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**Statement by Mr. Guerra, Mr. Betancur Mora, and Mr. De Ramon-Laca Clausen on
Review of the Role of Trade in the Work of the Fund
(Preliminary)
Executive Board Meeting
March 27, 2023**

We thank staff for the timely analysis on the Review of the Role of Trade in the Work of the Fund. We fully support the view that mitigating risks from increased trade restrictions will require building awareness of the costs, voicing concerns, and promoting better policy choices among the membership. The IMF should increase its analytical and surveillance work on trade issues. The additional value added by the resources devoted to this endeavor is very high, given the role that an open and stable trading system has in the effective functioning of the global economy.

Trade restrictions, non-tariff measures, and subsidies have risen sharply in the past two decades while the work of the IMF on trade has stalled. Even prior to the COVID-19 pandemic, there was a clear trend toward a weakened multilateral trading system, so our constituency had been calling for increased attention from the IMF on the worsened trade policy landscape. We welcome staff's assessment that effectively sets the argument for increased Fund engagement with the membership on trade issues, and a much-needed scaling up of the IMF's internal trade policy expertise. **While supporting the main elements of the proposed strategy to reinvigorate the trade agenda, we have the following specific points to make:**

- **The challenge will be how to integrate the policy advice and analysis on trade into the staff appraisal in an effective way,** including by considering the implications of our trade advice in other policy matters. In this regard, we welcome the staff's analysis of the interplay between trade and non-trade policy objectives.
- **We agree with the proposed strategy through multilateral surveillance, more informed bilateral surveillance, and increased collaboration with other international institutions.** The Art. IV reports could present more information related to trade aspects in the statistical tables,

including by reporting additional tariff and non-tariff measures using an established format. This would lead, through time, to a more informed discussion on trade issues in bilateral surveillance and give context to the general policy guidance on trade issues given to area departments. Also, the Art. IV report should cover any capacity development activities related to trade, including on the important topic of customs operations.

- **We fully agree on the need to take into consideration the level of economic development in our trade related work and take note that the strategy will be tailored to country circumstances.** In this regard, we should cover not only the specific needs of low-income countries but also, importantly, middle-income countries.
- **We caution against the risk of underestimating the needed human resources to support the reinvigorated trade agenda.** The Strategy, Policy and Review Department is experiencing increased workload from other initiatives. *Can staff comment on the specific additional staff needed for the trade agenda? Also, are there any considerations related to the timing and speed at which this reprioritization is going to take place in order to minimize work pressure on staff?*

Finally, we reiterate our appreciation for staff's hard work. Given the increasing risks of geo-economic fragmentation, the trade agenda in the Fund's work will play a strategic role. This is a very timely initiative.