APEC Business Advisory Council

REIWG I 2026 | WTO: Draft Statement

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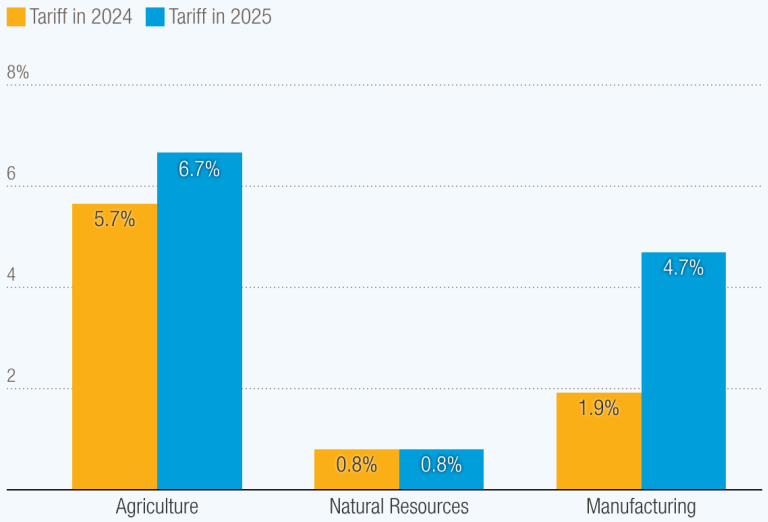
Sunday 8 February 2026

Where are we?

- Policy uncertainty is weighing on growth – GDP will be subdued in 2026
- Tariffs increased significantly in 2025
- Overall trade-restricting and trade-distorting measures continue to rise
- Services (especially digitally-delivered services) are outpacing goods trade

Tariffs rose significantly in 2025, especially in manufacturing

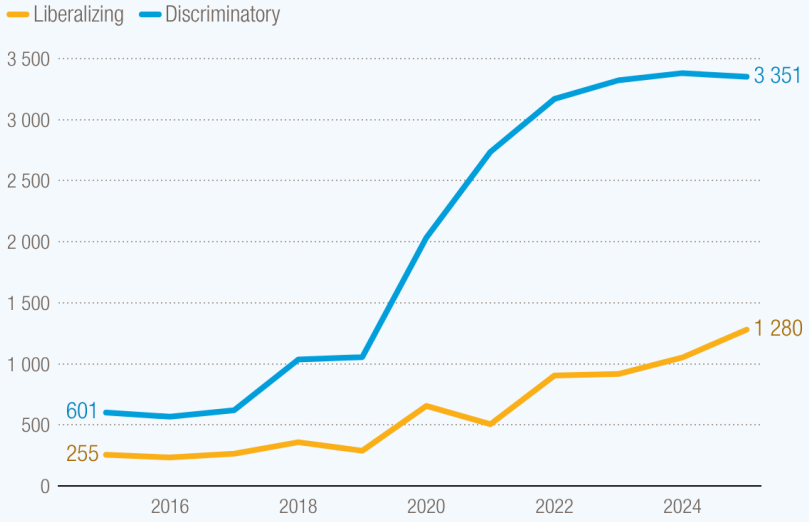
Trade-weighted average applied tariff on global trade



Source: UN Trade and Development (UNCTAD)

Trade-restricting and trade-distorting measures continue to rise

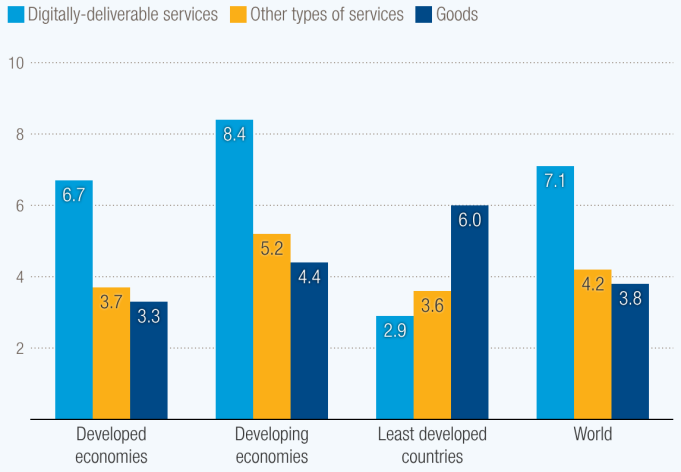
Number of trade related policy measures, 2015–2025



Source: UN Trade and Development (UNCTAD) based on Global Trade Alert.

Digitally deliverable services are a fast-growing segment of global trade

Average annual growth of exports, percentage, 2015–2024



Source: UN Trade and Development (UNCTAD) estimates based on UNCTADstat statistics.
Note: Growth rate is the compound annual growth rate. Digitally deliverable products include: insurance and financial services, telecommunications, computer and information services, intellectual property charges, research-and-development services, trade-related, technical, managerial, consultancy, engineering, scientific and architectural services, audiovisual services, as well as health and education personal services, and cultural heritage and recreational services.

Source: UNCTAD, *Global Trade Update*, January 2026

ABAC engagement on the WTO

- ABAC has recommended APEC leadership and/or collaborative action on the WTO every year (bar 3) since its founding in 1996
- It has issued 5 WTO Statements

"ABAC strongly advocates that APEC demonstrate its support for the launch of a new WTO round at the WTO Ministerial Conference in Doha in November." (2001)

"ABAC strongly believes there is no issue more urgent or more deserving of greater attention in the APEC region and urge APEC Leaders to demonstrate leadership within the WTO negotiations" (2005)

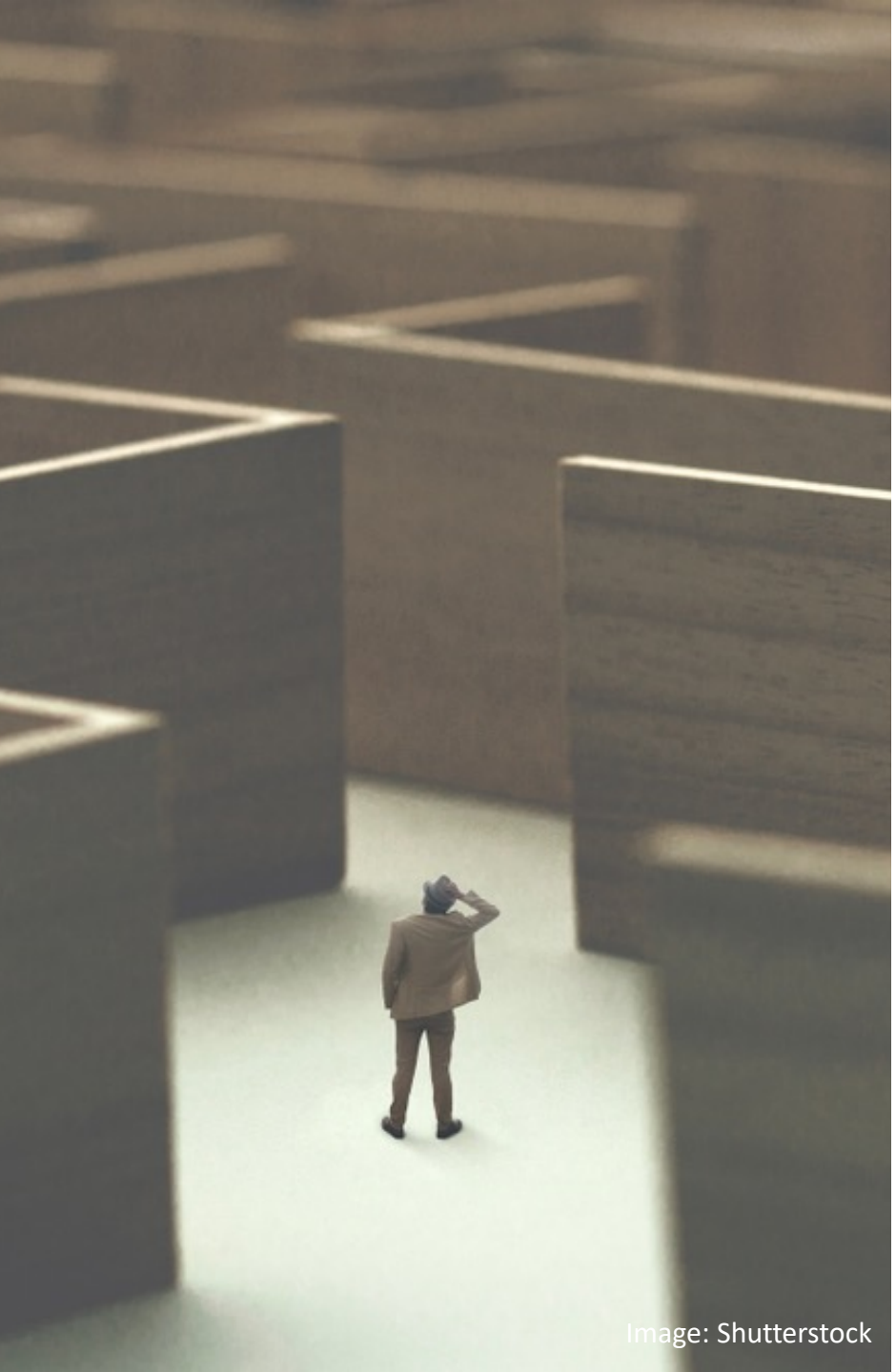
"ABAC calls on APEC economies to spearhead cooperative approaches to shape a strong, credible and relevant WTO." (San Francisco, 2023)



Image: Shutterstock

Prospects for MC14 are poor

- Appellate Body still paralysed; DS reform yet to bear fruit
- Little progress on agriculture
- E-Commerce Moratorium still due to be terminated
- Fish 2 still blocked
- Investment, E-Commerce plurilateral agreements still blocked from the WTO rulebook
- Delegations have raised a wide range of concerns (many highly contentious), but these have not been resolved – for example, in relation to special and differential treatment of developing countries, economic coercion and industrial policy, unfinished business from the Doha Round, and many others
- Many are questioning whether the WTO's decision-making and rule-making processes (particularly consensus-based decisions) are still fit for purpose; and whether smaller plurilateral initiatives should be legitimized, or another solution for "agility"


Image: Shutterstock

WTO Reform

- Ølberg process
  - "Reform Month" February 2026, to develop post-MC14 work (decision-making, development, level playing field)
- Recent communications from major WTO members
  - Raising questions about "MFN" (Most Favoured Nation) – the fundamental principle of non-discrimination that underpins the whole WTO/GATT system
- What does this mean for ABAC strategy?
  - Keep championing the WTO and fundamental principles – still huge practical value from the system for business
  - We also need a path forward that revitalizes the WTO, including to enable small and middle powers in "variable geometries" to move ahead where they can – while still respecting the fundamental principles of the system

Draft WTO Statement: Key Concepts

- The **importance of the WTO system for business**, including for predictability, trust and fair competition;
- ABAC is disheartened at faltering commitment to **fundamental WTO principles**, against the backdrop of the failure by WTO members over many years to make progress on necessary reforms;
- MC14 offers a critical chance for a reset, to create a **credible, relevant and effective modern WTO**
- ABAC calls on **APEC to show united leadership** in achieving three urgent priorities at MC14:
    1. An **agreed post-MC14 work programme**, with clear timelines and mandates, which would be aimed at delivering a fully functioning dispute settlement system, Fish 2, meaningful disciplines on trade- and production-distorting agriculture subsidies, a review of WTO decision-making processes, and a targeted review of other core WTO rules and exceptions
    2. A **permanent Moratorium on Customs Duties on Electronic Transmissions**
    3. Endorsement of the idea that **more agile and pragmatic ways of working are legitimate** – notably:
        - accept open, WTO-consistent **plurilateral initiatives**
        - champion the integration of existing plurilateral agreements into the **WTO rulebook**
        - Hold an **annual Ministerial meeting**, to give the necessary political impetus to the process
- ABAC also calls for APEC to support more structured engagement with business, including through a dedicated "**Business Forum**", alongside the existing Public Forum.

Recommendations

- ABAC members to consider and finalise the WTO Statement.
- ABAC members to share with their Senior Officials ahead of MC14