

MC14 Message by United States Trade Representative Jamieson Greer

I'm happy to participate in this year's ministerial conference here in Yaoundé. On behalf of the United States, I thank the Government of Cameroon for hosting us. I appreciate the enormous effort that goes in to organizing an executing an event of this size and significance.

MC 14 comes at a time of generational transition and change for the WTO and for the broader global trading system.

President Trump is taking long-overdue trade actions to address deep and structural problems in the trading system. At the same time, he is negotiating with scores of our trading partners to lay the foundations for a better trading order based on principles of reciprocity, fairness, and balanced trade.

Our actions and the agreements we are forging with you, our trading partners, are disrupting a status quo that has become economically unworkable and politically unacceptable.

U.S. trade policy measures are a corrective response to a trading system, embodied by the WTO, that has overseen and contributed to severe and sustained imbalances. They are a response to the failure of multilateral institutions and negotiations to achieve fairness in terms of market access and a level playing field. And they are a response to the realities of the international system, and an admission of what we all know to be true: nations prioritize first and foremost their essential security and the needs of their citizens.

The trade imbalances we are combatting have damaged industries and their workforces in developed and developing economies alike, leading to deindustrialization, dependency, and despair.

In contrast, the new global trading order that is emerging will be more flexible than the current system. It will better enable us to maintain balance and reciprocity. Where appropriate, it will allow us to have bespoke trade arrangements with different partners or groups of partners based on the unique elements of those relationships.

The new order will involve bilateral agreements and agreements among smaller groups of partners, but this will lead to increased cooperation and progress. Instead of wasting years and even decades to agree on a lowest-common denominator, like-minded partners can achieve progress in the near term on current and emerging issues. In such bilateral and plurilateral agreements, the benefits will accrue to those partners – not to free riders or countries that undermine fair, market-oriented competition.

Given the state of global trade and the ongoing re-ordering of economic relationships, we should be asking each other, what role is the WTO able to play in the new paradigm on trade?

The United States has been an active participant in the WTO reform discussions in Geneva. Because this organization is and must remain Member-driven, the United States has provided concrete proposals on improvements, and we have circulated papers with specific ideas on how

the WTO must improve, areas for future work, and topics that likely cannot be resolved in this forum. We have taken a clear-eyed approach to these reform discussions, fully conscious of the limitations of the WTO.

For example, we believe the WTO is unable to address certain systemic problems such as large and persistent trade imbalances, structural excess capacity and production, economic security, and supply chain resilience. To be clear, the United States will continue to discuss these issues at the WTO if they are raised in this forum. We've already spent more than a decade at the WTO discussing our serious concerns on overcapacity. But based on our experience over the last 30-odd years, the WTO is not able to address those issues. That important work will happen elsewhere.

As ministers, our focus should be on reforms that would make the WTO more responsive to Members and improve our ability to achieve outcomes that optimize our trading relationships. During the past few months, the United States has outlined several priorities for reform.

- One of them is exploring a pathway to incorporate **plurilaterals** into the WTO architecture. The future of trade negotiations is likely to be plurilateral. If the pathway to incorporation is blocked, countries will still negotiate with their trade partners, but it won't be at the WTO.
- Another priority is using **objective criteria** to determine eligibility for special and differential treatment. It is politically unacceptable for significant, wealthy, or influential Members to gain benefits intended for countries truly at a different and low level of development.
- In addition, we believe it is necessary to increase the incentives for Members to meet their **notification obligations**. Transparency is a basic precondition to work to level the playing field. If major traders cannot meet their notification obligations to other Members and their trading communities, it is impossible to expect that we can tackle more challenging issues.
- We also believe it is time for an honest and frank conversation on the Most Favored Nation or **MFN principle**, including its shortcomings and how it can be improved. Members have long recognized the limits of unconditional MFN, first by negotiating exceptions and carve-outs, and then by avoiding MFN entirely. In its current form, the MFN principle fails to promote reciprocity and balance within the system. It does not prevent discriminatory trade practices or promote equal treatment, and it does prevent countries from optimizing their trade relationships in ways that would benefit each party to the relationship. WTO Members should acknowledge reality: holding progress and national interests' hostage to rigid concepts of MFN will continue to undermine support for the WTO and the trading system generally.

So I look forward to having frank conversations with you this week on WTO reform, the future role of the WTO, and what this organization realistically can, and cannot, accomplish.

I also urge Members to seize the opportunity this week to finally **make the e-commerce duty moratorium permanent**. This is a legacy-making issue for Cameroon as host and for the WTO. The United States has made this a priority in our bilateral negotiations over the past year and has made incredible progress. The WTO should capitalize on that.

WTO Members have honored this moratorium for nearly three decades already – this is the lowest of low-hanging fruit. A permanent moratorium will ensure that WTO Members maximize the benefits of our shared commitment to promote the growth of the digital economy and to promote the export competitiveness of all businesses, particularly MSMEs. It would also demonstrate that the WTO is able to meaningfully contribute to international digital trade policy.

I want to be clear: the United States is not interested in another temporary extension of the moratorium. It would not provide our businesses the certainty needed for their operations. It would also further weaken the WTO's standing. After observing the moratorium for almost thirty years, if Members are not ready to make this accepted practice permanent, no one can reasonably expect the WTO to deliver meaningful results in other sectors.

As we all traveled to Cameroon, I suspect many ministers shared a similar thought. MC14 is an opportunity to have a serious conversation, one that won't be concluded here in Yaoundé but which is important if the WTO is going to be relevant and responsive to its Members.

I wish all delegations a productive time here in Cameroon, and I look forward to working closely with you to advance our work.