



Trade/WTO: EU, U.S. and Japan agree on new ways to strengthen global rules on industrial subsidies

Brussels, 14 January 2020

In a [Joint Statement](#) issued today, representatives of the European Union, the United States and Japan announced their agreement to strengthen existing rules on industrial subsidies and condemned forced technology transfers practices.

In a meeting held in Washington, D.C., the EU, the U.S. and Japan agreed that the current list of subsidies prohibited under the World Trade Organization's (WTO) rules is insufficient to tackle market and trade distorting subsidisation existing in certain jurisdictions. They concluded therefore that new types of unconditionally prohibited subsidies have to be added to the WTO Agreement on Subsidies and Countervailing Measures.

A structural reform of the WTO and levelling the playing field in global trade is a key priority for the EU and the **von der Leyen** Commission. Commissioner for Trade Phil **Hogan** said: *"This Joint Statement is an important step toward addressing some of the fundamental issues distorting global trade. The EU has been arguing consistently that multilateral negotiations can be effective in resolving these problems. I welcome the fact that the United States and Japan share this view. I am grateful to Ambassador Lighthizer and Minister Kajiyama for their constructive collaboration. This Statement is also a symbol of a constructive strategic collaboration between three major players in global trade."*

The EU, U.S. and Japan also agreed that for particularly harmful types of subsidies, such as excessively large subsidies, the burden of proof should be reversed: the subsidising WTO member must demonstrate that there are no serious negative trade or capacity effects and that there is effective transparency about the subsidy in question. The signatories of the statement also reaffirmed the importance of technology transfers for global trade and investment and discussed possible core rules to be introduced to prevent forced technology transfer practices of third countries.

The Joint Statement also confirmed continued cooperation on a number of key items such as:

- The importance of market oriented conditions
- Reform of the WTO, to include increasing compliance with existing WTO notification obligations
- Pressing advanced WTO members claiming developing country status to undertake full commitments in ongoing and future WTO negotiations
- International rule making and trade related aspects of electronic commerce at the WTO; and
- International forums such as the Global Forum of Steel Excess Capacity and the Governments/Authorities' Meeting on Semiconductors.

The Joint Statement is an important step toward resolving some key issues in the lead up to the 12th WTO Ministerial Conference in June 2020 in Nur-Sultan.

For more information

[Joint Statement](#)

IP/20/43

Press contacts:

[Daniel ROSARIO](#) (+ 32 2 295 61 85)

[Kinga MALINOWSKA](#) (+32 2 295 13 83)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)