



**EUROCHAMBRES POSITION
ON THE 13TH WTO
MINISTERIAL CONFERENCE**

Eurochambres recommendations for the 13th WTO Ministerial Conference

1. Why the European chamber network invests in the WTO and its future

European business and welfare depend to a great extent on the ability to maintain open markets, underpinned by free and fair trade and the predictability of global market conditions as enshrined through the multilateral rules based trading system at the WTO.

Over half of European trade is based on WTO rules, and the percentage is even higher as our European FTA's are building on the WTO framework. Non-discrimination, the gradual opening of markets, the removal of unjustified trade barriers and rules that ensure fair competition are thus essential for European businesses.

The EU must therefore continue to prioritize strengthening the WTO rules, update and re-invigorate them as part of its needed reform agenda, and make them fit for purpose in light of current business practices and challenges. This goes primarily for the digital and green transition, MSMEs inclusion, removal of barriers to healthcare goods, as well as observing existing and stricter future rules against unfair industrial subsidies, state trading, theft of intellectual property, transparency, and more disciplined notification practices, as well as preventing one-sided blockades.

To encourage higher compliance with existing obligations, EUROCHAMBRES has already previously suggested establishing annual public reports that could be elaborated by the WTO secretariat or another independent entity, mirroring the "WB Doing Business Report", where WTO Members can be annually listed, ranked and tracked regarding their performance in complying with WTO commitments.

As businesses around the world are witnessing a worrying increase in geopolitical frictions and protectionism, we believe that strengthening the WTO and the multilateral trading system is and will always be the best way to meet the challenges of increasingly fragmented world trade.

In this regard, for the upcoming 13th Ministerial Conference in Abu Dhabi, Eurochambres believes negotiators should build on the successes achieved at MC12 ("Geneva Package") and deliver good results so that the organisation can set a further example of its relevance in addressing global trade challenges through the rule of law, and not leave it to the rule of the strongest.

2. Eurochambres' main priorities for the 13th WTO Ministerial Conference :

- **#1 Fully restoring the WTO Dispute Settlement System**

For multilateral rules to be fully efficient they need a proper enforcement. Therefore the WTO dispute settlement system must be restored to its usual capacity and competence with a fully functioning Appellate Body. This is of crucial importance for the business community and the credibility of the WTO, as only a fully functioning

dispute settlement body can ensure fair competition and legal certainty in international trade in times when protectionism is rising. Until an agreement is reached on the reform of WTO dispute settlement, where MC13 should deliver substantial progress, the EU should work with as many countries as possible to sign up to the Multi-Party Interim Appeal Arbitration Arrangement (MPIA).

- **#2 Further extension of the e-commerce moratorium**

The WTO e-commerce moratorium is an essential element in ensuring predictability in digitally traded goods and services, an area where global trade has grown the most in recent times and allowed the digital economy across the world to take root and grow.

Allowing the Moratorium to expire would be a historic setback for the WTO, representing an unprecedented termination of a multilateral agreement in place nearly since the WTO's inception. A termination would open the door to customs duties being imposed on electronically transmitted goods and services by any WTO members that wishes to do so, and with the agreement of an organization that was created with the main purpose of avoiding and reducing customs tariffs for all its members.

Given its critical importance, WTO members should therefore make the WTO customs moratorium permanent, or at least agree on a further extension in Abu Dhabi until the 14th Ministerial Conference.

- **#3 Advancing and concluding plurilateral agreements and initiatives.**

Eurochambres considers plurilateral agreements and initiatives within the WTO as legitimate and valuable mechanisms for driving forward global trade rules until full consensus within the WTO is achieved. This is an highly important element in helping countries craft more harmonized trade rules that are in line with the fast evolving economic realities that businesses around the world are facing.

The following initiatives are to be prioritized:

E-Commerce Initiative:

While a full completion of the e-commerce initiative by MC13 will not be possible, there should be a set timeline for finalizing all negotiation topics of this important initiative, ideally by the end of the year. The e-commerce initiative has already made significant progress and reached consensus in several disciplines, while some others require more work ahead. By MC13, a substantial agreement excluding the controversial issues should be reached, while accelerate progress and ensuring a high-level outcome at latest by MC14.

- Investment Facilitation for Development

In Abu Dhabi, the Investment Facilitation for Development Initiative should become a demonstrable result of the ministerial conference and the basis of a new multilateral agreement (Annex 4 - Investment Facilitation Agreement) to facilitate critically needed investments around the globe. The creation of increased transparency and predictability as well as the establishment of networks and databases to connect investors and companies are very important milestones for economic operators.

- Micro, small and medium-sized enterprises (MSMEs)

EUROCHAMBRES has been at the forefront and consistently calling for SMEs to

become a central part of the WTO agenda by tailoring existing and future measures better to their needs and priorities.

It is known that SMEs are not only engines for growth and critical to stimulate competitiveness and resilience for the global economy, but also one of the main sources of employment. Yet SMEs are still one of the main untapped sources of growth and inclusive development for the global economy.

To support MSMEs as important pillars of the economy, all WTO members should fully adopt the package of recommendations for MSMEs developed by the informal WTO working group.

In this regard, and given the hefty impact of regulation on SMEs in particular, WTO members should strive to expand the Annex in the MSME package regarding the regulatory impact of trade, taking inspiration from the EU's "think small first principle", and deliver a high level set of global good regulatory principles for MSMEs as soon as possible.

- Industrial Subsidies

Efforts by the EU, USA and Japan to close loopholes in the WTO subsidy rules against market distortions by state-owned companies should be advanced quickly at MC13. These efforts must be followed by a plurilateral initiative on competition neutrality that covers industrial subsidies, state-owned enterprises and forced technology transfers.

- Trade and Climate

Global challenges such as climate change, require global solutions and cannot be solved by national or regional measures alone. Co-operation at multilateral level must therefore be better coordinated, as climate concerns are becoming increasingly important in the context of international trade.

Without effective multilateral cooperation, measures to price carbon, subsidize green technologies, standards and regulations, will only increase the cost of the transition to decarbonize the economy, risk further fragmentation of markets, and will ultimately slow down the green transition, reducing both economic and climate efficiency.

EUROCHAMBRES therefore urges negotiations on preferential market access for environmentally friendly products and services, green products and services to be re-started at the WTO, as well as exploring the phase out of inefficient subsidies for fossil fuels, and actively promoting enterprises developing sustainable and climate-friendly value chains.

The negotiations in the four WTO working groups on environmental and sustainability issues must therefore be continued intensively and produce initial results at MC13, while setting out a work plan leading up to MC14.

- Lastly, with regards to fishery subsidies, concluding the needed ratification process along with the parts of the multilateral fishery subsidy agreement that could not be completed at MC12, should be finalized at MC13 to help prevent the unsustainable overexploitation of the world's oceans.

Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers’ strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers’ member businesses – over 93% of which are SMEs – employ over 120 million people.

Previous positions can be found here: <https://bit.ly/ECHPositions>

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