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## Recap of FMG Discussion on Global Turbulence and WTO Reform II

29 April 2025

- There is a widely shared concern on the current situation, with much focus on bilateral relations and a declining attention for multilateral reform discussions.
- There is a common view that a firewall must be put in place to stabilize the MTS, by reconfirming the system and its key rules. As emphasized by many, this is the survival and “whatever it takes” moment for the WTO. To that end, the recent [statement](#) (WT/GC/271) issued by the group of “Friends of the System”, and supported by many others on the occasion of the 30th anniversary is extensively welcomed.
- There is wide concern about ongoing bilateral negotiations, which, if defying WTO rules, e.g. the MFN, would send a wrong signal to the world and further erode the MTS. Some proposed a code of conduct and strong surveillance mechanism for such bilateral negotiations. Some pointed out that a could-be blessing in disguise is that potential bilateral deals with Trump administration could be multilateralized.
- Many emphasized that the root for current situation is political, not technical. Hence technocrat solutions of WTO reform, or technical rapprochement of bilateral deals, will not work. Instead, a political dialogue at ministerial level and outside Geneva among the willing WTO Members is a must. Such a dialogue should try to deal with the challenges related to long-term systemic confrontation between key members, and to seek meaningful actions to keep the MTS alive with a serious reform programme and tangible results. Some pointed out that WTO reform should be considered from three time-dimensions: urgent actions before the 90-day tariff suspension, actions by MC14, and medium-term perspectives.
- Some believed that the term “reform” may be too limiting and repositioning of the WTO should be explored.
- Many pointed out that leadership is needed sooner than later. This could be constellations

with variable configuration, loosely coordinated but well-informing each other for coherence, or EU+CPTPP coalition, or EU+CPTPP+Ottawa Group coalition interacting with other willing Members. One opportunity to establish such leadership could be the Paris mini-ministerial in June 2025 on the sidelines of the OECD ministerial.

- Many believe that a Bretton-Woods wide consultation is needed to tackle the macro-economic issues and seek rebalancing solutions. Some proposed initiatives to respond to current and future challenges that go beyond trade, including how to respond to next epidemic.

Proposed issues for future plurilateral initiatives include:

- services
- environment
- food security
- developmental aspects
- MPIA expansion, MPIA negotiations to improve dispute settlement mechanism, and capacity building for smaller Members.

**Note:**

This is a personal summary by Prof. Xiankun LU of key elements of recent FMG discussions.