



U.S. CHAMBER OF COMMERCE

**Keidanren**  
Japan Business Federation

January 13, 2020

## Joint Statement

**The trilateral discussions between the European Union, Japan and the United States need to deliver concrete proposals that restore the global level playing field with regards to market distortive practices.**

Our associations represent businesses across Europe, Japan and the United States that have a strong domestic footprint and are also active around the world. One of our core objectives is to advocate for a fair and rules-based global trading system.

Since its inception in 1995, the World Trade Organization (WTO) has been the cornerstone for development of multilateral rules that provide the stability and predictability that companies need to invest and create jobs.

The global economy has evolved substantially since the WTO was formed, but the governing rulebook has remained largely unchanged. Trade in goods and services amounted to \$6 trillion in 1995 when the WTO was created and grew over fourfold to \$25 trillion in 2018. The share of global trade to GDP also grew from 20% to 30% during the same period. To maintain and strengthen the multilateral trading system, it is essential to achieve progress in negotiating rules that are adapted to today's global trading environment.

There is currently a lack of coherent and comprehensive rules to effectively address market distortive practices particularly in the area of industrial subsidies (beyond export subsidies), the role of state-owned enterprises (SOEs), and forced technology transfers. This gap must be addressed quickly. The European Union, Japan, and the United States

have been holding trilateral discussions at the trade minister level for some time to agree on appropriate disciplines.

Our respective business communities fully support these trilateral discussions, and we believe there is an urgent need to craft concrete proposals that support the WTO reform process. Therefore, we call on the European Union, Japan, and the United States to further intensify talks and rapidly deliver proposals that can be tabled for discussion with other WTO members.

Currently, the WTO is facing its deepest crisis since its establishment. The appellate body is ceasing to function at a moment when trade tensions are increasing, and the negative impact could be devastating. For instance, a dysfunctional dispute settlement system could severely undermine efforts to address trade distorting measures. Companies need clear and predictable rules that are effectively and efficiently enforced.

The WTO needs once again to become an institution that delivers on these four fronts: market access, rule-setting, timely dispute settlement, and deterrent remedies. Timely reform, including in the area of industrial subsidies, SOEs and forced technology transfers, has never been more important and urgent.