

Ahead of the next World Trade Organization Ministerial Conference (MC12), the International Chamber of Commerce—the institutional representative of over 45 million businesses worldwide, small, medium and large, in over 170 countries—wishes to set out its priorities for a successful meeting.

The global business community views the World Trade Organization as an essential pillar in the multilateral trading system. As end-users of the system, the private sector strongly encourages ministers to work towards ambitious outcomes that will meet the needs of modern economies and all stakeholders.

At a time of serious global economic challenges—in the wake of the Covid-19 pandemic, pressures on global supply chains, and the prospect of high inflation and recession—ministers must take the opportunity presented by MC12 to reinforce the role of the WTO and to ensure its effectiveness to meet ongoing and new global challenges.

Seven areas stand out as priorities for the global business community.

## 1. WTO reform

WTO Members must give political support to make the necessary reforms and improve the functioning of the WTO. Trade ministers should create a working group charged with agreeing on a collective vision on the common objectives and foundational principles of the WTO, including market access and trade liberalisation, and the key areas of reform to prioritise. Such work should aim to finalise by MC13 a package of reforms covering all three pillars of the organisation—negotiations, dispute settlement and monitoring national trade policies.

More specifically, a future work programme on WTO reform should embrace at least four elements.

- > First, Members should aim to agree on a path forward to improving the negotiation function, including: recognising the legitimacy, legality and need for advancing rulemaking through open, transparent and inclusive plurilateral negotiations; and adopting a new evidence-based approach to Special and Differential Treatment.
- > Second, Members should prioritise reforming the dispute settlement system, including restoring the full operation of the Appellate Body while making necessary procedural adjustments to improve its functioning—this is essential for the certainty and predictability required to drive cross-border trade and investment.
- > Third, Members should commit to improving the Secretariat’s capacity to monitor trade policy developments independent of Members’ notifications.
- > Fourth, WTO Members should support the creation of business and civil society advisory councils that would crowd-in the views of stakeholders in a more systematic fashion, as is best-practice in policymaking in many other international organisations. ICC has already made some suggestions in this regard and looks forward to playing a leading role in any business advisory council established.

## 2. E-Commerce

As a first-order priority, ministers should make permanent the moratorium on customs duties on electronic transmissions or, at a minimum, renew the moratorium for a further two years. The moratorium has enabled digital trade to flourish since 1998, preventing the imposition of burdensome tariffs. This enabling environment no doubt contributed to business continuity for the millions of MSMEs that successfully transformed their operations during the pandemic.

Failure to make permanent or roll-over the moratorium would cause significant uncertainty and unpredictability for businesses, yield no clear benefits for customs agencies and damage prospects for optimal development of the digital economy, a sector on which our collective prosperity increasingly depends—everywhere in the world.

More generally, the e-commerce negotiations have been a bright spot at the WTO. Achieving a high-standard agreement with a maximum number of signatories is of critical importance to the global business community. Writing rules on digital trade—especially those that promote the free flow of data across borders—will be an important driver of the further development of the digital economy, help bridge the “digital divide” and provide more stability and predictability for businesses in all sectors. JSI participants should accordingly use MC12 as an opportunity to confirm their commitment to negotiations, including by imposing a deadline for finalising an agreement by the end of 2022.

### **3. Fisheries subsidies**

WTO Members must finally complete the long-overdue fisheries subsidies negotiations. In the eyes of business, this is an essential marker of the credibility of the WTO as a multilateral trade policy forum and the international community’s commitment to achieving the Sustainable Development Goals. The repeated failure to meet self-imposed deadlines—including the end-2019 deadline agreed by consensus at the WTO’s 11th Ministerial Conference—has caused reputational harm to the institution and failed to arrest the unsustainable depletion of the world’s oceans. Failure to conclude a deal at MC12 would accordingly cause significant reputational damage to the WTO.

### **4. Food security**

The WTO must effectively deal with the worsening food crisis. Record food prices and supply shortages are causing major food security challenges and—without rapid coordinated action—risk pushing millions more people into hunger and causing social and political unrest. While the food crisis has many complex causes, many of these—such as supply chain disruptions, a growing litany of export restrictions and trade-distorting subsidies—are a direct result of Members’ trade policies and can be ameliorated through sensible measures at the WTO.

In this context, WTO Members must take all available measures to limit further price increases and food shortages. More specifically, WTO Members should commit to keeping food and agricultural markets open by not imposing export restrictions and other trade-distortive measures on food and fertilizers for the duration of the crisis. Furthermore, WTO Members should permanently exempt food bought by humanitarian agencies, such as the World Food Programme but also other key agencies such as UNICEF, from export restrictions. Finally, Members should develop a forward-looking work program to deal with the systemic trade-related causes of food insecurity—namely, domestic support to agriculture, limited access to agricultural markets and food export restrictions and prohibitions.

### **5. Health**

WTO Members should adopt and go beyond the Trade and Health Initiative. International trade remains a powerful tool to help contain the Covid-19 pandemic, contribute to economic recovery and effectively respond to future pandemics and other health crises. The Trade and Health Initiative, proposed by the Ottawa Group, outlines specific actions relating to export restrictions, trade facilitation, technical regulations, tariffs, and transparency and review exercises that reflect emerging best practice.

These actions should be adopted by the broader membership and inform a consensus statement to undertake WTO commitments on trade and health. Member States should complement this initiative by committing to zero tariffs on pharmaceutical goods and substances through an update to, and broadening the scope of, the Agreement on Trade in Pharmaceutical Products.

Furthermore, to ensure a smoother response to future pandemics, ICC supports the creation of a “Health Market Information System”—or “supply chain watchtower”—modelled on the Agricultural Market Information System. Creation of such a system would provide much-needed visibility over essential medical supply chains, enhance cooperation between the private and public sectors, improve management of possible scarcity and bottlenecks, increase trade facilitation measures, improve resilience of relevant supply chains, and support the production, distribution and access to relevant medical supplies.

## 6. Environmental sustainability

ICC strongly supports the ongoing discussions on issues related to trade and environmental sustainability. We believe that trade should contribute to solutions to the global challenges we face, including through the transition to more sustainable business practices, and the WTO has a key role to play. ICC will continue to participate in the multistakeholder discussions in the Trade and Environmental Sustainability Structured Discussions, and to contribute real world, business perspectives, leveraging ICC’s global networks (see ICC-commissioned [report](#) on trade and the circular economy).

## 7. Services Domestic Regulation

Conclusion of the Services Domestic Regulation agreement in 2021 was a very welcome development. The new disciplines contained in this historic agreement ensure transparency, legal certainty and predictability and regulatory quality—all of which offer significant benefits for global business. Given the significant economic benefits that would accrue to Members that sign up to these disciplines, we recommend that more WTO Members commit to this initiative at MC12.

### ABOUT THE INTERNATIONAL CHAMBER OF COMMERCE (ICC)

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 170 countries. ICC’s core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world’s leading companies, SMEs, business associations and local chambers of commerce.