

# Revitalising the multilateral trading system

Call for action

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# Executive summary

## **The International Chamber of Commerce (ICC) issues this urgent call for action to World Trade Organization (WTO) Members as the multilateral trading system stands at a critical crossroads, requiring decisive action at the 14<sup>th</sup> Ministerial Conference (MC14) in March 2026.**

The WTO has been facing major challenges for many years, with repeated calls for reform. However, the pace and trajectory of unilateral actions and rising trade barriers raise alarming prospects of accelerating systemic collapse. But this outcome is not inevitable. For the global business community, MC14 is a “lifesaver” opportunity to mobilise political will to salvage the rules-based system – and, in doing so, secure the jobs, investment and growth that every economy depends on.

Preserving and strengthening the WTO is not a theoretical exercise – it is an urgent priority for sustainable development and shared prosperity for people and communities around the world. At MC14, ministers have the opportunity to set their countries on a historic course of long-term competitiveness by launching a reform round that will revitalise global trade for a new generation.

### Key recommendations



**Launch** formal reform negotiations at MC14 with a concrete, time-bound work programme, prioritising cross-cutting systemic issues, such as plurilateral agreements, decision-making and Special and Differential Treatment, to unblock other negotiation items (e.g., industrial subsidies, digital trade, services, agriculture, etc.). If consensus is elusive, a coalition of willing Members should lead the way forward.



**Define** the reform negotiating agenda around business community priorities, including creating standing consultative mechanisms with businesses that are consistent with practices adopted in other international organisations and updating the rulebook.



**Ensure** structured private sector engagement as an integral part of the reform process, leveraging the expertise of businesses as the end users of the trading system.



**Explore** “variable geometry” solutions, including differentiated membership types to accommodate diverse member positions while preserving systemic integrity.



**Commit to** a standstill on new trade-restrictive measures that violate WTO rules or improve a member’s position during reform negotiations.



**Maintain** the WTO Moratorium on Customs Duties on Electronic Transmissions.

### The MC14 moment

As the institutional representative of over 45 million businesses, reaching more than 170 countries, ICC calls on WTO Members to demonstrate leadership at MC14 by launching comprehensive reform negotiations with a concrete and clear agenda for a time-bound work programme. Now is the moment to restore confidence and set the multilateral trading system on a path toward revitalisation and shared prosperity.

# Introduction

In today's climate of economic uncertainty and geopolitical tension, the global business community is clear: the multilateral trading system anchored in the WTO is essential to the future of the world economy. A rules-based trading system is indispensable to guarantee the stability and predictability of trade and investment conditions. But the rules, trust and enforcement mechanisms that uphold this system, long under strain, are now giving way at an accelerating pace, risking systemic collapse, to the detriment of all businesses, small and big, in all countries, developed and developing alike.

World leaders recognise this crisis. Since 2018, G20 heads of state have repeatedly emphasised the urgent need for WTO reform. In 2020, they adopted the "Riyadh Initiative" on the future of the WTO, covering its three vital functions (negotiation, dispute settlement and monitoring/deliberation). Every subsequent G20 summit has reiterated the call for reform.

However, it was not until the WTO's 12<sup>th</sup> Ministerial Conference (MC12) in 2022 that trade ministers themselves acknowledged the need for reform and committed to pursue it. Two years later at the WTO's 13<sup>th</sup> Ministerial Conference (MC13) in 2024, trade ministers reaffirmed their commitment and instructed the WTO General Council and subsidiary bodies to continue work and report back at MC14.

This same call for change has been echoed repeatedly by the global business community. At MC12 and MC13, as well as in other key forums worldwide, ICC and its global network have underscored WTO reform as a priority, grounded in the real-world perspectives of those who use the multilateral trading system every day.

Yet, despite years of discussion and incremental efforts at reform after MC13, WTO Members have taken no corrective actions. Substantive engagement and focused work only started in June 2025 with the appointment of the Ambassador of Norway to the WTO as the facilitator on WTO reform issues in preparation for MC14.

Now, with the increasingly challenging geopolitical environment and rising trade tensions among WTO Members, the need for WTO reform has become more critical and urgent than ever. MC14 offers a historic opportunity to save the system and restore its credibility.

Mindful of this urgency, ICC is issuing this call for action to WTO Members at MC14 to take immediate and decisive action to revitalise the rules-based system. Such action must be concrete and coherent, anchored in a well-structured and transparent process, with a clearly defined timeline to ensure measurable progress. As a starting point, action should be focused on cross-cutting systemic blockages, clearing the way for progress on a list of stalled specific negotiating agendas (e.g., industrial subsidies, digital trade, services, agriculture, etc.).

By tackling the root causes of the current crisis, Ministers can unlock progress and put the system on the path to revitalisation.

# The business case for the WTO

For the global business community, the WTO remains the cornerstone of a trading system that enables growth, development, innovation and opportunity. Its rules provide the stability and predictability businesses need to invest and expand across borders. Its dispute settlement function is designed to prevent conflicts from escalating into costly trade wars. Its monitoring and deliberative roles are intended to create transparency, clarify complexities and help reduce friction, ensuring even the smallest players can engage in global markets.

For the system to serve business effectively today, a revitalised WTO must preserve and strengthen its foundational principles of Most Favoured Nation treatment and non-discrimination. These principles are what give the multilateral system its unique value to business, providing certainty and predictability, and ensuring that companies everywhere, regardless of size or origin, can compete and grow in global markets.

At the same time, the system must evolve to meet the demands of the 21st-century economy. A revitalised WTO equipped to harness the full potential of today's economy would enable digital trade flows as seamlessly as goods, empower small businesses in every country to reach global markets and ensure that sustainability and growth advance hand in hand. Modernised rules on services, data and resilient supply chains would transform the trading system from a safety net to a springboard for innovation, opportunity and shared prosperity worldwide. Above all, it must deliver a truly level playing field – where competition is fair, transparency is the norm and business success is driven by performance not unequal conditions.

The cost of inaction is measurable. A study by Oxford Economics commissioned by ICC estimates that the dissolution of the WTO would permanently lower GDP for developing countries by 5.1% by 2030. Losses would fall disproportionately on the poorest and most vulnerable economies, with Sub-Saharan Africa and South and Central Asia facing average GDP losses of 6%–6.5%, undermining jobs, growth and hard-won development gains.<sup>1</sup>

## Updated diagnostic view of systemic challenges

The multilateral trading system has been under considerable strain since the financial crisis of 2007-2008, with pressures mounting further in recent years amid escalating geopolitical tensions. In 2023, ICC released a paper providing a diagnostic of the system's most serious challenges.<sup>2</sup>

An updated diagnostic follows:

- **A continuing leadership deficit**

Political and thought leadership have been lacking for nearly two decades, yet such leadership is indispensable for formulating a clear and coherent vision going forward. An inclusive coalition-based approach to leadership must now emerge, drawing on a broader range of Members and stakeholders to build the convergence and momentum needed for meaningful reform.

- **Increasing complexity of trade policy and negotiating issues**

Technology has always been a driver for innovative business models that reshape markets, provoking regulatory responses that directly affect trade and competitive relationships.

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1 <https://iccwbo.org/news-publications/policies-reports/study-shows-wto-collapse-could-slash-exports-of-developing-countries-by-33-percent/>

2 <https://iccwbo.org/news-publications/news/how-to-fix-the-wto-a-holistic-framework-for-reform/>

As a result, the focus of trade negotiations has generally shifted from traditional border restrictions such as tariffs to behind-the-border regulations. Addressing this challenge not only requires thought leadership but also effective and informed deliberation to clarify negotiating options and produce outcomes to update the WTO rulebook.

- **The “common purpose” is no longer common due to increasing diversity among members**

The common purpose behind the establishment of the WTO system is explicitly stated in the Marrakesh Agreement: Prosperity and development gains can best be achieved through the expansion of world trade, underpinned by the predictability and stability provided by a rules-based system. For the global business community that certainty remains critical for long-term planning and investment.

With its growing membership over the years, the WTO now includes a highly diverse range of economies at different levels of development combined with growing diversity in Members’ trade policy perspectives.

This diversity in trade policy perspectives has led some Members to increasingly seem to abandon the common purpose of the WTO system and to no longer view the WTO as the most effective tool to serve their interests resulting in deeply divergent positions blocking decisions on important issues.

- **Failures across the three vital functions of the WTO**

The multiple challenges facing the system have, over the years, led to failures in its dispute settlement, negotiating and deliberative functions. Over time, the inability to agree on negotiated outcomes to update the rulebook, settle disputes or effectively deliberate on complex policy challenges has eroded the WTO’s relevance and credibility.

- **Alarming levels of disregard for the rules of the system**

As confidence in the WTO has eroded, trade and investment restricting and distorting measures have been on the rise. Such measures are often unilateral and justified on policy grounds such as economic or national security, industrial policy or sustainability. There has also been a tendency to go beyond targeted support for specific industries towards broader, blanket protectionism.

- **Loss of stability and predictability**

The biggest casualty of increasing disregard for WTO treaty obligations has been the predictability and stability of the global trade and investment environment. For businesses of all sizes, the greatest value of the rules-based system has always been the certainty and predictability that it provides for long-term investment decisions. Even when trade barriers exist, businesses can plan around known, stable rules. Today, the absence of certainty is chilling on business investment and further eroding trust in the system.

## A new level of urgency to act

The new level of disregard for treaty obligations in the first half of 2025 has been unmatched in the history of the system and raises alarming prospects of accelerating systemic collapse.

The window of opportunity for effective reform efforts to restore the relevance and credibility of the system might be closing faster than expected. The current WTO system, while in need of serious reform, provides an exceptional treaty and institutional infrastructure which, if lost, would be almost impossible to replicate in the foreseeable future, given the prevailing geopolitical environment.

For the global business community, the upcoming 14th WTO Ministerial Conference is a “lifesaver” event that presents a critical opportunity to mobilise political will and efforts to salvage the rules-based system.

# Proposed way forward

A credible way forward must be anchored in a clear systemic vision with concrete, actionable steps. It also needs to embrace creative solutions to address new challenges for which the WTO's 30-year-old rulebook is not prepared. The global business community calls for the following elements to form the basis of a forward-looking negotiation agenda:

- a. **Agree at MC14 to launch a round of negotiations on WTO reform prioritising cross-cutting systemic challenges** – notably plurilaterals, decision-making and special and differential treatment for developing countries, among others – to unblock other negotiations on specific items.

Addressing those issues upfront would go a long way to unlock progress on individual negotiating agenda items. These negotiations need to be based on a concrete work programme grounded in a comprehensive and coherent vision. It must also recognise the need for a holistic framework that addresses issues across all three vital functions of the WTO, considering their interconnectedness. A proposed list of cross-cutting issues is set out in Annex 1.

- b. **Define the reform negotiating agenda around the priorities identified by the global business community.**

In a paper, released in 2023<sup>3</sup>, ICC sets out the foundational elements of a reform agenda for Members. It contains detailed specific elements of a reform negotiating agenda for consideration by Members, including:

- ✔ **Creating standing consultative mechanisms with business** that ensure continuing collaboratives channels at the working level with WTO Members and the Secretariat.
- ✔ **Reaffirming the common purpose of the system** and its foundational principles, including Most Favoured Nation scope and practice, with a view to restoring certainty to the international trading environment.
- ✔ **Addressing the negotiating function's institutional challenges** relating to plurilateral initiatives, application of special and differential treatment for developing countries, capacity building, engagement with the private sector and the role of the secretariat. WTO Members will then need to advance targeted negotiations to modernise and expand the rulebook where it no longer reflects today's trade realities.
- ✔ **Restoring the effective functioning of a reformed dispute settlement mechanism** that ensures the enforceability of rights and obligations, including by activating flexible tools such as mediation.<sup>4</sup>
- ✔ **Restoring the effective operation of the monitoring and deliberative function** through the institutional structure of councils and committees.
- ✔ **Bolstering the WTO Secretariat's support function capacity.**

To ensure that reform negotiations can progress in good faith, Members should commit to a standstill on new trade-restrictive measures that violate WTO rules for the duration of the negotiations. Members should also commit, in exercising their rights under WTO rules, not to take any trade measures in such a manner as to improve their negotiating positions. **Maintaining the Moratorium on Customs Duties on Electronic Transmissions is a critical part of this standstill.** Allowing the Moratorium to lapse or introducing new barriers during negotiations would undermine trust and risk derailing efforts to deliver meaningful outcomes.

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<sup>3</sup> <https://iccwbo.org/news-publications/news/how-to-fix-the-WTO-a-holistic-framework-for-reform/>

<sup>4</sup> <https://iccwbo.org/news-publications/news/reimagining-wto-dispute-settlement-a-business-case-for-mediation/>

- c. **Ensure the effective and structured engagement of the private sector**, as appropriate, in discussions on priority reform issues. Business engagement must be both a reform outcome and an integral part of the reform process itself – leveraging the expertise and practical insights of businesses that are end-users of the trading system. Such engagement would ensure that proposed reforms are operational, forward-looking and responsive to the realities of global trade.
- d. **Explore creative solutions to accommodate diversity among Members while preserving systemic integrity and a balance of rights and obligations.** Given increasing diversity among members, both in terms of levels of development as well as trade policy directions, reform of the system requires creative solutions. Therefore, serious consideration should be given to more “**variable geometry**” that could accommodate diversity while preserving systemic integrity. The concept would entail more customised sets of rights and obligations among members rather than a one-size-fits-all approach to the application of rules. The concept is not entirely new to the WTO system, but it so far has been limited to the levels of commitment in Members’ individual schedules under the GATT and the GATS, plurilateral agreements (Annex 4 to the WTO Agreement), and the ability to launch plurilateral negotiations. At a time when some Members for whom the “common purpose” is no longer common, and are no longer wishing to abide by WTO rules, whether implicitly or explicitly, creative approaches using “variable geometry” may offer options that accommodate diversity of positions while maintaining systemic integrity and avoid fragmentation towards more bilateral and regional arrangements.

Examples of such solutions may include:

1. Amending the treaty architecture to **allow more than one type of membership**. Currently, all Members are bound by all multilateral agreements included in Annexes 1, 2 and 3 to the WTO (what is referred to as the Single Undertaking). The only exceptions are two Annex 4 agreements: Government Procurement and Trade in Civil Aircraft. Allowing members to opt out of certain agreements might reduce tensions and allow for better coexistence, be it with less convergence on overall treaty obligations. This, of course, would also entail maintaining an appropriate reciprocal balance of rights and obligations to be negotiated among members. Such negotiations would address implementation details, including potentially opting out of certain provisions in a particular agreement (treaty “reservations”). In such cases, a Member who opts out an agreement or a provision thereof would have no rights to claim benefits from other Members pursuant to such an agreement or provisions thereof.
2. Extending the full range of such possibilities, a Member could have the option of stepping back from all WTO agreements without completely withdrawing from the treaty framework. In such cases, an “**associate member**” could still participate in discussions and stay informed about developments but would have no legal rights or be liable to dispute settlement nor participate in decision-making. This flexible approach could be adapted based on what Members find appropriate and feasible.
3. In applying such an approach, while negotiations would ensure an appropriate balance of reciprocal rights and obligations, great caution needs to be exercised to preserve the integrity of the system and avoid its unwieldy fragmentation. Importantly, any use of variable geometry must preserve the integrity of the multilateral framework – ensuring flexibility in implementation, not fragmentation of the system. The goal is to make the rules of engagement fit for diverse realities, not to allow each Member to set its own.
4. **The concept of “variable geometry” may also apply to the launch of the reform negotiations itself.** Ideally, a round of reform negotiations should be launched by consensus. However, that should not be a prerequisite. If a coalition of WTO Members find this feasible and desirable and maintain an inclusive format open to all members, such an approach may be worth considering in this time of existential crisis.

# What MC14 must deliver

The business community is ready to do its part to support a modern, effective and inclusive multilateral trading system. What is needed now is decisive and immediate action by Members to translate years of discussion into concrete action. Launching a formal round of negotiations at MC14 supported by a clear, time-bound work programme will be essential to restoring confidence in the system and safeguarding growth, jobs and stability for economies, businesses and communities worldwide.

At the same time, maintaining the Moratorium on Customs Duties on Electronic Transmissions, will be critical. Allowing the Moratorium to lapse would inject further uncertainty into the global trading system at a time when stability and predictability are most needed.

**Now is the moment for WTO Members to demonstrate leadership, restore confidence and set the multilateral trading system on a path toward revitalisation and shared prosperity.**

# Annex 1 Proposed list of issues to be addressed

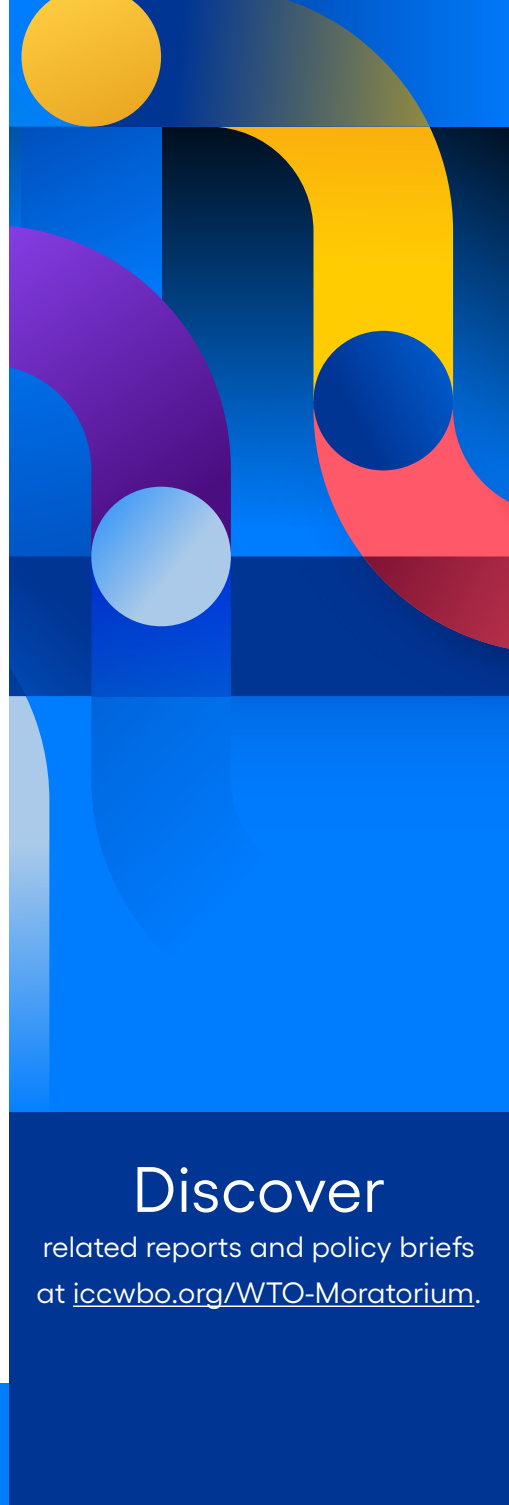
This annex sets out a proposed list of cross-cutting issues to be addressed under a structured, time-bound WTO reform work programme, guided by clear deliverables.

To date, a wide range of reform issues has been raised, revealing two broad levels of priority:

- At the **systemic level**, Members must address cross-cutting institutional challenges that affect the three core functions of the WTO – negotiation, dispute settlement and deliberation and monitoring.
- At the **substantive level**, a longer list of sectoral or thematic items (e.g., agriculture, industrial subsidies, level playing field, trade and environment, fisheries subsidies, services, etc.) will need to advance in parallel.

The WTO reform work programme could begin by:

- 1. Reaffirming the common purpose** of the WTO: to maintain a rules-based trading system that secures predictability and stability in global trade and investment.
- 2. Reviewing and reaffirming the foundational principles** of the multilateral trading system, including Most Favoured Nation treatment and special and differential treatment, and clarifying their application in today's context.
- 3. Addressing institutional and functional challenges** blocking the effective operation of the WTO's three vital functions:
  - **Private sector engagement:** Define a role for the private sector as end user of the trading system to contribute practical insights and experience to the work of the WTO in a structured and institutionalised manner comparable with practices adopted in other international organisations.
  - **Negotiating function:**
    1. Clarify and streamline the rules governing plurilateral negotiations and how their outcomes can be integrated into the WTO framework.
    2. Clarify the application of Special and Differential provisions across different negotiating modalities.
    3. Improve decision-making efficiency while preserving the consensus principle where necessary.
    4. Strengthen capacity building for developing and least developed countries on negotiation processes.
    5. Define a clearer role for the WTO Secretariat in supporting Members during negotiations.
  - **Dispute settlement function:**
    1. Agree on the basic design parameters of the system (including whether to maintain a two-tier structure).
    2. Additional issues to be identified by the WTO reform facilitator and agreed among Members.
  - **Deliberative and monitoring function:**
    1. Establish guidelines for setting formal agendas and improving the effectiveness of regular committees.
    2. Enable procedural and institutional decisions that do not affect Members' substantive rights and obligations to be taken more efficiently.
    3. Define principles for stakeholder participation, including the private sector.
    4. Clarify the role of the Secretariat in supporting the work of councils and committees.



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### About the International Chamber of Commerce

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 170 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.



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