



**CHINA'S POSITION PAPER ON WTO REFORM
UNDER THE CURRENT CIRCUMSTANCES**

COMMUNICATION FROM CHINA

The following communication, dated 17 February 2026, is being circulated at the request of the delegation of China.

1. China believes that an open, inclusive, transparent and non-discriminatory multilateral trading system serves the interests of all and is committed to safeguarding and strengthening the rules-based multilateral trading system through WTO reform and concrete actions. This communication sets out China's position on WTO reform under the current circumstances.
2. The WTO is an important pillar of multilateralism and a key institution for international economic governance. It provides an open, non-discriminatory, stable and predictable framework for economic globalization over the past 30 years. From 1995 to 2024, world trade in goods and services expanded more than fivefold, integrating more and more economies into the global value chain, raising living standards worldwide and lifting millions out of poverty. WTO membership increased to 166, covering 98% of global trade and a diverse spectrum of development level. The share of developing economies in global goods and services exports reached 47% and 33% respectively in 2024.
3. The current trade disruptions further testify to the value of the rules-based multilateral trading system. Despite heightened trade tensions and unprecedented uncertainties, WTO rules and institutions still serve as a crucial bulwark against trade turbulence and an anchor for the stability and predictability of international trade. World trade has not regressed to the beggar-thy-neighbour protectionist practices of the 1930s. Global trade to GDP ratio holds up at around 60% and 72% of world goods trade is still operating on MFN terms. The rules-based multilateral trading system remains critical to WTO members, especially the small and the vulnerable.
4. Globalization of the past 30 years does have its flip side. Persisting North-South gap and rising domestic inequality undermined legitimacy of economic globalization. Automation and other disruptive technologies displaced manufacturing jobs, diminishing the consensus in favour of free trade. External shocks and crises strained supply chains, increasing the sense of insecurity. Such challenges ought to be managed and addressed through multilateral cooperation, domestic reform and inclusive and mutually beneficial development. Unilateralism and protectionism offer no way out. Blaming the so-called foreign unfair competition shifts attention away from domestic reform that is necessary to unleash competitiveness. While fairness is a broad concept, it could not be judged by one-sided narratives nor measured by market share or trade balance.
5. WTO alone could not provide solutions to all these issues, but it should play an important role in setting, administering and enforcing trade rules to foster greater stability, integration and development. Yet the chronic inability to update existing rules and develop new rules shifts rule-making outside the WTO and reduces its relevance. Paralysis of the Appellate Body has resulted in a partially functioning dispute settlement system that falls short of providing security and predictability to all members. On top of that, blatant violation of the MFN principle and abuse of security exceptions are eroding the foundation of the rules-based multilateral trading system, signalling the return of power-based trade relations where the small and the vulnerable would be marginalized.

6. As a staunch supporter and active contributor to the multilateral trading system, China submitted its proposal on WTO reform as early as 2019 ([WT/GC/W/773](#)). In the face of current trade turbulence, the importance of meaningful, necessary and comprehensive WTO reform is widely recognized. The fundamental question for WTO reform is what kind of globalization members want. Recognizing that economic globalization is an unstoppable historical trend and that multilateralism and development are the key to addressing global challenges, China believes that WTO reform shall aim to reinforce global trade governance to support economic globalization that is universally beneficial and inclusive. An open, fair, non-discriminatory and rules-based international economic and trade order serves the individual and common interests of all. This historical perspective shall guide the discussions on WTO reform as well as WTO fundamental issues. The MFN principle shall remain the bedrock of the WTO. Development dimensions shall be put at the centre of WTO reform. Updating the rulebook shall both address long-standing issues and explore new and future-oriented rules, with a view to enhancing the authority, efficacy and relevance of the multilateral trading system.

7. China supports developing a progressive, structured and member-driven work plan for WTO reform to be adopted at the WTO's 14th Ministerial Conference (MC14), starting from identifying priority issues on decision-making, development and fairness and setting up timelines. In addition, WTO reform should not be limited to a work plan. Member-led dialogues and initiatives that embody the spirit of "reform by action" should be continued and explored one step further, from procedure to substance.

8. On WTO governance and decision-making, the reform shall aim to restore trust and enable agile decision-making at different speeds among the diverse membership while respecting the consensus principle, including through enabling flexible plurilateral initiatives with balanced and inclusive guardrails. What is more important is to embrace a culture of action and deliver tangible results step by step. A middle way between the poles of moving all together and not moving at all will help WTO deliver more for its members.

9. On development and fairness, the reform shall aim to develop tools and rules for trade integration and reinforce a predictable, transparent, and non-discriminatory rules framework for fair competition. Special and differential treatment (SDT), policy space, capacity building and aid for trade are important tools for developing members to achieve development goals. SDT provisions should be implemented in a more precise and effective manner to better facilitate the full integration of developing members into the multilateral trading system. To further unlock development potentials, it is important to embrace digital transition and green transition, and harness artificial intelligence, all of which are opportunities of our time. Expanding trade in these areas requires further efforts to develop relevant international rules that foster a conducive trading environment. Fairness discussions could include government measures that distort international trade, notably with respect to potential update to the Agreement on Subsidies and Countervailing Measures (ASCM) and ongoing dialogues on industrial policies, with due regard to the need to maintain flexibility for development policy objectives, including for industrial development. Such discussions must respect members' distinct economic systems and development stages, and aim to build mutual understanding, trust and convergence, including through more transparency.

10. In addition, dispute settlement reform shall aim to restore a fully and well-functioning WTO dispute settlement system accessible to all members, providing an anchor for stability and predictability as well as rules-based means to resolve disputes.

11. China remains committed to engaging in constructive cooperation with all members on WTO reform issues in the run-up to, at and beyond MC14.
