



**General Council
WTO Reform**

FURTHER REFLECTIONS AND SUGGESTIONS ON WTO REFORM

COMMUNICATION FROM CHINA

The following communication, dated 9 September 2026, is being circulated at the request of the delegation of China.

1 INTRODUCTION

1.1. Post MC14, WTO reform has entered a new phase characterized by structured and proposal-based discussions. The near-term objective is to submit reform recommendations to MC15. Many Members have since submitted further written proposals or contributed ideas on WTO reform. Taking into account Members' proposals and the views expressed during recent facilitated informal plenary sessions, and building on China's *Position Paper on WTO Reform under the Current Circumstances*¹, China submits this communication to further elaborate its views and suggestions. As the discussions deepen, China will put forward more detailed proposals on specific issues.

1.2. Economic globalization is an unstoppable historical trend that brings both opportunities and challenges. Some of these challenges have been reflected in Members' written proposals and oral statements. They include, among others, the erosion of the rules-based multilateral trading system by power-based trade relations; the impasses of the WTO dispute settlement mechanism; various concerns on fair competition; the persistent development deficit in international trade, which has weakened developing Members' confidence in the multilateral trading system; and difficulties in the decision-making mechanism, which have left WTO rule-making lagging behind the evolving world and further widened the development gap. **While perspectives may differ, the concerns expressed by Members point to a common underlying challenge: economic globalization, as it evolves, has not delivered sufficiently inclusive and broad-based benefits and the WTO has not kept up with time.**

1.3. Efforts to improve global economic governance and make globalization work for all therefore provide the broader context for WTO reform. The WTO is a vital platform for global economic governance and a major pillar of multilateralism. **The fundamental question for WTO reform is how rules-based multilateral governance can better enable Members to harness economic globalization and achieve better development.** There is no simple answer, and the WTO alone cannot provide all the solutions as necessary domestic reforms must also be undertaken. But this is the big picture that should guide discussions on WTO reform.

1.4. **China believes that a constructive approach to this fundamental question is to explore ways to update the rules while upholding the WTO's fundamental principles.** In previous discussions, the vast majority of Members, including China, have emphasized the need to firmly uphold these principles, including multilateralism, non-discrimination, predictability and transparency, and to preserve WTO's basic institutional arrangements, including decision-making by consensus, binding dispute settlement and special and differential treatment.

¹ China's position paper on WTO reform under the current circumstances ([WT/GC/W/989](#)).

1.5. In the meantime, China notes that some Members have argued that shifts in era or economic landscape warrant revisiting WTO's fundamental principles such as most-favored-nation (MFN) treatment. Such views should be treated with caution. Making MFN treatment conditional signals a return to power-based trade relations in the name of reciprocity. Expanding exceptions to MFN treatment beyond those already provided for in the WTO agreements risks creating a fig leaf for protectionism. Calls for "rebalancing rights and obligations" or "promoting reciprocity" should likewise ring alarm when they are based on vague labels or predetermined outcomes rather than agreed rules.

1.6. **Fundamental principles should not be compromised for the sake of expediency.** In reforming the WTO, we should uphold a rules-based approach rather than a power-based one, advance shared interests rather than pursue zero-sum games, and ensure that reform outcome benefits all Members, particularly developing members. With respect to concrete solutions to update the rules under WTO reform, they should be developed through discussions under the relevant tracks of development, level playing field or decision-making.

2 ON DEVELOPMENT

2.1. Development must remain at the front and centre of WTO reform. For developing Members, being left behind in the development process would represent a fundamental failure to achieve global fairness. Trade is an important means for developing Members to advance structural economic transformation, integrate into global value chains and leverage their comparative advantages. These perspectives should inform the discussions of all tracks of WTO reform.

2.2. **Under the development track, reform discussions should begin with reviewing development opportunities and challenges identified by developing Members as they integrate into the multilateral trading system.** Such opportunities and challenges could be grouped into two broad categories, long-standing issues and emerging ones. Long-standing issues include the operation of special and differential treatment provisions in specific agreements and technical assistance and capacity building programs. Emerging issues relate to the new dynamics that drive economic globalization of our time, such as artificial intelligence, digital trade and green transition. **Reform would entail not only addressing long-standing issues from new perspectives, but also approaching emerging issues through a forward-looking and development-oriented lens.**

2.3. **After specific development issues have been identified by developing Members, discussions under the development track should focus on improving existing WTO rules, tools and mechanisms that could better enable their effective integration into the multilateral trading system, and developing new ones where necessary.** Establishing a more dedicated setting, such as specialized committees or working groups, for certain new issues could allow expertise and resources to be developed over time. Needs assessments have emerged as an important tool in recent WTO negotiations such as the Investment Facilitation for Development Agreement (IFDA) and the E-Commerce Agreement (ECA). Consideration could be given to mainstream such new development tools into WTO's technical assistance framework to better assist developing Members in strengthening their negotiating capacity and improving domestic policy making. Cooperation mechanism between the WTO and relevant specialized international organizations and stakeholders could also be explored.

2.4. On special and differential treatment, discussions should aim at making it more precise, effective and operational. Drawing on past experiences such as the Trade Facilitation Agreement, more need-based approaches could be explored in the context of specific negotiations. The so-called criteria-based graduation approach to special and differential treatment oversimplifies the complexity and diversity of development needs across the WTO membership and risks diverting the discussions away from the real issues of development.

3 ON LEVEL PLAYING FIELD

3.1. A level playing field is essential if Members are to participate equitably in, and benefit from, international trade and if development is to be universally beneficial and inclusive. As reflected in Members' written proposals and oral statements under this track, views vary widely on the meaning,

scope and purpose of a "level playing field". These differences reflect the varying challenges Members face in participating in international trade, as well as their different stages of development.

3.2. China believes that WTO reform should promote equitable participation in trade and foster inclusive growth. China therefore supports thorough discussion of Members' level playing field concerns in this dedicated track, seeking to structure and deepen the dialogue as convergence grows, without undermining fundamental WTO principles. **China welcomes dialogue with other Members on their respective concerns and remains open to jointly explore updates to the Agreement on Subsidies and Countervailing Measures (ASCM), enhance transparency, and improve coordination on industrial policies. China will elaborate in subsequent submissions on its proposals for addressing specific level playing field issues.**

3.3. At this stage, China would like to offer the following horizontal parameters:

- a. **First, the process should be member-driven and fact-based.** Vague labels should be avoided. Discussions should be grounded in concrete measures and objective evidence, with Members' submissions and interventions at the core. Relevant research from other sources should be assessed transparently and critically, rather than introduced selectively or without adequate scrutiny.
- b. **Second, there should be no prejudging of direction or outcomes.** Market shares and trade balances should not be treated as benchmarks for a level playing field, still less as objectives of reform. Nor should the domestic or treaty practices of a few Members be elevated into universal reference points. WTO accession commitments are highly Member-specific and should not be mechanically extrapolated to the wider Membership.
- c. **Third, the discussion should respect different stages of development and economic systems.** The playing field should be level for all types of market participants irrespective of their forms of ownership. Issues such as privatization shall not be addressed within the WTO, as it intrudes upon Members' sovereign choices. Equally important, the distinct economic and social development needs of developing Members must be fully taken into account.

3.4. With respect to approaches, China proposes the following :

- a. **First, strengthen global governance of level playing field issues.** Globalization has woven industrial and supply chains across borders. Measures taken by individual Members that affect competition or seek to address market distortions may therefore have significant cross-border and global implications. Unilateral and fragmented approaches offer no durable solution; instead, they may create new distortions, unfairness and tensions. Only multilateral solutions grounded in inclusive deliberation, collective governance and shared interests can provide the legitimacy, stability and effectiveness needed to address the relevant concerns. The WTO should play a central role—not only by fully utilizing its existing functions, including rulemaking and dispute settlement, but also by exploring complementary approaches such as policy dialogue and coordination.
- b. **Second, seek a more calibrated balance adapted to the evolving context.** Government interventions in markets, including industrial subsidies, can have both beneficial and distortive effects. When well designed and properly implemented, they serve important policy objectives by correcting market failures, safeguarding fair competition and responding to global challenges. When inappropriately deployed, they waste or misallocate public resources and upset the proper balance between government intervention and market forces. Their spillovers can be both positive and negative across trade and non-trade dimensions. Therefore, multilateral governance needs to preserve legitimate policy goals while mitigating adverse effects on competition and trade.
- c. **Third, prioritize coordinated actions at the source of the problem.** With respect to potentially distortive government interventions, the preferred approach should be to

promote policy coordination among Members, with a view to reducing the potential for unfair competition through sound policy design and implementation, preventing the introduction of ill-designed measures, and encouraging their timely adjustment, so as to mitigate adverse effects at source. All such efforts would benefit from clear and predictable rules, enhanced transparency, and effective oversight mechanisms.

- d. **Fourth, uphold the development dimension.** The industrialization and trade participation of developing Members are often constrained by financing gaps, technological divides and trade barriers. Discussions should fully take into account the impact on developing Members and their capacity constraints. Reform should neither impair their legitimate use of industrial policy tools nor unduly restrict the policy space necessary for development.

4 ON DECISION-MAKING

4.1. Meaningful WTO reform requires an effective decision-making mechanism to deliver results. Consensus remains the fundamental rule governing WTO decision-making, but securing it has become increasingly difficult. At times, issues supported by an overwhelming majority of Members fell into prolonged deadlock, diminishing the negotiation function and further eroding mutual trust among Members. **The decision-making track of WTO reform should therefore seek to explore means to unlock decision-making impasses while preserving the institutional arrangement of decision-making by consensus.**

4.2. Many proposals have already been put forward to improve the WTO's decision-making mechanism, reflecting a shared desire among Members to advance reform in this area and enable the WTO to deliver meaningful outcomes. China proposes that further discussions focus on the following areas:

- a. **First, increase flexibility to facilitate consensus,** including exploring treaty-making tools that provide greater space for differentiation with respect to participation, commitments and implementation and etc., as a means to better address Members' concerns and enable "Pareto improvement" of rulemaking.
- b. **Second, enhance the role of plurilateral agreements as a building block for multilateralism,** including by exploring viable pathways and tools, such as guardrails, to facilitate the incorporation of inclusive plurilateral agreements into the WTO framework. In this regard, it is worth noting that both the APEC Ministers Responsible for Trade Meeting in May 2026² and the BRICS Trade Ministers' Meeting in August 2026³ recognized the importance of plurilateral initiatives, providing political guidance for further discussion at the WTO.
- c. **Third, strengthen political guidance to foster consensus,** including further improving the decision-making process of the WTO's principal bodies, such as the Ministerial Conference (MC) and the General Council (GC), and enabling regular and sustained political engagement.

5 ON DISPUTE SETTLEMENT REFORM

5.1. Dispute settlement reform should remain an important component of WTO reform. A fully and well-functioning dispute settlement system accessible to all Members is essential to the stability and predictability to the multilateral trading system. In this context, Members should pay due attention to the systematic impact of "appeals into the void", in particular the erosion of the rights and

² **2026 APEC Ministers Responsible for Trade Joint Statement (Suzhou Statement):** We recognize the positive role that plurilateral negotiations at the WTO, including the Joint Statement Initiatives (JSIs), are playing in advancing issues of interest to Members, and in addressing contemporary trade issues, fostering new ideas, facilitating economic growth, and building momentum toward multilateral outcomes.

³ **Sixteenth BRICS Trade Ministers' Meeting: Chair's Statement and Outcome Document:** We recognise that it is important to identify appropriate pathways for plurilateral initiatives into the WTO legal framework including on development oriented issues, while fully preserving the foundational principles, objectives, and rules of the Organization.

interests of developing Members. China supports the consultations under the auspices of the DSB Chair on restoration of the functioning of the WTO dispute settlement system.

6 CONCLUSION

6.1. WTO reform is an important process to improve global economic and trade governance. China remains committed to working with all Members to advance WTO reform and deliver tangible results, with the goal of promoting universally beneficial and inclusive economic globalization.
