

The Appeals Court of the World Trade Organization (WTO) is facing a temporary collapse this year as the United States opposes the nomination of judges, EU Trade Commission Mamstom said Tuesday. The Court of Appeal is responsible for resolving disputes between member States.

U.S. President Trump has blocked the appointment of seven members of the WTO Appeals Court, accusing them of exceeding their powers and flouting directives.

As the obstruction by the United States does not show signs of being lifted soon, the WTO Appeals Court may be reduced to only one judge by December 11, indicating that the court will not be able to hear new cases.

"This organization is in deep crisis, and we have to understand that," Mamstom said at a meeting of the French central bank.

"If the Appeals Court collapses, this may happen in December, or at least for a short time, then we will lose the ability to enforce the law. If there are no rules to follow, everyone will do whatever they want."

The European Union has proposed to use WTO arbitration rules to establish a shadow court of appeal to maintain the operation of the appeal process, but how such a structure works remains uncertain.

Alan Wolff, Deputy Director-General of the WTO, said that in the absence of a settlement mechanism, countries might prefer to escalate trade disputes rather than seek solutions. This could have an impact on economic growth at a time when global trade tensions are rising. Wolf is the highest-ranking U.S. official in the WTO.