

## Joint Communiqué of the Ottawa Ministerial on WTO Reform

We, Ministers and Heads of Delegation representing a group of like-minded World Trade Organization (WTO) members<sup>1</sup>, met in Ottawa, October 24-25, chaired by the Honourable Jim Carr, Canada's Minister of International Trade Diversification, to discuss ways to strengthen and modernize the WTO.

We reaffirm our clear and strong support for the rules-based multilateral trading system and stress the indispensable role that the WTO plays in facilitating and safeguarding trade. That system marked the beginning of an unparalleled chapter in global prosperity, growth, and job creation around the world, though the benefits from trade have not always been evenly distributed. We are deeply concerned by recent developments in international trade, particularly the rise in protectionism, which negatively affect the WTO and put the entire multilateral trading system at risk. We note growing trade tensions are linked to major shifts in the global trading landscape. We also note the difficulties to achieve outcomes under the negotiating pillar. We share a common resolve for rapid and concerted action to address these unprecedented challenges and to restore confidence. In this regard, we have identified three areas requiring urgent consideration.

First, we underscore the dispute settlement system as a central pillar of the WTO. An effective dispute settlement system preserves the rights and obligations of WTO members, and ensures that the rules are enforceable. Such a system is also essential in building confidence amongst members in the negotiating pillar. We are deeply concerned that continued vacancies in the Appellate Body present a risk to the WTO system as a whole. We therefore emphasize the urgent need to unblock the appointment of Appellate Body members. We acknowledge that concerns have been raised about the functioning of the dispute settlement system and are ready to work on solutions, while preserving the essential features of the system and of its Appellate Body. For this purpose, our officials will continue to engage in discussions to advance ideas to safeguard and strengthen the dispute settlement system.

Second, we must reinvigorate the negotiating function of the WTO. We need to conclude negotiations on fisheries subsidies in 2019 consistent with instructions from WTO Ministers at MC11. Its rules must also be updated to reflect 21st century realities, such as the Sustainable Development Goals. Addressing modern economic and trade issues, and tackling pending and unfinished business is key to ensuring the relevance of the WTO. This may require flexible and open negotiating approaches toward multilateral outcomes. We welcome in this regard the work that is being undertaken through the Joint Statement Initiatives from MC11. We recognize the need to address market distortions caused by subsidies and other instruments.

Development must remain an integral part of our work. We need to explore how the development dimension, including special and differential treatment, can be best pursued in rule-making efforts. Our officials will examine and develop concrete options for engagement to reinvigorate the negotiating function.

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<sup>1</sup> Australia, Brazil, Canada, Chile, European Union, Japan, Kenya, Korea, Mexico, New Zealand, Norway, Singapore and Switzerland

Third, we should strengthen the monitoring and transparency of members' trade policies which play a central role in ensuring WTO members understand the policy actions taken by their partners in a timely manner. We are concerned with the overall record of compliance by WTO members with their notification obligations and we agree that improvements are required to ensure effective transparency and functioning of the relevant agreements. Specific improvements in this area can be achieved in the near term. Our officials will engage on concrete ideas put forward in this area.

We seek a fully operational WTO that benefits all. Our objectives outlined above will only be reached through sustained and meaningful political engagement and through dialogue with all WTO members. In this regard, we note with appreciation other ongoing efforts by WTO members or groups of WTO members, in particular recent proposals by participants in this group on dispute settlement, as well as transparency and notifications. We affirm our intention to work constructively and collaboratively on these and other proposals.

The current situation at the WTO is no longer sustainable. Our resolve for change must be matched with action: we will continue to fight protectionism; and we are committed politically to moving forward urgently on transparency, dispute settlement and developing 21st century trade rules at the WTO. We look forward to reviewing our progress when we meet again in January 2019.