

CONCEPT NOTE

Task Force 1: Trade and Investment

Trade and investment are key activities that nurture economic progress through collaboration and competition. However, achieving more inclusive, resilient, and sustainable processes still requires greater attention. Over the years the G20 has recognised the importance of rebalancing global economic asymmetries and creating inclusive economic growth; the need to build resilient trade and investment flows with alternative and sustainable supply chain pathways; and the significance of supporting Micro, Small, and Medium Enterprises (MSMEs) and their integration into the international trading system.

The G20 principles on Trade and Sustainable Development adopted in 2024 recognise the role of international trade as an engine for inclusive economic growth and poverty reduction that can promote sustainable development. The G20 has also emphasised the need to ensure a rules-based, non-discriminatory, sustainable and transparent multilateral trading system with the WTO at its core and where the development dimension plays a central role.

Policy inputs in this task force should consider the outcomes of the Brazilian G20 presidency, including decisions on the digitalisation of trade instruments; mapping global industrial, value and supply chains; accelerating their industrialisation and modernisation process; and committing to enhance national ownership and maximise the impact of investments.

The task force will focus on the following issues:

1. Advancing the Reform of the Multilateral Trading System:

Reforming the WTO and the dispute settlement mechanism are imperative to creating stable trade governance, modernising its trade rules and aligning them with evolving global economic realities, such as digital trade, climate change, and emerging economic power dynamics. In addition, specific efforts to tackle barriers to trade, to reduce trade-distorting practices and to eliminate trade protectionism continue to be on the agenda.

This task force should focus on building on the outcomes of the [13th WTO Ministerial Conference](#) and previous [G20 strategy for Global Trade Growth](#), and identifying how trade governance may create sustainable conditions for growth and development.

- What are the pathways to reform of the WTO and its dispute settlement mechanism?
- What are the ways in which climate, trade and development could be integrated into the WTO?
- In what ways can the current institutional and political constraints facing WTO reform be overcome?

2. Inclusive Investment for Sustainable Industrialisation:

Acknowledging that diversity in levels of development is key to learning and advancing progress across the world, Brazil's G20 presidency highlighted the need for an international investment policy environment that catalyses sustainable development. It is essential to understand how accelerated regionalism, green investments in transportation, energy, tech start-ups and digital infrastructure interface. While there is an interconnection between trade and investment, there is an urgency to better understanding the impact of investment on development and trade in the context of divergences on the Investment Facilitation for Development Agreement. G20 members recognise the need for investment facilitation commitments that target the green economy and leverage renewable energy projects, climate-resilient infrastructure, human centred growth and employment, and the spill over into empowering MSMEs. In Brazil, the G20 agreed to enhance national ownership and maximise the impact of investments, but the means for doing this require analysis. There is ongoing discussion on principles and mechanisms for sustainable industrialisation.

- What are the key barriers to developing shared investment paradigms that advance sustainable industrialisation?
- What principles should guide human-centred investment?

- What support mechanisms can be used to leverage MSMEs for sustainable industrialisation, especially in the developing world?

3. Value and Supply Chains for Sustainable and Inclusive Economic Growth

Global Value Chains (GVCs) are inherently fragile. The G20 has already agreed on the [G20 Generic Framework for Mapping Global Value Chains](#) to help members identify risks and build resilience. WTO's 'Aid for Trade' initiative once implemented in full is expected to assist developing countries effectively participate in global trade and it is also meant to enhance local value creation, both conditions being critical for the reform of global value chains. In this context, MSMEs are vulnerable, but indispensable, to the future of GVCs. G20 discussions on the complex and multi-jurisdictional role of GVCs have revolved around a greater responsibility to tackle environmental degradation and social inequalities, while also removing barriers to entry and reducing entrenched economic concentration of large corporations. The reform of the current system creates opportunities for overcoming trade mispricing, illicit flows in resource-dependent chains, and supply chain financing abuse, within perpetuated weakened governance environments in developing economies. Here, discussion is essential to expand on the G20 Generic Framework for Mapping GVCs and the work done across previous presidencies on GVC retention and development.

- How can international cooperation be strengthened to establish and enforce standards for sustainable and ethical value chain practices and distribution of benefits?
- How do geographical bottlenecks or dependencies create chain vulnerabilities to disruptions?
- How can G20 members incentivise diversification and resilience in GVCs to mitigate risks from geopolitical tensions or natural disasters?