

Our position

World Trade Organization: 13th Ministerial Conference

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Recent international crises have increased global uncertainty and fragmentation. They have highlighted the need for multilateral and rules-based trade rooted in collaboration, transparency and non-discrimination. To reap the benefits of trade, businesses need an open and stable international trading system with a well-functioning World Trade Organisation (WTO) at its heart.

The WTO is key to ensure predictable market behaviours, preserve the rule of law and settle potential disputes.

However, its almost 30-year old rules are unfit to face the emerging global challenges. The organisation requires a deep reform of its role and rules to ensure it remains a valuable and legitimate tool to drive global economic growth and prosperity.

The upcoming Ministerial Conference in Abu Dhabi offers an opportunity for world leaders to demonstrate their ambition to create a stable international trading system. To do so, international policymakers must aim to: reform the WTO; promote open international data flows; facilitate green trade; and safeguard the existing intellectual property frameworks.

Making the WTO fit for the 21st century

Without an efficient WTO, business and member states lack the stability needed to create an effective and sustainable international trading system. Its reform should be focussed on several aspects.

Recommendations:

- Revitalise its negotiating function, notably, by allowing ‘open’ plurilateral talks.
- Reinforce the monitoring role of the Secretariat to improve how governments submit notifications.
- Reform the dispute settlement mechanism to make its resolutions binding and restore trust among members.
- Update how developing countries are classified, as the global economy has radically changed since the 1995 classification system was established.
- Integrate the Investment Facilitation for Development Agreement and the Agreement on Services Domestic Regulation into the WTO’s legal framework.

Ensuring open cross-border flow of data

International data transfers are estimated to contribute 2.6 trillion euros to global GDP annually, which exceeds the global trade in goods. By encouraging cross-border data flows, world leaders can make global trade more inclusive, innovative and efficient. To make it possible, international policymakers should agree on an e-commerce framework.

Recommendations:

- Conclude negotiations on the WTO Joint Initiative on e-commerce.
- Extend the Moratorium on Customs Duties on Electronic Transmissions and establish a permanent moratorium within the WTO.
- Allow data to move across borders and prevent requirements that localise the storage and processing of data.
- Protect algorithms, source code, encryption keys or other proprietary information relating to cryptography, while prohibiting requirements that companies transfer technology, source code, algorithms or encryption keys.
- Prohibit tariffs and taxes on cross-border data flows and digital products.

- Ensure companies have full market access to services, including new services.
- Encourage members to join the WTO's Information Technology Agreement and its expansion (ITA, ITA II and potentially ITA III).
- Avoid internet services regulations that do not consider the specific characteristics of both the service and the market that it serves.
- Eliminate or reduce red tape and discriminatory regulatory barriers for all technology products.

Facilitating green trade

The cost, availability and innovation of clean goods and services has a direct impact on their diffusion in the economy. Enabling this kind of trade through the right regulatory frameworks will help WTO members access more environmental goods and by extension reduce harmful emissions.

Recommendations:

- Resume of negotiations on the Environmental Goods Agreement (EGA) and expand its scope to include a wider range of environmental goods and services, with the aim of reducing tariffs and other barriers to trade in these products.
- Encourage trade flows for product circularity.

Safeguarding intellectual property

The extension of the TRIPS waiver for vaccines to diagnostics and therapeutics would be detrimental for future industry investments in innovation.

Recommendations:

- Facilitate open trade and address regulatory barriers (including measures to reduce tariffs, limit export restrictions and support developing countries in enhancing their supply chains).
- Build robust delivery of vaccines and therapeutics addressing bottlenecks.

Despite its current challenges, the WTO has proven essential in fostering a rules-based and inclusive global trading system. It has liberalised and facilitated trade through dispute settlement and contributed to underpinning global growth and development. At MC13, WTO member states should work to strengthen the organisation's resilience and ensure it can continue to play a fundamental role in the global economy's growth and stability.