Basic information

2018/2084(INI) INI - Own-initiative procedure	Procedure completed
WTO: the way forward **Subject** 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	RÜBIG Paul (PPE) LANGE Bernd (S&D)	16/05/2018 16/05/2018
	Shadow rapporteur MCCLARKIN Emma (ECR) KATAINEN Elsi (ALDE) SCHOLZ Helmut (GUE/NGL) BUCHNER Klaus (Verts/ALE) BEGHIN Tiziana (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	SÁNCHEZ CALDENTEY Lola (GUE/NGL)	05/07/2018

European Commission

Commission DG	Commissioner
Trade and Economic Security	MALMSTRÖM Cecilia

Key events

Date	Event	Reference	Summary
14/06/2018	Committee referral announced in Parliament		
20/11/2018	Vote in committee		
23/11/2018	Committee report tabled for plenary	A8-0379/2018	Summary

28/11/2018	Debate in Parliament		
29/11/2018	Decision by Parliament	T8-0477/2018	Summary
29/11/2018	Results of vote in Parliament		
29/11/2018	End of procedure in Parliament		

Technical information	
Procedure reference	2018/2084(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/13317

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.768	10/09/2018	
Committee opinion	DEVE	PE625.346	11/10/2018	
Amendments tabled in committee		PE628.685	15/10/2018	
Committee report tabled for plenary, single reading		A8-0379/2018	23/11/2018	Summary
Text adopted by Parliament, single reading		T8-0477/2018	29/11/2018	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2019)92	26/03/2019	

WTO: the way forward

2018/2084(INI) - 29/11/2018 - Text adopted by Parliament, single reading

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.

WTO: the way forward

2018/2084(INI) - 23/11/2018 - Committee report tabled for plenary, single reading

The Committee on International Trade adopted an own initiative report by Bernd Lange (S&D, DE) and Paul Rübig (EPP, AT) on WTO: the way forward.

It stated 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, Members point 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**. They 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. The committee noted that 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. It also noted that the concerns expressed by the US regarding the Appellate Body extend beyond procedural changes and entail significant reforms to the rulings of the body's judges.

Members reiterated their full commitment to the enduring value of multilateralism, and a free, fair and rules-based multilateral trading order that supports social, environmental and human rights, contributing to peace and security. They felt that is was now a matter of urgency to proceed to the **modernisation of the WTO,** not only in the light of the latest developments but also owing to the long-standing lack of progress on the Doha Development Agenda (DDA). The Commission and the EU Member States in the WTO were asked to reach out to other WTO members, in particular the **EU's major trading partners** such as the US, Japan, China, Canada, Brazil and India, in order to agree on common positions. The committee took note of the European Council's conclusions and the mandate given by to the Commission on 28-29 June 2018, as well as of the Commission's concept paper on WTO modernisation of 18 September 2018.

The committee 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.

The committee also felt that it is necessary to:

- revisit the **classification** of countries into developed and developing, and re-examine the special and differential treatment (S&DT) mechanism in order to better reflect human development indexes ;
- ensure that trade plays a part in contributing to development and the achievement of the 2030 Sustainable Development Goals (SDGs) and of the Paris Agreement commitments in the fight against climate change;
- revise the functioning of the negotiating process by introducing **more flexibility** than has currently been the case under the consensus rule, and 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 conclude plurilateral agreements. However, such agreements must complement and not undermine the multilateral agenda and should be used not as alternative fora to address trade barriers.

Members 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.