

China's Position Paper on WTO Reform

The rules-based multilateral trading system, with the World Trade Organization (the WTO) at its core, is the cornerstone of economic globalization and free trade. It has made significant contributions to promoting international trade, economic growth and sustainable development. Since its accession to the WTO, China has been a staunch supporter of the multilateral trading system, advocating for the WTO to play a greater role in global economic governance, and taken firm position against protectionism.

At a time when the world economy is undergoing profound changes and the multilateral trading system is severely undermined by rising unilateralism and protectionism, China supports necessary reform of the WTO, in order to enhance its authority and efficacy, to build an open world economy, and to pursue a community with a shared future for mankind.

To this end, China has put forward three basic principles and five suggestions on WTO reform. The three basic principles are as follows:

Firstly, the WTO reform shall preserve the core values of the multilateral trading system. The reform shall reinforce these fundamental rules of the multilateral trading system including non-discrimination and openness, in order to create stable and predictable environment for international trade.

Secondly, the WTO reform shall safeguard the development interests of developing members. The reform should address the difficulties developing members encounter in their integration into economic globalization, by providing developing members with flexibility and policy space needed for their economic development, contributing to the United Nations 2030 Agenda for Sustainable Development and narrowing the North-South gap.

Thirdly, the WTO reform shall follow the practice of decision-making by consensus. The choice of reform agenda, the formulation of any work plan as well as the final outcomes shall be decided through extensive consultations, based on mutual respect and dialogues on equal footing. The process shall be inclusive and open to all Members, especially the developing ones. The reform cannot be dictated by a few, nor decided by an exclusive small group of Members.

The five suggestions are as follows:

Firstly, the WTO reform should uphold the primacy of the multilateral trading system. Some members are trying to introduce “new concepts” or “new terminologies” into the reform agenda, which could undermine the authority of the multilateral trading system in a disguised way. China is firmly opposed to these attempts. The WTO reform should reinforce the

centrality of the multilateral trading system in international trade liberalization and facilitation.

Secondly, the priority of the reform is to address the existential crisis/problems faced by the WTO. The reform should take up and resolve the issue of Appellate Body member appointment blockage as soon as possible, and rein in actions of unilateralism and protectionism with the strings of the WTO rules, and ensure the smooth functioning of all aspects of the WTO.

Thirdly, the reform should address the imbalance of trade rules and respond to the latest developments of our time. The reform should address the long-term distortion of international agricultural trade by over-subsidization from developed members. The reform should prevent abuse of trade remedy measures, especially the “surrogate country” methodology in anti-dumping investigations. Meanwhile, the reform should also keep the WTO rules relevant by including 21st century issues such as Investment Facilitation, and Micro, Small and Medium-sized Enterprises.

Fourthly, the reform should safeguard the special and differential treatment for developing members. China stands against the intention of certain members to question or take away the special and differential treatment for some developing members in the name of WTO reform. China is the

largest developing country in the world, and is willing to take up commitments commensurate with its level of development and economic capability. However, China will never agree to be deprived of its entitlement to special and differential treatment as a developing member.

Last but not least, the reform should respect members' development models. The reform should prohibit discrimination against enterprises of certain members in investment security review and anti-trust investigations. The reform should address the abuse by developed members of export control measures in obstructing technology cooperation. China opposes special and discriminatory disciplines against state-owned-enterprises in the name of WTO reform, and the inclusion of issues based on groundless accusations in the WTO reform agenda.