

Trump Trade Representative Attacks WTO for ‘Losing Focus’

Robert Lighthizer says trade organization should tackle state aid and Overcapacity and put less emphasis on litigating trade disputes



U.S. Trade Representative Robert Lighthizer speaking at the ministerial conference of the World Trade Organization in Buenos Aires on Monday.

President Donald Trump’s chief trade adviser issued his **first detailed criticism of the World Trade Organization Monday, blasting the global commercial arbiter for “losing its essential focus” and becoming “a litigation-centered organization”** that has failed to pay sufficient attention to enforcing existing rules.

While U.S. Trade Representative Robert Lighthizer didn’t mention China by name, he made Beijing a clear target in his speech to fellow trade ministers of the 164-member body at its biannual meeting this week in Argentina.

Mr. Lighthizer said he felt the Geneva-based organization needed to focus its agenda on **Chinese economic practices** that critics often blame for giving the country unfair advantages and for prompting its companies to flood global markets with cheap exports. WTO rule-making

Messrs. Lighthizer and Trump have both long been critics of the WTO, accusing it of treating the U.S. unfairly in many legal cases, for infringing on American sovereignty, and for failing to address the challenges from China's hybrid communist-capitalist mercantilist system.

But the two have so far said very little about how, if at all, the U.S. would translate that disaffection into a new American policy toward the WTO, which enjoyed stronger support from Mr. Trump's predecessors.

Mr. Lighthizer's brief remarks Monday offered the most detailed rundown to date on how the Trump administration views the global trade overseer. He alluded in particular to the breakdown in the WTO's ability to negotiate new rules—the last major round took effect in 1995—and its members' growing focus on the WTO's courts.

“The WTO is losing its essential focus on negotiation, and is becoming a litigation-centered organization,” he said. “Too often members seem to believe they can gain concessions through lawsuits they could never get at the negotiating table.”

Mr. Lighthizer also said the U.S. wondered “whether the current litigation structure makes sense,” echoing Trump administration complaints that WTO courts too often issue rulings it believes go beyond the written rules—and against Washington. To back up that position, the Trump administration is blocking the WTO's ability to fill vacancies on its main trade court, aggravating a case backlog.

Mr. Lighthizer was one of the few delegates speaking at Monday's session who didn't endorse the official agenda for negotiations this week—new rules in areas like curbing fishing subsidies or covering digital commerce. “It's impossible to negotiate new rules when many of the current ones are not being followed,” he said.

The U.S. sets a higher priority on creating new rules requiring countries to do a better job of reporting trade policies and subsidies, he said, an area where Americans say the Chinese have repeatedly fallen short.

Trade ministers from other member countries who spoke Monday didn't criticize Messrs. Trump or Lighthizer directly, but many voiced veiled criticism of the new U.S. “America First” trade policy, which questions the value of the WTO and multilateral trading system it governs.

“There is a need to preserve and to reinforce the WTO,” the Swiss delegate said, noting the current “challenging environment” for trade. Hong Kong's trade minister said he was “troubled to see that the multilateral trading system is being cast in doubt and under attack.”

“Trade protectionism is on the rise,” said Zhong Shan, China's commerce minister. “The multilateral trading system is a critical safeguard for prosperity and development.”

“You must stand up for multilateralism,” said Arancha González, a Spaniard who runs a joint United Nations-WTO trade-promotion agency, closing the round of speeches. “You must make trade great again,” she said, alluding to Mr. Trump’s signature campaign slogan.

Earlier in the day, more than 40 trade ministers from developed and developing countries issued a statement expressing strong support for the WTO and concern about the challenges it faces. They demanded an end to the U.S.-led impasse over judicial appointments on the trade courts. Neither the U.S. nor China signed the document.

Mr. Lighthizer received some support for his call to steer the WTO to take on China more directly. Japan’s trade minister, Hiroshige Seko, endorsed the U.S. demand to boost transparency, strengthen rules addressing state-owned enterprises and better regulate market-distorting measures. Those changes, Mr. Seko said, were needed to “further enhance the credibility of the multilateral trading system.”