

Risk of return to law of the jungle in blocking WTO

The WTO Appellate Body will cease to function tomorrow due to retiring judges and the blockage of new judge nominations. Commenting on the situation, EuroCommerce Director-General Christian Verschueren said:

“Retailers and wholesalers depend on free trade and global supply chains to give customers the goods they need when they need them. A properly-functioning multilateral trading system is essential to guarantee that this can happen. We therefore deeply regret the impasse in Geneva on the WTO Appellate Body and call upon all WTO members to work on a way out as soon as possible.”

The Appellate Body plays an important part of the WTO’s role in resolving contentious trade disputes. Without a quorum, now rendered impossible by the retirement of some of its existing members and their replacement being blocked by the US, it can no longer function.

EuroCommerce has supported the European Union and other WTO members in working on an alternative framework if proved effective. But it would be best if the United States would reconsider its approach, which endangers the whole basis of the WTO as the guardian of multilateral free trade and adherence to rules agreed by all members of the organisation. Verschueren added:

“We support open discussion between WTO members of concerns at how the organisation works. The best way to address these is through proper dialogue. Blocking the functioning of the organisation - whose work on free and fair trade has lifted millions out of poverty - cannot resolve anything. Rather, it risks a return to the protectionist law of the jungle where the largest trading partners will bully the weakest. This will make global trade falter, and result in everyone being poorer.”

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Contact:

Vincent Yhuello - +32 2 894 64 83 - yhuello@eurocommerce.eu

Neil McMillan - +32 2 737 05 99 - mcmillan@eurocommerce.eu

www.eurocommerce.eu

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