ODI Global

Meeting Report

Navigating fragmentation: trade imbalances, resilient supply chains and priorities for the UK G20 presidency

A high-level policy roundtable convened on the margins of the 2026 Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG)

Novotel Bangkok Sukhumvit 20, Bangkok, Thailand

Wednesday, 14 October 2026 | 16:00 – 17:30 ICT

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Context

Trade is once again central to global macroeconomic policy, but the debate has fundamentally shifted from efficiency, cost reduction and traditional development towards national and economic security, resilience and strategic competition. Persistent trade imbalances and restrictive policy responses are fragmenting cross-border supply chains and placing unprecedented pressure on the multilateral trading system. The G20 remains uniquely placed to build political alignment and advance practical cooperation across its Finance, Trade/Sherpa and Development tracks. Against this backdrop, this roundtable – convened by ODI Global and featuring an opening keynote address by World Trade Organization (WTO) Director-General Dr Ngozi Okonjo-Iweala – explored actionable, deliverable initiatives for the upcoming 2027 UK G20 presidency.

Roundtable summary

The discussion emphasised the urgent need for a shared evidence base on trade policy and imbalances, closer institutional connections between the G20 Finance and Trade Tracks, policy guidance for diversified and resilient supply chains, and renewed political impetus for WTO reform. Better transparency, peer review and notification mechanisms were considered essential to establish common ground on the facts governing industrial subsidies. The UK was seen as well positioned to lead a practical, balanced agenda focused on outcomes within reach, building on the legacy of South Africa's 2025 Presidency, while ensuring priorities directly address the development imperatives of the Global South.

Trade imbalances and industrial policies

Trade imbalances were described as shifting rather than shrinking. The evidence presented highlighted a structurally rising Chinese manufacturing surplus and a volatile US trade deficit that remains wide. The European Union (EU) has increasingly absorbed adjustment across several trading partners, illustrating the systemic, multilateral nature of the issue. Reactions centred on unilateral tariffs, export restrictions and retaliatory trade measures have accelerated global supply-chain fragmentation and vulnerability, with disproportionate costs falling on developing countries least able to de-risk or subsidise domestic industries.

Whilst important, trade measures alone were considered insufficient to address the root causes of imbalances. A comprehensive approach must bridge macroeconomic realities with structural policies, trade rules and industrial subsidies, applying to advanced and emerging economies alike. Monitoring should cover comprehensive rather than only bilateral trade, incorporating services and other flows. Closer cooperation between the G20 Finance and Sherpa/Trade Tracks could support coordinated responses and foster frank dialogue on structural domestic reforms needed to rebalance demand. Reflections on South Africa's 2025 G20 Presidency stressed the necessity of inclusive industrial development, reformed agricultural trade and preserving fiscal and policy space for developing economies. Revisiting the treatment of green subsidies was raised as critical to enabling climate transitions, while establishing multilateral guardrails to prevent zero-sum subsidy races.

Resilient supply chains

Resilience requires a global approach across the entire value chain, recognising different vulnerabilities. Diversification should consider concentration risks throughout the chain,

including downstream sectors, and support in-country value addition in developing countries. Discussion covered export and import policies, sector-specific agreements and plurilaterals, digital trade facilitation and Aid for Trade, alongside stronger monitoring and implementation of agreed provisions.

- **The Asian experience** highlighted China's continuing dominance in integrated manufacturing ecosystems and the prohibitive costs of replicating its industrial infrastructure. Vietnam and India were discussed as important destinations for diversification, although India continues to face significant dependencies on imported parts and components. Participants stressed that relocation of final assembly alone does not eliminate systemic single-source dependencies. Intra-regional trade remained resilient, whilst ASEAN small and medium-sized enterprises (SMEs) underperformed in value-added exports relative to their overwhelming share of domestic firms, underlining the importance of access to trade finance.
- **The Latin American experience** showed that abundant resources do not automatically translate into local value addition. Capital-intensive supply chains require upfront investment, de-risking and an enabling regulatory environment. A central lesson was that infrastructure finance alone is insufficient: blended finance, technical assistance, regional coordination and links between large firms and local SMEs are also needed.
- **The African perspectives** emphasised exposure to external geopolitical and climate shocks, alongside opportunities for mutually beneficial investment in clean energy resilience, cross-border food trade, critical minerals beneficiation and regional industrialisation. Facilitating trade between food-surplus and food-deficit countries, improving agro-logistics and accelerating the implementation of the African Continental Free Trade Area (AfCFTA) are essential to anchoring continental value chains under the G20 Africa Engagement Framework.

The 2027 UK presidency roadmap

The UK is uniquely placed to build on South Africa's presidency initiatives and lessons, notably the Africa Engagement Framework and the G20 Critical Minerals Framework, to support collaboration between G20 countries and the African continent on shared economic and financial objectives. Pragmatic recommendations include focusing on areas where consensus is within reach, ensuring a balanced approach with issues of interest to the developing world, including resilient value chains and WTO reform. Because a large share of world trade continues under WTO rules, maintaining a functioning, rules-based multilateral and inclusive system whilst adapting it to new realities remains indispensable. The G20 can provide the requisite political impetus for reform, whilst negotiations remain member-driven within the WTO. One concrete proposal was to invite the WTO Secretariat to identify areas of convergence and divergence ahead of the next WTO Ministerial Conference. Regional integration was viewed as complementary to multilateral cooperation.

Practical proposals included harmonising legal frameworks for digital trade documents, improving cross-border interoperability, and sharing trade information to address trade-based money laundering. Inclusive access to digital technologies was important to prevent developing countries being left behind. Trade finance priorities included reviewing lessons from MDB support and supply-chain finance, particularly for SMEs and small states, and encouraging the Financial Stability Board and domestic regulators to recalibrate capital requirements in line with trade risk profiles. Engagement with the B20 and T20 could support continuity across presidencies.

Key recommendations for the UK G20 Presidency

The discussion points towards four actionable initiatives that the UK could champion, supported by political impetus for WTO reform and a balanced agenda reflecting developing-country priorities:

1 A comprehensive, integrated approach to trade imbalances

Promote a joint assessment across the Finance and Sherpa/Trade Tracks, connecting macroeconomic drivers and structural policies with trade and industrial policies. Strengthen the shared evidence base through transparency, notification and monitoring tools covering total trade. Use this assessment to guide dialogue on national policy adjustments and coordinated responses to imbalances, mirroring the consensus-building mechanisms of the G20 Framework Working Group. Link this approach with inclusive trade participation, safeguarding development and climate objectives and policy space for developing economies.

2 Targeted investment in resilient and diversified value chains

Develop G20 policy guidance on enabling environments and private investment mobilisation for diversified supply chains. Pursue mutually beneficial partnerships in which new industrial sectors and local value addition in developing countries help G20 economies reduce dependency and concentration across entire chains. Combine regulatory reform, MDB de-risking and SME linkages with regional integration initiatives (such as the AfCFTA). Discuss a framework for export and import policies and the scope for sectoral agreements or plurilaterals, supported by digitalisation and Aid for Trade.

3 Closing the global trade finance gap

Formulate a high-impact roadmap to address the estimated $2.5 trillion global trade finance shortfall, which disproportionately impacts MSMEs and developing nations. Synthesise lessons from MDB and DFI trade-finance facilities and supply-chain finance to identify practical ways to widen access, especially for SMEs and small states. Build on the lesson that support for local firms and their links with larger companies must accompany investment in supply chains. Encourage the Financial Stability Board and domestic regulators to consider recalibrating capital requirements to reflect trade risk profiles. Complement this work with legal frameworks and interoperable standards for digital trade documentation.

4 Convening a coalition for WTO reform

Mobilise political leadership to assemble a broad-based, cross-regional coalition of advanced and emerging economies for WTO reform. It is vital to have a strong, fully functioning and credible WTO at the core of the global economic architecture, rather than allowing it to be sidelined. Reform priorities must focus on restoring an effective dispute settlement mechanism, modernising rules to equitably govern industrial and green subsidies, and preventing distortive subsidy wars while preserving developmental flexibility.

Agenda

Time	Description	Lead
15:45 – 16:00	**Arrival and registration**	
16:00 – 16:05	**Welcome and scene-setting** *Framing the strategic context: Bridging Finance and Sherpa tracks for the 2027 UK G20 roadmap.*	**Chair:** Dirk Willem te Velde Director, International Economic Development Group, ODI Global
16:05 – 16:15	**High-level opening keynote address**	**Dr Ngozi Okonjo-Iweala,** Director-General, World Trade Organization (WTO)
16:15 – 16:25	**Framing presentation** *Drivers of trade imbalances, policy distortions, and supply-chain metrics*	**Dr. Max Mendez-Parra**, Principal Research Fellow, ODI Global
16:25 – 16:55	**Lead discussants' interventions (3-5 minutes each)**	• **Dr Ganesh Wignaraja**, Senior Visiting Fellow, ODI Global & Professorial Fellow, IPS • **Everett Eissenstat**, Executive Vice President, Inter-American Development Bank (IDB) • **Mark Priestley**, Senior Director, Trade Environment and Southern Africa, TradeMark Africa *(virtual)* • **Ambassador Xolelwa Mlumbi-Peter**, Deputy Director-General: Trade Branch, the dtic, South Africa *(virtual)*
16:55 – 17:25	**Moderated roundtable dialogue (all participating delegates)** *Open floor interventions, stress-testing feasible UK G20 deliverables.*	All Participating in-person and virtual delegates
17:25 – 17:30	**Chair's summary and next steps for the 2027 G20 horizon**	**Prof. Dirk Willem te Velde**, ODI Global
17:30	**End of session**	