

World Trade Organization

The World Trade Organization (WTO) is an international organization established in 1995 following the ratification of the Uruguay Round Agreements, and today includes 166 members. It succeeded the 1947 General Agreement on Tariffs and Trade (GATT), created as part of the U.S. and Europe-led post-World War II effort to build a stable, open global trading system. The WTO's basic functions include: administering its trade agreements; serving as a negotiating forum for trade liberalization and rules; and providing a dispute settlement (DS) process to resolve disputes. WTO agreements cover trade in goods, agriculture and services; remove tariff and nontariff barriers; and establish rules on government practices relating to trade (e.g., trade remedies, technical barriers to trade (TBT), intellectual property rights (IPR), government procurement). The agreements are based on the core principles of nondiscrimination—most-favored nation (MFN) and national treatment, fair competition, and transparency. WTO rules also allow for exceptions, such as preferential treatment/flexibilities for developing countries.

The GATT/WTO system over time has led to a significant reduction of trade barriers, supported trade expansion and economic growth, and helped manage trade frictions. At the same time, the WTO faces serious challenges. One key concern of WTO members and observers is that the WTO is losing relevance due to its inability to adapt to the modern global economy. For decades, members have struggled to negotiate a successful round of major trade liberalization since 1994. In recent years, many have increasingly resorted to measures that may violate core trade rules. Moreover, challenges, such as the COVID-19 pandemic and Russia's war in Ukraine, have disrupted global trade and supply chains and prompted trade-related responses. WTO members are considering various reforms to the institution in attempts to safeguard and improve it.

In statute, Congress has recognized the WTO as the “foundation of the global trading system” and has a legislative and oversight role over WTO agreements. Some Members have expressed support for WTO reforms, new rules, and U.S. leadership (e.g., 118th Cong., S.Res. 202, S. 446). The Trump Administration has expressed skepticism toward the WTO and criticized the lack of reciprocity in WTO members' trade concessions. Amid debate over the WTO's future, key issues facing Congress include the effect of WTO agreements on the U.S. economy, outcomes of reform and negotiation efforts, and the value of U.S. membership and leadership in the WTO.

The Doha Round

The Doha Development Agenda, the most recent “round” of multilateral WTO negotiations, was launched in 2001, but ended in stalemate in 2015 with no clear path forward (**Table 1**). The WTO's diverse membership and the “single undertaking” approach (i.e., nothing is agreed until everything is agreed) made consensus on the broad Doha

mandate difficult. These aspects continue to beset WTO talks today. Doha was generally characterized by persistent differences among developed and developing country members across major issues, including market access. Agriculture, where multilateral solutions arguably remain ideal, is among the thorniest issues left on the Doha agenda—see CRS In Focus IF11906. Doha's legacy may be the successful negotiation of the 2013 Trade Facilitation Agreement, which removes customs obstacles at the border.

Table 1. GATT/WTO Rounds

Year	Round	Subjects covered	Members
1947-1961	Geneva, Annecy, Torquay, Geneva II, Dillon	Five rounds of tariff reductions	23 (1947); 26 (1961)
1964-1967	Kennedy	Tariffs, antidumping measures	62
1973-1979	Tokyo	Tariffs, antidumping, subsidies, TBT, government procurement	102
1986-1994	Uruguay	Tariffs, nontariff measures, rules, services, IPR, dispute settlement, textiles, agriculture, WTO institution	123
2001-2015*	Doha	Tariffs, nontariff measures, agriculture, services, trade facilitation, trade remedies, and development	142 (2001); 166 (current)

Source: CRS based on the WTO.

Note: *In 2015, WTO members failed to reaffirm Doha's mandates.

Ministerial Conference Prospects

The Ministerial Conference (MC) is the WTO's top decision-making body, and the MC biennial meeting is generally seen as an action-forcing event. WTO members held their latest ministerial (MC13) in February 2024, with the next scheduled for March 2026. Members did not announce major outcomes, but sought to take stock of progress and build on achievements reached in 2022 at MC12, which many observers had viewed as boosting the WTO's credibility. MC12 outcomes included a limited multilateral agreement on fisheries subsidies, which commits members to curb certain harmful subsidies. The deal, which was subject to prolonged talks since 2001, was notable as the only current multilateral negotiation within the WTO and first to cover sustainability issues. WTO members have continued talks on key issues left out of the deal—see CRS In Focus IF11929. Other MC12 decisions involved WTO responses to emergencies, food security, and IP-related pandemic responses.

In 2024 at MC13, after overcoming opposition of India and some others, WTO members agreed to extend a moratorium on e-commerce duties until 2026. Members also sought to clarify roadmaps toward WTO reform, including on DS, and bridge persistent differences in agriculture and in the second phase of fisheries talks, which ultimately failed to

conclude. Members formally approved the accessions of Comoros and Timor-Leste as the newest WTO members.

Plurilateral Initiatives

While multilateral efforts have generally progressed slowly, various plurilateral talks among subsets of WTO members are underway. The United States and others support plurilateral deals as a key means to address priority issues on the global trade agenda. Some members are concerned that plurilaterals could marginalize non-participating countries, or allow “free riders” to benefit from others’ commitments. Agreements with U.S. membership include:

- **Government Procurement Agreement (GPA).** Revised in 2014, provides market access for various nondefense government projects to its 49 signatories.
- **Information Technology Agreement (ITA).** In 2015, members expanded the 1996 ITA product coverage for duty-free treatment (applied on an MFN basis).
- **Joint Initiative on Services Domestic Regulation.** Entering into force in early 2024, 72 members agreed to facilitate services trade by improving transparency on domestic processes and addressing regulatory barriers.

Ongoing plurilateral talks include the Joint Initiative on E-commerce with over 90 members, including the United States. In 2023, the Biden Administration removed long-standing U.S. support for certain digital trade provisions under negotiation, citing need for policy space to reconsider domestic regulations and sensitive issues like data flows. The United States is also part of the Trade and Environmental Sustainability Structured Discussions, which focus on trade-related climate measures and environmental goods and services. It remains to be seen what positions the Trump Administration may take on these talks.

Ongoing Challenges

Since the Doha Round, WTO members continue to debate a path forward. While MC12 appeared to reenergize efforts and optimism for some, others criticized key issues left aside and slow progress made during 2024. Many WTO members concur that the WTO must reform its negotiating, monitoring, and DS functions to remain effective. The impact of WTO agreements and prospects for ongoing talks remain oversight issues for Congress. In 2024, House Ways and Means held a hearing on advancing U.S. interests at MC13. Members of Congress have expressed views on WTO negotiating priorities in legislation and urged U.S. engagement and leadership in specific areas. P.L. 103-465, which approved and implemented the Uruguay Round Agreements, established procedures by which every five years, Members may consider a joint resolution to withdraw congressional approval of WTO agreements and end U.S. participation (§125). Such resolutions were last introduced in 2020 (but not enacted) and could be considered in 2025.

Negotiating Agenda. WTO members’ ability to negotiate rules is central to WTO legitimacy, but “hostage-taking” tactics and elusive consensus often stymie progress. Some issues, for example, such as agricultural subsidies and public stockholding programs, remain contentious and unresolved from the Doha agenda. Further, with the emergence of new trade barriers, global supply chains, and technology advances since 1995, countries have sought to address “21st century” issues like digital trade, state-owned

enterprises, and climate change that pose challenges to the trading system. U.S. trade officials contend that WTO rules were not designed to effectively handle the challenges of China’s statist economic and trade policies. Past U.S. talks with the EU and Japan explored strengthening rules on such issues, e.g., industrial subsidies. Whether Trump officials will prioritize such issues within the WTO or plurilateral efforts is an open question.

COVID-19. Since 2020, WTO members have focused on COVID-19 related global trade and economic disruptions, which tested coordination in trade policies, upset supply chains, and spurred trade protectionism. Many countries viewed the WTO as playing an important role in tackling the trade policy challenges and vulnerabilities revealed by the pandemic. WTO members agreed at MC12 to a five-year waiver and clarifications of certain WTO provisions concerning patents and compulsory licenses for COVID-19 vaccines, amid concerns over delays in their production and distribution—see CRS Report R47231. In 2024, members affirmed “consensus could not be reached” on extending the waiver to COVID-19 diagnostics and therapeutics.

WTO Reform. WTO members have agreed to advance reforms, but have yet to achieve concrete outcomes. WTO members committed “to improve all [WTO] functions” through a process that is “Member-driven, open, transparent, inclusive.” U.S. top priorities have included improving WTO transparency and members’ compliance with notification requirements, and reforming use of special and differential treatment for developing countries. Many U.S. frustrations are shared by other WTO members, but approaches to solutions differ and remain contentious, particularly for DS reform. Many question the sustainability of the DS system given members’ inability to agree to reforms and negotiate new agreements, thus preventing key trade issues from being adjudicated. Successive U.S. Administrations and some Members of Congress have long expressed concerns about DS, alleging “judicial overreach” in panel decisions. The U.S. blocking of Appellate Body appointments led to the body ceasing to function in 2019. In 2020, the EU and other members put into effect an appeal arbitration arrangement to hear their own cases. At MC13, members reaffirmed the commitment to achieve “a fully and well-functioning” DS system accessible to all WTO members by 2024; this deadline was not met.

Trade Enforcement. Some observers are concerned that tariffs imposed since the first Trump Administration and counter-tariffs by U.S. trading partners have strained the WTO and DS system. In this view, unilateral measures, some pursued in the name of national or economic security, could undermine the WTO’s credibility and lead to new restrictions. The spread of pandemic-related trade restrictions since 2020 amplified such concerns, though WTO rules permit flexibility for governments to impose temporary measures justified by national security or health crises. U.S. officials maintain that a country’s “essential security interests” is self-judging and not reviewable by DS panels, despite adverse panel decisions against the United States over its tariffs. Across-the-board tariffs under consideration by President Trump could heighten trade frictions and complicate cooperation in the WTO.

Cathleen D. Cimino-Isaacs, Analyst in International Trade
and Finance

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