

The Evolving Role of the EU in the WTO Multilateral Trading System

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Abstract. The article discusses the European Union's commitment to the World Trade Organization (WTO) and its trade policy. The EU has been a strong advocate for open markets and free trade, with the WTO at the core of its trade policy. However, the article highlights a growing gap between the EU's ideals and its actual practices, particularly during the Doha Round of WTO negotiations, where the EU's leadership was criticized for its stance on agricultural subsidies, services sector liberalization, and high-standard agenda, which contributed to the negotiation's stalemate. The article examines the EU's role in the Doha Round, its approach to Non-Agricultural Market Access (NAMA), services issues, and the Singapore Issues. It notes the EU's shift from a proactive reformer to a reactive defender, adopting a more pragmatic approach to negotiations. The EU has also been accused of "creeping protectionism," where it has incrementally adopted protectionist measures under the guise of trade defense. Furthermore, the article discusses the EU's motivation for WTO reforms, its efforts to coordinate positions among WTO members, and its attempts to lead WTO reform amid rising tensions between China and the USA. The EU has published a guiding document on WTO reform, outlining its concerns and priorities, such as dispute settlement, intellectual property protection, and subsidies. In summary, the article reflects on the EU's role in the WTO, its challenges in the Doha Round, the development of protectionist tendencies, and its active role in promoting WTO reforms. It concludes by emphasizing the EU's responsibility to embrace diversity and lead in transforming the global system for the advancement of humankind.

Keywords: the evolving role; the EU; WTO multilateral trading system.

1. Introduction

In the 21st century, the European Union's commitment to upholding the international trading system, epitomized by the World Trade Organization (WTO), stands as a fundamental pillar of its trade policy. From its inception, the EU has taken the WTO as the primary arena for advancing its objectives of managing globalization and championing multilateralism. However, as time progressed, a growing disparity has emerged between the EU's professed ideals and its practices. During the Doha Round of WTO negotiations, its capacity to assert effective leadership and navigate negotiation hurdles faltered. Criticism from various quarters intensified, primarily targeting its retention of agricultural subsidies, insistence on liberalizing the services sector, and pursuit of a high-standard agenda. These stances significantly contributed to the stalemate that thwarted breakthroughs in the negotiations. Simultaneously, it embarked on a trajectory of revising its trade and investment regulations, as well as bolstering trade defense mechanisms. While ostensibly advocating for plurilateral or multilateral accords in traditional trade measures, investment, and public procurement, its actions inadvertently fueled a phenomenon known as "creeping protectionism". This term encapsulates the gradual encroachment of protectionist measures, eroding the principles of free trade. Furthermore, the EU's adherence to the WTO's centrality within the global trading system faces mounting challenges. Shifts in the geopolitical landscape have intensified the power dynamics surrounding WTO reform, which necessitates a reassessment of its role in shaping these transformations. Starting from the perspective

of the EU, this study analyses its role in the Doha negotiations and the WTO development and the main issues faced by it, so as to explore its role in the current wave of in-depth reform of the WTO and the problems that need to be solved.

2. The EU's Evolving Role in the Doha Round

After the WTO was established, the EU considered that although the original multilateral trade procedures mainly covered trade in goods, they could not accommodate to the requirements of the international trading system arising from the globalisation process in many areas, like trade concerning intellectual property rights and services.[1]At the WTO Ministerial Conference held in Singapore in 1996, the EU first proposed the notion of a "New Millennium Round", aiming to enhance the breadth and depth of multilateral trade negotiations.[2]At the 1999 WTO Ministerial Conference held in Seattle, its "Millennium Round" of trade negotiations failed to get off the ground. As one of the promoters of the WTO, it has always regarded the WTO as the major platform for trade liberalisation and exporting its own norms, which emphasize the institutionalisation of the WTO's multilateral trading system, and intend to expand the scope of the WTO's policies and its membership. In a letter to WTO members in 2004, Pascal Lamy, the EU Trade Commissioner, once mentioned that "the Doha Round negotiations are at the centre of the EU's trade policy".[3] However, as the global political and economic pattern is developing towards multi-polarity, and after the economic and debt crisis, Europe's economic growth becomes weak and the concern for its own interests has increased. Besides, there is a rise of anti-globalisation trends such as the USA's unilateralism, European populism and the UK's intention to leave the European Union. Against this background, the Doha Round negotiations have gradually reached an impasse, and the EU has begun to look for a way out between revitalising its own economy and safeguarding the multilateral trading system. It also faces adjustments in its foreign policy strategies, negotiation outcomes and global redistribution. In the WTO negotiations, its role has gradually changed from a proactive reformer to a reactive defender, with a tendency to shift from regulation-led to functional pragmatism.

At the outset of the Doha Round, the EU wished to contribute to and play a dominant part in a large, balanced and comprehensive multilateral negotiation. To guarantee the overall balance of the negotiations, it insisted on the "single undertaking" form of outcome at the beginning, and accepted only the conclusion of a package agreement that included traditional trade issues (such as agriculture, NAMA and services) and non-trade ones (like the Singapore issues, standards for labour , the environment and intellectual property rights related to trade, etc.)[4]. On this premise, the EU insists on linking agriculture negotiations to NAMA and trade in services. It hopes that concessions on the sensitive agricultural issue can be exchanged for negotiating space in other areas of interest[5]. With more and more players in the multilateral trading system, the interests of all parties to the negotiations are entangled in a complex and uncompromising manner. Then the EU and the US have lost the control of the multilateral trade negotiations. In the case of the long-delayed Doha Round negotiations, the EU has gradually given up insisting on the "single undertaking" and started to use the "focused" issue-oriented negotiation approach. This shift highlights its pragmatic tendency to pursue its own economic interests[5]. After the relative success of the WTO Ninth Ministerial Conference in Bali in 2003, it realized that issue-focused negotiations were more effective than the single undertaking, when faced with a negotiating round with a broad and complex agenda. In the case of the stagnant Doha Round, it is now in the process of adopting an issue-focused approach to the negotiations. Both the shift in its trade strategy, the relaunching of plurilateral/bilateral free trade agreements and the abandonment of the "single undertaking" outcome model reflect its goal to make a breakthrough in the Doha Round through a flexible and pragmatic approach[6][7].

During the negotiation process of the Doha Round, which has "development" as its theme, it is a major challenge to reconcile the divergent interests and perceptions in different fields of the nations of the South and the North. The EU wishes to act a part in this matter. After the Millennium Round failed to launch, to be supported by developing countries for the new round, it began to pay attention to developing countries' integration into the multilateral trading system, accepted the principle of

special and differential treatment, and was willing to giving technical support for those countries. In May 2004, it proposed a "Round for Free" on agriculture and non-agricultural market access for the countries that are least developed (mainly in Africa, the Caribbean and the Pacific), which did not require them to further open their markets. Instead, they could retain their existing commitments to open their markets. In fields like standards for labour and environment, which are more sensitive to developing countries, the EU promises that social issues related to development (such as labour standards) will not become a pretext for developed countries to impose economic sanctions and protectionism on developing countries, and that trade sanctions will not be used. However, there are more economic and political considerations behind its move, which hopes that it will reduce the pressure on other WTO members to make concessions on agricultural issues and further expand the market access it needs. As reaching an agreement on Singapore issues and some sensitive areas, such as labour standards and environmental protection in multilateral platforms is difficult, the EU turns to bilateral/plurilateral trade agreements and voluntary trade policies to achieve its goals. It opens up its markets to the least developed countries (LDCs), provides preferences and Aid for Trade, etc. and demands that emerging market countries such as China should also meet these high standards. As the final agenda of the Doha Round did not include three of the Singapore issues (competition, investment and public procurement transparency) and other non-trade and trade-related matters like environmental protection and labour standards in the negotiation process, the EU shifted to apply plurilateral/bilateral commercial agreements and Generalized System of Preferences (GSP) reforms to progressively promote the above objectives[8][9][10].

3. Key Issues for the EU in the Doha Round of Negotiations

3.1. Non-Agricultural Market Access (NAMA)

Non-agricultural market access (NAMA) in the Doha Round negotiations is another major conflict between developed countries like Europe and the USA and developing countries like China, India and Brazil. The NAMA negotiations are aimed at reducing or eliminating all types of tariffs, which include high tariffs, tariff peaks, non-tariff barriers and tariff escalation for non-agricultural products. To open up the vast non-agricultural markets of emerging economies, Europe, the USA and other developed countries are keen to promote the non-agricultural market access negotiations. The EU believes that, overall, the Doha Round negotiations, which covers various issues, is conducive to creating a more transparent and predictable system of multilateral trade rules[11].

After the Millennium Round failed, the EU recognized the importance of integrating developing countries into the multilateral trading system. Before the Doha Round was formally launched in 2001, it signed the Everything But Arms (EBA) agreement with the African, Caribbean and Pacific (ACP) region under its Generalised System of Preferences (GSP)[12]. The agreement allows goods produced by LDCs to have quota- and duty-free access to the EU market. By doing so, the EU sends a positive signal to its developing member countries to gain their support for opening a deeper and broader Doha Round of negotiations. In 2006, it proposed to cut tariffs on non-agricultural products according to the multi-coefficient Swiss formula, with developed countries applying a coefficient of 10 and developing countries a coefficient of 15. Meanwhile, it also paid attention to tariff reductions on environmental products and the non-tariff barrier elimination.

At the beginning of the negotiations, as the EU had insisted that the Round should adopt the "single undertaking" approach, there was a certain connection between the NAMA negotiations and the negotiations on agricultural issues. It has adopted a two-tier negotiating strategy, i.e., to use the minimum concessions in its traditional areas of strength as a lever to explore the maximum objectives in new areas[13]. However, the Doha Round negotiations have repeatedly reached an impasse owing to the divergences among its member states on the high sensitive agricultural issues. The EU then began to change its negotiation strategy. That is, it no longer insisted on an uncompromising stance on agriculture, but linked the non-agricultural market opening requirements of emerging economies to its own commitment to make necessary concessions on agricultural subsidies. However,

developing countries like India and Argentina expressed their inability to accept the solution of parallel negotiations on agricultural subsidies and industrial market access. They argued that the tariff reductions demanded of developing members in the draft industrial market access were excessively large, compared with the reductions in agricultural subsidies demanded of developed members.

As a multi-polar pattern of international economic power emerged, the mentality and position of the traditionally developed countries towards the Doha Round negotiations had gradually changed. In the context of economic globalisation, emerging economies rapidly rose and began to join in the international trading system, which gave them access to the development dividend on the initiation of such a trading system to increase the impact. As the original international trade system rule makers, the USA and the EU were challenged and worried that the higher degree of openness of their domestic markets could be affected. As a result, the EU began to demand that emerging economies take on more "responsibility" and it emphasized "mutuality" and "reciprocity" in the trade process. Those developing economies were asked to open up their non-agricultural markets to a greater extent, and to reduce bound tariffs and effective duty rates on non-agricultural products, so as to gradually achieve trade liberalisation. In the course of the Hong Kong Conference of the Doha Round, Mandelson, the EU trade negotiator, blamed the risk of failure of the negotiations on the developing countries' with "unwillingness to put something in the pot". The negotiator accused the developing countries of failing to make positive contributions to the opening up of non-agricultural products and services markets. The EU's claim was also supported by the USA. Developed economies, like Europe and the USA, support the anti-concentration provision to avoid developing countries using flexible rules to exclude the entire sections of the Harmonised System from harmonised reductions (i.e. exempting the entire product sectors)[14][15][16][17][18].

Developing countries, on the other hand, would like to see a consensus on agriculture as the basis for further negotiations on the opening up of non-agricultural markets, and would only accept lower bound tariffs in trade fields, where liberalisation has already taken place without a consensus on agriculture. For them, excessive emphasis on trade "reciprocity" undermines one of the WTO core principles, namely "special and differential treatment"[19]. The EU's active promotion of negotiations on environmental goods are also questioned by developing countries that developed countries may use standards for environmental goods to create non-trade barriers. In addition, developing countries like Brazil, India, and Argentina, are opposed in principle to anti-concentration clauses. They argue that they have the right to decide which sensitive products should be subject to special protection according to the commitments of less-than-full reciprocity.

The complexity of the NAMA negotiations also lies in the divergent views on the modalities and content of the negotiations among developed countries and among different interest groups within countries. The USA would like to follow the Asia-Pacific Economic Cooperation (APEC) to regional liberalization in gradually determining and expanding the scope of non-agricultural tariffs and the timing of their implementation, etc.; The EU and Japan advocate "package" negotiations (i.e. encompassing all sectors), with attention paid to applying the less-than-full reciprocity to developing nations. It is also reported that EU automotive companies investing in India do not agree with EU officials on the anti-concentration clause, and that overseas companies do not want India to accept the clause for fear of competition from other developed countries and China[20][21].

The strong divergent views made the NAMA negotiations involving different industrial sectors more complex and difficult, and it was not possible to reach an agreement within the stipulated timeframe (by 31 May 2006) on the draft modalities for the negotiations[22]. To facilitate a speedy conclusion of the Round, the EU started to take action to bridge the differences, and in May 2011, it put forward a proposal for an understanding to resolve the differences between China and the USA on the reciprocity of tariff concessions on industrial goods. The proposal was seen by the EU as a key step in moving the negotiations forward. And it demonstrated that the EU could still make a difference in the negotiations. However, other member states had mixed reactions to the proposal.

3.2. Services issues

The provisions of Article XIX of the General Agreement on Trade in Services (GATS), a result of the Uruguay Round negotiations, stipulate that WTO members should continue to advance negotiations to gain a higher degree of services market opening. The relevant discussions were mandated to start in 2000 and became part of the Doha Round negotiations at the 2001 Doha Ministerial Conference.

Taking into account the contribution of services trade to GDP and employment, the EU believes that the promotion of liberalisation of services trade is beneficial for developing and developed economies. Therefore, it focuses on market access and national services treatment. Meanwhile, it is concerned about the regulatory and institutional framework for service competition, and supports governmental efforts to have non-economic objectives under the institutional framework. Showing respect for the primacy of domestic public policies (e.g. public services and cultural diversity), the EU actively contributes to negotiations on parallel discussions like domestic management and government procurement concerning services trade. It actively participates in and contributes to services negotiations in the WTO framework[24].

When the Doha Round began, the EU expected WTO members to make commitments on services trade, in particular on the principle of market access and national treatment concerning services. Its negotiating objectives have been stated in official documents as follows[25]:

1. To actively pursue the EU's financial interests.
2. To protect the European model, especially in public services.
3. To give developing countries the opportunity to better integrate into the world economy according to the chosen development model.

The EU is one of the few respondents with "meaningful" commitments to the demands of developing member states. According to the Bali Ministerial Resolution on the services waiver for LDCs, the EU notified the WTO Council for Trade in Services in February and November 2015 of its preferential treatment for services exports from LDCs, to implement the most favoured nation (MFN) treatment for services trade and to help those countries integrate into the multilateral trading system. The February notification contained commitments mainly related to the traditional areas of the GATS, including LDCs' concerns in the negotiations and its market opening measures with the third parties in FTAs; the November notification contained the exact scope and extent of preferential treatment for sectors[26].

However, similar to its negotiation strategy towards NAMA, the EU used its own necessary compromises on agriculture as leverage to demand concessions from other members on services market access. In October 2005, it proposed that developing members should upgrade their free trade commitments to apply to 57% of the services sector[27]. In its 2015 Trade Policy Review, it said that services-related negotiations should raise the whole WTO members' "ambition", and that they all should be treated equally in terms of national treatment commitments and services market access.

However, owing to the objective of "single undertaking" negotiations and the impact of core issues like non-agricultural and agricultural market access, the progress of services negotiations slows down. Some major negotiators, including the EU, the USA, Brazil, India and Australia, are deadlocked in the agriculture negotiations. It becomes difficult to enter into a substantive negotiation phase concerning market access for non-agricultural goods and services[28]. Fernando de Mateo, Chairman of the Negotiating Group on Trade in Services (NGTS), said that "Since July 2008, there has been little significant progress in market access negotiations. In order to bridge the gap between sectoral coverage and level of commitments, rule-making in services negotiations needs to go hand in hand with market access. Progress in member states' negotiations on market access in services can only be achieved once political consensus has been reached on issues in other areas".

Taking the aforementioned issues into account, the EU turned to alternative approaches such as strengthening plurilateral negotiations and consolidating domestic services regulations. Since 2006, it has been actively engaged in the plurilateral negotiations on services mandated by the Hong Kong Ministerial Conference. In March 2013, it formally joined the negotiations on the Trade in Service Agreement (TISA)[29]. It considered plurilateral agreements to be an effective complement to the GATS and to be compatible with the multilateral trading system. In its 2019 trade policy review report, the EU took clear and enforceable domestic trading rules for services as a strong complement to the trade liberalisation already achieved under the GATS framework.

3.3. The Singapore Issues

The Singapore Issues were put forward at the 1996 WTO Ministerial Meeting in Singapore and they include four parts: competition policy, investment, public procurement transparency and trade facilitation. The EU is a key promoter of the call for the Singapore Issues to be fully integrated into the new round of WTO negotiations. It initially expected the Singapore issues to be negotiated in a "bottom-up model" similar to that used in the services negotiations, where members individually proposed areas for liberalisation. However, other members of WTO and the EU's member states did not agree on the priority of the Singapore issues. The USA, which had its negotiations focus on market access, expressed its willingness to include the latter two of the Singapore (22) issues (i.e. trade facilitation and public procurement transparency) in the negotiating agenda. India and more than 70 developing countries considered that including Singapore issues in the negotiation schedule was premature and that the built-in WTO issues on trade liberalisation should be addressed first. In addition, developing member states argued that the Singapore issues did not bring any substantial economic value except mandatory obligations. There were also differences within the EU, with Sweden, the Netherlands, Belgium and Ireland rejecting the inclusion of an investment component in the main Cancun Ministerial Conference, while Germany understood the opposition of developing countries[30][31].

To push the Doha Round to complete within the planned timeframe, the EU softened its position and compromised on whether the Singapore issues should be included entirely in the Round agenda. In November 2003, the European Commission suggested that alternatives should be explored in the Singapore issues negotiations and possibly abandon the negotiating objectives of the package. In May 2004, in a letter to WTO members, Lamy, the EU Trade Commissioner and Fischler, the Agriculture Commissioner, referred to a simpler way to advance the Singapore issues and expressed their willingness to deal with the four parts of Singapore issues separately, i.e., to include only those parts already been agreed upon in the WTO in the Doha Round negotiation agenda. Eventually, the General Council of WTO terminated the first three issues, namely, competition, investment as well as public procurement transparency. In 2004, it retained only trade facilitation at the multilateral level of negotiations, resorted to bilateral trade negotiations for the first two issues, and included transparency in government procurement in plurilateral negotiations[32].

Trade facilitation aims to make international trade more efficient by simplifying and harmonising international trade procedures so that there is a "win-win" situation for developing and developed economies. Therefore, it is the easiest of the four components to reach consensus on. This culminated in the Agreement On Trade Facilitation (ATF), accorded at the 2013 WTO Ministerial Conference held in Bali. However, several developing nations showed concerns about it, such as the implementation costs and the unresolved issues built into the Uruguay Round negotiations[33].

Although the other three components of the Singapore issues, except trade facilitation, are not included in the schedule in the Doha Ministerial Declaration any longer, the EU is still keen to reflect them through bilateral and plurilateral FTAs for practical reasons.

4. The Development of EU Protectionism and Its Arguments for WTO Reforms

4.1. The Development of EU Protectionism - "Creeping Protectionism"

From the Trump era to the post-epidemic era, the EU and the world's major economies have recognised that closure and trade protectionism cannot safeguard their national interests and will only remake the mistakes of the Great Depression in the last century. Against this backdrop, the open world economic system has not been reversed, but the EU has seen some stealth protectionist momentum at both the revision and implementation levels of its trade defence tools. Within the traditional field of trade defence, countervailing and anti-dumping, the EU has managed to increase the number of trade investigations against some countries by lowering the threshold for initiating such investigations. When the Uruguay Round of negotiations ended in 1994, the EU changed its voting method of the approval of anti-dumping measures, from an effective majority to a simple majority[34][35].

In 2004, the EU again amended the voting mechanism from a "simple majority in favour" to a "simple majority against" on the grounds of a change in the Council's voting rules. This made it possible to authorise the launch of anti-dumping surveys in cases where there were fixed abstentions and where the number of supporting votes did not reach a simple majority. In 2011, under the new rules of the Euro-legislative procedure reform, an anti-dumping investigation raised by the European Commission can be overturned only by an effective majority of negative votes at the approval stage of the Council.

At the implementation phase of trade defence investigations, despite the influence of financial crisis and the debt crisis in Europe, in general, the number of investigations (countervailing, anti-dumping, and other measures) has not risen after 2009. However, relevant studies show that since the 1990s, a significant rise has been seen in the proportion of surveys carried out by the European Union against the emerging economies, especially China. From the textile trade friction in 2005 to 2012 for the photovoltaic cell filed the largest anti-dumping investigation against China, the EU anti-dumping, countervailing measures against China from the use of traditional labour-intensive industries to the proliferation of high-tech areas, the scale of the ever-expanding, double-reverse investigations has been increasing. Although the photovoltaic case was settled through the mutual efforts, since then, the number of EU trade investigations against China has been rising. Taking the 31 pending investigation cases announced by the EU and initiated since March 2016 as an example, 19 of them are related to China, involving commodities in various fields like seamless steel pipes, steel cables, stainless steel pipes, electric bicycles, corrosion-resistant steel, citric acid and tyres. Other economies that have been the cases of more EU trade defence investigations include Russia, India, Ukraine, Turkey, Egypt, Argentina, Brazil and Vietnam[36][37].

At present, the EU economy has been in a favourable situation of the fastest growth in nearly a decade, but for political considerations, the trend of its trade policy adjustment will continue in the short term[38]. Firstly, the discussion about the connection between trade fairness and trade liberalisation will intensify, and the EU's trade defence measures against emerging economies such as China will increase on the grounds of protecting workers and businesses in its member states. Second, under the trade policy framework, the EU will extend its own regulatory framework to overseas trade activities in the fields of investment, finance, government procurement, technical standards, environment and labour rights. Finally, it will keep negotiating agreements on bilateral and plurilateral trade preferences to incorporate its own rules and norms into the multilateral trading system indirectly, so as to give full play to the advantages of market forces and resources, and utilize both market and regulatory instruments to act as "trade superpower".

4.2. the EU's Motivation and Performance in Promoting WTO Reforms

Although the thought of launching a new round of WTO reform was initially proposed by the USA at the General Council of WTO in July 2017, the EU has been playing a positive part in promoting

this new round, trying to coordinate the positions of developed and developing country members with different interests, and trying to act as a WTO reform leader, faced with increasing differences between China and the USA[39].

In September 2018, the EU published 'Modernising the WTO', a guiding document on WTO reform, which set out the its fundamental position[40]. The document outlined its areas of concern for WTO reform, namely, the dispute settlement mechanism, intellectual property protection, state-owned enterprises, compulsory technology transfer, and subsidies, etc.. it intended to facilitate the WTO reform together with members with the similar positions. The EU considered that the divergent interests among its members and the excessive flexible special arrangements hindered the WTO from effectively fulfilling its function as a platform for global economic and trade negotiations. Besides, it thought that to a certain extent, the redundant and non-transparent procedures had affected how the WTO managed the implementation of multilateral trade rules and that wider geo-strategic factors had influenced its dispute settlement mechanism. The European Commission argued that, to create a fair and open international trade environment, one of the EU's top priorities was to lead the WTO modernisation and reform, to focus on issues such as subsidies, compulsory technology transfer and dispute settlement. At the same time, the EU has been actively coordinating with other members on issues related to WTO reform. With the goal of so-called "fairness" and "rebalancing", it cooperated with Japan and the USA to reconstruct the international multilateral trading system rules from the demands of developed countries. Since the 2017 WTO Ministerial Meeting held in Buenos Aires, Europe, the USA and Japan, have established a trade ministerial conference mechanism to carry out in-depth cooperation and discussions on topics such as WTO reform, non-market-oriented policies and practices, subsidy rules for state-owned enterprises and industries, forced technology transfers and protection of intellectual property rights, e-commerce and digital trade, etc. In April 2019, the twenty-first meeting of the leaders of the EU and China jointly issued a statement in which both sides said they would strengthen discussions on international rules on industrial subsidies. At the 8th China-EU High-Level Economic and Trade Dialogue, held on 28 July 2020, the two sides stated that they would work together to safeguard the implementation of the Multi-Party Appellate Provisional Arbitration Arrangement (MPAPA), promote negotiations on WTO investment facilitation, e-commerce and fisheries subsidies, and coordinate the General Counsel selection. Finally, the EU also communicated with other developed and developing economies to increase the acceptance of its reform model and expand its influence on the next direction of the multilateral trading system[41][42].

In October 2018, Canadian Trade Minister, Carr, invited trade ministers from the EU and Brazil, Chile, Mexico, Australia, New Zealand, Norway, Switzerland, Japan, South Korea, Singapore, and Kenya to convene a meeting on WTO reform in Ottawa to determine issues such as the mechanism for dispute settlement, the WTO negotiation function, and transparency. However, China and the USA were not invited. On 1 December 2018, G20 leaders met in Argentina and for the first time reached an agreement to reform the systemically dysfunctional WTO, and endorsed the WTO reform.

5. Summary

From the start of the 21st century, challenged by populism and debt crisis, the EU has been reinforcing its foreign trade policy about open markets and free trade. During his tenure as EU trade commissioner, Lamy briefly reinforced the "multilateralism first" stance in trade policy and promoted the EU rules, norms and models in a high-profile manner[43]. However, during the subsequent Doha Round of WTO negotiations, the EU's endeavors to actively advocate the liberalisation of the services sector and non-trade agendas such as investment and government procurement were thwarted. In terms of conventional internal trade defence, the EU's balance between trade protection and trade freedom had a tendency to protectionism. In the international arena, its aggressive preferential trade arrangements for developing countries have also been curtailed. As the WTO multilateral system struggled for a breakthrough, the EU has stepped up negotiations on plurilateral and bilateral trade preference agreements to reach an early consensus with developed countries and some developing countries, and thus to advance its trade interests and normative agenda. But even so, export rules

remain a major obstacle for reaching such trade agreements. While advancing plurilateral or multilateral global agreements in fields such as conventional trade measures, public procurement and investment, the EU has accelerated the revision of its own trade and investment regulations as well as trade defence instruments, which has actually facilitated the "creeping protectionism".

Initially referring to security and counter-terrorism, "Europe that protects", claimed by European politicians, increasingly implies competitive strategies against rising markets like China. The EU institutions strongly promote reviews of foreign investment, anti-dumping measures and public procurement reciprocity as its prior policy options. Willem te Velde, leader of the International Economic Development Programme at the Overseas Development Institute (ODI), once commented that the EU should ensure that its trade strategies for the next decade truly respond to the challenges of the 21st century trade issues, rather than resorting to protectionist instruments such as the Common Agricultural Policy (CAP), which could have a negative effect on both developing economies and the growth and development of EU[44].

The growth of globalisation provides an external driving force for developing economies to operate their domestic reforms and opening-up in a deeper way. In this context, the EU should fully consider the diverse cultural and historical backgrounds for development in each country and region, and fully utilize the development opportunities provided by the group rise of those developing economies.

During the course of mutual opening up of markets and connectivity, the EU should actively promote a mutually beneficial, inclusive, open and balanced global governance mechanism. As the global largest association of developed nations, it should shoulder the historical responsibility for the shared advancement of humankind. Besides, it should embrace the international community and its diversity and differences. As a stimulus for globalisation, it should also take the lead to progressively transform the global system. In this case, the EU, a crucial stakeholder, can advocate a new round of globalisation consensus, share the globalisation dividends, and cope effectively with the risks of globalisation[45].

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