

Preview of the World Trade Organization's 2024 Ministerial Conference

The World Trade Organization (WTO) will hold its 13th Ministerial Conference (MC13) in Abu Dhabi from 26 to 29 February 2024. Priority items on the MC13 agenda are likely to include the reform of the WTO's dispute settlement function; new disciplines to eliminate fisheries subsidies that encourage overfishing and overcapacity, to complement the multilateral Agreement on Fisheries Subsidies adopted at MC12 in June 2022 and currently under ratification; the integration of the plurilateral Investment Facilitation Agreement into the WTO legal architecture; and the extension of the e-commerce moratorium. WTO members are set to endorse formally the WTO accession of Comoros and Timor-Leste, increasing the organisation's membership to 166.

Restoring a fully and properly functioning WTO dispute settlement system

Since December 2019, the Appellate Body – the second instance of the WTO's dispute settlement body – has been [paralysed](#), after the United States (US) repeatedly blocked the nomination of new judges to review appeals of first-instance panel reports. In line with the MC12 [mandate](#) to restore a functioning dispute settlement system by 2024, WTO members have held [informal negotiations](#) on [two separate tracks](#): one that has led to a draft consolidated text on issues other than the appeal mechanism, and another for the debate on the appeal mechanism that as of January 2024 was still focused on 'the identification of certain concepts that could offer a solution to this critical issue'. Speaking for the Appellate Body's main [critics](#), US Trade Representative Katherine Tai, at the G20 Summit in India in August 2023, [stated](#) that the ongoing new and constructive process of reforming the WTO's dispute settlement function 'requires a fundamental rethink' with a view to ending 'the practice of judicial rulemaking', among other things. She emphasised that the US had tabled 30 ideas, including on the appeal mechanism. At a US think-tank [event](#) in September 2023, she [specified](#) key points of the US position, e.g. the need for appropriate alternatives to litigation (leading by example, the US recently [resolved](#) all its trade disputes with India through methods other than litigation), an end to 'judicial overreach', for WTO members' policy space to be restored, to allow them to regulate on climate-change issues and [non-market practices](#), and for members to remain free in their legitimate national-security judgements. Some [commentators](#) do not expect a breakthrough at MC13, since the 2024 deadline coincides with the US presidential election year, in which repairing a system that in the US is [perceived](#) by both [Democrats](#) and [Republicans](#) as having allowed the '[China shock](#)' that eliminated [millions of US jobs](#) would politically be very challenging for the Biden administration.

Complementing the Agreement on Fisheries Subsidies

MC12 ended with the adoption of a multilateral [Agreement on Fisheries Subsidies](#) that prohibits support for illegal, unreported and unregulated (IUU) fishing, bans support for fishing overfished stocks, and ends subsidies for fishing on the unregulated high seas. WTO members have since negotiated a '[second wave](#)' of disciplines eliminating fisheries subsidies that contribute to overcapacity and overfishing. In January 2024, they held a '[Fish month](#)' based on the [latest](#) endorsed [draft text](#), with the aim of transmitting a clean text to ministers at MC13. Experts have stressed that WTO members continue to [diverge](#) on a wide range of topics, including on the details of exemptions for developing countries. Acceptances from two-thirds of WTO members are required for the Agreement to enter into force. By January 2024, [55 WTO members](#), i.e. roughly one-third of the WTO membership, had transmitted their instruments of acceptance.

Incorporating the Investment Facilitation Agreement into WTO legal architecture

In July 2023, a subset of more than [110 WTO members](#) finalised negotiations on a plurilateral Investment Facilitation Agreement aimed at eliminating red tape that hampers investment. They opted for a plurilateral negotiating format to develop new WTO rules as a way of overcoming deadlock if consensus is elusive. The talks were launched under a 2017 [Joint Statement Initiative](#) after the [failure](#) of multilateral trade



EPRS Preview of the World Trade Organization's 2024 Ministerial Conference

negotiations on a range of topics under the 2001 [Doha Development Round](#). The [118 countries](#) have since sought to incorporate the agreement, whose benefits would accrue to all WTO members under the most-favoured nation [principle](#), into the WTO legal architecture as an '[Annex 4 agreement](#)'. This requires consensus from all 164 current WTO members, some of which, including India and South Africa, are strongly [opposed](#) to such a move. They argue that only rules negotiated by all WTO members should be added to the WTO rulebook. Only [9%](#) of WTO members have never participated in a WTO plurilateral deal.

Extending the e-commerce moratorium

Since MC2 in 1998, WTO members have regularly extended the moratorium on the imposition of customs duties to electronic transmissions as part of the [work programme on e-commerce](#), while the [definition](#) of 'electronic transmissions' as well as the moratorium's scope and impact have remained controversial. Absent an MC13 decision to extend it, the moratorium will [expire](#) automatically in March 2024. The related debate at MC13 could yet again pit developed countries such as the [EU](#) and the [US](#), which support the moratorium, against developing countries such as India and South Africa, which call for [ending](#) it. The latter have long [claimed](#) that, adding to the growing digital divide between developed and developing countries, the moratorium prevents developing countries from taking advantage of the growing imports of electronic transmissions. However, the US has [argued](#) that, as some studies have shown, a decrease in digital trade resulting from ending the moratorium would lead to a bigger economic loss for developing countries than potential foregone customs revenue. According to a 2023 Organization for Economic Co-operation and Development (OECD) [study](#), the cost of terminating the moratorium would be considerable. A 2023 International Monetary Fund (IMF) [report](#) emphasises other methods of revenue collection resulting from digital trade. As of December 2023, [differences](#) among WTO members on the moratorium's future persist, 'including the need for more discussions on its definition, scope and impact'.

Extending the TRIPS waiver for COVID-19 vaccines to diagnostics and therapeutics

At MC12, WTO members endorsed a five-year waiver for intellectual property (IP) protection under the WTO agreement on trade-related aspects of intellectual property rights ([TRIPS](#)), to enable developing countries to manufacture and distribute COVID-19 vaccines. WTO members also [mandated](#) a decision within six months on a potential extension of this waiver to the production and supply of COVID-19 diagnostics and therapeutics, as [requested](#) by India, South Africa and some [63](#) other WTO members. The debate in the WTO seems to have entered an [impasse](#). US [lobby groups](#) as well as [lawmakers](#) have pressed the Biden administration to oppose a waiver extension. The former are concerned that the extension could stifle medical research, the latter that it 'could outsource to foreign countries advanced manufacturing and research jobs that should exist in the United States'. A 2023 US International Trade Commission report [states](#) that 'the wide disparity among countries in their ability to access COVID-19 diagnostics and therapeutics is the result of multiple factors, including access to IP, prices and affordability, regulatory approvals, healthcare infrastructure, and the healthcare priorities of governments'. The EU's December 2023 [statement](#) to the WTO General Council on the follow-up to MC12 issues notes 'that little progress has been made in this complex discussion and the positions of Members remain far apart'.

In February 2023, the European Commission submitted its most recent [reform proposals](#) to the WTO. They target three key areas for focused deliberation at MC13, namely trade policy and state intervention to support industries; trade and global environmental challenges; and trade and inclusiveness. In its resolutions, the European Parliament has been calling for WTO reform since [2008](#). In its [resolution](#) of 28 November 2019 on the crisis of the WTO Appellate Body, Parliament notably urged WTO members to preserve an independent two-tier WTO Appellate Body. Parliament has regularly adopted its [position](#) ahead of WTO ministerial conferences, such as MC12. In view of the forthcoming MC13, Parliament's Committee on International Trade (INTA) on 24 January 2024 [adopted](#) a [motion for a resolution](#) by co-rapporteurs Bernd Lange (S&D, Germany) and Jörgen Warborn (EPP, Sweden). The draft resolution identifies revitalising a functioning WTO Appellate Body as a top-priority MC13 deliverable. Members also call on the WTO membership to ratify the Agreement on Fisheries Subsidies, to conclude its second phase, and to find a 'fair and permanent' solution for the e-commerce moratorium, emphasising the considerable dynamics in digital trade that [by 2020] accounted for [25%](#) of global trade. During the [first](#) February 2024 plenary session, Members are set to hold a debate on the forthcoming MC13 following a statement from the Commission, and to [vote](#) the resolution. A delegation of Members, led by INTA Chair Bernd Lange, is set to travel to Abu Dhabi at the end of February for the Parliamentary Conference session on the WTO.

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2024.

eprs@ep.europa.eu (contact) <http://www.ep.rs.ep.parl.union.eu> (intranet) <http://www.europarl.europa.eu/thinktank> (internet) <http://eptthinktank.eu> (blog)