

## **JOINT STATEMENT**

### **Business in support of the WTO reform**

We, businesses organizations from Argentina, Brazil, the European Union, Mexico and the United States, gathered on April 2<sup>nd</sup>, 2019, in São Paulo, Brazil, convey our shared strong message in support of the World Trade Organization (WTO) as the proper and only way to guarantee the full range of rules and necessary predictability to promote global economic and investment growth.

We also urge our respective governments and other responsible governments to work together on an urgent basis to achieve a common understanding in order to accomplish a meaningful and feasible agenda to modernize and reform the WTO.

The WTO is currently facing serious challenges in three fronts: (i) the dispute settlement function, crucial in ensuring members' compliance with its rules; (ii) the existing legal framework, that does not fully address the current and future needs of trade; and (iii) the decision-making processes that need to be improved so the Organization can deliver more effectively.

To contribute to addressing these issues and moving the Organization forward, we agree on the following major recommendations:

#### **1. Urgently save dispute settlement system**

Address effectively and as soon as possible the impasse in the process of nominating, reviewing, and approving members to the Appellate Body. We also call for more efficient procedures for the WTO dispute settlement system to handle the growing number and complexity of trade disputes and for establishment of clear and comprehensive rules on the functioning of the Appellate Body's authority.

#### **2. Update, strengthen, and modernize the current WTO rules**

Updating WTO rules is crucial to ensure free and fair competition for businesses across the full range of international trade transactions. As first steps, special attention should be given to:

- measures against trade distortive industrial and agricultural subsidies;
- rules to address market-distorting practices by and from state-owned enterprises;
- ensuring that regulatory measures are science based;
- improving market access for goods and services;
- ensuring that flexibilities are made available to those WTO members who actually need and in the cases they need them.

### **3. Improve the WTO monitoring function**

Improve WTO's monitoring function to increase transparency and rigor and to guarantee that the mandatory aspects of the notification requirements are being duly followed and reported by all members on all critical areas such as subsidies, unnecessary technical barriers and sanitary and phytosanitary measures.

### **4. Improve and expand its rule-making function**

Multilateral solutions based on consensus remain the ultimate and primary goal. But when a multilateral consensus is unattainable, we support and will pursue flexible approaches, including plurilateral negotiations that will allow us to move expeditiously to conclude negotiations on e-commerce and digital trade and other strategic issues such as investment facilitation and SMEs.

### **5. Launch a structured business advisory committee**

To keep pace with the rapid changes occurring in the real world, it would be effective for the WTO to establish a permanent structured contact between the WTO and key stakeholders, particularly with the international business community.

