

# WORLD TRADE ORGANISATION

Topic A: The U.S.-China Trade War: Should WTO members have the right to impose tariffs for national security reasons, or does this undermine free trade?

Topic B: The Future of BRICS in Global Trade: Can emerging economies reshape WTO policies to create a more balanced global trade system?



# Letter from Chairs

I'm very happy to welcome you to my committee for this edition of KCSotoMUN. My name is Martín, and I will be serving as your chair. Over the years, I have participated in multiple international MUN conferences, both as a delegate and as a chair, so I hope I have your trust regarding my knowledge managing and teaching you MUN procedures. These experiences have shaped my understanding of what makes debate productive and meaningful.

As your chair, my priority is to foster an environment based on participation. I encourage each of you to contribute your ideas confidently, listen respectfully to others, and collaborate to find solutions that reflect both your country's position and global perspectives. Your engagement is the cornerstone of a successful committee.

I want you to feel confident in this committee and trust that I am here to support you. If you have questions, or need guidance, feel free to reach out at any time through email. My goal is to create a collaborative environment where you can focus on diplomacy, without hesitation. Please feel free to voice any questions regarding the committee or the subject guide before the conference begins. I look forward to working with all of you and seeing your skills in action.

Martín Lorenzo de León

Dear Delegates,

My name is Carlos Arumí and I am a Year 12 Student at King's College Soto. In KCSOTOMUN III I will have the pleasure of chairing Topic B for the World Trade Organization. In the past years I have been actively participating in MUN-style debate, including both previous editions of KCSOTOMUN, BrainsMUN VI and KCminiMUN, however this will be my first time participating in an MUN as a chair.

My past experiences have helped me to get an in depth understanding of the differences between debate levels, and how factors such as the flow of discussion can differ from a beginner to an advanced committee. It is an honour to chair the WTO at this MUN and I am eager to see the solutions you bring forward during our sessions.

I hope that you enjoy this MUN as much as I know I will, and if you have any questions, do not hesitate to ask them in person or via email at [carlos.aru.bon@kcpupils.org](mailto:carlos.aru.bon@kcpupils.org). Good luck, and welcome to the World Trade Organization

Carlos Arumí Bonilla - DP1

# Introduction to the Committee

Founded in 1995, the World Trade Organization (WTO) plays a fundamental role in promoting free trade via the reduction of tariffs, elimination of quotas, and reduction of trade barriers among other methods. As the only international organization to deal with trade between different nations, it includes 166 members (countries and groups of countries) which account for 98% of global trade, as well as 24 observer governments. Additionally, over 20 countries are currently negotiating to join the WTO.

The World Trade Organization is independent from the United Nations, having its own membership, legal framework, internal structure and budget, as it was created through a separate treaty (the Marrakesh Agreement of 1994). However, the WTO maintains cooperative relations with the UN and its respective agencies, due to some common goals such as promoting peace through economic stability and sustainable development (<https://sdgs.un.org/goals>).

The WTO meets regularly throughout the year in Geneva, Switzerland, with members represented by ambassadors or delegates, with the goal of working on negotiations between member countries, dispute settlement, and information sharing. Additionally, select members of the WTO host the Ministerial Conference every two years, which is the highest decision-making body of the organization, where key initiatives and issues are discussed. Trade Ministers of members typically attend this conference and occasionally Prime Ministers or other senior officials.

Overall, the WTO plays the role of setting rules and acts as a medium of negotiation between members and ultimately, in the WTO's Dispute Settlement Body (DSB), it is responsible for resolving trade disputes and ensuring agreements are properly implemented. However, it is important to note that while members are expected to follow WTO agreements, members can choose not to adhere to the rules, as the organization cannot force countries to comply, and relies on mutual consent.

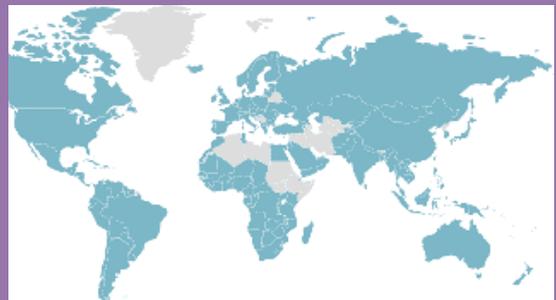
# Introduction to the Committee

The World Trade Organization (WTO) is an international and intergovernmental entity that regulates international trade, it was established as the successor to the 1948 GATT agreement and sought to establish free trade throughout the globe. Established in Geneva, Switzerland on the 1st of January of 1995, its core mission is to facilitate smooth, fair, and predictable trade throughout the world. It makes sure to set and enforce rules for international trade and establish a platform for negotiating trade agreements.

Some of the methods designed by the WTO to ensure compliance from member states includes:

- Use of a rigorous framework in its trade mechanism, ensuring inappropriate trade policies become hard to implement.
- Appeal bodies and consultations of trade policy.
- Constant monitoring of trade at many levels, ensuring morality in world trade.
- Risk of facing widespread sanctions, retaliatory tariffs from multiple states, international condemnation, among other threats arising from non-compliance.

The WTO ensures compliance through its vast membership; 85% of recognized countries are member states, and over 98% of the world's legal trade operates under the WTO's terms. For these reasons, it's effective at administering trade agreements and settling trade-related disputes, as well as preventing protectionism and aiding the fair economic development of developing countries.



Some of the major achievements of the WTO include:

- The creation of a rules based multilateral trading system by replacing the weak GATT with a fully institutionalized framework.
- The creation of a structured, legal, and binding system for resolving trade disputes (Over 600 since 1995).
- Worldwide trade liberalization through the reduction of tariffs and trade barriers worldwide; world trade has increased by an estimated 4400% since 1946
- Integration of previously closed economies and establishment of more free worldwide trade.
- Fair trade benefits for developing countries (e.g. 2004 Brazil vs. US cotton subsidies, Brazil won).
- Increase in transparency and monitoring of worldwide trade

# **Topic A: The U.S.-China Trade War: Should WTO members have the right to impose tariffs for national security reasons, or does this undermine free trade?**

## **Introduction to the Topic**

We are currently witnessing one of the most consequential economic standoffs in modern history, a strenuous trade war between the world's largest superpowers: the United States of America, and the People's Republic of China.

The ongoing conflict has sent shockwaves around the world, threatening to destabilize and even cripple worldwide markets.

Moreover, tensions have exposed the WTO's inability to deal with large-scale economic crises, especially those capable of eroding free trade. Many debates circulate around the pretext of national security in the imposition of tariffs, a narrative used by countries to impose trade barriers within the WTO's own framework.

Swift action must be taken to ensure both short and long term economic security throughout the world.

## **Historical Background**

An economic conflict between the United States of America (US) and the People's Republic of China has been ongoing since January of 2018. US president Donald Trump's first administration imposed tariffs on China claiming that China involved itself in unfair trade practices and intellectual property theft.

Moreover, US president Donald Trump claimed that such measures would make way for long-term American economic security. The Chinese Communist Party (CCP) General Secretary Xi Jinping's administration accused the US of engaging in Nationalist Protectionism, retaliating with trade barriers of their own.

The democratic party's term in the US alleviated tensions with China during the Covid-19 pandemic, but kept the tariffs in place.

However, 2025 has marked a substantial escalation in the China-US Trade war since the beginning of US president Donald Trump's second administration. The Trump administration followed with the imposition of a 145% tariff on Chinese goods under the pretext of national security as set out by Article XXI. China responded with a 125% tariff on American goods themselves. These measures are expected to approximately lead to a 0.2% loss of global trade.

The trade war had a varied impact on a number of WTO member states. The tariffs managed to divert American trade to other countries, with members such as Mexico, Vietnam and Taiwan benefiting from the increased ties with the US.

However, the impact of increased prices in certain markets is argued to contribute to inflation, affecting consumers of manufactured goods worldwide. The trade war has overall affected the WTO's ability to ensure fair global trade, with constraints in doing so mainly having to do with interpretations regarding national security.

For a more in-depth chronology of bills, Wikipedia has an article that lays every event out very nicely, we recommend giving the 2025 section under Chronology a look.

## Key Concepts & Definitions

- General Agreement on Tariffs and Trade (GATT)
  - The 38 articles the WTO is built on, focused on making trade fair and reducing tariffs.
  - It's worth noting that some of these might be beneficial to your country, asking an AI chatbot to summarize and explain them to you could be useful.
- Article XXI of GATT – National Security Exception
  - A WTO rule that lets countries take trade measures they believe are needed to protect their national security, especially in times of war or major crises.
  - The meaning of this rule is debated and has been frequently used as a means to introduce trade barriers within the WTO's framework.

- Free Trade Agreement (FTA)
  - A Free Trade Agreement is a deal between two or more countries to reduce or eliminate barriers to trade, such as tariffs (taxes on imports) and quotas.
  - This allows goods and services to move more freely across borders, encouraging economic growth and cooperation.
- Protectionism
  - Protectionism is a government policy that restricts international trade by using tariffs, quotas, or other barriers to protect domestic industries from foreign competition.
  - Unlike an FTA, which promotes open trade, protectionism aims to shield local businesses but can lead to higher prices and less market choice. Sometimes called “Trade Barriers”.
- Most-Favoured-Nation (MFN) Principle
  - A rule saying that if one WTO member gives a trade benefit to another, it must give the same benefit to all members, ensuring indiscriminate trade.
- Tariff
  - A type of tax placed on imported goods, which makes them more expensive and unpopular, used to protect local industries.
- Trade War
  - When countries escalate tariffs or other trade barriers on each other in a back-and-forth conflict.
- Supply Chain
  - A network of businesses, people, and activities involved in creating and delivering a product or service.
  - It includes sourcing raw materials, manufacturing, transportation, and distribution.
  - Essentially, it’s the entire process of getting goods from where they’re made to where they’re needed.
- Trade Diversion
  - When trade shifts from a more efficient supplier to a less efficient one because of tariffs or trade barriers.
  - e.g. China’s goods become expensive, Vietnam becomes more reliable.
- Rules-Based Trading System
  - A way of managing trade using agreed rules instead of sudden or unpredictable actions.
- Dispute Settlement Body (DSB)
  - The part of the WTO that helps solve trade disagreements between members.

- Retaliatory Tariffs
  - Tariffs placed on a country's goods in response to tariffs it imposed first.
- Balance of Trade
  - The difference between the value of a country's exports and imports.
  - A surplus means exports are higher (more money coming into the economy); a deficit means imports are higher (more money leaving the economy).
- Exchange Rate
  - The value of one country's currency compared to another's.
  - If a country's currency becomes less valuable, a country with a more valuable currency can access goods from that country more easily.
  - e.g. the Chinese government has been devaluing the Yuan so that the dollar has a higher purchasing value in their country, driving demand.
- Economic Sanctions
  - Restrictions a country places on trade or finance to influence another country's actions or policies.
- Globalization
  - The increasing interconnectedness of economies, cultures, and populations through trade, investment, and information exchange.

## Major Parties

### The United States of America:

Despite being a founding member of both the WTO and the 1948 GATT agreement, the US has grown increasingly critical of the WTO's framework for the past decade after becoming challenged by many rising powers as the hegemon of the world. Nevertheless, the US has been the most powerful country in the world for the past century.

After the replacement of the US manufacturing industry with foreign markets, America has become a major importer of manufactured goods and exporter of services, agricultural products, and advanced technology.

Your stance as the delegate of the US is clear; you advocate for the right to impose tariffs under Article XXI of GATT, and argue that overreliance on imported goods creates weaknesses in your local supply chain. Moreover, the US delegate should be concerned with resolutions limiting American independent action and endangering key industries (steel, semiconductors, defense, etc.). You should also try to influence the committee to ensure resolutions targeting you don't pass.

The USA has historically sanctioned Chinese goods since Trump's first administration and has been escalating the conflict as of late. Throughout this trade war stalled WTO efforts to resolve the crisis and has leveraged its wide trading sphere to prevent sanctions from countries outside of China's sphere.

### *The People's Republic of China:*

Being a member of the WTO since 2001, China has benefited greatly from its features advocating for free trade throughout the globe, using its massive framework to become the largest exporter and manufacturer of the world. Being a rising superpower, China has grown to become a threat to US economic hegemony.

China's main economic driver is manufacturing, leveraging its massive population to export cheap manufactured goods throughout the world. However, it also plays a big role in markets regarding energy, AI, global infrastructure, vehicles and defense. It's important to note that 16% of Chinese exports are to the US, meaning tariffs from them are especially dangerous to the Chinese economy.

Your stance as the delegate of China should also be clear; you advocate for free global trade, and should push for a resolution that restricts what the CCP calls "abuse" of Article XXI. You should take into account that this should also allow you to leverage influence over countries included in the Belt and Road initiative. You should also try to influence the overall committee to ensure resolutions targeting you don't pass.

Historically, China has not participated in particularly aggressive policies, mostly attempting to shut down western trade barriers. Nevertheless, some historical actions include retaliatory tariffs on the US as well as WTO complaints on US actions.

### *The European Union:*

The European Union is the world's largest common market, and is a major exporter of high-value manufacturing, services and agricultural products. Its member states have consistently advocated for multilateral trade liberalization.

Europe strongly defends WTO rules and a strict interpretation of article XXI of GATT, being against America's long-standing blockade of new appointments under the WTO's appellate body. Worldwide protectionism could become crippling for Europe, as it is a continent with scarce resources, and depends on raw material imports to fuel the bloc's economy.

As the delegate of Europe, you should be a major proponent of free worldwide trade and should try to reach a solution that limits retaliative tariffing and trade wars. Moreover, it's in Europe's interest to reach a resolution that reestablishes the influence of the WTO's appellate body, as this has been undermined by US actions. Nevertheless, Europe should still prioritize the maintenance of an explicitly defined Article XXI, as it also faces security threats from China and Russia.

### Japan:

Japan is the third largest economy in the world, and is a highly export based, high-value manufacturing and service driven economy. Japan has also been a long standing supporter of the WTO, exporting goods related to vehicles, other machinery, vehicles, and chemicals.

Japan has a mixed view regarding the US-China trade war, and namely its implications. On the one hand, it is an avid supporter of Article XXI, constantly voicing concerns regarding national security and the expansion of China throughout Eastern and Southeast Asia; and believes that sanctioning China could be a way to deter their subversive foreign policy.

However, Japan has also seen itself affected by the international tariffs imposed by the US, namely regarding steel. Japan runs the risk of losing \$140 bn worth of steel exports to America.

As the delegate of Japan you probably are in a tough spot; to what extent should you support Article XXI? And are there any other solutions regarding China's power that don't compromise your trade with America? Nevertheless, you should aim to maintain warm global relations to keep your exports high, as your economy depends on these.

## Relevant Information for Minor Parties

### ***Developing Countries***

- They are generally more vulnerable to global trade disruptions but can benefit from trade diversion and WTO protections. Many rely on exports of raw materials, agriculture, or low-cost manufacturing. Your stance as a delegate should focus on ensuring fair access to markets, opposing protectionist measures that harm growth, and advocating for rules that support economic development. Cooperation with larger powers can be strategic, but your primary goal is protecting national interests and leveraging WTO mechanisms to strengthen trade opportunities.

### *Note*

- Make sure to investigate both your country and other related countries' stance on the topic, one delegation might find that their position and another country's might be very similar (for instance, South Korea and Japan are in a similar situation).

## **Previous International Actions**

### **2018**

- March 2018: The US imposed tariffs on steel and aluminum, citing Article XII. China and several others filed WTO complaints.
- July 2018: The US imposed 25% tariffs on \$34 billion of Chinese imports under an article specifying intellectual property concerns. China immediately retaliated and also filed a WTO complaint against the US tariffs.
- Sept 2018: The US expanded tariffs to cover \$200 billion of Chinese goods. China filed another WTO case.
- By the end of 2018: China and the US had multiple WTO disputes filed against each other, each accusing the other of breaching WTO commitments.

### **2020**

- Sept 2020: A WTO dispute panel ruled that US tariffs on \$200+ billion of Chinese goods were inconsistent with WTO rules.
- The panel rejected the US claim that the tariffs were justified under WTO provisions on public morals.
- The ruling sided with China, but the US appealed the decision.
- Problem: the WTO's Appellate Body was already paralyzed (since Dec 2019, because the US blocked judge appointments). This left the case with no final ruling.

### **2021-2024**

- 2021-2024: No major WTO resolution, because the Appellate Body remained defunct.
- WTO kept reporting in its Trade Monitoring Reports that US-China tariffs and retaliations were a major driver of record levels of trade restrictions worldwide.
- Both the US and China kept their tariffs largely intact, with little movement within the WTO system.

## 2025

- Feb 2025: China filed a new WTO complaint over the US's 10% additional tariff on Chinese products.
- Mar 2025: China expanded its complaint to cover 20% tariff hikes.
- WTO formally launched consultations, but again, without a functioning appeals system, any ruling risks going unenforced.
- July-Aug 2025: WTO monitoring reports show nearly 20% of world imports are under restrictive measures, much of it driven by the US-China conflict.
- WTO slashed global trade forecasts, warning of a long-term hit of up to 7% of global GDP if US-China decoupling accelerates.

## Possible Avenues for Debate

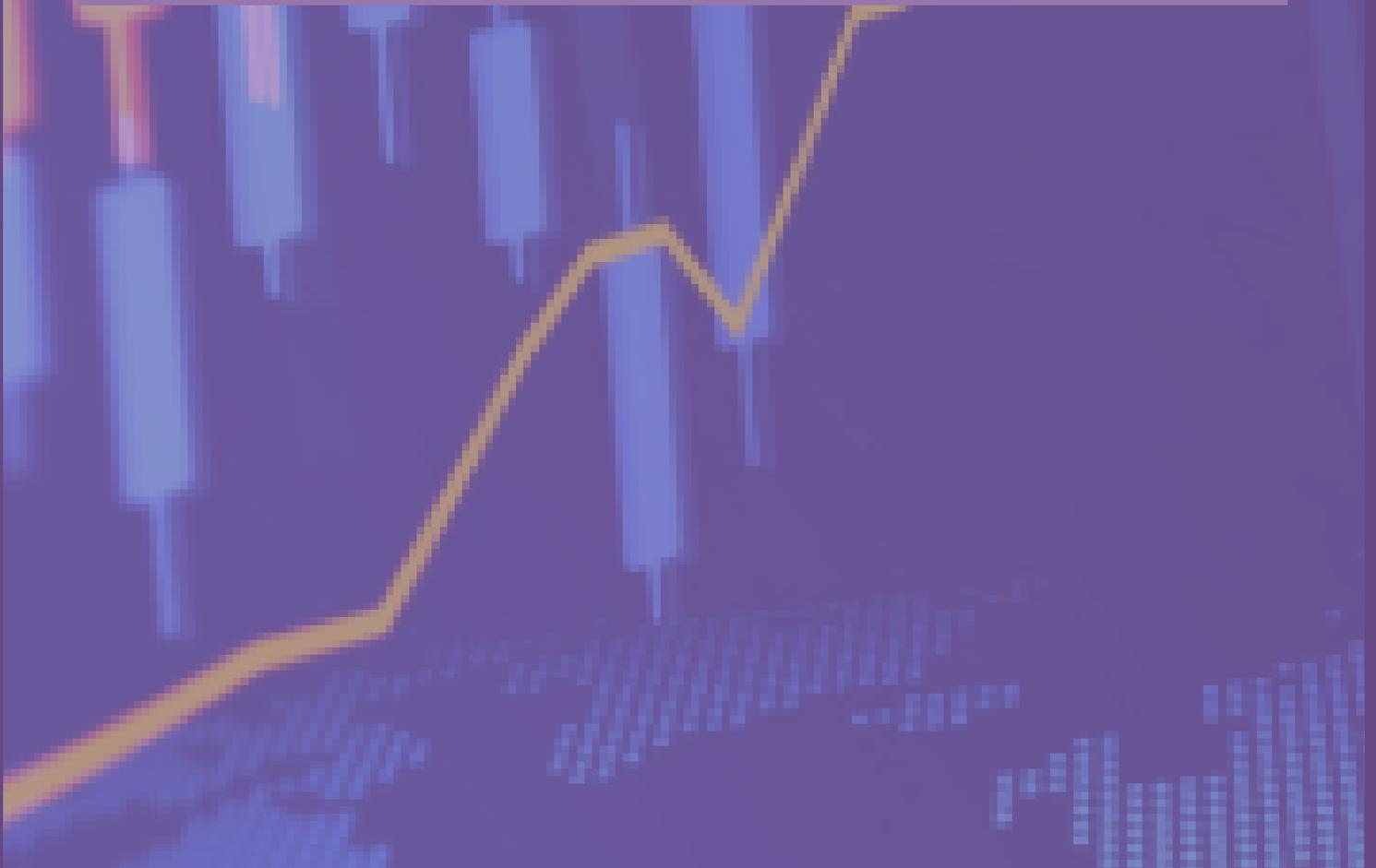
Here's a couple of questions to ask yourself when writing your position papers and when debating under this topic, make use of any relevant debates that are relevant to your own position:

- Should Article XXI (national security) be strictly defined or left flexible?
- Do national security tariffs undermine WTO principles of free trade?
- How should WTO handle disputes when the appellate body is paralyzed?
- Can developing countries gain from trade diversion, or are they harmed by instability?
- Should WTO strengthen enforcement against major powers ignoring rulings?
- Is trade decoupling between the US and China sustainable or harmful long-term?
- Can multilateral agreements outside WTO fill the governance gap?
- Should the WTO reform its dispute settlement to bypass the US blockade?
- Are retaliatory tariffs justified or do they worsen instability?
- How can WTO balance sovereignty with global economic stability?

## Key Statistics & Data

- WTO rules govern approximately 98% of global trade.
- Since 1995, 641 disputes have been brought to the WTO, over 350 rulings have been issued in these disputes.
- About 33% of disputes initiated between 1995 and 2004 remain unresolved.
- The United States was a complainant in 124 of 593 disputes between 1995 and 2019.
- The Appellate Body has been inactive since December 2019 due to lack of appointed members.

- The global trade-to-GDP ratio rose from 20% in 1995 to 31% in 2022, then fell to 29% in 2023.
- North America is expected to experience a 12.6% decline in exports and a 9.6% decline in imports in 2025 due to trade tensions.
- Approximately 16% of Chinese exports are destined for the United States.
- Nearly 20% of global imports were subject to restrictive measures as of 2025.
- Accelerated trade decoupling between major powers could reduce global GDP by up to 7%.
- Over 600 WTO disputes have been settled since 1995, with outcomes favoring developing countries in approximately 18% of cases.
- In 2025, US-China tariffs alone affect roughly 0.2% of total global trade.
- Developing countries participate in 25–30% of WTO disputes annually.
- Retaliatory tariffs by major powers account for nearly 60% of trade-restrictive measures in 2025.
- The WTO's Trade Monitoring Reports show a record level of trade restrictions in 2025.
- 16% of global steel exports are at risk due to protectionist policies.
- Global trade liberalization since 1995 has increased transparency, with over 90% of tariff schedules publicly available.
- Developing countries account for roughly 40% of WTO members' voting power in committees.



# **Topic B: The Future of BRICS in Global Trade: Can emerging economies reshape WTO policies to create a more balanced global trade system?**

## **Introduction to the Topic**

While the BRICS group initially consisted of 5 countries (Brazil, Russia India China and South Africa), several more countries (including Egypt, Ethiopia, Indonesia, Iran and UAE) have joined the group since its creation in June 2009, as a method of representing developing economies, which were not getting enough representation in global affairs, which were dominated by major economies, including the USA, EU and Japan.

Since the WTO was established as the primary international institution for overseeing trade between nations, its goals have always been to promote free and fair trade providing a platform for negotiations. However as the global economy's power has been shifting towards developing countries, questions arise about whether WTO's core rules, which have largely remained intact since 1995, are still effective and equitable for all nations worldwide.

In the last few years, emerging economies, especially those in the Global South have gained significant economic weight but argue that their interests are underrepresented and therefore emphasize the need for reforms that could improve the challenges they face such as poverty. For example, BRICS countries represent approximately 24% of global trade and over 40% of the global population. Due to this growing influence, BRICS emphasize the need for reforms that address the challenges, in order to strengthen their economy overall and increase their global power.

# Historical Background

Before the WTO was founded, its precursor, the General Agreement on Tariffs and Trade (GATT) - established in 1947, had been shaped by developed nations, particularly the US and Western European countries, reflecting their respective interests. Moreover, developing / war-torn countries had limited representation in shaping trade rules, which, these nations argue, often led to the creation of policies which favoured the Global North.

On January 1, 1995, the WTO was created, replacing the GATT and expanding its scope to include invisible trade i.e. trade in services and intellectual property. Additionally, it was agreed that the decision-making system the WTO would operate on would be a consensus-based decision-making process, where all members would have to agree on decisions, which in theory provided an equal say to all its members.

Moreover, the Special and Differential Treatment provisions were incorporated, which gave developing countries special rights, and allowed other members (particularly developed countries) to treat them more favourably.

In 2001, the Doha Round or Doha Development Agenda was launched with the aim of achieving a major reform of the international trading system through the introduction of lower trade barriers, and the enhancement of trade prospects for developing countries. Additionally, it addressed issues such as market access and its improvement, agricultural subsidies and intellectual property rights. Despite initial optimism, progress was limited, which led to its stalemate and collapse due to difficulties in negotiations, particularly over agricultural subsidies, tariffs and special and differential treatment for developing countries, as developed nations pushed for clearer definitions of which countries could qualify as developing.

After the launch of the Doha Round, BRICS nations began to gain influence and become more noticeable in global discussions, and their frustration grew as the talks failed to deliver on development-focused goals. Around the late 2000s to early 2010s, these nations started to push harder for reforms within the WTO, especially around decision-making and SDT. As China's economy rapidly grew through the late 2000s and early 2010s, its views started to align more with those of global powers. Similarly, India and Brazil, who started to occasionally side with developed countries, which ultimately weakened developing countries and the Global South.

Currently, BRICS keep pushing for changes in the WTO's rules and processes because they believe the current system does not adequately address their needs. Their main aims are the reduction of agricultural subsidies in wealthy countries,

fairer rules on intellectual property rights so that developing countries can access discoveries in technology and medicine more easily and improvements in decision-making processes.

On the other hand, developed members officially support the WTO reform in principle as they agree the system needs updates to address new trade realities such as digital trade, protection of the environment etc. However, they still believe that certain changes could reduce their economic advantages and therefore resist significant cuts to agricultural subsidies and strong IP rights enforcement. Finally, they prefer the decision-making process to remain consensus based in order to prevent rapid changes they might oppose.

Due to the strong contrast in opinions between BRICS and the Global North, the WTO reforms are currently in a stalemate, and uncertainty for the future keeps rising, as the WTO's ability to adapt to the evolving economic landscape remains uncertain.

## Key Concepts & Definitions

- GATT
  - The General Agreement on Tariffs and Trade was a multilateral agreement and the WTO's predecessor. It was established in 1947 with the goal of reducing tariffs and trade barriers before being replaced by the WTO in 1995. It emerged from Post-WWII negotiations on international economic cooperation, seeking to rebuild the global economy.
- DSB
  - The Dispute Settlement Body is a branch of the WTO's General Council that resolves disputes between member states under the DSU (Dispute Settlement Understanding). It establishes panels alongside other methods and authorizes trade sanctions if members fail to comply.
- Doha Development Round
  - A series of negotiations organised by the WTO, launched at the WTO's fourth ministerial conference that took place in Doha, Qatar, with the aim of addressing trade related inequalities affecting developing countries. However negotiation stalled shortly after its start in 2001 due to disagreement between Global North and Global South

- BRICS
  - Coalition of emerging economies (originally Brazil, Russia, India, China and South Africa, with the addition of Egypt, Ethiopia, Indonesia, Iran and UAE) which pushes to reform global trade and WTO policies. Together they account for over 40% of the global population and 25-30% of the global GDP.
- SDT
  - The Special and Differential Treatment, SDT, refers to provisions that grant developing countries special rights and allow other members to provide them with more favourable treatments. These include: longer time periods to implement agreements, measures to increase trade opportunities, provisions to least-developed countries (LDC) etc.
- Tariffs
  - Tariffs are taxes on imports. They are usually expressed as an Ad Valorem Tax, however, in rare cases some countries may establish a fixed tariff. They are a major aspect of WTO negotiations, especially in regards to developing countries' markets.
- Global South
  - A political and economic concept including countries in Latin America, Africa and Asia which share an economic disadvantage. While aims within the WTO may sometimes be similar, their interests are not always identical.
- Trading Bloc
  - Are typically groups of countries in specific regions which negotiate preferential trading agreements between themselves, with reduced trade barriers. Types of trading blocs include PTAs, FTAs, Custom Unions, Common Markets and Economic Unions.

## Major Parties

### The Republic of Brazil:

It is founding BRICS member, the largest economy in South America with a real GDP of 2.179 Trillion USD, a leader in agricultural exports and an active member in WTO disputes such as the US dispute on Upland Cotton (DS267).

### The Republic of India:

It is an original BRICS member, one of the fastest-growing major economies in the world with a growth rate of 6% and a real GDP of 3.913 Trillion USD, and similarly to Brazil, a major advocate for fairer trade rules for the Global South. India has also been an active member of WTO disputes such as DS430 (against USA).

### *The Russian Federation*

It is a founding BRICS member and a major energy exporter, with a real GDP of 2.174 Trillion USD which largely comes from the sale of hydrocarbons. Russia has actively engaged in WTO disputes (since its integration to WTO in 2012) and in contrast to India and Brazil who prefer to keep BRICS as a small organization, has the goal of rapid BRICS expansion.

### *The People's Republic of China*

It is an original BRICS member, the world's second biggest economy with a real GDP of 18.74 Trillion USD and the top exporter worldwide thus playing a crucial role in shaping global trade. China has used the WTO to not only defend its market access but also challenge trade restrictions and policies. However, due to its growth in the last decade, members in the Global North (EU and USA) argue that China should no longer be considered a developing country and its eligibility to SDT benefits has been challenged.

### *The United States Of America*

It is the leading economy worldwide with a real GDP of 29.18 Trillion USD, second biggest exporter in the world by value, making it highly influential in global trade. The USA is a vocal critic of WTO inefficiencies such as the Appellate Body's ruling and Consensus Rule. In recent years it has increasingly used tariffs, and has been accused by developing countries of undermining multilateralism when rulings go against its interests.

### *The European Union*

It is one of the biggest trading blocs in the world, composed of 27 countries and a combined GDP of approximately 20 Trillion USD, second only to the US. The EU is a strong advocate for multilateral trade rules, however, its significant agricultural subsidies have sparked debate. Overall the EU is a central player in WTO negotiations and has sought to balance liberalizing trade with protecting domestic industries.

## Current Issues

Despite long-standing discussions concerning WTO reforms, several unresolved challenges continue to delay progress. Issues range from stalled negotiations, such as those from the Doha Round, and disagreement within BRICS, to rising global trade tensions, which overall complicates all significant efforts to build a more balanced system.

The main issue BRICS are currently facing in the WTO is a stalemate in reforms. This is due to several factors:

1. WTO reforms require a unanimous consensus, meaning that all 166 members are required to accept a reform before it is implemented into the organization. With increasing polarisation in today's geopolitical climate, this has become nearly impossible, as developed and developing members often disagree on key elements such as SDT, subsidies etc.
2. SDT status. Due to the fact that the WTO allows any member to self-identify as a developing country, most do so (approximately two thirds, including G20 nations). Some powerful economies such as China and India continue to self-declare eligibility to SDT, while richer members such as the US and EU insist those privileges should be lost. Overall, this prevents the establishment of clearer eligibility criteria, leaving reform efforts deadlocked.

Another ongoing issue which affects the future of BRICS in global trade is the conflict within the group. As of BRICS' latest summit, in early July 2025, the main issues within the group are:

1. At the latest summit, leadership absences were noticed, especially by China's Xi Jinping and Russia's Vladimir Putin, which raised concerns about the bloc's influence and possible future directions.
2. As the group has grown to encompass more members, geographic diversity has increased, but opinions have diversified. This has highlighted differing views on global issues and multilateralism.
3. Since the organization was founded in 2009, there has been a decreasing unity and a fragmentation among founding members; while some such as China and Russia are willing to expand the group rapidly in order to gain geopolitical influence, others such as Brazil and India prefer BRICS to remain a smaller group in order to focus on clear policies and practical goals, rather than just expanding the organization.

## Key Points to Debates

- Special and Differential Treatment:
  - Should SDT be maintained, reformed, or eliminated giving the changing status of some developing countries, especially given the fact that certain developed countries self-identify as developing as a method of gaining an advantage?
- Consensus Decision-Making in the WTO:
  - Should the WTO change its decision-making process from unanimous consent to majority voting to overcome reform deadlocks?
- Are unilateral tariffs imposed by countries undermining WTO rules and the dispute settlement body?
- What measures can the WTO implement to ensure fairer representation and influence of developing economies within its negotiation processes?
- Finally, WTO members can currently choose to ignore DSB statements and agreements.
  - Should the WTO enforce this, and if so, what methods could be used to ensure countries comply with the rules?

## Bibliography

- WTO official website: <https://www.wto.org>
- <https://sociology.institute/sociology-of-development/wto-north-south-power-dynamics-implications/>
- <https://www.cfr.org/backgroundunder/doha-trade-talks>
- <https://brics-plus-analytics.org/brics-agree-to-policy-coordination-in-the-wto/>
- [https://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_body\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dispu_body_e.htm)
- <https://brics.br/en/news/brics-gdp-outperforms-global-average-accounts-for-40-of-world-economy>
- <https://www.omfif.org/2025/05/the-wto-stands-at-a-whatever-it-takes-moment/>
- <https://www.dw.com/en/can-brics-project-unity-amid-global-tensions/a-73158174>
- [https://www.wto.org/english/tratop\\_e/dda\\_e/dda\\_e.htm#:~:text=The%20Doha%20Round%20is%20the,back%20to%20top](https://www.wto.org/english/tratop_e/dda_e/dda_e.htm#:~:text=The%20Doha%20Round%20is%20the,back%20to%20top)
- [https://www.wto.org/english/res\\_e/booksp\\_e/makingglobalinc\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/makingglobalinc_e.pdf)