent regulations, financing constraints, and lack of access to skills and digital tools.
- Para 156: *Business at OECD* greatly values the OECD's Global Fora, which serve as important platforms for open dialogue, practical exchange, and engagement across the global trade community. We take this opportunity to underline the timeliness and great success of the 2025 GFT on the Level Playing Field.