

Paris, February 2024

## **Open letter to Trade Ministers**

Dear Ministers,

As we head into the final countdown to the World Trade Organization's 13<sup>th</sup> Ministerial Conference (MC13), I am writing to urge you to make every possible effort to ensure that the ministerial delivers tangible outcomes to bolster the multilateral trading system.

To be clear: global business is increasingly concerned by the gradual erosion of the World Trade Organization (WTO) system over recent years – and, in particular, the growing proliferation of unilateral and protectionist trade interventions across the global economy. The net effect of this trend – from a real economy perspective – is to undermine economic resiliency, inhibit job creation and exacerbate global inequalities.

In this context, I would ask you to keep front of mind the tremendous value of the WTO system and its contributions to global development and – at a human level – lives and livelihoods across the world. It is not only a driver of economic growth and prosperity, it is also an essential safety net that should not be taken for granted.

Such a scenario would have devastating implications for the global development and – at a human level – lives and livelihoods across the world.

The global business community remains steadfast in its support for the multilateral trading system and, by extension, the work of the WTO. With the right political will, we believe that MC13 presents an opportunity to strengthen the global trading system by reaffirming WTO members' commitment to the foundational principles of the organisation -- and ensuring that it can continue to support global prosperity by fostering stable, predictable and open trade relationships in a rapidly changing world.

In this context, we see an absolute need for the conference to deliver tangible and practical outcomes in three key areas. Specifically:

1. Bolstering the WTO by delivering a clear roadmap for reform. We urge WTO members to reaffirm their commitment to the foundational principles of the WTO, align behind a holistic vision for reform covering all three pillars of the organisation – negotiating, monitoring and deliberation, and dispute settlement – and agree on a tangible work programme for reform. Any effort to reform the WTO must address all policy, legal, and architectural issues comprehensively as any chronic imbalance cannot be sustained — failings in one function inevitably weaken the others. Recognising that reform will not happen all at once and at the same time, we urge WTO Members to resolve the future of the WTO dispute settlement body crisis as a matter of urgency.

- 2. Safeguarding and advancing digital innovation and growth. There is no modern business today that does not depend on digital tools and digitally delivered services to manage and grow its operations. In this context, effective digital trade rules are vital to give traders the predictability and certainty to operate in a digital world. It is high time that the Moratorium on customs duties on electronic transmissions, which has enabled digital trade to flourish since 1998 and levelled the playing field for micro, small and medium sizes businesses across the world by preventing the imposition of burdensome tariffs and red tape, not only be renewed but be made permanent. Allowing it to lapse would be a historic setback for the WTO and, moreover, the global real economy. A permanent moratorium should be the first step towards introducing much needed ambitious digital trade disciplines at the WTO, including on data flows and localisation.
- 3. Accelerating the discussions on trade and environmental sustainability. With asymmetries in national sustainability policies a growing source of trade frictions, we see an urgent need for WTO members to establish a roadmap to develop new or upgraded rules and disciplines on the nexus between trade and environmental sustainability. As part of this roadmap, it is critical that WTO Members discuss the trade related aspects of carbon border adjustment mechanisms and consider methods to develop a multilateral approach that meets climate goals without violating trade rules. And it is equally critical that WTO Members undertake without delay negotiations on an agreement to eliminate tariffs and non-tariff barriers on environmental goods and services with a view to achieving ambitious outcomes by the end of 2024.

We appreciate that the task in front of you is hugely challenging politically. But failure at MC13 is not an option.

The global business community asks you to show full determination and political will to build the conditions for success, moving beyond national positions and collaborating in our shared global interest. This is the energy we must bring to Abu Dhabi.

Please see ICC as a strong partner to achieve a successful outcome that meets the level of ambition the world needs. I am available at your convenience ahead of MC13 – or at the ministerial itself – to explore how we can best assist you in the important task ahead, including mobilising our network of 45 million companies in 170 countries.

With best wishes,

Yours faithfully,

John W.H. Denton AO

Secretary General International Chamber of Commerce