



## ANNEX

### **REFORMING THE WTO: TOWARDS A SUSTAINABLE AND EFFECTIVE MULTILATERAL TRADING SYSTEM**

#### **1. Why does the WTO matter and why is it in crisis?**

##### *1.1 Why the WTO matters*

panel reports could be blocked, and the **monitoring of trade policies** is ineffective. In addition, **the trade relationship between the US and China, two of the three largest WTO members, is currently largely managed outside WTO disciplines.**

A key driver of the crisis is that **China** transformation into a market economy. The level at which China has opened its markets does not correspond to its weight in the global economy, and the state continues to exert a decisive

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responsive to the challenges of digitalisation and greening, as well as preventing and defusing conflicts caused by trade-distorting state intervention in the economy.

*2.1 Restoring a sense of common purpose to the WTO: focus on sustainable development*

that recognise the right of Members to provide effective responses to global environmental

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**3. Restoring a fully functioning WTO dispute settlement system with a reformed Appellate Body**

role of dispute settlement in providing security and predictability to the multilateral trading system.

The EU is fully committed to these negotiations. MC12 provides an opportunity to record substantial progress on the e-commerce and investment facilitation initiatives and to conclude an agreement on services domestic regulation. Concluding negotiations on ambitious and

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WTO members and be anchored in the WTO, while building upon the progress made in the Trade in Services Agreement negotiations.

*D. The contribution of agriculture*

Restoring the credibility of the WTO as a negotiating forum would also require the membership to tackle **agricultural negotiations**, which remain largely blocked despite the positive outcome at the Ministerial Conference in Nairobi. Agriculture remains an important and even core interest for much of the WTO membership and the lack of progress risks to negatively affect the wider WTO reform agenda.

Commitments on domestic support in the agriculture sector should be the priority of negotiations, considering the proliferation of trade distorting policies and measures. In order to be successful, however, such negotiations would require co







contacting civil society. The main channels of engagement are the annual Public Forum, attendance of civil society at Ministerial Conferences, briefings by the Secretariat, as well as

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commitments do not sufficiently reflect its growth, and that further liberalisation by China

