İNANÇ MODEL UNITED NATIONS 2025

“CONTEMPLATING DIPLOMATIC FRACTURES WHILE BREAKING THE CYCLE OF SOCIOPOLITICAL INJUSTICE AND APATHY’’

Counteracting Increased Tariffs, Dismantling Trade Barriers and Relieving Geopolitical Tensions to Reduce the Hostility of International Trade

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Committee: World Trade Organisation

Issue: Counteracting increased tariffs, dismantling trade barriers and relieving geopolitical tensions to reduce the hostility of international trade

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Introduction

Introduction to the Committee

The World Trade Organisation (WTO), is the only international organisation that deals with the regulation of trade between nations. The main goal of the WTO is to ensure the smooth and free flow of trade between nations, in the most predictable way possible. The WTO works to achieve this goal by mediating the negotiations of trade agreements between world nations.

The WTO has many roles in the international economy, it operates a global system of trade rules, acts as a forum for negotiating trade deals, settles trade disputes between its members and it supports developing nations. All major decisions made in the WTO are made by member states, either by ministers or delegates and representatives.

With its 160 members, and with over 20 nations seeking to join, the WTO represents 98 percent of global commerce. This amount of participation is the key to the major success of the WTO, and maintaining said level of participation is a key goal of the organisation, which means member states put in their best effort to find compromises in reaching a balance.

Introduction to the Agenda Item

International trade has been a core element of the global economy for centuries, sourcing raw materials or products which are unavailable in some regions from other regions is the core function of modern economy, and protecting this free trade is one of the main ways of international cooperation; sharing technological advancements, research, materials and products is possible with the protection of this trade. International free trade brings great advancements in technology, development of all nations and a boost in the global economy.

The current state of free international trade is in shambles. Rising international tensions, economic competition between nations, political instability and regional differences cause great threat to the global economy and technology by restricting the trade between world nations. The rapidly rising protectionism in the world and increased tariffs imposed by the main world economies alongside countless trade restrictions caused by internal policies and geopolitical issues are the main challenges this committee is set to resolve.

The main focus areas of all attending delegates should be to counteract all issues mentioned previously. The amount of tariffs being imposed globally, non-tariff restrictions causing delays in global production chains, geopolitical tensions causing entire blockages to the fragile balance of global economic stability are all valid questions to ask in reaching a common solution.

Definition of Key Terms

Tariffs: A tariff is a type of tax implemented by a country on an imported good at the border. Historically, tariffs have been used by governments to collect additional revenue, but they are also a way for governments to try to protect domestic producers and the local economy. Tariffs are used by governments as a tool in decreasing the amount of imports, and in balancing the export/import ratio.

Specific Tariffs: A specific tariff is referred to as a fixed fee levied on one unit of an imported good. As an example, a specific tariff of 20$ can be levied on smartphones while a specific tariff of 200$ can be levied on automobiles.

Ad Valorem Tariffs: The phrase “ad valorem” is Latin for “according to value”. This type of tariff is levied on goods based on a chosen percentage of the said goods value. As an example, a %20 ad valorem tariff can be levied on foreign automobiles, increasing their sell price in order to protect local automotive industries or obtain additional revenue.

Subsidies: Subsidies are financial benefits awarded to individuals or businesses in order to decrease the financial burden on them. Subsidies are generally given by governments to individuals or businesses in order to promote a specific industry, with the goal of increasing investments and technological advancements in said industry. Subsidies can be direct; such as funding by money transfer, or indirect; such as tax reductions.

Import Quotas: An import quota is a trade restriction placed on the import of a specific good, limiting the volume of a said good being imported for a determined time period. Import quotas are used by governments in controlling the domestic market, ensuring that foreign competition does not put out of business local producers.

Protectionism: Protectionism is the term used to define the use of policies and actions that promote domestic industries against foreign competition. Protectionist policies generally include the use of tariffs, government subsidies and import quotas on foreign goods. Protectionism is a political tool in protecting domestic economies, and many countries have implemented such policies, even though it is usually agreed upon that free trade is way more beneficial to the global economy.

Non-Tariff Barriers (NTBs): A non-tariff barrier refers to any obstacle to free international trade that is not a customs tariff. Non-tariff barriers include import quotas, governmental and non-governmental subsidies, customs delays, manufacturing and shipping regulations and so on.

Multilateral Trade: Multilateral trade refers to any international trade agreement that includes three or more nations, ensuring that no country gets a favored status over the others. The goal of multilateral trade is to standardise regulations on trade and establish a fair and relatively freer trade environment, increasing the import and export volumes between the countries.

Unilateral Trade: Unilateral trade refers to any agreements or policies that a country imposes without regard to other parties in question. Unilateral trade agreements and policies benefit only one country, generally the country that implements them. Unilateral trade policies include unilateral tariffs or reciprocal tariffs, which are types of tariffs that one country implements on another without a collaborative effort, seeking only national gain.

Trade War: Trade war refers to an economic dispute between two or more countries which seek to damage each other's trade. Trade wars can happen for many reasons in many ways, some of which are imposing unilateral or reciprocal tariffs, imposing import quotas or implementing embargoes. Trade wars generally do not benefit any party involved, as they damage economic growth and free markets, causing inflation.

Dispute Settlement Mechanism (DSM): The Dispute Settlement Mechanism is a system utilised by the WTO in enforcing its resolutions and helping its members resolve trade-caused issues. The DSM works systematically, ensuring all members respect the trade rules of the WTO and international agreements. In cases of a dispute between two nations the DSM comes into play, following a structured path in resolving the issue.

General Overview

Historical Context

The Aggression in global trade, the closing of international markets and state protectionism as we know it started in 16th century Europe with the concept of mercantilism. With the emergence of colonialism and European nations constantly growing in size and economic volume, the definition of national wealth came up. The trend of the time was to accumulate as much precious metals and wealth nationally, which led to the rapid change in the global and European market. European nations started heavily prioritising exports over imports, implementing heavy regulations on imports and substantial subsidies to national production and export. This way nations raced to get the cheapest products and materials on the international market, selling said products to eastern and southern underdeveloped nations or empires.

With the industrial revolution, colonialism and mercantilism reached their peaks, as European nations starting mass-producing products from all sectors, selling them for incredibly cheap prices in the international market, dominating and invading the local economies of non-industrialised nations, all while keeping heavy restrictions on imports to minimise the amount of capital leaving the nation. This caused a very competitive economic and political environment between developed European nations and heavy collapses of local economies in other under-developed nations. With the pacific slave trade and the extraction of american raw materials, European nations accumulated a major amount of the global riches and resources, causing all nations to implement heavy trade restrictions and import quotas to evade total economic collapse.

The roots of almost all international trade hostility issues lie in this time period. Since the beginning of the industrial revolution, a rise in trade hostility and implementation of heavy restrictions against foreign goods have been increasing in popularity globally. This selfish economic model benefits the nations that implement it, while taking advantage of those who let their internal markets stay open to foreign goods. This is the main reason why international agreements and organisations are so important, international collaboration is the only way of securing trade freedom and open markets. The WTO and similar organisations operate on this principle. The European Union is an excellent example of this mechanism. With incredible international economic cooperation, the EU has standardised currency between most of its members, secured fully open borders for the transport of goods, services and people, being the ultimate example of international cooperation in achieving trade liberalisation and free markets.

The Effect of Trade Aggression on the Global Economy

The constant rise in trade aggression since the industrial revolution has had major effects on the global economy, firstly this sharp rise in trade aggression and state protectionism caused the rise in importance of the concept of self-sustainibility of nations. However much of its domestic needs a nation can produce, the less it is affected by fluctuations in the international market and politics, alongside international tariffs and trade regulations. Countries have constantly been trying to reach a balance between import and export, managing fragile economic balances that need constant attention.

With new economic norms emerging and global political tensions rising, a spike in international trade aggression is to be expected. Trade aggression, unilateral tariffs, import quotas and all other trade regulations cause a major drawback in the advancement of technology and economy globally. These restrictive measures disrupt the fragile supply chains that define the modern economic era, forcing industries to navigate the rising costs and logistical setbacks. As a result, international cooperation is often sacrificed for national interest, sabotaging the collective innovation that thrives in a free, open and competitive marketplace.

The long-term repercussions of these aggressive measures extend far beyond balance sheets, influencing the very stability of the global geopolitical environment. As nations hide behind economic barriers that they themselves have set, the resulting isolationism can cause a climate of mistrust and unnecessary competition, making diplomatic resolutions increasingly difficult to achieve. This shift toward economic warfare sees the need for a reorganisation of global economic policy, as the world struggles to find a middle ground between the safety of protectionism and the advancements of international cooperation. Ultimately, the future of the global economy will depend on whether countries prioritize short-term domestic interests or the sustainable growth of a collaborative international community.

The Importance of International Collaboration

The historical and economic evidence makes it clear that the only sustainable way to counteract the rising tide of trade hostility is an absolute commitment to international collaboration. While nations may find temporary solutions in protectionist barriers, the overall health of the global economy relies on a rules-based multilateral system that ensures predictability and fairness of opportunity. International organizations, specifically the WTO, serve as the essential mediators where these rules are negotiated and enforced. By providing a structured environment for discussions on questions of global finance, the WTO transforms trade conflicts from being political threats into being negotiable in international courts, preventing the escalation of retaliation that historically lead to economic depressions and geopolitical conflict.

International collaboration acts as a starting point for innovation and global development. In a collaborative free global market, businesses are not restricted to domestic supply chains, instead they can tap into global markets that allow for the transfer of technology. This is particularly important in the modern era, where the most pressing challenges such as climate change and digital transformation cannot be addressed by a single nation by themselves. Multilateral agreements promote green transition by implementing environmental regulations and prevent the emergence of green protectionism, where climate goals are used as a reason for trade barriers. By combining resources and capital, the international community can ensure that technological advancements are not gatekept but are instead used to promote inclusive growth in both developed and developing nations.

The strength of the global economy is determined by the amount of its international cooperation and the transparency of its interactions. Bilateral trade agreements may seem as quick solutions between two nations, but they often create a mess of overlapping and contradictory rules that increase costs for businesses and don't include smaller, developing economies. True stability requires a multilateral effort where transparency and notification requirements keep all nations informed. As we go through the complexity of 2025 and further, the move toward networked multilateralism is the only viable path to de-escalating tensions and eliminating the trade barriers of the past. Choosing collaboration over isolation is not only an idealistic goal but a realistic necessity for securing a future where trade remains a bridge for peace rather than a path to instability.

Major Parties Involved

UN Trade and Development (UNCTAD)

UNCTAD is the main body of the UN that focuses on the inequality in trade opportunities, emphasising the need for help and development in emerging world economies. UNCTAD argues that trade barriers and hostility aren't just economic issues but rather a sustainable development threat. They promote a networked system of multilateralism.

United States of America

The U.S. is the current global troublemaker regarding international tariffs and trade hostility. Since 2025, the U.S. follows a reciprocal trade model, matching all tariffs applied on U.S. goods by foreign countries, including very close trading partners. The U.S. views the WTO to be a non-viable organisation to regulate international trade. The U.S. with its very aggressive foreign trade, tariff and regulation policies, pose a serious threat to the free global market and the flow of goods in the international market.

China

With massive state-backed, state-subsidized, emerging industries and a world-class economy, China is one of the most important parties involved. China is advocating for a relatively free global market that is going to benefit their country, embedding their bulks of products from all sectors into the global market. China portrays themselves as the victim of aggressive U.S. tariffs while imposing heavy reciprocatory tariffs themselves.

The European Union

The EU has been desperately trying to save the WTO and all other binding elements regarding international trade as the economy of the union is closely connected to predictability and rules. The EU advocates for the absolute bindingness of international regulations considering trade, including the anti-boundary agreements and initiatives of the UN and the WTO, meanwhile being subject to question themselves with their “carbon-taxes” and tariffs on non-green products.

India

India is a very strong advocate for food security and agricultural state subsidies. They argue that the rules on agricultural subsidies set by the WTO in the 1990s are outdated and benefit only already developed nations. India’s population depends on food aids that are government subsidised. These subsidies exceed WTO limits by a large margin, but the population depends on those subsidies to survive.

Timeline of Key Events

1870 - 1890	The Great Deflation
1914 - 1918	World War I
17 June 1930	The Smoot-Hawley Tariff Act signed into law
1939 - 1945	World War II
30 October 1947	The General Agreement on Tariffs and Trade (GATT) signed
5 May 1967	Success of the Kennedy Round of GATT
19 April 1979	Success of the Tokyo Round of GATT
1 January 1999	Establishment of the World Trade Organisation (WTO)
11 December 2001	Addition of China to the WTO
2002 - 2003	U.S. Steel Safeguard Tariffs globally, against key trade partners
2002 - 2003	EU Retaliation Against U.S. Steel Tariffs
29 July 2008	Effective Collapse of the Doha Development Round
8 March 2018	U.S. Section 232 Tariffs imposed globally
6 July 2018	U.S. Section 301 Tariffs imposed on China
6 July 2018	Retaliation of China in context to the U.S. Section 301 Tariffs
12 June 2024	Announcement of EU Provisional Tariffs on

	Chinese EVs
5 April 2025	U.S. IEEPA Baseline Tariff takes effect globally

Previous Attempts to Resolve the Issue

World Economic Conference (1927)

The World Economic Conference of 1927 was an international conference held in Geneva, from the 4th to the 23rd of May. The conference was attended by 46 member states of the League of Nations, as well as the U.S. and the Soviet Union. It was the first official economic conference held by the League of Nations.

The main agenda of the conference was about shifting global financial focus from post World War I reparation and stabilisation efforts to a broader and trade based model. The conference was organised in three committees: Commerce, Industry and Agriculture. The conference put the emphasis on rising tariffs and protectionism, declaring that an opposite route needs to be taken globally in order to boost economic advancements. The concept of rationalisation in industry was discussed, the reorganisation of industries in order to increase efficiency and lower costs. This approach faced backlash in the conference due to the fact that it raised questions about employment and competition. Agriculture was recognised for being in a state of crisis, pointing to the price gap between expensive industrial goods and cheap agricultural goods, declaring that farmers were not able to make a living.

At the end, the committees decided on new trade policies such as tariff reductions, simplification in the registration of goods globally and trade advantage equalities. Even against all backlash, the resolutions passed included rationalisation as a valid way of advancing industrial processes and warned against international monopolies. The committees agreed on the financing of the agricultural industry, and the expansion of agricultural credits. These resolutions, while being accepted as generally helpful, were mostly ignored as the Great Depression of 1929 hit.

World Economic Conference (1933)

The World Economic Conference of 1933 was an international conference held in London, held from the 12th of June to the 27th of July. The conference was attended by 66 nations, and it was held in order to discuss possible measures to counter the post-depression era, stabilising international trade and currency exchange rates.

The main topics discussed in the conference were global trade and tariffs, war debts and currency stabilisation. Following the logic of the 1927 conference, many delegates advocated for a decrease in tariffs and regulations on international trade, trying to open up markets and boost economies. The main actors of World War I argued that their war debts were handicapping them to the point of financial crisis, and asked for reductions. Most importantly, currency exchange rates were discussed. After Britain and the U.S. left the gold standard, global exchange rates started fluctuating aggressively, and there was an urgent call for them to return to the gold standard, protecting fixed exchange rates.

The end of the conference is caused by the President of the U.S. Franklin D. Roosevelt, who sent a telegram to the U.S. delegation stating his rejection of any immediate currency stabilisation. Without the cooperation of the biggest world economy, the conference fell apart and could not reach a definitive agreement.

Bretton Woods Conference (1944)

The Bretton Woods Conference, or The United Nations Monetary and Financial Conference, was held in New Hampshire with the attendance of all 44 allied nations. The main goal of the conference was to prevent a global crisis and establish an international monetary and financial order after World War II. The conference is regarded as the clash of John Maynard Keynes of the U.K. and Harry Dexter White of the U.S. Their proposed economic plans went against one another during the conference.

Keynes proposed a model in which there was to be a central world bank and a new international currency, he wanted a system which penalised countries which had too big of trade surpluses, forcing them to spend more and contribute to the global economy. White proposed a system based on the U.S. dollar, since the U.S. held most gold supplies of the world and was the only major economy not affected terribly by the war. The dollar-based plan of White won in the end.

The conference saw the birth of the International Monetary Fund (IMF) and the World Bank. The conference is regarded as a move towards a freer trade model globally.

The General Agreement on Tariffs and Trade (GATT) Rounds (1947-1994)

The General Agreement on Tariffs and Trade (GATT) is an agreement signed in 1947, signed by many countries, with the general purpose of promoting international trade and promoting the abolishment of harsh tariffs and trade regulations. The agreement includes eight negotiating rounds, extending its duration to around 50 years.

The negotiation rounds initially focused on tariffs, composing the first five rounds. A product by product negotiation was done and countries discussed the tariffs imposed on specific goods. In the later years non-tariff barriers came into question. “Dumping” techniques were condemned, where a country would provide cheap goods to another country, effectively collapsing the local industry. Government subsidies and technical quality standards were talked about as well. The agreement caused the formation of the World Trade Organisation (WTO).

Establishment of the World Trade Organisation (1995)

The establishment of the World Trade Organisation (WTO) is one of the most crucial steps taken in fighting global trade barriers. It was the result of the GATT rounds that lasted for 50 years. Currently with 166 members, the WTO represents 98% of the global economy. The WTO is an organisation that covers not only the trade of physical goods, but also services such as banking, marketing, tourism, copyrights etc.

The WTO serves the role of a decisive mediator in global trade and commerce. Its formation provided the switch from a power-based system to a rules-based system, where major economies were not the main deciders for international trade, but agreers to the regulations the WTO posed.

The Doha Development Agenda (2001-2015)

The Doha Development Agenda is the global trade negotiation round under the WTO. The main goal was to help under-developed or lower-income countries, earning the name of “development agenda”. The focus was on lowering all types of trade barriers around the world.

A wide variety of topics were discussed, including trade facilitation and regulation, dispute settlement and special treatment for developing nations. From this wide range of topics, the negotiations got stuck on some specific ones. The agricultural deadlock, caused by the U.S. and EU refusing to cut their subsidies to their agricultural industries. Developing nations such as India and Brazil demanded the subsidy cut-offs, while the EU and U.S. argued for better access to the industrial markets in those countries as a counter-argument. Another pivotal point was the topic of non-agricultural market access. Developed nations argued for heavy tariff cut-offs in industrial goods while developing economies feared the supply of mass-produced goods from said developed nations would hurt their infant industries.

Possible Solutions

The Restoration of the Dispute Settlement Mechanism (DSM)

As the judicial branch of the WTO, the DSM has been practically paralyzed since 2019 because of a deadlock on judge appointments. This has led the system to completely collapse as there is no longer a judicial binding element to process the appeals, where countries with disputes submit their appeals to a practical “void” in which they back up and do not have any effect on the resolvement of the dispute.

Delegates should seek to return to the binding system, where submitted appeals get processed, causing all nations to follow international agreements and rules set by the WTO. For this to be possible, delegates need to seek the root of the issue, and find solutions.

The Redefinition of Certain Mechanisms

International trade rules and agreements were largely written in the late 1900's. This causes a lack of understanding in said rules and agreements of the modern era, leading to loophole exploitment, and the practical continuation of protectionism on an international level.

Some mechanisms to redefine include the article XXI of GATT, where the imposed rules are not imposed under national security concerns. This article has caused nations to abbreviate the topic and start using national security as an excuse to continue protectionism. The Special and Differential Treatment, which differentiates developed and developing nations, causing different blocks with different interests to act accordingly. A more inclusive framework for trade regulations could be established, effectively eliminating this problem. And lastly transparency could be improved between nations, decreasing the amount and harshness of trade wars, helping achieve a peaceful and free trade environment.

The Expansion of Multilateral Agreements and Initiatives

Multilateral action is what defines the WTO. All nations coming together and working together in securing a safe and free trade environment globally. Old multilateral agreements should be further supported and new ones should be proposed. New, more inclusive frameworks and trade regulations that promote the elimination of trade barriers are to be achieved by the delegates.

The WTO, in cases where multilateralism is not possible, now advocates for plurilateral systems, which see the cooperation of not all, but most nations. This is the main way of securing the smooth flow of international processes when big global economies end up in deadlocks, or refuse to cooperate.

The Strategic De-escalation of Global Tariffs

As mentioned countless times before, eliminating unnecessary and excessive tariffs is the best way of securing a peaceful and inclusive global market. The strategic de-escalation of said tariffs can be a smart move, ensuring the gradual decrease in global tensions. Advocating for tariff freeze agreements, regional or global free trade agreements, establishing a rollback schedule are all in the interest of delegates.

With the gradual elimination of tariffs, the world economy will be taking major steps in becoming a free market from which all nations benefit. Seeking global gain instead of national interests is a sacrifice expected from all nations by the WTO.

Conclusion

In conclusion, the current state of international trade laws, regulations and barriers alongside internal national policies regarding protectionism and international trade regulation are causes of decades and centuries of buildup, caused by seeking national fortune instead of global cooperation and development. Throughout history, humanity and world economies have seen shifts between open and closed trade caused by constantly shifting economic phenomena and internationally coordinated policymaking. Said current state of the international trade environment does not allow or promote free trade internationally, stalling economic and technological advancements. The reason for this situation is the absolute failure of efforts in providing a multilateral trade system regulated by specific and fragile rules, laws and agreements. Unilateral tariffs, the utilisation of national security as a way of rebranding protectionism into a political tool and the constant implementation of import quotas are sabotaging the passage to open global trade.

The de-escalation of trade aggressions all over the globe, between all nations and the eventual elimination of excessive tariffs, trade regulations and import quotas alongside policies prioritising national gain over global cooperation required the complete rehaul of the current multilateral systems and international trade laws and regulations. In this world of government selfishness and constant seeking of national financial gain, the hope for a fully free global trade network is slim, but the effort by related UN organisations and certain nations rule out the possibility for a completely closed global economic model in the foreseeable future.

Delegates in this committee should look to promote free trade and lighten international regulations as much as their assigned nations current policies allow, establishing and strengthening already existing multilateral trade systems and agreements in the vision of the WTO, find the medium between the economic west, authoritarian regimes, global outliers, emerging economies and under-developed nations. New gradual roll-back policies should be implemented regarding tariffs and unilateral trade, increasing the cooperation of all member nations in achieving a new model of international trade, one that allows as much as possible for the free movement of products and services without damaging local economies or causing global crises.

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