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Food & Agriculture Trade Update

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Highlights

- **U.S. – China:** Over 3,000 lawsuits, many by major U.S. companies, were filed at the Court of International Trade seeking to overturn President Trump's section 301 tariffs against China. Legal experts suggested chances of a favorable ruling are low given the high legal bar necessary to overturn the current tariffs.
- **U.S. – U.K.:** U.S. and U.K. trade negotiators concluded a fourth-round last week and a top U.K. trade official characterized the talks as entering "advanced stages."
- **USMCA:** Two months into USMCA taking effect, U.S. stakeholders are raising concerns on Mexico's implementation of labor provisions and Canada's implementation of dairy provisions.
- **WTO:** Canada and other WTO members raised concerns regarding additional U.S. farm financial support to the WTO's Committee on Agriculture.

China Trade

- Over 3,300 lawsuits, one of the largest set of cases in such a short period of time, were filed against the Trump administration at the Court of International Trade seeking to reverse the Section 301 tariffs on China. Coca-Cola, Ford, Home Depot, Target and Tesla are among those that have filed. However, lawyers remain doubtful of a favorable outcome for the U.S. companies because of the high threshold the court places on proving "arbitrary and capricious" action by the by the administration.
- Illustrative of the lawsuits filed, Tesla argues the section 301 tariffs are illegal and could cost the firm over \$50 million in profit owing to 25% tariffs on auto parts, in this case computer display screens used in its Model 3 electric car. Tesla and other firms filing petitions are requesting to block the section 301 tariffs and reimbursement for duties already paid.
- As reported earlier, China will extend the existing tariff exemptions for 16 products from the U.S. until September 16, 2021. These products were originally exempted from the retaliatory tariffs by China on U.S. goods in 2019 to counter the U.S. Section 301 tariffs. Shrimp and prawn seedlings, lubricants, alfalfa meal, whey for fodder, Iso-alkane solvent and lubricating

base oil are among the list of exempted products.

Phase One Agreement

- U.S. pork producer JBS may have [exported over 370%](#) more pork to China this year than in 2017. Similarly, WH Group, owner of Smithfield Foods, likely shipped over 90% more pork to China in comparison to 2017. However, the export sales from Spring 2020 resulted from sales contracts completed in late 2019 and January 2020. At the onset of the pandemic, a disruption in food services required pork destined for restaurants, schools and institutions to be repackaged for retail and in some cases, the export market. Addressing Congressional concerns, Smithfield stated they would not give preference to foreign demand and JBS said exports to China were under 10% of their total market share of U.S. pork. Pork is expected to greatly contribute to the \$36.5 billion in Chinese purchases of U.S. imports under the Phase One agreement.

USMCA

- Mexican labor lawyer Susana Prieto said, “Mexico is not complying with the labor provisions” within Chapter 23 of USMCA. USMCA requires that 40% of vehicle parts and 45% of vehicles are made by workers earning a salary above \$16 an hour, which Prieto claims is unlikely to occur. In July, 60 U.S. Congressional members sent a letter to Mexican President Andrés Obrador requesting the release of Prieto and to uphold the labor provisions of USMCA.
- As noted earlier, the AFL–CIO intends to file the first USMCA labor complaint against Mexico. Richard Trumka, AFL–CIO President stated, “We will file a case within the next 30 days.” The complaint could utilize the USMCA’s facility–specific rapid–response mechanism, a mechanism inserted as an [annex](#) into the USMCA after intense negotiations between House Democrats and USTR. The other filing mechanism is via the USMCA labor chapter provision. “We think that when we do the rapid–response, and if we’re able to block products from coming in, it will get their attention real fast and they will understand that they will have to change and comply with the law.”
- As reported earlier, Senators Schumer and Gillibrand are urging USTR to ensure Canada fulfills its commitments on dairy market access under the USMCA. In a [letter](#) to Amb. Lighthizer and Secretary Perdue the Senators stated, “We write urging you to ensure that both Canada and Mexico are held accountable to their dairy trade obligations in the agreement.” “It is of particular importance that dairy farmers in New York and across the country – many of whom are struggling as a result of this unprecedented economic crisis – fully benefit from the expanded market access opportunities and the elimination of unfair practices under USMCA.” The letter expressed concern with Canada’s dairy tariff–rate quota (TRQ) allocation, disadvantaging the U.S. dairy exporters and a lack of transparency in the process.

U.S.–U.K. Trade Agreement

- Commenting on the fourth round of trade talks, British Trade Secretary Liz Truss confirmed that the U.S. and U.K. negotiations have progressed to “advanced stages” as both sides are consolidating text in many chapters. “Significant progress has been achieved since launching negotiations in May 2020, and most chapter areas are now in the advanced stages of talks,” Truss [said in a statement](#). “In the fourth round, both sides continued to have detailed textual discussions, and negotiators are now in the process of consolidating texts in the majority of chapter areas.” Truss confirmed market access proposals were exchanged in the

last round, a “notable milestone”, which were a catalyst for “detailed market access discussions.”



Lis Truss, U.K. Trade Secretary

- The U.K. seeks a reduction in the 25% U.S. tariffs on Scotch whisky, which was imposed during the Boeing–Airbus subsidies dispute. Cabinet minister Michael Grove stated, “Liz Truss has been directly negotiating, on Scotland’s behalf, with the U.S. to see these tariffs lifted. She’s already secured progress on gin, and I hope that she will secure progress on whisky as well.” The Scotch Whisky Association reported the tariff imposed by the U.S. resulted in £30m of exports lost monthly by the whisky industry.

COVID–19 Developments

- Citing the economic crisis caused by the pandemic, House Ways & Means trade subcommittee Chairman Earl Blumenauer (D–OR) stated his support to overhaul the Trade Adjustment Assistance (TAA) program. “We have spent relatively little on active labor market adjustment programs -- and it’s not clear how broad the support will be ... next year,” said Blumenauer. The TAA, which is set to expire in June 2021, provides financial assistance to workers who have been adversely affected by trade such as losing their jobs due to unfair foreign competition.
- As previously reported, COVID–19 has stalled efforts by the E.U., U.S., and Japan to change the WTO’s Agreement on Subsidies and Countervailing Measures. Former Trump administration trade official Kelly Ann Shaw said, “...so many countries have really been forced to resort to subsidization in different forms to counteract the economic slowdown. In that type of environment, I think countries will be a little bit more reticent [and ask] ‘Is now really the right time to try to increase disciplines on subsidies when we might find ourselves in a position of having to expand our subsidies program?’” The main obstacle to negotiating strong disciplines on industrial subsidies remains getting China on board, as they have very little incentive in doing so, according to Shaw.

Section 232 Tariff Actions

Ongoing 232 Investigations

- The Department of Commerce reopened the comment period in the Vanadium 232 investigation after as the initial petition triggering the investigation was finally posted. In the [Federal Register notice](#), Commerce announced that, “Today’s notice reopens the public comment period with a deadline of October 9, 2020.”
- The Vanadium investigation is one of three ongoing 232 investigations at the Department of Commerce under “threat to national security” provision contained in section 232 of the Trade

Expansion Act of 1962. The other investigations involve transformer parts and mobile cranes. The Department of Commerce has 270 days to provide a report to President Trump determining whether the imports in question threaten to impair U.S. national security, along with a recommendation for action. The President will then have 90 days to determine whether to impose restrictions so that imports no longer threaten national security.

Trade and U.S. Election

- The Biden campaign maintains an open mind on trade issues with the EU and China a top Biden advisor noted. Tony Blinken, Biden's foreign policy advisor, stated that while Biden seeks to amend trading relationships with the EU, he is committed to addressing imbalances in agricultural trade between the EU and U.S. Furthermore, Biden is not ruling out new tariffs on imports. Regarding China, Blinken indicated Biden would seek a China reset in conjunction with allies in order to ameliorate the U.S.– China trade war. Blinken added a Biden administration would, aggressively enforce American trade laws “anytime foreign cheating poses a threat to American jobs.”



*Tony Blinken, Biden
Foreign Policy Advisor*

- The Trump campaign is seeking to address demands of U.S. corn-based ethanol producers to cultivate support from the Midwest states according to a recent report. A memo from a meeting with Senators from Midwest states in 2019 indicated the goals include, “ratcheting down the EPA’s biofuel waiver program exempting refineries from adding ethanol to their gasoline; setting higher biofuel blending volume requirements for 2020; expanding the market for higher ethanol blends of gasoline called E15; exploring a national biofuels infrastructure program; and addressing ethanol and biodiesel trade issues, particularly with Brazil”. Trump’s recent actions to meet these goals suggest the political importance of ethanol.

U.S.–Japan Trade Developments

- Co-chair of the U.S.–Japan Congressional Caucus, Rep. Adrian Smith (R–NE) advocated advancing the U.S.– Japan Phase Two trade deal. In [a statement](#), Smith wrote, “After much negotiation, Phase One -- which reduced tariffs on an estimated 90 percent of food and agriculture products exported to Japan -- was a great accomplishment. However, there is much more to be done.” Phase Two according to Smith would include goods such as automobiles, pharmaceuticals, and insurance services. The Trump administration maintains support for a Phase Two deal, as Trump mentioned strengthening ties with Japan on a call with newly elected Japanese Prime Minister Yoshihide Suga this week.

- Opposing the U.S.–Japan trade deal, Rep. Stephanie Murphy (D–FL) said that the Phase One trade deal between the U.S. and Japan is “unworthy of our relationship.” A mini–deal, she added is a “substandard for everybody and not only is it bad for our economy, it’s bad for our national security and national–regional stability.” Murphy argued that TPP would have better bolstered the U.S. economic influence in the Asian region.
- USTR remains fairly quiet on timing of phase two talks with Japan. Earlier this year Amb. Lighthizer conceded that the coronavirus has delayed phase two negotiations with Japan. During Congressional testimony, Amb. Lighthizer said he would expect the phase two talks to start “in the next couple of months.” Prior to the outbreak of COVID–19, commencement of negotiations on a phase two or a comprehensive trade deal were expected no earlier than May according to sources.

U.S.–EU Trade

- [A proposal](#) led by over 20 million transatlantic businesses pleads with the U.S. and EU to establish a high–level bilateral agreement on economic and trade issues. After years of escalating trade wars, businesses are feeling the costs. A report released by Business report details priorities including, taking “a sequential approach to trade negotiations, starting with tariffs on all industrial goods and progressively expanding” and cooperating together to modernize “the WTO with a special emphasis on reforming its dispute settlement system.”
- EU Director–General for Trade Sabine Weyand stated earlier in September that a free trade agreement between the U.S. and the EU should not be prioritized because, “what would a bilateral FTA between the EU and the U.S. do to deal, for instance, with the challenge posed by China?” Instead, of a “repeat of TTIP,” she advocated for working within the WTO to overcome issues in international trade.

Civil Aircraft Disputes

- No significant updates on the civil aircraft disputes since USTR indicated it seeks a “new process” to resolve the longstanding EU civil aircraft dispute earlier in September. The U.S. said it was “committed to obtaining a long–term solution to this dispute” and emphasizing it “recently showed great restraint in its review of WTO–authorized countermeasures for the EU’s WTO–inconsistent launch aid subsidies.” As reported previously, USTR announced modest adjustments to the product list covering \$7.5 million in EU products under the WTO Civil Aircraft case regarding illegal launch aid by Airbus.
- EU officials repeatedly have complained the U.S. is reluctant to negotiate a broader solution after repeated EU solicitations. EU officials are eagerly awaiting announcement of the award amount in the EU civil aircraft counter suit regarding Boeing, expected in October or November. EU officials remain skeptical that until the counter–tariffs under the Boeing award are initiated, the U.S. is locked in to the current \$7.5 billion in tariffs on EU goods under the Airbus case.

French Digital Services Tax

- Negotiators indicated the OECD’s “Inclusive Framework,” an international digital tax agreement, is likely to miss the end–of–year deadline. In mid–October, the OECD is expected to release a draft text for public review that omits controversial and politically difficult issues such as how to avoid new digital services taxes or U.S. retaliatory tariffs. Consequently, retaliatory tariffs on French products by the U.S. becomes more likely while France may advance its digital tax in 2021.
- More than 130 countries are participating in the OECD’s “Inclusive Framework” negotiations on an international tax structure.

Complicating talks are statements by U.S. Treasury Secretary Steven Mnuchin in June suggesting the negotiations should take a backseat to coronavirus relief efforts.

- As reported earlier, France is urging the European Commission to make a formal proposal for a digital tax in the first quarter of 2021 anticipating unsuccessful OECD talks. According to France's Finance Minister Bruno Le Maire, the Commission may propose a digital tax by the end of 2020 as an optional measure should international talks hosted by the OECD fail by year-end. "We have significant disagreements that I don't expect to be resolved by the end of the year," Le Maire said. "If the U.S. obstruction is confirmed by the end of the year, we are counting on the European Union to make a formal proposal on digital tax in the first quarter of 2021." France suspended imposing the digital tax 180 days to promote a solution through OECD talks on a broader digital tax accord.
- Earlier in the year, USTR threatened section 301 tariffs on French goods before both sides agreed to pursue OECD talks aimed at securing an international agreement. The pending [USTR](#) tariff list covers \$1.3 billion worth of French goods including 25% tariffs on soap, handbags and cosmetic products (fashion tariffs). Other sensitive products, like French wine and cheese, were not included. The tariffs are delayed up to 180 days (i.e. Jan. 6, 2021) – as long as France continues to defer imposition of the tax. The potential tariffs result from a Section 301 investigation in which USTR concluded and announced it had found France's tax would discriminate against U.S. companies.

U.S.–Brazil

- In praising the USTR's negotiation with Brazil to extend the TRQ for U.S. ethanol for 90 days, Senator Joni Ernst (R-Iowa) said, "Tariff-free access to Brazil helps provide our corn farmers and producers with a much-needed market for Iowa-made ethanol. This is a good step by the administration, and something Senator Grassley and I have been urging them to do, now we just need a long-term solution to continue this market access."



Joni Ernst, U.S. Senator

- Brazil and the U.S. recently negotiated an understanding to extend the ethanol TRQ for a further 90 days starting on September 14. Under the agreement, Brazil will extend its duty-free quota for U.S. ethanol for the next 90 days while the two countries discuss how to improve market access for ethanol, sugar and corn. "The discussions should aim to achieve reciprocal and proportional outcomes that generate trade and open markets to the benefit of both countries," the U.S. and Brazil said in a [joint statement](#). Brazil will maintain a "pro-rata" tariff-rate quota for ethanol "proportional to the total annual volume of the TRQ" that was in force through August 30," the statement noted.
- Some industry groups raised concerns that the 90-day TRQ extension would inject greater uncertainty in the ethanol market. The Renewable Fuels Association, U.S. Grains Council, Growth Energy and National Corn Growers Association, said the 90-day extension of the TRQ would lead to "greater uncertainty" for U.S. exporters. It "serves neither Brazil's consumers nor the Brazilian government's own decarbonization goals, especially while Brazil's ethanol producers continue to receive virtually tariff-free access to

the U.S. market,” the groups said in [a September 14 joint statement](#).

U.S.–Kenya Trade Developments

- The U.S.–Kenya trade agreement talks are moving forward as the USTR has confirmed that the second negotiating round with Kenya will occur sometime in mid to late October. In the upcoming round, both the U.S. and Kenya will exchange text. Furthermore, USTR officials recently briefed the Senate Finance Committee about the status of the negotiations. Some observers suggested a Trump victory in November would likely indicate the subsequent round would be held in December. Biden has not stated whether he would move forward with the U.S.–Kenya FTA.
- The U.S. is demanding that a Free Trade Agreement with Kenya should discourage politically motivated actions to boycott, divest from, and sanction Israel as well as eliminating and politically motivated non-tariff barriers for Israeli goods and services. These stipulations to a free trade agreement are being perceived as too risky by Kenya, who rarely endorses either Palestine or Israel and may hinder progress on a U.S.–Kenya FTA.

Seasonal Produce

- No significant updates on USTR’s seasonal produce plan since announced on September 1st. At this writing, USTR has not initiated the global safeguard investigation on blueberries via the U.S. International Trade Commission (USITC).
- As reported earlier, USTR, the Agriculture Department, and the Commerce Department [released the seasonal produce plan](#) last Tuesday that outlined several actions, including requesting a global safeguard investigation, yet stopped short of undertaking a section 301 investigations as repeatedly urged by lawmakers and produce groups from Florida and Georgia over the two days of virtual hearings. In a [statement](#), USTR, USDA, and the Department of Commerce [announced](#) a series of policy actions to address Southeastern growers' concerns including:
 - Initiate a global safeguard investigation ([section 201](#)) on blueberry imports
 - Consultations with Mexico over the next 90 days to address U.S. industry concerns regarding U.S. imports of Mexican strawberries, bell peppers, and other seasonal and perishable product
 - Explore possible expedited section 201 investigation on strawberries and bell peppers
 - Work with U.S. producer growers to maximize existing USDA programs
 - Outreach program to Southeastern growers to understand applicable trade remedy laws (i.e. anti-dumping and countervailing duty investigations)
- The action plan culminates several months of efforts by USTR, USDA, and Commerce to follow through on a January 9, 2019 letter from Amb. Lighthizer to the Florida congressional delegation to review and determine options regarding “trade-distorting policies that may be contributing to unfair pricing in the U.S. market for seasonal and perishable products, and to “implement effective and timely remedies necessary to address any trade distorting policies” affecting U.S. growers.

U.S.–India Trade Developments

- A former USTR official called for the U.S. to conclude a mini-trade deal with India. Mark Linscott, former assistant U.S. Trade Representative for South and Central Asian affairs until 2018, said the White House should move swiftly to “seize the opportunity” to conclude a limited deal with India, contending the U.S. should do so before India gets “cold feet.” Linscott, who’s portfolio at USTR included India said, “It’s just hard to fathom why it’s not getting done.” Linscott expanded on the mini-deal stating, “It definitely would solve some immediate problems on the U.S. side, from medical devices to getting some new access on agriculture to some tariff cuts. On the Indian side, it would be essentially the restoration of GSP benefits, which shouldn’t be a big lift on the U.S. side.” USTR has not publicly responded to conclude the trade deal.
- Last month, India’s Commerce Minister Piyush Goyal in a [tweet](#) said that he and Amb. Lighthizer aim to complete a limited trade deal by the U.S. Presidential election. Goyal said, “India is open to signing on what we have agreed on.” “I’ve left it to [Lighthizer] to make the final call,” he added. Goyal had previously noted that after two years of negotiations a deal is in reach. “We are almost there,” Minister Goyal said at an event hosted by the U.S.–India Business Council in July. Goyal emphasized that the U.S. and Indian leaders should also look at a preferential trade pact with 50 to 100 products and move to a comprehensive free trade pact in the long term.

WTO

- A coalition of 62 leading U.S. agriculture stakeholders called for continued U.S. membership in the WTO. The [letter](#) was sent to U.S. Trade Representative Robert Lighthizer and leaders of the Senate Finance, House Ways & Means, and Senate and House Agriculture Committees. It calls for effective WTO reform that would enhance the ability of American agriculture to access foreign markets and maintain transparency and accountability critical to future export growth supporting American jobs. The letter also identifies characteristics desired in the next WTO Director General. Signatories of the letter include American Farm Bureau, American Soybean Association, National Corn Growers Association, National Milk Producers Federation, Corn Refiners Association, United Fresh Produce Association, National Association of State Departments of Agriculture, and other industry groups and firms.
- Last week, the WTO negotiations on harmful fisheries subsidies progressed to [text-based discussions](#). Issues discussed include overfishing, transparency and special and different treatment. However, consensus remains out of reach. U.S. Ambassador to the WTO Dennis Shea discussed the obstacles to agreement. “Some delegations made categorical objections to considering any conservation or environmental criteria in crafting our prohibitions. This categorical position closes off important avenues for reaching agreement.” Shea added, “We were also puzzled by many of these same delegations objecting to transparency commitments and strong prohibitions on subsidies to distant water fleets, even though they themselves do not provide these kinds of harmful subsidies to their own fishing fleets.” The next meeting is scheduled for Oct. 5–9, with the goal for an agreement by the end of the year.
- Canada and other WTO members raised concerns with additional U.S. farm financial support under consideration by the Trump Administration. During a meeting of the WTO’s Committee on Agriculture on Wednesday, Canada said it was worried by President Donald Trump’s plans to send another \$14 billion to the farm industry, which comes on top of about \$20 billion in coronavirus relief since May. The money could run afoul of a U.S. commitment made in 1994 to limit its “trade-distorting” farm subsidies to \$19.1 billion each year.

- Australia, Brazil, Colombia, India, Paraguay, Uruguay and New Zealand also expressed concerns over the high level of U.S. payments to the agriculture sector, according to a Geneva trade official. Even before the new aid, USDA projected the government would funnel \$37.2 billion directly to farmers and ranchers — a nearly 66 percent increase from 2019 — and the subsidies were expected to account for 36 percent of all farm income this year. Several members also suggested that the phase one U.S.–China trade deal violates the WTO’s core “most-favored nation” principle.
- As reported earlier, the WTO ruled that U.S. section 301 tariffs of more than \$350 billion worth of Chinese goods violated global trade rules. The WTO dispute panel found against U.S. tariffs on several points, including, that the Trump administration did not provide a convincing explanation of why the tariffs were allowed under a provision that lets countries take emergency trade actions “to protect public morals.” The panel also found that the additional duties the U.S. imposed violated the WTO’s key “most-favored nation principle,” which requires the countries to apply the same tariffs on imports from all other members. The WTO panel also rejected the U.S. argument that the WTO had no justification to rule on the tariffs because the U.S. was conducting trade talks with China to resolve the dispute.
- Ambassador Lighthizer responded to the decision focusing not on the unfavorable ruling, but as a confirmation of the WTO’s inadequate tools to deal with China’s non-market economy and the Trump Administration’s unilateral approach to China’s trade and industry policies. “This panel report confirms what the Trump Administration has been saying for four years: The WTO is completely inadequate to stop China’s harmful technology practices,” Lighthizer said in a statement.
- Trade observers noted the ruling was not unexpected and will have limited impact as the appeal process is broken in the absence of a functioning appellate body. Several observers noted that the practical impacts of the WTO decision are muted as China has already retaliated on more than \$100 billion worth of U.S. exports, the U.S. – China phase one deal partially addresses some U.S. issues, and lacking a functioning Appellate Body the appeal process and adoption of the panel report appears blocked.

WTO Leadership

- A recent released [statement](#) indicates that the G-20 trade and investment ministers committed to concluding the selection process of a new WTO director-general by Nov. 7th, 2020. Several observers familiar with the selection process remain skeptical of the ambitious timeline, noting prior DG selections carried on several months past the publicly stated timelines.
- The WTO Director-General candidate pool narrowed to [five candidates](#). The candidates from Kenya, Nigeria, Korea, the United Kingdom and Saudi Arabia are moving on to the next round. Candidates from Mexico, Moldova and Egypt were asked to withdraw their bids, according to an announcement by David Walker, WTO General Council Chair. Walker said the next round of candidate consideration will run from Sept. 24 to Oct. 6, during which members will further narrow the pool from five to two. Following a third round of consultations, Walker will name the consensus candidate.
- Among the five remaining candidates, Amina Mohamed of Kenya, Ngozi Okonjo-Iweala of Nigeria, Yoo Myung-hee of Korea, Liam Fox of the UK and Mohammed Al-Tuwaijri of Saudi Arabia, Mohamed, Okonjo-Iweala and Yoo are considered the frontrunners, setting the stage for potentially the first female WTO Director-General.
- Members consider all [candidates] highly qualified and respected individuals,” Walker said, according to the WTO statement. “Their willingness to engage, especially at these challenging times, has been greatly appreciated, and the Organization is in their debt. Their expertise and high professional and personal qualities are highly valued and respected by all Members. I am sure I speak on behalf of all of you in wishing them well in their future endeavors.”

- Notably, all five of the remaining candidates have ministerial-level political experience. The final list of candidates and their professional backgrounds are provided below.

WTO DG Candidates – Round 2

Candidate	Country	Experience
Ngozi Okonjo-Iweala	Nigeria	World Bank executive, Minister of finance, economy, and foreign affairs for Nigeria Biography
Yoo Myung-hee	South Korea	Trade Minister for the Republic of Korea Biography
Amina C. Mohamed	Kenya	Former Foreign Affairs and International Trade Minister for Kenya Biography
Mohammad Maziad Al-Tuwaijri	Kingdom of Saudi Arabia	Minister advising royal court on international and local economic strategic matter, former Minister of Economy and Planning for Saudi Arabia Biography
Liam Fox	United Kingdom	Former United Kingdom Trade Secretary Biography

WTO Reform

- A [statement](#) outlining pledges to support WTO reform will be submitted to G-20 trade and investment ministers at the Riyadh, Saudi Arabia Summit on Nov. 21–22. The document states, “The 12th WTO Ministerial Conference represents an important milestone in an inclusive and ambitious process of WTO reform.” Ahead of the next WTO ministerial meeting, the ministers are committing “to bolster our efforts to work constructively with other WTO Members to achieve meaningful progress in advancing our shared interests, including emerging stronger from the COVID-19 pandemic and progressing with the necessary reform of the WTO to improve its functioning.”
- As reported earlier, European Commission President Ursula von der Leyen said the EU needs to take the mantle of WTO reform and criticized other large trading partners of holding the WTO hostage, rather than working constructively for reform. “The truth is also that the need to revitalise and reform the multilateral system has never been so urgent,” Von der Leyen said in an annual state of the union [speech](#). “Our global system has grown into a creeping paralysis. Major powers are either pulling out of institutions or taking them hostage for their own interests.” Von der Leyen continued, “Neither of these approaches “will lead us anywhere.” “Yes, we want change. But change by design -- not by destruction. And this is why I want the EU to lead reforms of the WTO and WHO so they are fit for today's world.”

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