WTO: the way forward

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The European Parliament adopted by 471 votes to 80, with 86 abstentions, a resolution on WTO: the way forward.

Members recalled that, since its creation the WTO has played a pivotal role in strengthening multilateralism, promoting an inclusive world economic order and fostering an open, rules-based and non-discriminatory multilateral trading system. However, they pointed out that currently, the rules-based multilateral trading system is facing its **deepest crisis ever**, **with both its negotiating function as well as the dispute settlement mechanism being threatened**.

In this respect, they noted that the results of the 11th WTO Ministerial Conference in Buenos Aires in December 2017 were disappointing, and clearly showed that the negotiating function of the organisation is **paralysed**.

Members also noted that the **Appellate Body** is the 'jewel in the crown' of the WTO owing to the binding character of its decisions and its status as an independent and impartial review body. However, the Appellate Body's membership fell to the minimum number of judges it needs to function, leaving only three judges appointed.

This deadlock, caused by the US administration, could lead to the collapse of a system that is essential to managing disputes among all WTO members.

Reaffirming its commitment to multilateralism, Parliament called for a **trade agenda based on fair and rules-based trade** for the benefit of all, which contributes to peace, security and the sustainable development agenda by including and enhancing social, environmental and human rights. It stressed that the WTO must also contribute to promoting fair trade and combating unfair practices.

In the light of recent developments but also the long lack of progress on the Doha Development Agenda, Members called for the modernisation of the WTO and invited the Commission to reach out to other WTO members, in particular our major trading partners such as the US, Japan, China, Canada, Brazil and India, in order to agree on common positions.

Parliament made recommendations regarding:

- addressing **current gaps in the rulebook** in order to level the playing field as regards market-distorting subsidies and state-owned enterprises, as well as keeping intellectual property protection and investment market access up to date;
- addressing issues of protection and forced source code disclosure and other **state- directed activities** giving rise to overcapacities, as well as regulatory barriers to services and investment including technology transfers, requirements of joint ventures and local content requirements;
- creating the necessary regulatory framework to cope with **technological developments** by covering e-commerce, global value chains, public procurement, updated domestic regulation for services;
- mastering the most pressing global **environmental and social challenges**, ensuring systemic policy coherence between trade, labour and environmental agendas.

Members also considered it necessary to:

- review the current differentiation between developed and developing countries and review the **mechanism for special and differential treatment** to better reflect human development indices, as a policy tool for developing countries to link the implementation of multilateral agreements to receiving assistance from richer countries and donor agencies;
- support the concept of **flexible multilateralism**, whereby WTO Members interested in pursuing a certain issue where full consensus is not yet possible should be able to advance and conclude plurilateral agreements;
- introduce special rules for **SMEs** in plurilateral and multilateral agreements;
- define a **systemic gender perspective** in all areas of WTO rule-making in the form of gender impact assessments.

Parliament viewed the decision of the **US to impose tariffs on steel and aluminium products on 31 May 2018** on grounds of 'national security' under Section 232 of the Trade Expansion Act of 1962 as **unjustified** and strongly encouraged the Commission to work with the US to address trade disagreements within the WTO's rules-based dispute settlement framework.

Lastly, Members urged the WTO members to ensure democratic legitimacy and transparency by strengthening the parliamentary dimension of the WTO, and to support a memorandum of understanding establishing a formal working relationship with the Parliamentary Conference on the WTO.