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TEXTS ADOPTED

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**P9\_TA(2021)0474**

**Multilateral negotiations in view of the 12th WTO Ministerial Conference in Geneva, 30 November to 3 December 2021**

**European Parliament resolution of 25 November 2021 on multilateral negotiations in view of the 12th WTO Ministerial Conference in Geneva, 30 November to 3 December 2021 (2021/2769(RSP))**

*The European Parliament,*

- having regard to the Marrakesh Agreement of 15 April 1994 establishing the World Trade Organisation (WTO),
- having regard to the Doha Ministerial Declaration of the WTO of 14 November 2001<sup>1</sup>,
- having regard to its previous resolutions on the WTO, in particular those of 15 November 2017 on multilateral negotiations in view of the 11th WTO Ministerial Conference<sup>2</sup>, of 29 November 2018 entitled ‘WTO: the way forward’<sup>3</sup> and of 28 November 2019 on the crisis of the WTO Appellate Body<sup>4</sup>,
- having regard to its resolution of 20 May 2021 on accelerating progress and tackling inequalities towards ending AIDS as a public health threat by 2030<sup>5</sup>,
- having regard to its resolution of 10 June 2021 entitled ‘Meeting the Global COVID-19 challenge: effects of the waiver of the WTO TRIPS Agreement on COVID-19 vaccines, treatment, equipment and increasing production and manufacturing capacity in developing countries’<sup>6</sup>,
- having regard to the outcome document adopted by consensus on 7 December 2018 at the Annual Session of the Parliamentary Conference on the WTO in Geneva<sup>7</sup>,

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

<sup>2</sup> OJ C 356, 4.10.2018, p. 34.

<sup>3</sup> OJ C 363, 28.10.2020, p. 113.

<sup>4</sup> OJ C 232, 16.6.2021, p. 62.

<sup>5</sup> Texts adopted, P9\_TA(2021)0250.

<sup>6</sup> Texts adopted, P9\_TA(2021)0283.

<sup>7</sup> [https://www.europarl.europa.eu/cmsdata/158345/outcome\\_document-final-e.pdf](https://www.europarl.europa.eu/cmsdata/158345/outcome_document-final-e.pdf)

- having regard to the results of the 11th Ministerial Conference held in Buenos Aires in December 2017, which include a series of ministerial decisions, and at which it was not possible to adopt a ministerial declaration,
  - having regard to the Buenos Aires Declaration on Women and Trade of 12 December 2017, as well as to the joint statements on electronic commerce, investment facilitation and micro, small and medium-sized enterprises (MSMEs) adopted in Buenos Aires on 13 December 2017,
  - 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 joint statement of the trilateral meeting of the trade ministers of the United States, Japan and the European Union adopted on 14 January 2020,
  - having regard to the Bali Ministerial Decision of 7 December 2013 on public stockholding for food security purposes,
  - having regard to the Commission’s concept paper of 18 September 2018 on WTO modernisation,
  - having regard to the Commission’s Trade Policy Review and its annex entitled ‘Reforming the WTO: Towards a sustainable and effective multilateral trading system’,
  - having regard to the Ottawa Group’s Trade and Health Initiative<sup>1</sup>,
  - having regard to the communication from the EU to the WTO General Council of 4 June 2021 on urgent trade policy responses to the COVID-19 crisis,
  - having regard to the sixth assessment report of the Intergovernmental Panel on Climate Change (IPCC)<sup>2</sup>,
  - 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,
- A. whereas the WTO was created to further the liberalisation of trade in goods and services, strengthen multilateralism and foster an open, inclusive, rules-based and non-discriminatory multilateral trading system; whereas trade is vital and a key instrument for supporting and complementing efforts to advance sustainable growth and improve standards of living, ensuring full employment and a large and steadily growing volume of real income in accordance with the objective of sustainable development;
- B. whereas the rules-based multilateral trading system is currently facing a serious crisis, threatening the basic functions of the organisation, namely setting the essential rules and

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<sup>1</sup> WTO WT/GC/223, 24 November 2020.

<sup>2</sup> IPCC, 2021: Summary for Policymakers. In: ‘Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)’.

structure for international trade and delivering effective dispute resolution and enforcement;

- C. 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;
- D. whereas the WTO has a clear mandate under SDG 14.6 to engage in fisheries subsidies negotiation in order to find an agreement which prohibits certain forms of fisheries subsidies that contribute to fleet overcapacity and overfishing, with a view to fostering the sustainable management of fishing resources;
- E. whereas the COVID-19 pandemic has created unique challenges for the multilateral trading system while placing the crucial issue of trade and health on the agenda;
- F. whereas despite overt or latent export restrictions, in overall terms, trade and the multilateral system have played a positive role in tackling the pandemic; whereas the pandemic also revealed weaknesses and vulnerabilities, in particular in essential supply chains; whereas, in this context, the WTO's monitoring function has proved useful in insisting that members to provide transparency on trade and trade-related measures taken in the context of COVID-19;
- G. whereas the 12th WTO Ministerial Conference (MC12) will take place in Geneva, Switzerland, from 30 November to 3 December 2021;
  - 1. Reiterates its full commitment to the enduring value of multilateralism and underlines that a 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 growth and prosperity, thereby strengthening peace and security; emphasises the importance of the SDGs, social, environmental and human rights and ensuring that multilaterally agreed and harmonised rules are applied by all;
  - 2. Warns that the WTO is at risk of losing legitimacy if not all members commit to a successful outcome of MC12; believes that MC12 should be the official starting point for advancing and modernising the WTO to ensure it can play a role in addressing the challenges of the 21st century, including issues such as climate change and sustainability; urges, in the light of the post-COVID recovery, all members to step up efforts to focus on a few core tangible outcomes that show that the WTO can address current challenges; asks members to find, as a minimum, a multilateral agreement on prohibiting unsustainable fisheries subsidies, as well as on pandemic response, a limited package on agriculture, and on launching work towards institutional reform, including a process that would lead to a fully functioning dispute settlement system by MC13 at the latest; warns all members that without substantial outcomes at MC12, some members might look for alternative forums for rule-making, which might jeopardise the future of the multilateral trading system; welcomes the appointment of new WTO Director-General Ngozi Okonjo-Iweala, and commends her great commitment to multilateralism;
  - 3. Stresses the crucial importance for the WTO's credibility as a multilateral institution of reaching an agreement on harmful fisheries subsidies that effectively triggers a prompt and significant reduction in certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminates subsidies that contribute to illegal, unreported and unregulated fishing (IUU) in order to ensure the sustainable use of

marine resources; emphasises in this regard the principle of common but differentiated responsibilities according to the size of the harmful subsidies, while respecting the need for special and differentiated treatment in line with SDG 14.6; points out that more than 39 million people depend directly on capture fisheries, while many millions more depend on it in downstream industries; considers such an agreement to be essential not only for the credibility of the WTO to reach multilateral agreements, but also as a prerequisite for showing the strong link between the multilateral trading system and the SDGs; stresses the importance of the EU explaining its stance and internal rules in order to increase its credibility;

4. Recognises the crucial role of trade policy during the COVID-19 pandemic; reiterates its resolution of 10 June 2021 entitled ‘Meeting the Global COVID-19 challenge: effects of waiver of the WTO TRIPS agreement on COVID-19 vaccines, treatment, equipment and increasing production and manufacturing capacity in developing countries’; stresses, in this regard, the need to outline a basic agreement aiming to eliminate tariffs on pharmaceutical and medical goods, to abolish export restrictions, and on disciplines on transparency and global cooperation in times of crisis, in a ministerial declaration in line with the Trade and Health Initiative; believes that such an agreement is of utmost importance to show the relevance of the WTO; calls for the establishment of a new permanent Committee on Trade and Health at MC12 in order to assist governments with implementing existing exceptions and flexibilities in international trade law and to lay the groundwork for a trade pillar for the negotiations on a future international treaty on pandemic response; believes that many, especially developing, countries face difficulties in the use of TRIPS flexibilities, notably Article 31bis; recalls that the EU should actively participate in text based negotiations on a temporary TRIPS waiver; calls, in that regard, for the EU to support the granting of a temporary waiver from certain provisions of the TRIPS agreement for COVID-19, in order to enhance timely global access to affordable COVID-19 vaccines, therapeutics and diagnostics by addressing global production constraints and supply shortages;
5. Calls on all WTO members to respect their commitments on transparency in all agricultural pillars, as well as to agree on systematic improvements as suggested in the EU’s co-sponsored proposal for a ministerial decision on transparency improvements in agriculture in document JOB/AG/213; stresses the importance of adopting a work plan on trade-distorting domestic support including a permanent solution on public stockholding as mandated by the Bali Ministerial Declaration, with a mandatory system of notifications built on an effective mechanism of technical assistance and capacity-building to ensure stockholding programmes are proportionate to and comply with the objective of food security and to minimise trade distortions and adverse consequences for the food security of other members; stresses that the Agreement on Agriculture must be adapted to meet the challenges of the present day and to ensure fairer competition conditions by taking into account modes of production; supports Director-General Okonjo-Iweala in her call for a WTO food security package;
6. Considers that it is now a matter of urgency to proceed to a substantive reform of the WTO in the light of the deep crisis facing the organisation, but also owing to the long-standing lack of progress on the Doha Development Agenda (DDA), and underlines that the relevant issues of the DDA should remain on the agenda; calls on WTO members to fundamentally review several aspects of the WTO, specifically its monitoring, negotiating and dispute settlement functions, with a view to increasing its effectiveness, inclusiveness, transparency and legitimacy; urges all WTO members to focus on a

constructive process of change to modernise and equip the WTO with tools that effectively address the trade challenges of the 21st century, and to establish an institutional mechanism and clear timeline to carry the reform agenda forward at MC12 with the objective of achieving concrete outcomes by MC13 at the latest;

7. Welcomes the remarks by US Ambassador Tai on the WTO on 14 October 2021, and in particular the clear commitment to reforming all three functions of the organisation; expects the United States to now come forward with concrete proposals to move forward; urges the United States to commit to starting a constructive negotiation process on dispute settlement reforms at MC12 so that a fully functioning system is in place no later than MC13;
8. Deeply regrets the stalemate at the WTO Appellate Body, which is depriving the global trading system of an enforceable dispute settlement system; warns that without a functioning Appellate Body, the WTO is toothless and the tendency to breach multilateral agreements will only increase; notes that currently more than 15 cases for appeal have been notified, without the possibility of review; strongly urges all WTO Members to fully engage and work on solutions to restore a fully functioning two-tiered dispute settlement system with a fully functioning and independent Appellate Body as swiftly as possible; strongly supports recent EU initiatives to conclude arrangements with our major trade partners that preserve, on an interim basis, a functioning dispute settlement process among those WTO Members who participate in it; recalls that a binding, two-tier and independent process should remain the core objective of the EU's strategy; emphasises that successful reform will require engaging with the valid concerns of all parties involved and agreeing on a compromise solution; urges the relevant stakeholders to agree by the end of MC12 on an agenda for further work on the medium- to long-term areas of reform, some of which should be completed before the next Ministerial Conference (MC13); supports the Commission's recent proposal for the reform of the enforcement regulation in order to ensure that the EU has the right tools to enforce third countries' commitments;
9. Calls on the Commission and the Council to cooperate with all WTO members in order to start a discussion on establishing new rules to address current gaps in the rulebook on unfair trade practices, counterfeiting, market-distorting subsidies, state-owned enterprises and forced technology transfer;
10. Is convinced that the current differentiation between developed and developing countries does not reflect economic reality, and that this can be an obstacle to making progress in the Doha Round; urges advanced developing countries to take their share of the responsibility and make contributions commensurate with their level of development; believes that the special and differential treatment mechanism should be re-examined and revised with the 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;
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; invites all members to reflect on a way to develop a new system for enhanced cooperation such as is used in the European Union,

with clear rules on a minimum number of members that should participate in a plurilateral initiative, and on that basis establish a straightforward mechanism which allows the resulting agreements to be incorporated into the WTO structure;

12. Welcomes and supports the broad membership, ambitious negotiating agenda and progress made to date in the WTO plurilateral negotiations on e-commerce; calls for efforts to conclude negotiations on compliance with WTO rules; recalls its position that a possible agreement needs to guarantee market access for e-commerce-related goods and services in third countries, as well as the protection of consumer and labour rights; stresses the need to facilitate business innovation and data flows, in full compliance with EU law on privacy and data protection; recognises the possible legal uncertainty facing businesses and researchers using personal data, and the effect this could have on innovation; calls urgently for measures to increase legal certainty for stakeholders dependent on data usage for pre-approved data usage procedures, as well as for pseudonymisation and anonymisation; emphasises that WTO members should express their continuing support for the negotiations and a clear timeline for further progress; supports making the WTO moratorium on electronic transmissions permanent;
13. Calls urgently for the possibilities for facilitating data flows with strategically important third countries to be explored; notes that European companies operating in some third countries are increasingly faced with unjustified barriers and digital restrictions; stresses that, to this end, data localisation requirements should be avoided where appropriate, that data must be covered by the EU's free trade agreements, and that efforts to conclude adequacy decisions with third countries must be accelerated;
14. Notes that due to legal requirements, trade still relies on a significant amount of paper documents, which is costly, inefficient and a risk during global crises; stresses the need to explore the use of electronic trade documents, which will increase efficiency and security and reduce environmental impact; emphasises the need to change international law to allow electronic documents to be used in trade;
15. Calls urgently for the Information Technology Agreement (ITA) expansion to be extended; recognises that the ITA promotes global manufacturing digitalisation and should continue to evolve to include a greater range of products; calls for greater efforts to eliminate tariffs on the trade in ICT products; emphasises the positive trade effects of expanding geographical coverage to include more countries;
16. Believes that the outcome of MC12 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, reinforce alignment with the Paris Agreement and climate neutrality, and enhance cooperation in the WTO on measures adopted domestically, including the introduction of green accounting standard taxonomies to help the private and public sectors identify sustainable economic activities, as well as significantly harmful activities, and measures that address carbon leakage; welcomes the Trade and Climate Initiative proposed by the Commission; invites the Commission to present specific proposals; emphasises, further, the need to advance discussion on goods and services that help address environmental and climate challenges; emphasises the need to advance the negotiations on the Environmental Goods Agreement which supports the greening of industries and a decent work-centred approach to transitioning to climate-friendly technologies; suggests improved coordination between the WTO and

other international institutions, such as the Organization for Economic Co-operation and Development and the International Monetary Fund, to tackle carbon leakage;

17. 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 123 signatories to deliver on their commitments; urges the Commission to work towards a strong ministerial declaration that could serve as a roadmap for the implementation of the 2017 Buenos Aires Declaration;
18. Welcomes the progress made, and calls for the final conclusion of the plurilateral discussions on the domestic regulation of services, as this would be a significant step forward and proof that progress is possible in a plurilateral setting within the WTO context;
19. Expects a ministerial statement assessing the progress made on plurilateral negotiations on investment facilitation;
20. Welcomes progress also on the joint initiative launched in Buenos Aires on MSMEs and the endorsement of the MSME Package in December 2020; recognises that the COVID-19 pandemic has had a significant negative impact on MSMEs, and expresses its support for the WTO's MSME work programme, anchoring the 'Think Small First' principle in WTO rules; calls on all WTO members to join this initiative;
21. Calls on the Commission and the Council to cooperate with other WTO members to ensure that the WTO actively contributes to increased respect for workers' rights worldwide based in particular on the labour standards of the International Labour Organization (ILO), and to come forward with concrete proposals; recalls the importance of the dissemination of best practices on due diligence; welcomes the US proposal on forced labour as part of a broader endeavour to include labour standards in the WTO, establishing a level playing field at international level, and stresses the need for an agreement that establishes a level playing field at international level; recommends the establishment of a working group on labour rights as first step to advancing this agenda;
22. Stresses that transparency is key to ensuring a stable trading and investment environment; believes that it is important to enhance the transparency of monitoring procedures by increasing incentives for WTO members to comply with notification requirements by reducing their complexity and by providing capacity-building, while wilful non-compliance should be discouraged and challenged; invites WTO members to consider enhancing the role of the WTO Secretariat in this regard;
23. Calls on the Commission and the Council to ensure that Parliament continues to be closely involved in the preparation of MC12, and is promptly updated and consulted during the 2021 Ministerial Conference;
24. Calls on WTO members to ensure democratic legitimacy and transparency by strengthening the parliamentary dimension of the WTO and the parliamentary

conference; emphasises the importance of the work of the joint European Parliament and Inter-Parliamentary Union (IPU) parliamentary conference on the WTO; stresses the need to ensure that parliamentarians have better access to trade negotiations and are involved in the formulation and implementation of WTO decisions;

25. Calls on WTO members to enhance the exchange with all stakeholders, including civil society and business organisations, and to step up cooperation with other international organisations such as the ILO and more broadly the UN system; expects leaders to communicate more at different levels about the benefits of rules-based trade;
26. Supports efforts to revitalise accession negotiations with observer countries, in particular with Serbia, Kosovo and Bosnia and Herzegovina; calls for the swift conclusion of negotiations for the respective draft Working Party Reports;
27. Calls urgently for greater efforts to expand membership of the WTO General Procurement Agreement, in particular to China and other emerging economies;
28. Calls for renewed efforts to harmonise non-preferential rules of origin as provided for in the Rules of Origin Agreement;
29. Calls on all WTO members to ratify Annex K to the World Customs Organisation's Kyoto Convention to reduce customs bureaucracy;
30. 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 WTO.