Group of Twenty

Reducing international trade barriers



MODEL UNITED NATIONS
THE INTERNATIONAL SCHOOL OF THE HAGUE

Sudarshan Padmakumar

Forum	G20
Issue:	Reducing International trade barriers
Student Officer:	Sudarshan Padmakumar
Position:	President

Introduction

As the world becomes more interconnected, the need for a free and fair international trade remains as an integral part of maintaining global economic stability and development. However, through increasing protectionist policies, international trade disputes and varying regulations have significantly impacted and disrupted trade flows, economic growth and deepening inequality. The need for reducing international trade barriers have not only become a matter of economic growth but also a necessity for continuing sustainable global cooperation.

The Group of 20, otherwise known as the G20 comprises the world'ds major advanced and emerging economies and plays a very critical role in forming the international trade agenda. Although it is not a rule making body such as the World trade organization (WTO), the G20 serves as a high level platform for dialogue, negotiation and debate among influential global stakeholders. It has been seen that over the years the G20 have been repeatedly committed to promote open markets, resist local protectionism and ultimately aim to reform global trade policies.

This topic invites delegates to explore how the G20 can go beyond just political declarations and attempt to implement strong measures to reduce both tariff and non-tariff barriers, enhance the inclusiveness of global trade, and rebuild trust between nations within the trading system. Delegates will also be expected to consider issues such as WTO reform, digital trade, trade facilitation, supply chain resilience, and the needs of developing economies.

The committee's deliberations on the topic will be crucial in generating an actionable, and cooperative environment in which future oriented strategies will be targeted to strengthen international trade systems while balancing national interests and global interdependence.

Definition of Key Terms

International trade

International trade can be defined as the purchase and sale of goods and services by companies in different countries.

Trade Barriers

A trade barrier refers to any regulation or policy that restricts international trade, especially tariffs, quotas, licences etc.

Tariff Barriers

Tariff barriers are government-imposed taxes on imported goods, used to regulate the flow of international trade. A tariff increases the cost of foreign products entering a country, making them more expensive compared to locally produced goods. This can discourage imports and protect domestic industries by giving them a price advantage in the local market.

Protectionism

Protectionism, policy of protecting domestic industries against foreign competition by means of tariffs, subsidies, import quotas, or other restrictions or handicaps placed on the imports of foreign competitors.

Free Trade

International trade left to its natural course without tariffs, quotas, or other restrictions.

World Trade Organization (WTO)

The World Trade Organization is an intergovernmental organization headquartered in Geneva, Switzerland, that regulates and facilitates international trade. Governments use the organization to establish, revise, and enforce the rules that govern international trade in cooperation with the United Nations System.

Most Favoured Nation (MFN)

MFN is a non-discriminatory trade policy as it ensures equal trading among all WTO member nations rather than exclusive trading privileges.

Digital Trade

Digital trade refers to commerce enabled by electronic means – by telecommunications and/or ICT services – and covers trade in both goods and services.

Global Supply Chains

Global supply chains are networks that can span across multiple continents and countries with a purpose of sourcing and supplying goods and services.

Sanctions

Economic sanctions are defined as the withdrawal of customary trade and financial relations for foreign- and security-policy purposes.

Subsidies

A subsidy is money that is paid by a government or other authority in order to help an industry or business, or to pay for a public service.

Inclusive Trade

Inclusive trade is the principle that the benefits of international trade should be shared broadly across all segments of society. It aims to ensure that both developed and developing countries can participate meaningfully in the global economy and that the economic gains from trade contribute to reducing inequality within countries. The goal is to make trade a tool for shared growth and sustainable development globally and not exclusive to some nations.

Green Trade

Green trade encompasses international trade in goods and services that promote environmental sustainability. It includes trade in renewable energy, green transportation, energy efficiency, waste management, sustainable agriculture, and related professional services.

General Overview

Global reliance on trade

International trade plays a major role in today's global economy. Countries are now more than ever economically connected and depend on each other for raw materials, manufactured goods, technology, and essential services. However, trade barriers such as tariffs, quotas, regulatory restrictions, and customs delays continue to hinder and impact the free flow of goods and services. These obstacles in our world today continue to increase costs, limit access to markets, and place a heavier burden on developing economies. Addressing these challenges has become a central focus within the G20, as reducing such barriers is key to achieving sustainable and inclusive growth.

The G20's role in trade

The G20 does not pass binding trade laws, but it serves as a key forum for the world's largest economies to coordinate trade policy and economic strategies. Since the global financial crisis in 2008, the G20 has placed increased emphasis on resisting protectionism, encouraging open markets, and supporting trading systems. G20 summits have resulted in joint commitments to keep trade flowing, modernise border procedures, and strengthen cooperation through platforms like the WTO. More recently, the G20 has also pushed for reforms to digital trade regulations, supply chain logistics, and trade finance.

Current challenges in reducing barriers

Despite long-standing commitments, progress has been inconsistent. Recent years have seen a rise in protectionist policies, growing use of trade sanctions, and increased use of non-tariff barriers, such as licensing laws and safety standards that vary by country. These practices make global trade more uncertain and complex. Political tensions, such as the U.S. and China trade dispute and the impacts of the Russia and Ukraine conflict in rceent times, have further complicated efforts to build trust and cooperation on trade. These developments highlight the need for stronger, more practical commitments from the G20.

Impact of Crises on global supply chains

Events such as the COVID-19 pandemic and conflicts like the war in Ukraine have exposed serious weaknesses in global trade systems. Safety procedures such as frequent lockdowns, factory shutdowns, and disrupted shipping routes led to shortages in essential goods and inflation in many economies. In response, the G20 has emphasized the importance of keeping supply chains open and

has supported policies to diversify trade routes, invest in customs technologies, and improve border infrastructure. These discussions were especially prominent during the G20 summits in Riyadh (2020) and Bali (2022), where leaders called for stronger cooperation during emergencies.

Inclusivity and fair access to trade

A key concern raised within the G20 has been the unequal access to trade benefits. Many developing countries face higher tariffs, weaker infrastructure, and limited access to global markets. G20 action plans have included support for trade facilitation, technical assistance, and fairer trade rules to help smaller economies integrate better into global supply chains. There is also growing attention on making trade more inclusive within countries by supporting small businesses and rural producers to participate in global markets.

Major Parties Involved

United States of America (USA)

The United States is one of the largest global economies and plays a major role in international trade. It strongly supports reducing trade barriers when it benefits its industries but has also used tariffs to protect sectors like steel and agriculture in the past. The U.S. pushes for updated trade rules, focusing more on digital trade, intellectual property rights, and transparency as a whole. It also stresses the need to balance trade openness with national security concerns.

China

China is a major exporter that benefits from open trade but protects key industries through subsidies and state support. This has led to disputes with other countries within and outside the G20. China advocates for global trade reforms that give more power to developing nations. It seeks stable trade relations and access to resources and technology critical for its growth.

Germany

Germany, being Europe's largest economy since the 1980's, relies heavily on exports of machinery, cars, and industrial goods. It supports lowering tariffs and other trade barriers to keep its markets competitive. Germany emphasizes fair, rules based trade, high environmental and labor standards, and the protection of global supply chains.

India

India as a nation supports fair trade but is careful about opening its markets too quickly, especially in agriculture and manufacturing. It calls for reforms that give developing countries more flexibility and wants better access for its growing services and digital sectors**.**

Brazil

Brazil is a major exporter of agricultural goods and seeks to reduce trade barriers that limit its market access. It supports trade reforms that consider the needs of developing economies and pushes for fair treatment of its industries in global trade.

Japan

Japan promotes free and fair trade with a focus on reducing tariffs and non-tariff barriers, especially for technology and automobiles. It supports trade agreements that include strong environmental and labor protections and advocates for a rules-based global trading system.

United Kingdom

The UK supports free trade and reducing tariffs to boost its services and manufacturing sectors. After Brexit, it has focused on building new trade agreements and promoting transparent, fair trade rules that include digital trade and environmental protections.

South Africa

South Africa is Africa's largest economy and represents developing countries in trade discussions. It advocates for reducing barriers that limit African exports and supports reforms that give developing nations more say in global trade. It also emphasizes protecting local industries and promoting economic development.

Timeline of Key Events

This timeline shows how the G20 has responded to major trade issues over time. Since its creation in 1999, the G20 has played an important role in managing the global economy, especially after major events like the 2008 financial crisis. Over the years, G20 leaders have focused on keeping trade open, avoiding protectionism, and improving the global trading system. More recent meetings, such as those in Buenos Aires (2018), Osaka (2019), and New Delhi (2023), have discussed modern challenges like digital trade, supply chain disruptions, and fair access for developing countries. The timeline shows how the G20 has shifted from reacting to crises to actively shaping global trade rules and making trade more fair and inclusive.

Date	Description of event
September 26 1999	Formation of the G20
2008	Washington Summit- response to the global financial crisis in which member states agreed to not impose new trade or investment restrictions for atleast 12 months to oppose protectionism
2010	Toronto Summit- reaffirms support for the Doha development round and open markets. Called for reducing tariffs and non-tarrif barriers to boost trade flows
2016	Hangzhou Summit- set 3 strong goals aimed for economic developments; firstly being to lower trade costs globally, secondly methods to Improve trade and investment policy coordination and lastly to Strengthen the role of multilateral trade institutions

2020	Riyadh summit- first online summit in which member states Addressed COVID-19 disruptions by prioritizing supply chain resilience and keeping trade routes open. They also further supported measures to reduce non-tariff barriers impacting essential goods.
2023	New Delhi Summit- This summit was very unique as it delved into new areas of focus , transcending traditional motivators. The summit heavily acknowledges and prioritized the facilitation of digital trade and simultaneously reducing barriers related to technology and data flows. Additionally member states emphasized the need for inclusive trade policies to help developing economies in the G20 to integrate better into global markets.

UN involvement, Relevant Resolutions, Treaties and Events

UN General Assembly Resolution A/RES/74/204 (2020): *"International trade and development"*

- Highlights the need for an equitable trade system- reducing tariffs globally in order to further diversify trade for low income countries.

Previous Attempts to solve the Issue

The G20 has addressed the issue of reducing international trade barriers across multiple summits, particularly in response to topics regarding global economic instability and rising protectionism throughout the world. One of the first major instances this can be seen was at the 2008 Washington Summit, held during the global financial crisis, where G20 leaders issued a joint declaration pledging to refrain from imposing new trade and investment barriers for at least 12 months, marking a coordinated stand against protectionism. This movement in response to the

financial crsisis was ultimately very successful and is a key reason in which the global economy could continue to stabalize thereafter.

In the 2010 Toronto Summit, the G20 reaffirmed its commitment to completing the "Doha Development Round" and endorsed open markets as essential to global recovery, although the Doha talks eventually stopped

During the 2016 Hangzhou Summit, the G20 adopted the "G20 Strategy for Global Trade Growth," a strict action plan aimed at improving trade and investment policy coordination, lowering trade costs, and supporting multilateral trade systems. This summit also introduced a G20 Trade and Investment Working Group to strengthen policy dialogue.

At the 2018 Buenos Aires Summit, the group acknowledged growing trade tensions and called for WTO reform, specifically to improve dispute settlement mechanisms and update trade rules for the digital age. This movement specifically focused on applying new innovations/policies aimed to meet the expectations of an ever evolving world.

Most recently, the 2022 Bali Summit emphasized the importance of resilient global supply chains and endorsed cooperation on reducing non-tariff barriers, particularly in essential goods and services such as food, energy, and healthcare. These efforts demonstrate that while the G20 does not create legally binding trade rules, it plays a rather crucial role in setting the global agenda and promoting policy alignment on reducing trade barriers.

Possible Solutions

1. **Reduction of Non-Tariff Barriers**

   Non-tariff barriers such as varying safety standards, licensing requirements, and customs delays create substantial obstacles for international trade. Coordinated efforts to harmonize regulations and streamline border procedures can significantly reduce trade costs and delays. By standardizing requirements and increasing transparency, countries can facilitate smoother cross-border exchanges and improve predictability for businesses engaged in global supply chains.

2. **Strengthening Supply Chain Resilience**

Recent global crises have exposed vulnerabilities in international supply chains. Enhancing supply chain resilience requires diversification of sourcing and transportation routes to avoid overreliance on single suppliers or regions. Improved cooperation among G20 members on information sharing, crisis response, and investment in logistics infrastructure will reduce the risk of disruption and ensure the continuous flow of essential goods and services during emergencies.

3. **Enhancement of Digital Trade**

The rapid growth of digital commerce requires the modernization of international trade rules to fully incorporate digital trade practices. Establishing clear and consistent regulations on digital services will reduce uncertainties and barriers in e-commerce as a whole. By encouraging compatibility of varing digital systems and safeguarding data privacy, countries can ensure better digital transactions, encourage innovation, and expand market access for businesses of all sizes. Strengthening digital trade globally will also simultaneously aid developing countries integrate into the global economy by utelizing technology to overcome imposed traditional trade limitations.

Bibliography

"Definition of Subsidy." *Collinsdictionary.com*, HarperCollins Publishers Ltd, 30 June 2025, www.collinsdictionary.com/dictionary/english/subsidy#:~:text=A%20subsidy%20is%20money%20that,pay%20for%20a%20public%20service. Accessed 2 July 2025.

"Digital Trade." *Trade and Economic Security*, 28 Apr. 2025, policy.trade.ec.europa.eu/help-exporters-and-importers/accessing-markets/goods-and-services/digital-trade_en. Accessed 2 July 2025.

FOREIGN TRADE BARRIERS of the President of the United States on the Trade Agreements Program UNITED STATES TRADE REPRESENTATIVE.

"G20 Members." *G20.org*, 2023, g20.org/about-g20/g20-members/. Accessed 2 July 2025.

"G20: Year by Year Timeline with Issues." *The Business Standard*, 16 Sept. 2023, www.tbsnews.net/features/panorama/g20-year-year-timeline-issues-701446. Accessed 2 July 2025.

"Global Supply Chains - Global Supply Chain Management | CIPS." *Cips.org*, 2025, www.cips.org/intelligence-hub/supply-chain-management/global-supply-chains. Accessed 2 July 2025.

"International Trade and Developments - Search Results - United Nations Digital Library System." *Un.org*, 2025, digitallibrary.un.org/search?ln=en&p=International+Trade+and+developments&f=&action_search=Search&rm=&sf=&so=d&rg=50&c=Resource+Type&c=UN+Bodies&c=&of=hb&fti=0&fti=0. Accessed 2 July 2025.

Masters, Jonathan. “What Are Economic Sanctions?” *Council on Foreign Relations*, 10 Mar. 2015, www.cfr.org/backgrounder/what-are-economic-sanctions. Accessed 2 July 2025.

“Oxford Languages and Google - English | Oxford Languages.” *Oup.com*, 2020, languages.oup.com/google-dictionary-en/. Accessed 2 July 2025.

Reem Heakal. “International (Global) Trade: Definition, Benefits, and Criticisms.” *Investopedia*, 2018, www.investopedia.com/insights/what-is-international-trade/. Accessed 2 July 2025.

“Report Shows Surge in G20 Trade-Restrictive Measures amid Increased Unilateral Policies.” *Wto.org*, 2024, www.wto.org/english/news_e/news24_e/trdev_13nov24_e.htm. Accessed 2 July 2025.

Sustainability Directory. “Green Trade → Term.” *Energy → Sustainability Directory*, 31 Mar. 2025, energy.sustainability-directory.com/term/green-trade/#:~:text=Green%20Trade%2C%20at%20its%20core,resource%20depletion%2C%20and%20habitat%20destruction. Accessed 2 July 2025.

“Tariff and Non Tariff Barrier: Meaning, Types, and Key Difference.” *Testbook*, 2024, testbook.com/ugc-net-commerce/tariff-and-non-tariff-barrier#:~:text=Tariff%20Barriers%3A%20Tariff%20barriers%20are,and%20make%20foreign%20goods%20costly. Accessed 2 July 2025.

“Trade Barrier | Access2Markets.” *Europa.eu*, 2025, trade.ec.europa.eu/access-to-markets/en/glossary/trade-barrier#:~:text=A%20trade

%20barrier%20refers%20to,tariffs%2C%20quotas%2C%20licences%20etc. Accessed 2 July 2025.

"World Trade Organization - Global Trade." *Wto.org*, 2025, www.wto.org/. Accessed 2 July 2025.