



24 November 2021

EUROPEAN BUSINESS PRIORITIES FOR A SUCCESSFUL WTO MINISTERIAL CONFERENCE

The 12th WTO Ministerial Conference will take place in Geneva from 30 November to 3 December 2021. This is crunch time for the WTO as we all expect to see a stronger and more effective organisation after MC12, one that is able to develop and implement modern trade rules that respond to the needs of our societies. This requires commitment from all WTO members to deliver tangible results and make the necessary compromises to safeguard the future of the organisation.

BusinessEurope remains a strong supporter of the WTO and believes that prioritisation, pragmatism and a result-driven approach are key to ensure a successful outcome at the MC12. In our view, focusing on the following areas will help set the rules-based multilateral trading system back in motion:

1. Advancing the reform of the WTO

The reform of the WTO is long overdue and critical to advance. It is a complex discussion, that requires the commitment and effort of all WTO Members. It also requires time. However, the Ministerial Conference should not be a missed opportunity and members should be open and ambitious in setting an agenda and work plan. Improving the functioning of the WTO as an organisation, such as solving the crisis in the Appellate Body, increasing transparency, optimising the work of the Committees and improving monitoring, should be part of the reform. Strengthening the negotiating function of the WTO and addressing issues related to special and differential treatment (SDT), competitive neutrality, including industrial subsidies, forced technology transfers and export restrictions, how trade can address the challenges of digital economy and support ambitious climate action should also be included in the agenda for reform. In addition, a more structured dialogue between the WTO and the business community is needed in order to modernise the rulebook and make it even more reflective of businesses' realities. We urge WTO Members to agree on a concrete timeline with the view to finalising the process by the next Ministerial Conference.

2. Trade and Health

During the COVID-19 pandemic the WTO has been doing exceptional work in monitoring trade-restrictive measures that governments adopted in response to the crisis. We also welcome the WTO's close collaboration with other international

organisations, such as the World Health Organisation, to ensure that trade plays a positive role in addressing the crisis and in supporting the recovery of the global economy. The Ministerial Conference is an opportunity to take stock of this work and launch an ambitious initiative in the area of trade and health. From the perspective of European business, this initiative should take a holistic approach, eliminating trade and regulatory restrictions that affect the distribution of and boosting the capacity to produce active ingredients, medicines, vaccines and equipment. This is key not only to maintain the resilience of supply chains in the current context but for future crises as well. The current pandemic will not be the last one. Vaccines and therapeutics are key instruments to protect mankind against such threats. In this context, improving access to vaccines is key and we hope WTO members will explore ways of achieving this objective. Intellectual property (IP) has played a fundamental role in enabling the unprecedented level of innovation and collaborations to tackle the pandemic. Therefore, a pragmatic solution that does not put into question the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) should be promoted.

3. Meaningful progress in the area of Joint Statement Initiatives

The work undertaken in the framework of the so-called “Joint Statement Initiatives” is of significant importance as it seeks to introduce rules in new areas, or in areas where the WTO’s rule book is not complete. BusinessEurope considers this work critical for the modernisation of the WTO and for the continuation of progress on 21st century standards. We support these negotiations, especially in the areas of e-commerce, domestic regulation in services, investment facilitation for development, as well as trade and the environment.

- Participants should take stock of the progress achieved in the negotiations for an agreement on **e-commerce**, namely on issues related to electronic authentication, electronic signatures, spam, open government data and online consumer protection. As the most complex issues remain open, including on cross-border data flows, prohibition on source code disclosure and forced data localisation, expanded market access for ICT products through accession to the Information Technology Agreement (ITA) and questions of liability, members should reiterate their ambition and commitment to conclude negotiations as soon as possible in a strong Ministerial Declaration. In particular, participants should work towards making the moratorium on customs duties for electronic transmissions permanent.
- We anticipate and would welcome the conclusion of the agreement on **domestic regulation in services**, which will include disciplines to ensure that domestic regulation procedures for trade in services are clear, predictable and transparent and do not unnecessarily restrain trade.
- Recognising the progress in the context of the negotiations for an agreement on **investment facilitation for development** is also critical, as the members seek to set up a more transparent, efficient and investment-friendly business climate. With more than 100 members participating, a significant number of which are developing countries, this agreement shows how the WTO can deliver for all. We hope that the momentum to conclude negotiations as soon as possible will be maintained.

- There are several plurilateral initiatives in the area of **trade and the environment**, including a dialogue on plastics, fossil fuel subsidies reform as well as a broader initiative on trade and environmental sustainability. It is important that Members step up their efforts during the Ministerial Conference and agree to launch negotiations with the aim to conclude before the next Ministerial. Achieving joint approaches to trade and environmental protection at global level is important to tackle climate change as well as to promote common sustainability policies and a level playing field.

4. Conclude an Agreement on Fisheries subsidies

Tackling the issue of illegal, unreported and unregulated (IUU) fishing is a key component of the negotiations of an WTO Agreement on Fisheries subsidies, which seeks to deliver rules that will promote sustainable fishing and protect the livelihood of people. Concluding this agreement will be a strong and important multilateral outcome, a clear signal that the WTO is able to negotiate new rules.
