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Multilateral negotiations in view of the 13th WTO Ministerial Conference in Abu Dhabi, 26-29 February 2024

European Parliament resolution of 8 February 2024 on multilateral negotiations in view of the 13th WTO Ministerial Conference in Abu Dhabi 26-29 February 2024 (2023/2868(RSP))

(C/2024/6342)

The European Parliament,

- having regard to the Marrakesh Agreement of 15 April 1994 establishing the World Trade Organization (WTO),
- having regard to the Doha Ministerial Declaration of the WTO of 14 November 2001 ⁽¹⁾,
- having regard to its previous resolutions on the WTO, in particular those of 25 November 2021 on multilateral negotiations in view of the 12th WTO Ministerial Conference ⁽²⁾, of 29 November 2018 entitled 'WTO: the way forward' ⁽³⁾ and of 28 November 2019 on the crisis of the WTO Appellate Body ⁽⁴⁾,
- having regard to the outcome documents adopted by consensus at the Annual Sessions of the Parliamentary Conference on the WTO on 7 December 2018 in Geneva ⁽⁵⁾ and on 10 December 2017 in Buenos Aires ⁽⁶⁾,
- having regard to the results of the 12th WTO Ministerial Conference held in Geneva in June 2022 (MC12), which include an outcome document, a series of ministerial decisions and declarations, and an Agreement on Fisheries Subsidies,
- having regard to the results of the 11th WTO Ministerial Conference held in Buenos Aires in December 2017 (MC11), which include a series of ministerial decisions and joint statements on electronic commerce, on investment facilitation, on domestic services regulation, and on micro, small and medium-sized enterprises (MSMEs),
- having regard to the Buenos Aires Declaration on Trade and Women's Economic Empowerment endorsed on 12 December 2017 and the Informal Working Group on Trade and Gender established on 23 September 2020,
- having regard to the Ministerial statements by ministers representing Members of the WTO of 10 December 2021 on plastic pollution and environmentally-sustainable plastics trade, of 14 December 2021 on trade and environmental sustainability and of 14 December 2021 on fossil fuel subsidies ,
- having regard to the UN Sustainable Development Goals (SDGs),
- having regard to the Paris Agreement within the United Nations Framework Convention on Climate Change (UNFCCC), in effect since November 2016,
- having regard to the Commission communication of 18 February 2021 entitled 'Trade Policy Review – An Open, Sustainable and Assertive Trade Policy' and to its annex entitled 'Reforming the WTO: Towards a sustainable and effective multilateral trading system' (COM(2021)0066),
- having regard to Rule 132(2) of its Rules of Procedure,
- having regard to the motion for a resolution of the Committee on International Trade,

⁽¹⁾ Doha Ministerial Declaration (WT/MIN(01)/DEC/1) of 14 November 2001.

⁽²⁾ OJ C 224, 8.6.2022, p. 89.

⁽³⁾ OJ C 363, 28.10.2020, p. 113.

⁽⁴⁾ OJ C 232, 16.6.2021, p. 62.

⁽⁵⁾ https://www.europarl.europa.eu/cmsdata/158345/outcome_document-final-e.pdf.

⁽⁶⁾ https://www.europarl.europa.eu/cmsdata/231517/2017_PCWTO_outcome_EN.pdf.

- A. whereas the WTO was created to further the liberalisation of trade in goods and services, strengthen multilateralism and foster a fair, open, inclusive, rules-based and non-discriminatory multilateral trading system, in order to improve the welfare of people around the world; whereas the overall objective of the EU's trade policy is to contribute to the harmonious development of world trade, the progressive abolition of restrictions on international trade and on foreign direct investment, and the lowering of customs and other barriers, as well as ensuring the welfare of people; whereas trade is vital and a key instrument for supporting and complementing efforts to advance sustainable growth and improve standards of living, ensuring full and better-quality employment and a large and steadily growing volume of real income in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means of doing so in a manner consistent with countries' respective needs and concerns at their different levels of economic development;
- B. whereas a strong, open and inclusive multilateral trading system should play an even stronger role in reaching global goals on climate change and achieving net zero through, for example, the exchange of the goods, services and practices essential for clean-energy technologies and a circular economy;
- C. whereas the rules-based multilateral trading system is currently under a great deal of pressure, subject to geopolitical tensions caused by the decisions of some WTO members and the unilateral measures taken by them, as well as an unjustified reliance on the security exception of the General Agreement on Tariffs and Trade (GATT) by some of its members, which is already resulting in a more fragmented and less predictable context for trade policy; whereas 75 % of trade still takes place on the basis of most-favoured nation (MFN) tariffs which confirms the WTO as the backbone of the global economy; whereas the outcome at MC12 proved that the WTO can still deliver multilateral agreements and respond to emergencies;
- D. whereas the WTO Agreement on Fisheries Subsidies agreed at MC12 is the first ever multilateral trade agreement with environmental sustainability at its core, establishing a binding set of global rules to help curb an estimated USD 22 billion per year in harmful subsidies provided by governments to the fishing sector, as mandated under SDG 14.6; whereas the agreement does not yet include disciplines on fisheries subsidies that contribute to overcapacity and overfishing, which represent more than half of all fisheries subsidies, on which negotiations are still ongoing;
- E. whereas the 12th WTO Ministerial Conference (MC12) adopted a Decision on 17 June 2022 providing flexibility in the framework of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to enable the production and supply of COVID-19 vaccines, while postponing the decision on the extension of the scope of these flexibilities to COVID-19 therapeutics and diagnostics; whereas the WTO TRIPS Council is holding negotiations regarding the extension of the TRIPS waiver;
- F. whereas food security remains a challenge, as 258 million people were in crisis or worse levels of acute food insecurity in 2022 up from 193 million in 2021; whereas the WTO Uruguay round Agreement on Agriculture explicitly acknowledges the importance of considering food security in ongoing negotiations; whereas trade has the potential to enhance the availability of food in regions where it is limited, and it can also contribute to improved economic access to food by generating employment opportunities and boosting incomes;
- G. whereas WTO members have proven their commitment to addressing food shortages and ensuring emergency food aid for the most vulnerable, both in the Ministerial Declaration on the emergency response to food insecurity, as well as the Ministerial Decision on exempting World Food Programme (WFP) humanitarian food purchases from export prohibitions or restrictions agreed at MC12;
- H. whereas sustainable trade can help mitigate and fight against climate change;
- I. whereas as of 11 December 2019, the WTO Appellate Body ceased to be operational, which brought to a standstill the functional, independent and impartial appellate stage; whereas at MC12, WTO members committed to conducting discussions with a view to having a fully and properly functioning dispute-settlement system accessible to all WTO members by 2024;
- J. whereas for over 20 years the European Parliament, together with the Inter-Parliamentary Union, has played a crucial role in establishing a parliamentary dimension to the WTO through the Parliamentary Conference on the WTO;
- K. whereas the 13th WTO Ministerial Conference (MC13) will take place in Abu Dhabi, United Arab Emirates, from 26 to 29 February 2024;

1. Reiterates its full commitment to the enduring value of multilateralism and underlines that a modernised multilateral system to govern trade is essential; calls for a trade agenda based on fair and rules-based trade for the benefit of all, which contributes to sustainable economic development, beyond the mere definition of GDP growth and prosperity, thereby strengthening peace and security; emphasises that the WTO should promote the realisation of the SDGs, health, social, environmental and human rights and ensuring that multilaterally agreed and harmonised rules are applied by all;
2. Urges all WTO members to commit to a successful outcome of MC13; believes that MC13 should be the starting point for advancing and modernising the WTO to ensure it can play a role in addressing the challenges of the 21st century, including on issues such as climate change, food security, biodiversity loss, health, sustainability, and poverty reduction; urges all WTO members to step up their efforts to focus on tangible outcomes that show that the WTO can address current challenges; welcomes the guidance given by the Senior Officials' Meeting on 22 and 23 October 2023; in particular, asks WTO members to conclude the second phase of the multilateral agreement on fisheries subsidies and to overcome the remaining stumbling blocks so it can finally adopt a comprehensive package of institutional reforms, including a decision that would lead to a fully functioning dispute-settlement system; reiterates that the role of the WTO Secretariat needs to be further enhanced;
3. Considers that it is now a matter of urgency to proceed to a substantive reform of the WTO and that this should be reflected in the outcome of MC13; welcomes all the work that has been carried out in this regard since the last Ministerial Conference; calls on WTO members to adopt a comprehensive package reviewing the monitoring, negotiating, deliberative and dispute-settlement functions of the WTO, in which due attention should also be given to the parliamentary dimension of the WTO, with a view to increasing the WTO's effectiveness, inclusiveness, transparency, credibility and legitimacy;
4. Calls for a stronger and even more constructive engagement by all WTO members to restore a fully functioning dispute-settlement system as swiftly as possible that tackles, among other things, the excessive length of procedures; commends the work of the facilitator in steering the process that should lead to a consolidated draft text to be submitted to MC13; regrets, however, that no substantial progress has so far been secured; calls on members to engage in constructive and transparent discussions to reach an agreement on the dispute-settlement system at MC13; recalls that a binding, two-tier and independent process should remain the core objective;
5. In order to bridge the time until a fully functioning dispute-settlement body at WTO level is up and running again, invites members to consider joining the multi-party interim appeal arbitration arrangement (MPIA) to demonstrate their commitment to a fair and functioning dispute-settlement system;
6. Urges all WTO members that have not yet done so, to swiftly ratify the WTO Agreement on Fisheries Subsidies, in order for the agreement to enter into force as soon as possible, for which ratification by two thirds of the membership is required; stresses the crucial importance of also reaching an agreement swiftly on disciplines on fisheries subsidies that contribute to overcapacity and overfishing, in order to avoid depleting marine biological resources and allow for their sustainable management; while respecting the needs for special and differential treatment in line with SDG 14.6;
7. Stresses the need to mainstream the development dimension of the WTO, including through the WTO reform process and through making the special and differential treatment principle better meet the needs of developing countries; regrets that the WTO has not yet fully delivered on its Doha Development Agenda; welcomes, the decision already taken on the extension of support measures to assist least-developed countries (LDCs) on the path to graduation from LDC status, in order to provide a smooth and sustainable transitional period for the withdrawal of trade preferences; reiterates its call for the special and differential treatment mechanism to be re-examined and revised with due involvement of all WTO Members in order to better reflect human development indices while protecting policy space for addressing unfair trade, and calls therefore on WTO members to revise the system; underlines, however, that self-assertion of development status as only criterion could lead to unfair trade;
8. Underlines the need to reinvigorate discussions on State support for industrial sectors within the WTO, including an update of the Agreement on Subsidies and Countervailing Measures (ASCM), with a view to increasing transparency and adapting the WTO rulebook on subsidies in order to respond to contemporary challenges such as climate change and to tackle the unfair practices of certain WTO members, and effectively address negative spillover effects such as overcapacity and carbon-intensive supply chains; takes the view that MC13 should launch a time-limited work programme to allow for deliberation on State intervention in support of industrial sectors, in order to provide recommendations for MC14;

9. Stresses the need to make progress in the agriculture negotiations in order to obtain credible results on issues such as a permanent solution on public stockholding for food security purposes, domestic support, market access, cotton, export restrictions and export competition, and strengthening the agricultural sector to respond to contemporary challenges, including rural livelihoods and environmental sustainability; emphasises the need to ensure fair competition and a level playing field for farmers; calls for better information sharing and transparency on agriculture policies and subsidies to help advancing negotiations and to support at WTO level a greater sharing of data on commodity trading and private stocks with the Committee on World Food Security; welcomes the signing of a Memorandum of Understanding between the WTO and FAO during 2023 United Nations Climate Change Conference (COP 28) which will strengthen collaboration on among others agricultural reform, food security and climate change; highlights that the EU should advocate for higher sustainability criteria in line with the objectives of the Green Deal;
10. Underlines the need for an outcome on food security, including concrete actions to increase the resilience of LDCs and Net Food-Importing Developing Countries in their response to acute food instability;
11. Expects the WTO reform to create an easier path for open plurilateral agreements to be integrated into the multilateral architecture in order to ensure progress in areas not mature enough for the entire membership; reiterates therefore its call to WTO members to reflect on a way to develop a new system, with clear principles and a minimum of members that should participate in a plurilateral initiative, and on that basis establish a straightforward mechanism that allows the resulting agreements to be incorporated into the WTO structure;
12. Welcomes the conclusion of the negotiations on the Investment Facilitation for Development Agreement in order to create a more fair, transparent, efficient and predictable environment for facilitating cross-border investment and the participation of developing countries in global investment flows; supports the incorporation of this agreement into the WTO rulebook under Annex 4 on Plurilateral Trade Agreements, as established in Article X.9 of the WTO Agreement and considers that this can serve as a model for future plurilateral agreements;
13. Highlights the importance of multilateral and plurilateral rules on digital trade, as it currently accounts for 25 % of total trade; strongly encourages the efforts to find a fair and permanent solution for electronic transmissions related to the moratorium, particularly bearing in mind the negative effects of a non-renewal, especially on women and small and medium-size enterprises (SMEs); welcomes and supports the broad membership, ambitious negotiating agenda and progress made to date in the WTO plurilateral negotiations on e-commerce; highlights the importance of the free flow of electronic transmissions, which are fundamental to digital trade and reduce trading costs, increase consumer welfare as well as export competitiveness, and bring significant benefits, particularly to SMEs and developing countries; recalls its position that a potential agreement needs to guarantee fair market access for e-commerce-related goods and services in third countries, as well as the protection of consumer and labour rights, and facilitate business innovation; stresses that a potential agreement on e-commerce needs to comply with existing as well as future EU legislation and allow for sufficient policy space for digital regulation, in particular when it comes to issues such as data flows, data localisation, data protection, artificial intelligence and source code; calls on all partners to fully engage in and support efforts to conclude negotiations by MC13; stresses the need to bridge the digital divide by sharing best practices and enhancing capacity building;
14. Recalls the WTO's commitment to MSMEs and recalls that MSMEs account for a substantial part of the global economy and have untapped potential in global value chains; urges members to continue to identify solutions that would help MSMEs increase their participation in world trade, while taking into account their specific needs;
15. Believes that the outcome of MC13 should provide an action-based agenda for trade policy supporting the 2030 SDGs and the Paris Agreement; strongly encourages WTO members to consider all possible measures to contribute to limiting greenhouse gas emissions in line with the UNFCCC and the conclusions of COP28, to enhance alignment with the Paris Agreement and climate neutrality, and to enhance cooperation in the WTO on measures adopted domestically; welcomes the constructive discussions that have taken place in the framework of plurilateral initiatives on Fossil Fuel Subsidies Reform, Dialogue on Plastic Pollution and the Trade and Environmental Sustainability Structured Discussions (TESSD); calls for the relaunch of negotiations on the Environmental Goods Agreement (EGA); encourages the WTO to facilitate the exchange of information and cooperation between WTO members on carbon pricing methodologies; emphasises the need to advance the discussion on services and goods, including process and production methods, that help address environmental and climate challenges; recalls that any unilateral measures taken by members must follow WTO rules and the decision to employ GATT exceptions must be considered carefully; urges the EU to raise awareness

about its sustainability legislation such as Corporate Sustainability Due Diligence Directive, the Carbon Border Adjustment Mechanism (CBAM) and deforestation regulation and explain the motivations behind it to make sure it is recognised as a genuine and non-discriminatory attempt to contribute to addressing global environmental objectives and to make trade more sustainable, including by providing more practical information on how the regulations apply in practice; welcomes the first ever 'trade day' at COP28 and the historic achievement at COP to move away from fossil fuels; expects the COP decision to be reflected in the work of the WTO;

16. Reaffirms the links between gender equality and inclusive development, and emphasises that women's empowerment is key to the eradication of poverty and that simultaneously removing barriers to women's participation in trade and addressing the adverse impacts of current trade rules on women in their multiple roles is critical for economic development; encourages all WTO members to sign the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment and urges its signatories to deliver on their commitments; welcomes the establishment of the WTO Informal Working Group on Trade and Gender; congratulates the WTO for organising the World Trade Congress on Gender in December 2022, the first international research conference on trade and gender;

17. Acknowledges that WTO members have agreed to discuss the scope of the TRIPS decision to cover COVID-19 diagnostics and therapeutics; calls on WTO members to take a decision by MC13 while keeping the incentives to innovate in mind; calls on WTO members to review their national laws and policies to ensure full incorporation of all relevant IP flexibilities protecting access to medical products;

18. Calls on the Commission and the Council to ensure that Parliament continues to be closely involved in the preparation of MC13, and is promptly updated and consulted during the 2024 Ministerial Conference;

19. Calls on WTO members to ensure democratic legitimacy and transparency by strengthening the parliamentary dimension of the WTO and the parliamentary conference; commends the important work of the joint European Parliament and the Inter-Parliamentary Union (IPU) Parliamentary Conference on the WTO; stresses the need to ensure that parliamentarians have better access to all trade negotiations and are involved in the formulation and implementation of WTO decisions; encourages leaders to support a new narrative on trade whereby trade is seen as an enabler rather than as a hindrance to achieving sustainability, security and inclusiveness;

20. Calls on WTO members to enhance the exchange with all stakeholders, including civil society, trade unions, and business organisations, and to step up cooperation with other international organisations such as the International Labour Organization and more broadly the UN system; expects leaders to communicate more at every level about the benefits of rules-based trade;

21. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, and the Director-General of the World Trade Organization, and the Inter-Parliamentary Union.
