

ABAC STATEMENT ON THE WORLD TRADE ORGANIZATION

The rules-based multilateral trading system, with the World Trade Organization (WTO) at its heart, is critical to an effective response to the global challenges that the world economy faces, including the COVID-19 pandemic, supply chain disruptions, climate change, geopolitical tensions and other disruptive forces. A well-functioning WTO is the vital foundation for sustained, sustainable and inclusive prosperity.

The APEC Business Advisory Council (ABAC) strongly supports an ambitious outcome at the Twelfth Ministerial Conference (MC12) and urges the meeting be held without further postponement.

Achieving this outcome is the responsibility of all WTO Members, individually and collectively.

We call on APEC Ministers to work together to shape an MC12 outcome that enables a strong, credible and relevant WTO, one that provides a secure foundation for the rules-based multilateral trading system, that responds effectively to the pandemic, fosters a robust return to growth, and reflects evolving business needs and models.

Specifically, ABAC calls on APEC Ministers to show leadership in achieving:

1. An effective response to pandemic challenges

Since the emergence of COVID-19, ABAC has advocated trade solutions to pandemic problems. In particular, undistorted, open and well-functioning markets are needed to meet the evolving health and economic challenges. We call for:

- support for the Trade and Health Initiative and other focused actions to address vaccine equity;
- the removal of export restrictions, import tariffs and non-tariff barriers on vaccines and their inputs, and on an agreed list¹ of essential medical supplies and services;
- minimization of barriers to facilitate the movement of essential personnel across borders in times of crisis; and
- new and effective reporting and monitoring mechanisms for all trade-related pandemic responses, including measures on vaccines and essential medical supplies and services, as well as on the subsidies aimed at supporting economic recovery.

2. Full operation of all parts of the WTO system

Ensuring that the WTO system continues to be relevant, effective and enforceable will be critical to economic rebuilding. We call for:

- urgent action to appoint a full slate of WTO Appellate Body members, and agreement on necessary reforms.

3. Necessary reforms to WTO rules and processes

WTO rules need to reflect modern business needs and support greater productivity, resilience, inclusion and sustainability. For both the credibility of the system, and in order to achieve better outcomes for our communities, we call on APEC Ministers to work together to secure the following priorities at MC12:

- **enhanced transparency** in WTO Members' trade policies and measures including in new areas such as e-commerce;
- agreement to the urgent elimination of harmful **fisheries subsidies**;
- ambitious work program on agriculture including substantial and meaningful reductions in **trade-distorting agriculture domestic support**;

¹ The agreed list should include medical equipment, medicines, active pharmaceutical ingredients, basic hygiene products and equipment, inputs to vaccine supply chains such as adjuvants, vials and syringes, and vaccines themselves.

- support for ambitious, commercially-meaningful outcomes on the trade related aspects of **e-commerce** that build on existing WTO agreements and frameworks including the conclusion of Joint Initiative on E-commerce negotiations by the end of 2022;
- seek agreement to a **permanent moratorium on Customs duties on electronic transmissions**;
- a fresh look at the rules on **subsidies**, industrial as well as agricultural, consistent with fundamental WTO principles for fair and non-discriminatory trade;
- early conclusion of an Investment Facilitation for Development Agreement within the WTO Framework.
- support for ongoing work on a range of environmental initiatives, including a sectoral initiative to liberalize trade in an agreed list of **environmental goods and services**; the new joint initiative on Trade and Environmental Sustainability Structural Discussions, including trade responses to climate change; and the elimination of inefficient **fossil fuel subsidies**; and
- support for initiatives that enable more inclusive participation in trade by **MSMEs** and **women**, including support for the work of the Informal Working Group on Trade and Gender as well as of the Informal Working Group on MSMEs.

ABAC urges APEC Ministers to formally recognize that ‘**plurilateral**’ initiatives can make an important contribution to good outcomes for the system overall, provided that they are consistent with WTO principles and are designed to serve as building blocks to future multilateral outcomes, and in fact can deliver commercially-meaningful outcomes for business. ABAC also urges that economies which have yet to do so to implement fully their commitments under the WTO Trade Facilitation Agreement.

In that connection, we welcome the conclusion of the negotiations in the Joint Initiative on **Services Domestic Regulation** that was agreed by a group of WTO Members last December, which will make a significant contribution to growth in services trade, productivity and business resilience – and also to greater gender equality and women’s economic empowerment. We urge all APEC economies to adopt the new disciplines that have been agreed by the group, to support APEC’s own ongoing work under the APEC Services Competitiveness Roadmap.

Finally, ABAC maintains that a broader and deeper formal engagement with the **international business community**, including ABAC, will support better WTO policymaking, and APEC Ministers should champion this in Geneva.

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