

Recap of FMG Discussions on Next Steps for WTO Reform V

21 July 2026

Questions to discuss:

1. How can we best advance WTO reform discussions across each of the four reform tracks of Foundational Issues, Decision-Making, Development, and Level-Playing Field?
2. What are some possible near-term outcomes on WTO reform that we can harvest by MC15?

On Question 1:

➤ **On the context:**

- It is a positive signal that an intensified post-MC14 process is launched, and an active engagement is exercised by Members with proposals on all four reform tracks. However, it's underlined that, given the current geopolitical tension, a paradigm shift is needed to caution against major and comprehensive harvests on deeper problems, and to be realistic to work for small and concrete progress, even soft-law-like.

- A few point out that reform can't move forward unless major players reach political compromise, while others caution against the risk of managed trade with such compromise, and argue for coalition leadership by middle powers. Some point out the importance to discuss paths from concepts to modalities.

➤ **On Foundational issues:**

- Some appeal for movement on dispute settlement, including to explore ways to enhance MPIA, by expanding its participation, trying its institutionalization, and correcting its defects on selection of arbitrators, administrative support, conflict of interests and procedural safeguards. Some others point out the impossibility to go back to 1994 DSU, and proposed to have

an DSB optional, i.e. a binding one of enhanced MPIA for some and an opt-out for others.

■ Views differ on MFN, with some appealing for conditional MFN because of deeper structural problem, and others cautioning against the serious risk of blowing relationship, triggering trade war and undermining the MTS. Quite some ask for more clarity from proponents on their actual objectives and ideas to realize them, while pointing out the weakness of using trade deficit as the basis for conditional MFN.

➤ **On Decision-making**, many continue to believe that plurilateralism is the best path forward, and should be regarded as building block, not as threat, for multilateralism and proposes to develop a process, e.g. a transparency process to table substantive reasons why they are against plurilateral initiatives.

➤ **On Development**, some emphasize that Members need to distinguish between regulation, with already a strong convergence, and market access, with flexibilities for both developed and developing countries, hence the S&D debate is exaggerated.

➤ **On Level Playing Field**, some point out that “level playing field” is a term hard to define in an acceptable manner, while supporting Members’ proposals to work on issues like SOEs and industrial policies.

On Question 2:

➤ Some pointed out that it’s better to wait for reports of July General Council before discussing MC15 and WTO reform.

➤ Some others point out that, for business community, commercially meaningful outcomes at MC15 are essential, and, while middle powers are active on plurilaterals, the pace is too slow.

Note:

This is a personal summary by Prof. Xiankun LU of key elements of recent FMG discussions. This document is not an official FMG paper nor an approved summary of the discussions.