



14 December 2018

(18-7911)

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General Council

Original: English

**JOINT STATEMENT BY THE EUROPEAN UNION, CHINA, CANADA, NORWAY,
NEW ZEALAND, SWITZERLAND, AUSTRALIA, REPUBLIC OF KOREA,
ICELAND, SINGAPORE, MEXICO, COSTA RICA AND MONTENEGRO**

12 DECEMBER 2018

The following joint statement, dated 12 December 2018, is being circulated at the request of the delegation of the European Union.

1.1. We reaffirm our commitment to the rules-based multilateral trading system.

1.2. We underscore in particular the dispute settlement system as a central pillar of the WTO. An effective dispute settlement system preserves the rights and obligations of WTO Members, and ensures that the rules are enforceable. Such a system is also essential in building confidence amongst Members in the negotiating pillar. We are deeply concerned that continued vacancies in the Appellate Body present a risk to the WTO system as a whole. We therefore emphasize the urgent need to unblock the appointment of Appellate Body members.

1.3. We acknowledge that concerns have been raised about the functioning of the dispute settlement system and are ready to work on possible solutions, while preserving the essential features of the system and of its Appellate Body. To this end, and with the objective of unblocking the appointments of the Appellate Body swiftly, we have submitted concrete proposals to the General Council. Given the urgency, we call on all Members to fill the vacancies on the Appellate Body and to devise solutions based on the proposed amendments to the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") attached to communication WT/GC/W/752/Rev.2 as soon as possible.

1.4. We also acknowledge that concerns have in addition been raised about the interpretations developed by the Appellate Body on certain matters (so-called issue of "overreach"). Without prejudice to our respective positions on these matters, we point out that the substantive rules as such can be modified or interpreted by the WTO Membership in accordance with the relevant procedures. We also stand ready today to engage in discussions on such possible changes to the rules or authoritative interpretations, and call on interested Members to advance ideas on how to take this process forward.
