



Road to the 2013 Lough Erne Summit

The UK's G8 Agenda: Increasing Trade, Fairer Taxes and Greater Transparency

David Cameron, prime minister, United Kingdom, May 13, 2013

In an article for the Wall Street Journal, David Cameron explains that the UK G8 Presidency can restore strong and sustainable growth to the world economy.

Britain and America have a proud history of working together to meet the great challenges of the day. Ours is a partnership without parallel, rooted in our values of freedom and enterprise—advancing not just Britain's and America's interests but the good of people around the world.

Today, our greatest challenge is to restore strong and sustainable growth to the world economy.

When times are tough, some want to put the barriers up, to look inwards, and to protect themselves from the world. But Britain and America stand for a better way. We have a precious opportunity to transform the global economy—not by less openness and less free trade, but by more. And we must do everything possible to seize it.

Trade is not a zero-sum game where one nation's success is another's failure. Trade makes the cake bigger so everyone can benefit. Take the free trade area between Europe and the U.S. on which we hope to launch negotiations when President Obama is in Northern Ireland for the G-8 next month. This deal could add as much as £10 billion to the British economy and £63 billion (\$97 billion) to U.S. GDP. But the rest of the world would benefit too, with gains that could generate €100 billion (\$132 billion) world-wide.

That's why the next five weeks are so important as we set the playing field for the negotiations. Too often in trade, the voices defending special interests shout loudest. But it makes no sense to exclude vital parts of the economy. Everything must be on the table. And we must tackle the really tough regulatory issues so a product approved on one side of the Atlantic can immediately enter the market on the other. We will only reap the benefits if we keep the ambition high. Now is the time for business and political leaders to be making the case for this once-in-a-generation prize.

An EU-U.S. deal is just one building block of a more dynamic world economy. If G-8 countries complete all of their current trade deals and those in the pipeline, it could boost the income of the whole world by more than \$1 trillion.

Trade between developing countries is growing too. An Africa that can trade will be a lion of global growth. But a single truck still needs to carry up to 1,000 documents just to travel between the countries of the Southern African Development Community. So there is a huge prize to be won if we can sweep away trade bureaucracy, and a deal to do this at the WTO Bali conference in December could be worth \$70 billion to the global economy.

But as we free up the world economy, we must make sure openness delivers the benefits it should for rich economies and developing countries alike. That means consistent and fair rules for the global economy. When countries open up to cross-border trade, and global supply chains, they need to know that they will see the benefits in jobs, fair tax revenues and economic growth. So we need global rules that prevent tax evasion and aggressive avoidance, and enable governments to collect the taxes they are owed.

We also need to make sure that mineral wealth in developing countries becomes a blessing, not a curse. It is to the shame of the whole world that a lack of transparency allowed the illicit diamond trade to fuel appalling conflicts in Sierra Leone and Liberia. Today, we have a duty to make sure that resource wealth does not fuel conflict, corruption and crime.

So at the G-8 next month in Northern Ireland I will push for fairer taxes and greater transparency alongside more open trade.

First, tougher tax transparency rules. We must fight the scourge of tax evasion by promoting a new global standard for automatic information exchange between tax authorities. And we must tackle aggressive tax avoidance by encouraging better global reporting to tax authorities in both the developed and developing world; and by letting tax collectors and law enforcement find out who really owns and controls each company.

Second, we must lift the veil of secrecy that too often lets corrupt corporations and officials in some countries run rings around the law. The G-8 must move toward a global common standard for resource-extracting companies to report all payments to governments, and in turn for governments to report those revenues. This will encourage more investment in resource-rich countries and level the playing field for business.

This is a pro-business and pro-development agenda. In Britain we are cutting corporation tax to just 20%, the lowest rate in the G-7. And I am proud to be a low-tax, free-enterprise politician.

But low taxes are only sustainable if what is owed is actually paid. We simply cannot have the situation where a small business is working hard to pay taxes but unable to compete fairly with rivals playing the system to avoid tax. Laying down the rules of the game and being prepared to enforce them is a vital foundation for open economies, low taxes and free enterprise.

This unique agenda can help the developed and developing world to grow together. But it cannot be delivered by governments alone. We need business to make the case for new openness about who really owns and controls every company. And we must all work harder to secure and fully implement the new standard that will see oil, gas and mining companies reporting project by project payments across the world without exception.

I am meeting President Obama at the White House Monday to get America's full support for this agenda. By promoting more trade, fairer taxes and greater transparency, Britain and America can once again lead the way in meeting the greatest challenge of our time: securing the growth and stability on which the prosperity of the whole world depends.

Sources: **GOV.UK**