

## Is This the End of the WTO?

As the World Trade Organization (WTO) turns 30, it confronts an existential crisis. The multilateral trading system it helped establish, once considered a cornerstone of global economic cooperation, is now under serious strain. Rising protectionism, escalating geopolitical tensions, and a growing number of unilateral trade actions are challenging the very foundations of the WTO. The latest escalation came in early April, when the United States announced a blanket 10% tariff on all imports, alongside steep “reciprocal” tariffs targeting specific countries. Chinese goods now face duties of up to 145%, while allies such as Canada, Mexico, and the European Union have also been affected<sup>1</sup>. These moves have triggered retaliatory measures and heightened trade tensions globally. As a result, the WTO has revised its forecast for global merchandise trade, now expecting a 0.2% contraction in 2025, a stark contrast to earlier expectations of growth<sup>2</sup>.

Compounding these challenges is the continued paralysis of the Appellate Body, the WTO’s formal dispute system, which has been non-functional since December 2019 due to the U.S. blocking the appointment of new judges. This has effectively disabled the organization's dispute resolution mechanism, leaving trade conflicts unresolved and eroding trust in the multilateral system<sup>3</sup>.

With the global economy still grappling with supply-chain disruptions from the COVID-19 pandemic and a more fragmented geopolitical landscape, questions arise about the WTO’s capacity to remain relevant. Can it adjust to the shifting dynamics of global trade, or is it being left behind by a world moving in a different direction? The answers will shape the future of global trade and economic governance.

### A Short History of Success

After World War II, nations sought to tie themselves together with rules rather than bullets. Beginning in 1948 under the General Agreement on Tariffs and Trade (GATT), and later formalized as the WTO in 1995, member countries committed to binding tariff cuts, transparency, and non-discrimination. Over the following decades, global merchandise trade experienced substantial growth. According to the WTO, the volume of world merchandise trade increased by

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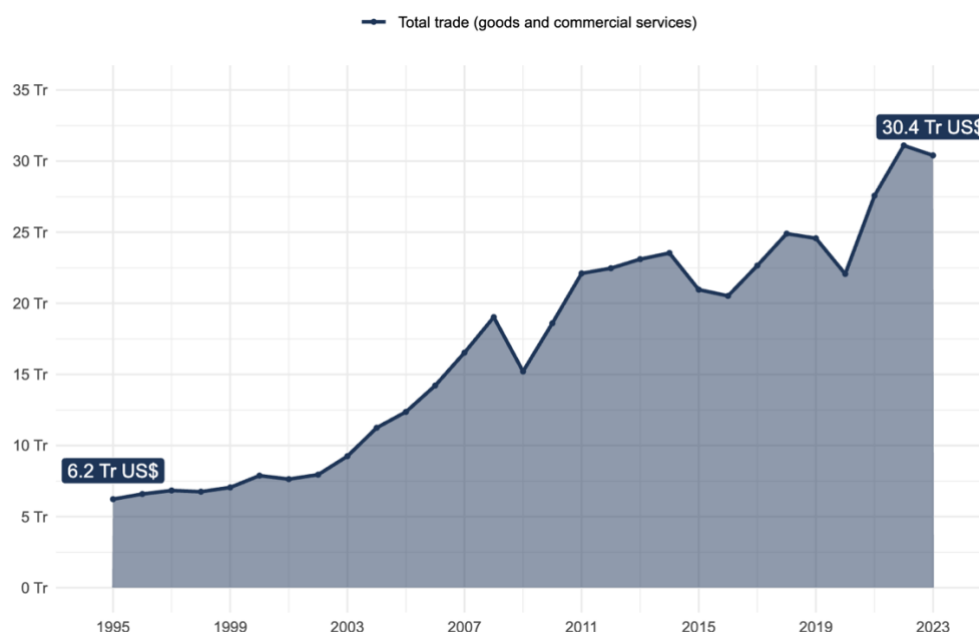
<sup>1</sup> [Trump tariffs will send global trade into reverse this year, warns WTO. The Guardian, 2025](#)

<sup>2</sup> [Downcast WTO downgrades 2025/2026 forecasts, DCN, 2025](#)

<sup>3</sup> [The World Trade Organization: The Appellate Body Crisis, CSIS, 2020](#)

an average of 5.8% annually between 1995 and 2023, outpacing global GDP growth of 4.4% annually during the same period.

**Figure 1: Total trade in goods and commercial services 1995-2023**



*Source: WTO-United Nations Conference on Trade and Development (UNCTAD) estimates*

Developing countries, in particular, have increased their participation in global trade. From 1964 to 2023, their share of world merchandise trade rose from 22% to 44%<sup>4</sup>. Many of these nations used the WTO's dispute settlement system to challenge trade barriers. Even countries with limited geopolitical clout found ways to protect their interests. For instance, Antigua, one of the smallest countries in the Caribbean, won a WTO dispute against the U.S.<sup>5</sup>, proving to become an example of how even small states could assert their rights under multilateral rules. Beyond legal recourse, the WTO has supported smaller economies through initiatives like Aid for Trade, which funds trade-related infrastructure, and the Informal Working Group on MSMEs, which addresses barriers facing smaller firms that make up over 90% of global businesses<sup>6</sup>. While gains have been uneven, these mechanisms have offered many developing countries tools for integration and voice in global trade.

## The U.S. Retreat from Multilateralism

<sup>4</sup>[Key evolutions in trade and development over the decades, UNCTAD, 2024](#)

<sup>5</sup>[Antigua wins modest sanctions in U.S. gambling case, Reuters, 2007](#)

<sup>6</sup>[Informal Working Group on MSMEs, WTO, 2024](#)

Since 2018, the U.S. government has taken a more unilateral stance. Using national security provisions under Section 232, the U.S. imposed tariffs of 10–25% on steel and aluminum imports, and later applied sweeping duties under Section 301 on Chinese goods in response to alleged unfair trade practices. At the same time, Washington blocked new appointments to the WTO’s Appellate Body, effectively disabling the organization’s core enforcement mechanism. Designed to deliver binding rulings within 90 days, the dispute system can now be stalled indefinitely, eroding trust and weakening the incentive to follow rules.

This approach reflects that institutions like the WTO no longer serve U.S. interests as they once did. The U.S. withdrawal from the World Health Organization (WHO) in 2020 reinforced this. These actions signify a departure from the U.S.’s historical role in shaping and supporting international institutions, raising questions about the future of global governance and cooperation. But the erosion of multilateralism cannot be attributed to Washington alone.

## **Multipolarity and Eroding Consensus**

Emerging economies, particularly China, India, and Brazil, have grown more vocal in questioning the structure and priorities of the WTO. They argue that current rules reflect the interests and regulatory models of advanced economies, and fail to accommodate alternative development strategies. Among the main points of conflict are the treatment of state-owned enterprises (SOEs), restrictions on industrial subsidies, and the limited progress on digital trade rules and environmental goods. For instance, China contends that disciplines on SOEs do not account for the role they play in economic coordination and industrial upgrading, which are central to its development model<sup>7</sup>. Similarly, India has opposed the WTO’s stricter subsidy disciplines in agriculture, viewing them as constraints on domestic food security and rural support programs<sup>8</sup>. These structural differences have made it increasingly difficult to reach consensus. Efforts to initiate new negotiations, notably the Doha Development Round launched in 2001, have stalled due to entrenched positions among member states. The Doha Round aimed to lower trade barriers globally, with a focus on benefiting developing countries<sup>9</sup>. However, disagreements over agricultural subsidies, market access, and special and differential treatment for developing countries have led to a prolonged impasse. This stalemate highlights the challenges of achieving consensus in a more diverse and multipolar WTO membership, weakening the organization’s ability to deliver substantive outcomes.

## **Why Weakening the WTO Harms All**

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<sup>7</sup> [Trade Policy Review, WTO, 2021](#)

<sup>8</sup> [Public Stockholding, Food Security and India, GMGC, 2017](#)

<sup>9</sup> [The Doha Round, WTO](#)

A breakdown of the WTO framework imposes costs well beyond headline tariffs. Economically, higher and more uncertain trade barriers reduce market access, shrink consumer choice, and raise input costs for manufacturers. According to a study by the International Chamber of Commerce, the collapse of the WTO could lead to a 33% decline in merchandise trade for developing countries, with low-income economies experiencing export losses up to 43%, and a permanent GDP reduction exceeding 5% due to decreased foreign direct investment flows and market fragmentation<sup>10</sup>.

For smaller and poorer countries, the consequences can be especially severe. Without the WTO's Aid-for-Trade initiative, many lack the resources to upgrade customs procedures or transport infrastructure, sidelining them from fast-growing supply chains. MSMEs lose access to matchmaking platforms and dispute channels, making it harder to navigate opaque regulatory regimes. Ultimately, retreating from a rules-based system risks fragmenting markets into regional blocs and bilateral coalitions, with higher overall tariffs, more trade diversion, and reduced global welfare.

## **Is the WTO Dead?**

Not yet; and the evidence suggests it remains indispensable, even if hobbled. First, the legal framework still matters: as of 2023, there were over 620 disputes pending, and fresh complaints continue to be filed in spite of the Appellate Body's deadlock.<sup>11</sup> Second, the core agreements still bound tariff ceilings for 166 members that account for 98% of world trade. Third, the institution is evolving, albeit slowly. Comoros and Timor-Leste completed accessions at the Thirteenth Ministerial Conference (MC13) in Abu Dhabi in 2024. At the same meeting ministers launched a roadmap to restore a “fully-functioning” dispute-settlement system by 2026 and renewed the two-year moratorium on customs duties for digital transmissions. The 2022 Agreement on Fisheries Subsidies is now being ratified and a second negotiation phase is under way to curb broader subsidy distortions<sup>12</sup>. Meanwhile, 55 economies, including the EU and China, have joined a Multi-Party Interim Appeal Arrangement to keep appellate review alive while the official body is blocked. Committees on sanitary measures, technical barriers and other topics meet regularly, providing the day-to-day transparency that underpins supply-chain planning.

None of this diminishes the gravity of the crisis: without binding appeals, the rules are harder to enforce, and the rise of mega-regional deals such as the the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) shows that like-minded groups are forging ahead outside Geneva. But the combination of continuing case filings, new accessions, incremental reforms and stop-gap mechanisms indicates an institution that is wounded, not dead. The real

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<sup>10</sup> [Study shows WTO collapse could slash exports of developing countries by 33%, ICC, 2024](#)

<sup>11</sup> [Chronological list of disputes cases, WTO](#)

<sup>12</sup> [Members submitting acceptance of Agreement on Fisheries Subsidies, WTO, 2022](#)

question is whether members will finish the repair work before preferential blocs erode the WTO's critical mass.

## Needed WTO Reforms

The WTO must avoid slipping into the irrelevance that doomed past institutions. Just a short walk from its headquarters stands the Palais Wilson, once home to the League of Nations—an organization discredited in the 1930s when it failed to enforce its own sanctions against Italy's invasion of Abyssinia. That failure to act decisively marked the League's decline. The WTO now faces its own moment of reckoning. Rather than consigning the WTO to history, members could pursue a targeted reform agenda:

1. **Reinstate Dispute Settlement.** Resume Appellate Body appointments and adopt interim appeal arbitration to bridge the current impasse.
2. **Institutionalize Plurilateral Tracks.** Allow “plurilateral within multilateral” agreements, so willing subsets of members can move ahead on services liberalization, digital trade rules, or environmental goods, without forcing holdouts to block progress.
3. **Modernize Subsidy Disciplines.** Modernize rules on industrial subsidies and state-owned enterprises to reflect strategic government interventions in the clean-energy transition and critical technologies.
4. **Revamp Governance and Financing.** Establish a board of ambassadors (akin to the IMF's Executive Board) to set strategic priorities and oversee the Secretariat. More importantly, shift to an independent financial model so that funding is no longer used as a backdoor method for controlling the organization's agenda by individual members.

Taken together, these measures could reinvigorate multilateral trade governance and avert the costly fragmentation of global markets.

## هل اقتربت نهاية منظمة التجارة العالمية؟

تواجه منظمة التجارة العالمية (WTO) اليوم واحدة من أخطر أزمتاتها مع بلوغها الثلاثين من عمرها. فالنظام التجاري المتعدد الأطراف الذي ساهمت في تأسيسه، والذي كان ركيزة أساسية للتعاون الاقتصادي العالمي، بات تحت ضغط شديد. التصاعد الكبير في السياسات الحمائية، وزيادة التوترات الجيوسياسية، واعتماد الكثير من الدول على إجراءات تجارية أحادية، كلها عوامل تهدد مكانة المنظمة. ومؤخرًا، فرضت الولايات المتحدة رسوماً جمركية شاملة بنسبة 10% على جميع الواردات، إضافة إلى تعريفات مرتفعة استهدفت الصين ودول حليفة مثل كندا والمكسيك والاتحاد الأوروبي، مما زاد من حدة التوتر التجاري العالمي وأدى إلى مراجعة توقعات نمو التجارة نحو الانكماش بنسبة 0.2% في عام 2025.

تضاف إلى هذه التحديات أزمة شلل هيئة الاستئناف في المنظمة منذ 2019 بعد تعطيل الولايات المتحدة تعيين قضاة جدد، ما أفقد النظام الرسمي لتسوية النزاعات فعاليته. ومع استمرار اضطرابات سلاسل التوريد وتزايد الانقسام العالمي، تطرح تساؤلات جدية حول قدرة المنظمة على مواكبة الواقع الجديد للتجارة العالمية.

على مدار العقود الماضية، لعبت منظمة التجارة العالمية دورًا محوريًا في نمو التجارة الدولية. إذ شهدت الفترة بين 1995 و2023 نموًا سنويًا لتجارة السلع بنسبة 5.8%، متفوقًا على نمو الناتج المحلي الإجمالي العالمي. كما زادت مشاركة الدول النامية في التجارة، وارتفعت حصتها من 22% إلى 44%. وقد استفادت العديد من هذه الدول من آلية فض النزاعات في المنظمة للدفاع عن مصالحها، إلى جانب مبادرات مثل "المساعدة من أجل التجارة" التي دعمت الشركات الصغيرة والمتوسطة.

مع ذلك، فإن انسحاب الولايات المتحدة التدريجي من دعم النظام المتعدد الأطراف منذ 2018، وفرضها رسوماً جمركية تحت مبررات الأمن القومي، إضافة إلى تعطيل عمل هيئة الاستئناف، شكل ضربة قوية للمنظمة. وزاد الأمر تعقيدًا بروز قوى اقتصادية مثل الصين والهند والبرازيل التي أصبحت تنتقد قواعد المنظمة باعتبارها لا تخدم مصالح الدول النامية بالشكل الكافي، خصوصًا فيما يتعلق بالدعم الحكومي للمؤسسات والقطاع الزراعي.

إن تراجع دور المنظمة لا يؤثر فقط على الدول الكبرى، بل يهدد بشكل خاص الاقتصادات الصغيرة والنامية. فغياب قواعد واضحة يعرضها لخسائر فادحة، حيث تشير الدراسات إلى احتمال تراجع تجارة السلع بنسبة تصل إلى 33% للدول النامية، وانخفاض دائم في الناتج المحلي الإجمالي بأكثر من 5%.

ورغم كل ذلك، لا تزال المنظمة قائمة ولم تفقد أهميتها بالكامل. فهناك أكثر من 620 نزاعًا تجاريًا مسجلًا حتى عام 2023، وما زالت الانضمامات الجديدة تتم، كما أطلقت مبادرات إصلاحية مثل اتفاق دعم صيد الأسماك وخطة لإعادة تفعيل آلية فض النزاعات بحلول 2026.

لحفاظ على وجودها وتجنب مصير عصبة الأمم التي فقدت مصداقيتها في الثلاثينيات، تحتاج منظمة التجارة العالمية إلى إصلاحات عاجلة تشمل:

1. إعادة تفعيل هيئة الاستئناف واستحداث آليات بديلة مؤقتة.
2. السماح بإبرام اتفاقيات لدفع المفاوضات قدمًا بين الدول الراغبة دون عرقلة الدول الغير الراغبة.
3. تحديث قواعد التعامل مع الدعم الصناعي والشركات المملوكة للدولة بما يعكس التحولات الاقتصادية العالمية.
4. إصلاح منظومة الحوكمة والتمويل لضمان استقلالية المنظمة وقدرتها على تحديد أولوياتها بشكل مستقل دون تأثير الممولين الكبار على قراراتها.