



WORLD TRADE  
ORGANIZATION

# Annual Report

2020



### Who we are

The World Trade Organization deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

### About this report

This report covers the WTO's activities in 2019 and early 2020. It begins with a message from the Director-General and an overview of 2019. This is followed by more in-depth accounts of the WTO's areas of activity over the past year.

### Find out more

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# Annual Report

2020

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# Introduction

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**There are a number of ways of looking at the World Trade Organization: as an organization for trade-opening, a forum for governments to negotiate trade agreements, and a place for them to settle trade disputes. It operates the global system of trade rules and helps developing countries to build their trade capacity. Essentially, the WTO is a place where member governments try to sort out the trade problems they face with each other.**

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Message from

## Director-General Roberto Azevêdo



**As I write these words, international trade faces unprecedented uncertainty amid the coronavirus pandemic and its immense economic fallout.**

The global economy is in its worst downturn since the 1930s. WTO economists foresee a bumpy year ahead. Their forecast for 2020 estimates that the volume of global merchandise trade will tumble by between 13 and 32 per cent compared to the previous year. The depth of the fall will depend on two main factors: one, how long it takes to bring the pandemic under control; and two, the policies governments implement – domestically and at the international level – to mitigate its economic consequences.

This underscores why international cooperation to keep global markets open for goods and services is more important than ever. As the world fights the COVID-19 pandemic, maintaining open supply lines will facilitate access to medical products and food. Restricting trade and disrupting established supply chains will make it harder to ramp up the manufacture of much-needed protective equipment, testing kits, ventilators and other essentials. In the longer run, a turn towards protectionism will slow down the global economic recovery, to the detriment of all countries, most damagingly for the poorest.

Whether to safeguard public health or to revive economic activity, it is only through collective action that we can respond effectively to the COVID-19

crisis. It is essential that governments and international organizations work together. The WTO is committed to doing its part to foster such cooperation. One key aspect of this is transparency – we have stepped up monitoring and information-sharing to allow all participants in world trade to keep track of COVID-related measures governments have introduced to facilitate or restrict trade. The WTO will also serve as a forum for members to share views and coordinate action on trade policies as economies emerge from the crisis.

Prior to the pandemic, the year 2019 had been marked by strong activity at the WTO in terms of trade negotiations. Talks on reducing fisheries subsidies registered further progress, and members continued discussions on a range of issues in agriculture. In parallel with these multilateral negotiations, groups of WTO members took substantial steps forward in initiatives seeking to write new rules for e-commerce, facilitating investment for development, domestic regulation of trade in services, and micro, small and medium-sized enterprises. The initiatives, which remain open to the entire membership, drew interest from a growing number of members.

Members will determine how and when to take these negotiating processes forward in light of the public health







**Whether to safeguard public health or to revive economic activity, it is only through collective action that we can respond effectively to the COVID-19 crisis.**

and economic situation. In a similar vein, they are already deliberating on options for holding our 12<sup>th</sup> Ministerial Conference, which could not be held as originally scheduled in Nur-Sultan, Kazakhstan, in June 2020 because of the pandemic.

Discussions on the ongoing process of WTO reform also gained momentum over the course of the year. Further progress will now also have to take account of the evolving health and economic situation. The reform process has nevertheless always been aimed at strengthening and improving the functioning of the system to make the WTO more effective and more responsive to members' needs. Amid the social and economic distress shared by billions of people, some of these needs have become painfully clear. A key goal of WTO reform must be to ensure that the organization is properly equipped to contribute to the economic recovery of all members.

A key concern is the proper functioning of the WTO's dispute settlement system, given the impasse in the appointment of Appellate Body members. The importance WTO members attach to the institution's dispute settlement function was underscored by the highest-ever level of activity seen in 2019, with 23 dispute settlement reports and decisions issued during the course of the year. At the same time, late in the year, members could not reach consensus on a set of proposals put forward by the then-chair of the Dispute Settlement Body in an attempt to address concerns about the functioning of the Appellate Body. I encourage members to consider the compromises they would be willing to make to maintain a vital two-step review process for the settlement of trade disputes and to avoid the prospect of blocked rulings and unilateral retaliation.

Another important function of the WTO is our work to assist developing countries to gain a better understanding of how best to make the multilateral trading system and the WTO rulebook work for them. In 2019, the WTO organized training courses for over 18,000 government officials, enhancing their know-how and skills to help their respective countries play a more active role in world trade. The WTO

also hosted the Global Review of Aid for Trade, a WTO-led initiative aimed at improving the trading capacity of developing and least-developed countries. The three-day event brought over 1,500 participants to our headquarters to share ideas and look at examples of how targeted technical and financial support has helped countries use trade to bolster economic diversification and empowerment.

Other events held at the WTO in 2019 included our annual Public Forum, which attracted a record number of participants – over 2,500 from 126 countries – to discuss how trade should adapt to a changing world. The first-ever World Cotton Day brought ministers and key players in the cotton industry to WTO headquarters to address the challenges faced by cotton farmers and the importance of the sector in contributing to poverty reduction in developing countries. The WTO also hosted an International Forum on Food Safety and Trade alongside the UN Food and Agriculture Organization and the World Health Organization.

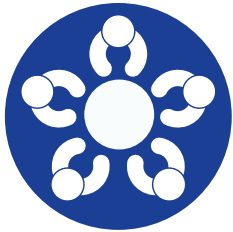
Cooperation and solidarity among governments and international organizations will be essential for the world to unite to tackle the coronavirus pandemic and prepare the foundations for economic revival. Trade will have a vital role to play in making a strong, sustainable and socially inclusive recovery. We at the WTO are committed to doing our part.

**Roberto Azevêdo**  
**Director-General**



# Understanding the WTO

## Who we are



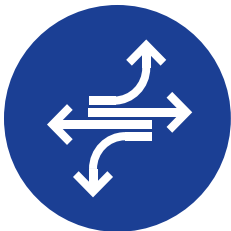
### Negotiations

The WTO was born out of negotiations aimed at progressively reducing obstacles to trade. Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. Conversely, in some circumstances, WTO rules support maintaining trade barriers – for example, to protect consumers or the environment.



### WTO agreements

At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. Essentially contracts, these documents provide the rules for international commerce and bind governments to keep their trade policies within agreed limits. Their goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives.



### Trade flows

The system's overriding purpose is to help trade flow as freely as possible – so long as there are no undesirable side effects – because this stimulates economic growth and employment and supports the integration of developing countries into the international trading system. Its rules have to be transparent and predictable, to ensure that individuals, companies and governments know what the trade rules are around the world, and to assure them that there will be no sudden changes of policy.



### Trade relations

Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO, often need interpreting. The most harmonious way to settle these differences is through a neutral procedure based on an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements.



# What we stand for

The WTO agreements are lengthy and complex because they are legal texts covering a wide range of activities. But certain simple, fundamental principles run throughout all of these documents and form the foundations of the multilateral trading system.



## 1 Non-discrimination

A country should not discriminate between its trading partners, and it should not discriminate between its own and foreign products, services or nationals.

## 2 Opening trade

Lowering trade barriers is an obvious way to encourage trade; these barriers include customs duties (or tariffs) and measures such as import bans or quotas, that restrict quantities selectively.

## 3 Predictability and transparency

Foreign companies, investors and governments should be confident that trade barriers will not be raised arbitrarily. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition – such as increased choice and lower prices.

## 4 More competitive

Discouraging “unfair” practices, such as export subsidies and dumping products at below normal value to gain market share; the issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade.

## 5 More beneficial for less developed countries

Over three-quarters of WTO members are developing economies or in transition to market economies. The WTO agreements give them transition periods to adjust to WTO provisions and, in the case of the Trade Facilitation Agreement, provide for practical support for implementation of the Agreement.

## 6 Protect the environment

The WTO agreements permit members to take measures to protect not only public, animal and plant health but also the environment. However, these measures must be applied in the same way to both national and foreign businesses: members must not use environmental protection measures as a means of introducing discriminatory trade barriers.

## What we do

- **Trade negotiations**
- **Implementation and monitoring**
- **Dispute settlement**
- **Supporting development and building trade capacity**
- **Outreach**

**The WTO is run by its 164 member governments.**

- **The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva).**
- **While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities.**
- **The Secretariat employs over 600 staff, and its experts – lawyers, economists, statisticians and communications experts – assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced.**





## Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of trade-opening and the permitted exceptions, and set procedures for settling disputes. They include countries' commitments to lower trade barriers and to open services markets. The agreements are renegotiated from time to time and new agreements can be added, as was the case at the 2013 and 2015 ministerial conferences.



## Implementation and monitoring

The WTO agreements require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted. Various WTO councils and committees seek to ensure that these requirements are being followed and that WTO agreements are being properly implemented. All WTO members must undergo periodic scrutiny of their trade policies and practices.



## Dispute settlement

The WTO's procedure for resolving trade disputes under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the WTO agreements are being infringed. Judgments by specially appointed independent experts are based on interpretations of the WTO agreements and individual countries' commitments.



## Supporting development and building trade capacity

The WTO agreements contain special provisions for developing countries, including longer time periods to implement agreements and commitments, measures to increase their trading opportunities, and support to help them build their trade capacity, handle disputes and implement technical standards. The WTO organizes many technical cooperation missions to developing countries and holds numerous courses in Geneva for government officials. The Aid for Trade initiative aims to help developing countries develop the skills and infrastructure needed to expand their trade.



## Outreach

The WTO maintains regular dialogue with the business community, non-governmental organizations, parliamentarians, other international organizations, the media and the general public on various aspects of the WTO and its negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities.

# A brief history

The WTO began life on 1 January 1995, succeeding the General Agreement on Tariffs and Trade which had regulated world trade since 1948. Over the past 25 years, the WTO has made a major contribution to the strength and stability of the global economy, helping to boost trade growth, resolve numerous trade disputes and support the integration of developing countries into the trading system.

1995

2000

## 1994

### April

Marrakesh Agreement establishing the WTO is signed.



## 1995

### January

The WTO is born on 1 January.

### May

Renato Ruggiero (Italy) takes office as WTO Director-General.



## 1996

### December

First Ministerial Conference takes place in Singapore. Information Technology Agreement concluded.

## 1997

### December

Seventy WTO members reach a multilateral agreement to open their financial services sector.



## 1998

### May

Second Ministerial Conference takes place in Geneva.

## 1999

### September

Mike Moore (New Zealand) becomes WTO Director-General.

### November

Third Ministerial Conference takes place in Seattle, United States.



## 2000

### January

Negotiations begin on services.

### March

Negotiations begin on agriculture.



## 2001

### November

Fourth Ministerial Conference in Doha, Qatar. Doha Development Agenda is launched. China becomes the WTO's 143<sup>rd</sup> member.



## 2002

### September

Supachai Panitchpakdi (Thailand) is elected WTO Director-General.



## 2003

### September

Fifth Ministerial Conference takes place in Cancún, Mexico.

## 2004

### July

General Council approves "July 2004 Framework" for advancing Doha Round negotiations.



## 2005



### 2005

#### September

Pascal Lamy (France) becomes WTO Director-General.

#### December

Sixth Ministerial Conference takes place in Hong Kong, China. Aid for Trade initiative is launched. Hong Kong Declaration is approved.

### 2006

#### September

First WTO Public Forum takes place in Geneva.



### 2007

#### November

First Global Review of Aid for Trade takes place in Geneva.



### 2009

#### April

DG Pascal Lamy reappointed for second term of four years.

#### September

First WTO Open Day in Geneva.

#### November

Seventh Ministerial Conference takes place in Geneva.

## 2010



### 2010

#### January

"Chairs Programme" launched to support developing country universities.



### 2011

#### December

Eighth Ministerial Conference takes place in Geneva.



### 2013

#### September

Roberto Azevêdo (Brazil) takes office as WTO Director-General.

#### December

Ninth Ministerial Conference takes place in Bali, Indonesia. "Bali Package" adopted, including the Trade Facilitation Agreement.

### 2014

#### April

Revised WTO Agreement on Government Procurement comes into force.

### 2015

#### December

Tenth Ministerial Conference takes place in Nairobi, Kenya. "Nairobi Package" adopted, including abolition of agricultural export subsidies. Expansion of Information Technology Agreement concluded.

## 2015

### 2016

#### July

Afghanistan and Liberia become the WTO's newest (163<sup>rd</sup> and 164<sup>th</sup>) members.



### 2017

#### January

Amendment to the TRIPS Agreement enters into force, easing access to medicines.

#### February

Trade Facilitation Agreement enters into force.

#### September

Roberto Azevêdo begins second term as WTO Director-General.

#### December

Eleventh Ministerial Conference takes place in Buenos Aires, Argentina.

### 2018

#### October

WTO and UN Environment host leadership dialogue on expanding trade's contribution to sustainability.



### 2019

#### January

General Council appoints facilitator to help WTO members resolve differences on functioning of Appellate Body.

#### October

WTO hosts World Cotton Day.

#### November

Conference marks 30 years of the WTO's Trade Policy Review Mechanism.



# A year in review

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# 2019: a snapshot

## January

General Council appoints facilitator to try to help WTO members resolve differences on functioning of Appellate Body.

DG Azevêdo attends World Economic Forum in Davos.



## February

DG Azevêdo attends first International Food Safety Conference in Addis Ababa, Ethiopia.

Ambassador Sunanta Kangvalkij (Thailand) appointed as Chair of General Council.

## August

At G7 Summit in Biarritz, DG Azevêdo discusses "fighting inequalities" with world leaders.



## July

WTO hosts Global Review of Aid for Trade.

## October

Chancellor Merkel, DG Azevêdo and other agency heads discuss challenges of multilateralism in Berlin.

WTO hosts World Cotton Day.

WTO's Public Forum welcomes over 2,500 participants to talk about "Trading Forward: Adapting to a Changing World".

WTO-WHO-WIPO Symposium looks at challenges and opportunities of cutting-edge health technologies.



## September

DG Azevêdo attends event in Montevideo to mark 25<sup>th</sup> anniversary of conclusion of Uruguay Round.





### March

South Sudan starts WTO membership negotiations.

### April

WTO hosts International Forum on Food Safety and Trade.



### June

WTO welcomes close to 3,000 visitors to its Open Day.

DG Azevêdo welcomes G20 leaders' renewed call for WTO reform at summit in Osaka, Japan.



### May

Australia becomes newest member of WTO Agreement on Government Procurement.

DG Azevêdo announces new fund to help LDCs participate in fisheries subsidies talks.

UN Secretary-General António Guterres addresses WTO General Council.

WTO hosts Trade Dialogues event with consumer groups.



### November

DG Azevêdo and President Xi participate in opening ceremony of China International Import Expo in Shanghai.

Conference marks 30 years of the WTO's Trade Policy Review Mechanism.

### December

Kazakhstan submits application to join Government Procurement Agreement.

WTO members agree to extend e-commerce, non-violation moratoriums.

DG Azevêdo pledges to launch high-level consultations on resolving Appellate Body impasse.



# Our year

- **WTO members sought to move trade negotiations forward in advance of the 12<sup>th</sup> Ministerial Conference, originally scheduled for June 2020 in Nur-Sultan, Kazakhstan. Fisheries subsidies and agriculture were the most active areas of negotiation. A number of members declared WTO reform a priority for the organization.**
- **Discussions on reform focused on strengthening the work of WTO committees and increasing transparency, improving the dispute settlement system and addressing the functioning of the Appellate Body, and improving negotiating work so that the WTO can continue to deliver new agreements with economic impact.**
- **The General Council appointed Ambassador David Walker (New Zealand) as a facilitator charged with helping WTO members find a solution on improving the functioning of the Appellate Body. However, there was no consensus on the resulting set of proposals, and in December, DG Azevêdo announced he would launch high-level consultations to find a way forward on maintaining a two-step review process for the settlement of trade disputes.**

## Trade negotiations and discussions

**In 2019, WTO members engaged actively in negotiations on fisheries subsidies and in a number of other areas, such as agriculture and services. They committed to concluding negotiations on fisheries subsidies by the 12<sup>th</sup> Ministerial Conference (MC12). Many underlined that WTO reform was a priority and submitted proposals for modernizing the organization.**

WTO members worked intensively to meet an end-of-2019 deadline for an agreement on fisheries subsidies. Although they made substantial progress, meeting the deadline proved out of reach, and they agreed to a new work programme for 2020, committing to conclude the negotiations by MC12.



**14**

**Prohibiting fisheries subsidies that contribute to overfishing is a key component of Sustainable Development Goal 14.**

A high level of engagement was seen in all areas of the agriculture negotiations during 2019, with the aim of identifying potential meaningful outcomes for MC12. There was also negotiating activity in services, special and differential treatment for developing countries and Dispute Settlement Understanding reform.



**164**

**Trade negotiations are conducted among the WTO's 164 member governments.**

Alongside these multilateral negotiations, groups of WTO members continued to engage with each other under joint statement initiatives (JSIs) on e-commerce, investment facilitation for development, services domestic regulation

and micro, small and medium-sized enterprises. Coordinators of each initiative provided regular updates on these discussions to the wider WTO membership. The initiatives drew increasing numbers of participants, with meetings kept open to all members. Members also received updates on the initiative on trade and women's economic empowerment.



**100**

**A total of 100 WTO members are participating in the joint statement initiative on investment facilitation for development.**

Many members declared WTO reform a priority for the organization. Several put forward ideas, papers and initiatives. DG Azevêdo said that while it was clear that the WTO had to be more responsive to members' needs, the goals of reform – and the process of getting there – was for members to define.

Discussions fell into three broad areas: how to strengthen the work of WTO regular bodies and committees and improve areas such as notifications and transparency; how to improve the dispute settlement system and address the impasse in appointments to the Appellate Body (see page 122); and how to improve negotiating work so as to keep delivering new agreements with real economic impact.

See pages 32-55.



## ■ Implementation of WTO agreements and decisions

**Work in the WTO's councils and committees continued to focus on the effective implementation of WTO agreements and decisions, with issues such as transparency and the fulfilment of members' notification requirements receiving increasing attention.**



WTO members brought up a range of issues in the General Council, including on increasing the transparency of members' trade measures and strengthening the committee work of the WTO. In the Committee on Agriculture, members agreed on recommendations to enhance transparency and improve notifications. The issue of transparency was also raised in a number of other committees, including those dealing with the Agreement on Sanitary and Phytosanitary Measures and the Technical Barriers to Trade Agreement.

Members continued discussions on the Work Programme on Electronic Commerce, with a particular focus on the issue of not imposing customs duties on electronic transmissions – the e-commerce moratorium – which was due to expire in December 2019. While members continued to differ on the moratorium and its scope, they agreed at the December session of the General Council to renew it up to the 12<sup>th</sup> Ministerial Conference (MC12).

The General Council also agreed to extend the moratorium on the initiation of “non-violation” complaints under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) until MC12. This issue concerns whether members should have the right to bring a dispute to the WTO if they consider that another member's action or a specific situation has deprived them of an expected benefit under the TRIPS Agreement, even if no specific TRIPS obligation has been violated.



**149**

**The Trade Facilitation Agreement had been ratified by 149 WTO members by the end of 2019.**

Eight more WTO members ratified the Trade Facilitation Agreement, bringing the rate of ratification to 90 per cent by the end of the year. An increasing number of members also provided notifications on how they would implement the Agreement, which is expected to reduce trade costs globally by speeding up the movement of goods across borders.



**48**

**Australia became the 48<sup>th</sup> member of the Government Procurement Agreement, significantly expanding the markets covered by the Agreement.**

Australia became the latest member to join the Agreement on Government Procurement (GPA), bringing membership of the GPA to 48 and adding significantly to the procurement market covered by the Agreement.



**30**

**The WTO marked the 30<sup>th</sup> anniversary of the Trade Policy Review Mechanism in 2019.**

The WTO commemorated 30 years of the Trade Policy Review Mechanism in November 2019 with a one-day conference which highlighted the crucial role the mechanism has played in helping members to better understand each other's trade policies and in providing a more predictable international trading environment.

See pages 56-113.





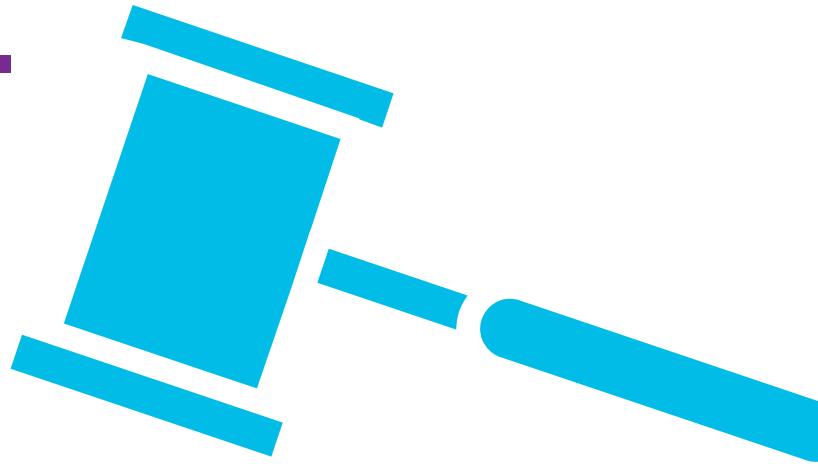
19

WTO members initiated 19 disputes in 2019.



23

Twenty-three dispute settlement reports and decisions were circulated in 2019.



## ■ Dispute settlement

**The overall level of dispute settlement activity remained high in 2019, with 19 new disputes initiated and 23 dispute settlement reports and decisions circulated. As of December 2019, the Appellate Body was reduced to one member and, as a result, could not hear new appeals.**

The number of new disputes brought to the WTO – 19 – was down on 2018 but above the levels of 2016 and 2017.

The overall level of dispute settlement activity remained significant, with a monthly average of 54 ongoing proceedings (comprising panel, arbitral or appellate proceedings), the highest ever level.



54

**On average, 54 dispute settlement proceedings were ongoing each month, the highest figure on record.**

Of the 23 dispute settlement reports and decisions circulated in 2019, 11 were “original” panel reports, three compliance panel reports, five Appellate Body reports, one Appellate Body compliance report and three arbitration decisions on permissible levels of retaliation.

In December, the terms of office of two of the remaining three Appellate Body members, Ujal Singh Bhatia and Thomas R. Graham, expired. Deprived of the quorum of three members needed to hear an appeal, the Appellate Body suspended its work on all but three pending appeals in which the oral hearings had already taken place in 2019.

Earlier in the year, the General Council had appointed Ambassador David Walker (New Zealand) as a facilitator to help WTO members improve the Appellate Body’s functioning and resume the appointment of AB members. However, consensus could not be reached on the draft set of proposed reforms that emerged from his consultations.

At the end of the year, DG Azevêdo announced he would launch high-level consultations in search of a solution to the impasse.

See pages 114-125.

## ■ Supporting developing countries and building trade capacity

### Support for developing countries and building trade capacity continued to be a central focus of the WTO's activities in 2019, with the Committee on Trade and Development acting as the main forum for these discussions.

The Committee on Trade and Development continued discussions on e-commerce and on duty-free and quota-free (DFQF) market access for least-developed countries (LDCs), and considered a report by the WTO Secretariat on the implementation of special and differential treatment provisions for developing countries in WTO agreements and decisions. Such provisions range from increasing trade opportunities for developing countries and LDCs to granting longer transition periods for the implementation of WTO agreements and providing technical assistance.

LDCs' exports of goods and services increased by 12 per cent in 2018, continuing the positive trend from 2017. Their share of world exports increased slightly from 0.92 per cent to 0.94 per cent. However, as this is lower than in 2011, the LDCs are unlikely to achieve the 2011 Istanbul Programme of Action target to double their export share by 2020. LDCs called on WTO members to continue to make progress in the implementation of ministerial decisions on DFQF market access, preferential rules of origin and the LDC services waiver to further facilitate LDCs' market access.



## 43.1 billion

**Global disbursements of Aid for Trade rose to US\$ 43.1 billion in 2017 (the latest year on record), up from US\$ 38.9 billion in 2016.**

Global disbursements of trade-related development assistance were US\$ 43.1 billion in 2017 according to the WTO-led Aid for Trade initiative. In July, the WTO hosted the 2019 Aid for Trade Global Review, which focused on supporting economic diversification and the empowerment of women and youth. The event drew some 1,500 participants.



## 1,500

**The Aid for Trade Global Review drew some 1,500 participants to the three-day event in July.**

The Enhanced Integrated Framework (EIF), a multi-agency initiative, officially launched its 2019-22 strategic plan, which aims to better position LDCs in the global economy. New projects totalling US\$ 35 million were submitted to the EIF Board for approval in 2019.

Another multi-agency initiative, the Standards and Trade Development Facility, approved US\$ 4.2 million for projects aimed at improving food safety, animal and plant health and helping developing countries meet sanitary and phytosanitary requirements for trade.



## 18,600

**The WTO undertook just under 300 training activities in 2019, involving over 18,600 government officials.**

The WTO Secretariat undertook just under 300 technical assistance activities in 2019 to help government officials gain a better understanding of WTO rules and the multilateral trading system. More than 18,600 participants benefited. The number of online courses rose by 10 per cent, showing a continuing shift towards online learning.

See pages 126-143.







## ■ Outreach

### In 2019, the WTO continued to reach out to the business community, civil society, academia and the general public through a range of initiatives.

Under the theme “Trading Forward: Adapting to a Changing World”, the Public Forum – the WTO’s biggest annual outreach event – attracted over 2,500 participants from 126 countries and featured 140 sessions. Keynote speakers at the opening plenary addressed the importance of a rules-based multilateral trading system in uncertain times and how to ensure that trade contributes positively to sustainable development. A high-level panel of millennials and Generation Z looked at what they expect from global trade. The business community held 25 sessions during the event.



**2,500**

**The Public Forum attracted over 2,500 participants from 126 countries, who took part in a record 140 sessions.**

At a “Trade Dialogues” session organized by the International Chamber of Commerce and the B20, business representatives put forward ideas on changes they would like to see to the functioning of the WTO. The session was attended by DG Azevêdo, who welcomed the business community’s support for strengthening the trading system.

In May, the WTO organized its first “Trade Dialogue” for consumer organizations, bringing together consumer groups and private sector representatives. Participants focused on the challenges and opportunities provided by e-commerce and how the WTO can help address consumers’ concerns. The “Trade Dialogues” initiative, launched in 2016, aims to bring together a wide range of stakeholders, including labour organizations, consumer bodies, business and academics, to discuss trade concerns.

The WTO continued to work closely with other international organizations. DG Azevêdo attended the G20 and G7 summits and took part in events organized by the UN, the World Bank, the IMF, the OECD and others. At the G20 summit in Osaka in June 2019, world leaders recognized the contribution of the multilateral trading system to economic growth and called for reform to improve its functioning. DG Azevêdo participated in a side event organized by Japan where leaders from over 20 governments issued the Osaka Declaration on the Digital Economy, launching a track of intergovernmental discussions on e-commerce rules.

At the G7 summit in Biarritz in August, he said that reform of the WTO provides an opportunity to focus the agenda of work on issues that make trade rules more responsive to the demands of today’s economy in an inclusive way.



**2.7 million**

**The WTO website attracted a record 2.7 million visits a month, over 17 per cent more than in 2018.**

The WTO saw increasing interest in its activities, with the WTO website attracting 2.7 million visits a month, 17 per cent more than in 2018. By the end of the year, the WTO had close to 400,000 followers on Twitter, over 300,000 on Facebook and over 600,000 on Weibo, a Chinese social media platform.

See pages 144-169.



**3,000**

**The WTO welcomed close to 3,000 visitors to its headquarters for the fifth WTO Open Day in June 2019.**



# Membership

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# 3

The WTO is open to states or customs territories with full autonomy over their external commercial relations. The accession process promotes the integration of new members into the global economy.



# Joining the WTO

- **The Working Party on the Accession of South Sudan held its first meeting in March 2019.**
- **Ethiopia reactivated its accession process after a pause of several years.**
- **The Bahamas and Belarus advanced further in their accession negotiations.**
- **The WTO Secretariat organized its first training activity to focus on WTO rules in the context of accession negotiations.**

## Background on joining the WTO

The WTO is open to states or customs territories with full autonomy over their external commercial relations. To join, a government has to bring its economic and trade policies in line with WTO rules and principles and negotiate with WTO members the guaranteed minimum levels of access to its domestic markets for goods and services. The accession process promotes the integration of new members into the global economy. An accession process begins when WTO members accept an application and establish a working party. It concludes when WTO members and the acceding government accept negotiated terms of accession.

Since the WTO was launched in 1995, 36 members have joined the organization. Currently, there are 22 working parties overseeing the accession negotiations for countries seeking to join the WTO.

## South Sudan

At the first meeting of the Working Party on the Accession of South Sudan on 21 March 2019, WTO members expressed support for working with the world's youngest nation to advance its accession negotiations. South Sudan gained independence in July 2011. In December 2017, the 11<sup>th</sup> Ministerial Conference accepted its request to begin WTO accession negotiations.

In December 2018, South Sudan took the first step in the accession process by submitting a memorandum on its foreign trade regime, a document which provides factual data on its trading rules and regulations. "This is an impressive achievement, since on average it has taken seven years to prepare the MFTR for the nine accessions of least-developed countries (LDCs) completed to date," said the Working Party Chair, Ambassador Mohammad Qurban Haqjo (Afghanistan).

**South Sudan began accession negotiations.**



**The Bahamas resumed its accession process.**



### **Ethiopia reactivates its accession**

After a near eight-year pause, Ethiopia reactivated its accession process by circulating a comprehensive set of documents to the Working Party, which met in January 2020 for the first time since March 2012. The Ethiopian delegation, headed by Mamo Mihretu, senior advisor to the Ethiopian Prime Minister and chief trade negotiator, said the country is ready to work with members to advance and hopefully conclude the accession process by the end of 2021. He called on members to accelerate negotiations given Ethiopia's status as an LDC.

### **The Bahamas**

At the fourth working party meeting in April 2019, WTO members welcomed The Bahamas' efforts to maintain momentum since the resumption of its accession process in 2018. The Bahamas concluded one bilateral market access agreement with a WTO member. The Working Party mandated the WTO Secretariat to prepare a factual summary of the discussions to date, which will form the basis for further negotiations.

When concluded, the accession of The Bahamas would send "a strong signal about the relevance of the system, including for small and vulnerable players in the global economy", said the Chair of the Working Party, Ambassador Andrew Staines (United Kingdom).

### **Belarus**

The accession of Belarus has reached an advanced stage. First Deputy Prime Minister, Alexander Turchin, led a high-level government delegation, which included several ministers, at the 12<sup>th</sup> meeting of the Working Party on the Accession of Belarus in July.

WTO members acknowledged progress in a number of areas, including government procurement, participation in the Information Technology Agreement (ITA), import licensing, customs valuation and intellectual property. But they also stressed the need for Belarus to address trade-liberalizing reforms, such as implementing market-oriented policies and increasing transparency. Belarus has concluded 16 bilateral market access agreements with WTO members.

### **Azerbaijan, Bosnia and Herzegovina, Comoros and Uzbekistan**

Azerbaijan engaged with WTO members to advance bilateral market access negotiations and discussions on agricultural support. It submitted new negotiating documents, which will be the basis for convening the next working party meeting.

## Membership

The accession of Bosnia and Herzegovina is very advanced. It finalized its ITA schedule, which will form a part of its draft goods schedule upon its accession to the WTO. It also engaged in outstanding bilateral market access negotiations with one WTO member. The next working party meeting will be convened as soon as this negotiation is concluded.

Comoros has been working on new documentary inputs for the next working party meeting in the first half of 2020.

Uzbekistan reactivated its accession after a 14-year pause by submitting an updated memorandum on its foreign trade regime in July. Uzbekistan hopes a working party meeting will be held in the first half of 2020.

### Other accession processes

Equatorial Guinea informed the WTO Secretariat that the government aims to finalize its memorandum on its foreign trade regime in early 2020. In preparation for the resumption of Iraq's accession, the WTO Secretariat and the World Bank held a workshop for Iraqi government officials in July.

### Expression of interest for WTO membership

In October 2019, DG Azevêdo received an application from Curaçao – a constituent country of the Kingdom of the Netherlands – to join the WTO as a separate customs territory.

### Technical assistance and outreach

The WTO Secretariat organized a range of technical assistance and capacity-building activities, including a two-week training course on WTO rules in the context of accession negotiations. It was the first Secretariat activity to focus on this specific area.

The eighth China Round Table on WTO Accessions, which aims to assist acceding governments by providing a platform for experience-sharing, took place in December in Moscow. Participants noted that accession negotiations can provide inspiration for WTO reform. They urged acceding governments to harness possible synergies between their accession negotiations and their regional integration efforts.

**Belarus made major progress in accession negotiations.**





“

**The newly acceding countries are now the best champions of the trading system as a support for peace.**

DDG Wolff

A series of activities took place under the “Trade for Peace” initiative, which aims to harness WTO accessions to promote sustainable peace. Speaking at a session at the Public Forum (see page 150) in October, Deputy Director-General Alan Wolff said the enthusiasm of newly acceding countries for using WTO membership as a peace-building instrument “is a reason for optimism” at a time of uncertainty for world trade.

The Secretariat increased collaboration with partners to support acceding governments’ efforts. In October 2019, a conference took place within the framework of cooperation between the WTO, the International Monetary Fund and the World Bank to discuss issues of common policy interest in WTO accessions and to explore the scope for heightened collaboration.

For a full list of WTO members and observers, see page 184.

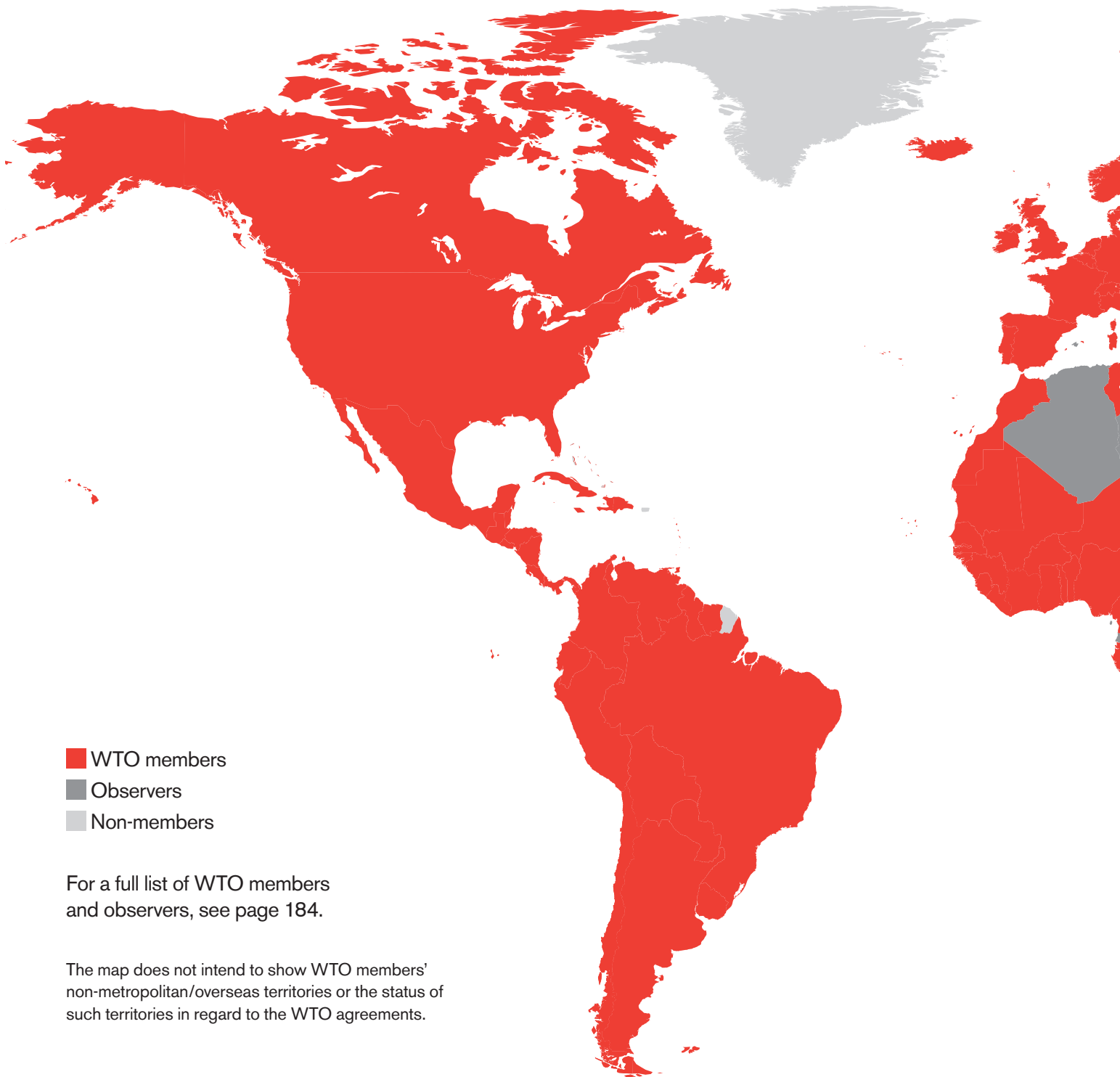
3

The WTO organized a two-week training course on accession negotiations in November 2019.



## A global membership

The WTO's 164 members represent  
98 per cent of world trade.



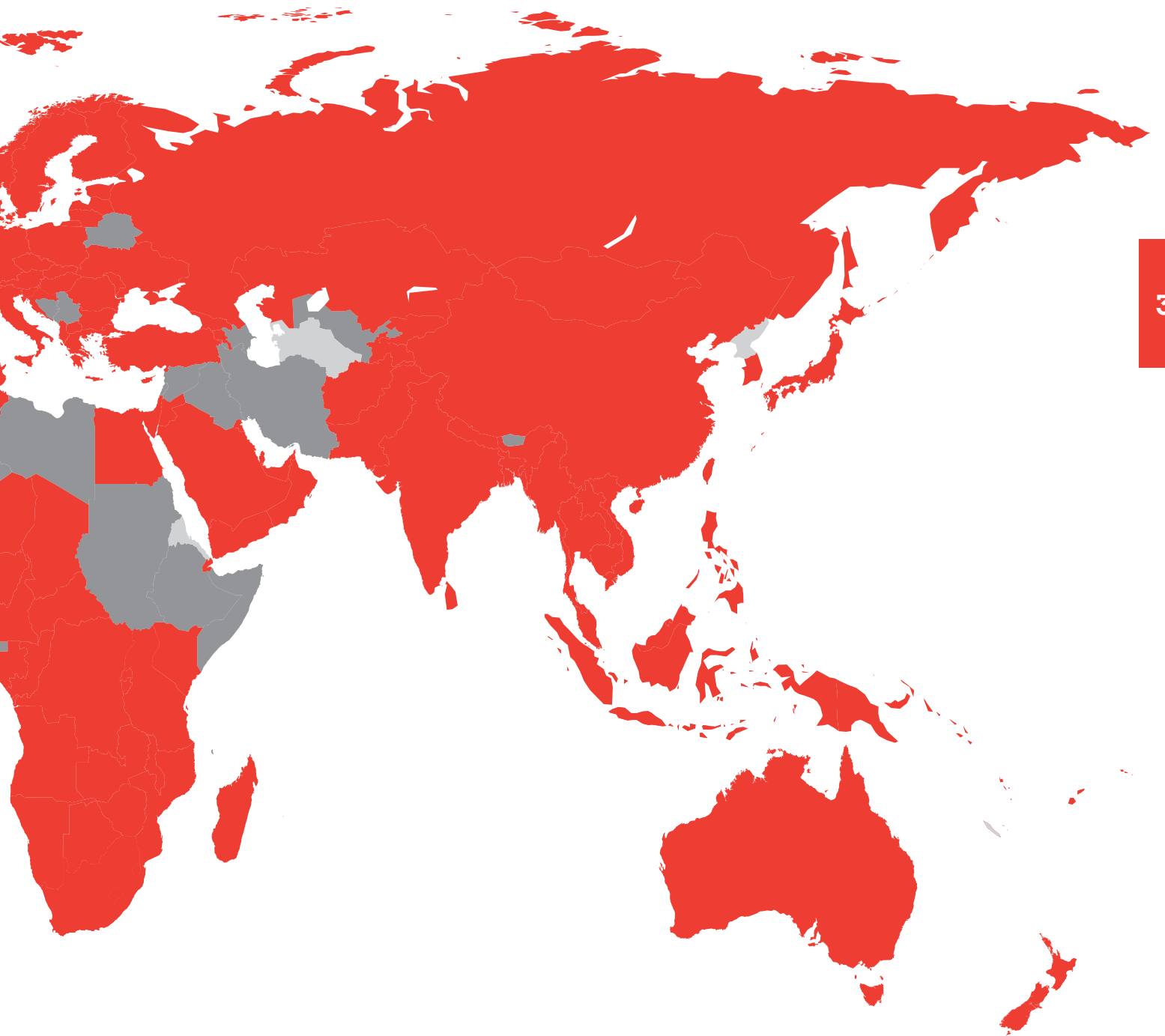
- WTO members
- Observers
- Non-members

For a full list of WTO members and observers, see page 184.

The map does not intend to show WTO members' non-metropolitan/overseas territories or the status of such territories in regard to the WTO agreements.







# Trade negotiations and discussions

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# 4

Changes to the rules of trade require the agreement of WTO members, who must reach consensus through negotiations.



# Trade negotiations and discussions in 2019

- **WTO members worked intensively to reach a deal on fisheries subsidies. Although they made substantial progress, meeting an end-2019 deadline proved to be out of reach and they committed to concluding the negotiations by the 12<sup>th</sup> Ministerial Conference.**
- **Agriculture, services, special and differential treatment for developing countries and the Dispute Settlement Understanding also saw negotiating activity.**
- **The joint statement initiatives drew interest from an increasing number of members. The processes remained transparent and inclusive.**
- **A number of members considered WTO reform a priority for the organization and put forward ideas, papers and initiatives, including on improving the functioning of the Appellate Body.**

## Background on trade negotiations

Trade negotiations take place under the Trade Negotiations Committee (TNC) and its subsidiary bodies, which are councils and committees meeting in special session or other bodies especially created for negotiations. The TNC supervises the overall conduct of negotiations.

## An agreement on fisheries subsidies will help deliver on the SDGs.



## Negotiations

WTO members' main negotiating priority in 2019 was to reach agreement on eliminating subsidies to illegal, unregulated, unreported (IUU) fishing and prohibiting certain subsidies that contribute to overfishing and overcapacity, giving due consideration to special and differential treatment for developing countries. Members worked intensively in the Rules Negotiating Group, first under Ambassador Roberto Zapata (Mexico) and then under Ambassador Santiago Wills (Colombia), to meet a deadline of end-2019. Several proposals were made and ideas put forward. The process was assisted by six facilitators for specific areas (see page 44).

The Trade Negotiations Committee (TNC) Chair, DG Azevêdo, reminded WTO members that an agreement on fisheries subsidies is essential not only for the health of the world's oceans and delivering on the Sustainable Development Goals (SDGs) but also for the credibility of the WTO to demonstrate that multilateral rule-making is still possible. In May 2019, he announced the creation of a WTO fisheries trust fund at the request of least-developed countries to assist their capital-based officials participate in these negotiations.

Although members made substantial progress, meeting the deadline proved out of reach, and they agreed to a new work programme for 2020, committing to conclude the negotiations by the 12<sup>th</sup> Ministerial Conference (MC12).

A high level of engagement was also seen in the agriculture negotiations under Ambassador John Deep Ford (Guyana). The Chair expressed confidence that progress could be made by MC12. While there was some negotiating activity in services, special and differential treatment

(S&D) and Dispute Settlement Understanding reform, in other areas there was limited or no activity. The TNC Chair stated that progress was essential in all areas.

On the S&D negotiations, the Group of 90 countries presented a revised proposal in November (see page 42). The TNC Chair encouraged the Chair of the Committee on Trade and Development in special session – Ambassador Kadra Ahmed Hassan (Djibouti) – to continue exploring all possible approaches to make progress.

The TNC Chair said that members would soon need to define what would be possible by MC12, not by discarding elements but by actively prioritizing some outcomes. Looking beyond MC12, members would need to maintain engagement and pragmatism to set a plan for work on issues that would need more time to mature.

## Work on the joint statement initiatives

The co-convenors and coordinators of the joint statement initiatives (JSIs) provided updates on their work at TNC/heads of delegation meetings. The JSIs cover electronic commerce (see page 48), investment facilitation for development (see page 50), services domestic regulation (see page 53), and micro, small and medium-sized enterprises (MSMEs) (see page 51). Members also received updates on trade and women's economic empowerment (see page 54). The joint initiatives drew interest from an increasing number of members. The processes remained transparent and inclusive – with open meetings and all proposals and reports made available to all members.



DG Azevêdo is the Chair of the Trade Negotiations Committee.



## WTO reform

During 2019, a number of members declared WTO reform a priority for the organization. Many expressed a desire to improve its functioning. The G20 summit in 2018 had sent a strong message on the need for necessary reforms in the WTO. Several members put forward ideas, papers and initiatives.

Discussions fell into three broad areas: how to strengthen the work of WTO regular bodies and committees and improve areas such as notifications and transparency; how to improve the dispute settlement system and address the impasse in appointments to the Appellate Body (see page 122); and how to improve negotiating work so as to keep delivering new agreements with real economic impact.

The Director-General said that a reformed WTO would depend on what members set out to achieve and that reform should advance wherever and whenever possible.

Throughout the year, DG Azevêdo reminded members about the urgency of resolving the impasse in the appointment of Appellate Body members and addressing concerns raised regarding the functioning of the WTO's dispute settlement system, in particular the Appellate Body. He noted the work facilitated by Ambassador David Walker (New Zealand) under the auspices of the General Council. The Director-General also continued with his consultations, including in capitals.

In December, DG Azevêdo pointed out that the effective paralysis of the appeals function did not mean the end of the multilateral trading system. Existing WTO rules still applied and would underpin world trade. Members would continue to use these rules to resolve trade conflicts in regular WTO bodies, through consultations, via disputes panels and through other means envisaged in WTO agreements.

On rule-making, the Director-General said, members' choices could contribute to restoring certainty in the global economy and help governments manage interdependence in a fast-changing world. On implementation of existing commitments, members had the scope to make regular committee work an even more effective vehicle for fostering compliance and addressing concerns about each other's trade policies.

On dispute settlement, said DG Azevêdo, members could restore the impartial, efficient, two-step review that most of them said they wanted. Alternatively, members could open the door to more uncertainty, unconstrained unilateral retaliation and less investment, growth and job creation, the DG warned.

The Director-General pointed out that one positive aspect of the trade tensions was that they had encouraged members to speak up in support of the multilateral trading system and multilateralism. He urged members to seize the opportunity to update and strengthen the system. DG Azevêdo urged members to reflect on the compromises they were willing to make to achieve their goals.



# Agriculture

- **WTO members held intensive discussions in working groups on all areas of the negotiations in the first half of 2019.**
- **The Chair summarized the ideas and views put forward by delegations at the mid-year point and urged members to identify “doable elements for meaningful outcomes”.**
- **Members circulated several submissions in the second half of 2019 to identify meaningful outcomes for the 12<sup>th</sup> Ministerial Conference (MC12) and a post-MC12 work programme.**
- **The Cotton 4 – Mali, Chad, Benin and Burkina Faso – presented their first new submission since 2017, calling for phased cuts to trade-distorting subsidies.**

## Background on agriculture

The broad objective of the agriculture negotiations is to reduce distortions in agricultural trade caused notably by high tariffs and domestic support measures as well as export subsidies and equivalent measures and export restrictions. The negotiations take place in the WTO Committee on Agriculture, meeting in special session. They are also to take into account the needs of developing countries.

WTO members engaged in the first half of the year in intensive thematic working groups focused on all areas of the negotiations – domestic support (subsidies), public stockholding for food security purposes, cotton, market access, the special safeguard mechanism, export competition and export restrictions.

The working group process concluded in June 2019, with the Chair of the Committee on Agriculture, Ambassador John Deep Ford (Guyana), circulating a state-of-play report in July 2019. This summarized ideas and suggestions put forward by delegations and called on members to identify “doable elements for meaningful outcomes” as soon as practicable.

WTO members had intensive discussions in September and November 2019 in the Committee’s special session. They circulated several new submissions, with a view to identifying potential meaningful outcomes for MC12 related to substance, transparency and a post-MC12 work programme.

## Public stockholding for food security purposes

Discussions on public stockholding for food security continued in dedicated sessions. At issue are public stockpiles of food acquired at administered (officially set) prices. The issue remains a priority for developing country proponents, which seek a permanent solution to guarantee their food security.

Other members, however, consider that without effective controls these programmes can lead to over-production and depressed prices, which could affect trade flows and the food security of others. The latter group has called for stronger safeguards, anti-circumvention provisions and enhanced transparency.

The G-33 (a coalition of developing countries) has called for a permanent solution to be agreed at MC12. A previous deadline for agreement was missed at MC11 in Buenos Aires in 2017. The group is seeking a solution that would not impose burdensome transparency and other obligations that could make the use of the solution impossible.

**Guaranteeing food security is a priority for developing countries.**



The “Cotton 4” countries seek the elimination of trade-distorting cotton subsidies.



### Domestic support

Domestic support continued to be the priority issue for the overwhelming majority of WTO members, as witnessed by many submissions. It was the main focus of discussions throughout the year. The key objective is to address trade-distorting domestic support and secure an outcome at MC12. Some ideas and suggestions have focused on addressing trade-distorting support as a whole; others have called for an examination of its individual components.

Members of the Cairns Group of agricultural exporting nations made several submissions summarizing ideas and options and looking at the current situation, trends and potential evolution of domestic support. The African Group and Russia also made written submissions.

Some members continued to consider that negotiations should initially focus on aggregate measurement support (AMS) entitlements. These permit certain members to provide support above their de minimis levels (minimal amounts of trade-distorting domestic support allowed for all members). Others believe that all components of trade-distorting support should be examined. An increasing number of members called for some kind of proportionality, whereby those who have more potential to distort global markets would contribute more to the reform process.

Members widely acknowledged the importance of special and differential treatment (S&D) for developing countries in implementing their WTO obligations. Some members argued, however, that S&D provisions should be designed to fit the specific needs of individual members.

### Cotton

In July 2019, the Cotton 4 – Mali, Chad, Benin and Burkina Faso – circulated a new submission, their first since the Buenos Aires Ministerial Conference in 2017. The proposal called for phased-in steps to eliminate trade-distorting cotton subsidies.

Technical work continued through a data collection exercise undertaken on a voluntary basis, with the aim of building a common platform of shared data to support the cotton negotiations.

At the November meeting, the Chair provided an overview of the cotton negotiations and emphasized the successful launch of World Cotton Day on 7 October 2019 (see page 88). Ministers and high-level representatives from the Cotton 4, Brazil, China, the European Union, India and the United States issued a joint statement confirming their commitment to intensify discussions on factors negatively impacting cotton trade and to continue efforts aimed at enhancing monitoring of cotton trade measures.

Members observed “Cotton Days” at the WTO in June and November 2019, consisting of back-to-back meetings on trade-related developments and the Director-General’s Consultative Framework Mechanism on cotton development assistance. The consultative framework meetings track development assistance programmes for cotton and act as a forum for the exchange of information on the linkages between cotton, trade and development.

A joint initiative on cotton by-products, endorsed by WTO members in November 2018, progressed with the organization of an experts' workshop in June 2019 and a partners' conference on the margins of World Cotton Day in October 2019. The Enhanced Integrated Framework has sponsored feasibility studies aimed at improving know-how for the development of cotton by-products in eight African LDCs to be conducted in 2019-20. The goal is to increase the incomes of farmers and small businesses by boosting investments in the local development of commercially valuable parts of the cotton plant that are currently not being exploited.

### Market access

WTO members addressed a range of market access issues. The discussions, guided by questions posed by the working group's coordinators, covered tariff predictability, tariff simplification, possible approaches to addressing market access barriers, non-tariff barriers and development issues.

The United States presented analysis of various market access topics. Its submissions focused on complex tariffs, tariff peaks (relatively high tariffs amid generally low average tariff levels) and tariff rate quotas (TRQs – see page 66). Paraguay presented an analysis of policy tools that governments often employ to support their domestic agriculture sectors.

Some members emphasized that progress in market access might not be feasible without progress in domestic support while others maintained there should be parallel progress in market access for industrial goods and trade in services. Some broader issues, including special and differential treatment for developing countries, commitments of newly acceded members and the erosion of trade preferences, were also discussed.

Increasing interest was shown in issues intended to promote transparency and trade facilitation, including transparency of applied tariffs and the treatment of consignments *en route* when applied tariffs change. The discussion was supported by written contributions by Australia, Canada and Russia. TRQ administration procedures and the simplification of agricultural tariff regimes were also raised.

### Special safeguard mechanism

WTO members continued to discuss a special safeguard mechanism (SSM) in dedicated sessions, as mandated by the 10<sup>th</sup> Ministerial Conference in Nairobi in 2015. An SSM would allow developing countries to raise tariffs temporarily to address import surges or price declines. Persistent differences among members on the link between market access and the SSM inhibited substantive engagement and continued to constrain progress on the issue.

### Export prohibitions and restrictions

Discussions continued on the exemption from export prohibitions or restrictions of foodstuffs purchased for non-commercial humanitarian purposes by the UN's World Food Programme and on transparency. Proponents addressed issues such as notification requirements, a possible alert system and the need to clarify terms such as "temporarily applied", "net-food exporter", "foodstuff" and "critical shortage". Israel, Japan, the Republic of Korea, Switzerland and Chinese Taipei circulated two documents analysing examples of export-restrictive measures.

### Export competition

Several members confirmed their interest in improving disciplines on export measures with equivalent effect to export subsidies, as agreed by ministers in Nairobi, but others reaffirmed their view that the current disciplines were adequate. Many members supported the objective of enhancing transparency in this area, including by improving the rate of replies for an annual questionnaire on export competition drawn up following the Bali Ministerial Conference to improve monitoring of export measures. Canada, Norway and Switzerland circulated a submission on this topic.

**Increasing interest was shown in issues intended to promote transparency.**



# Market access for non-agricultural products

## Background

Non-agricultural products are products not covered by the Agreement on Agriculture. These range from manufactured goods to fuels and fisheries. The negotiations aim to reduce or, as appropriate, eliminate tariffs as well as non-tariff barriers, particularly on goods of export interest to developing countries. The negotiations are conducted in the Negotiating Group on Market Access.

- **The Negotiating Group on Market Access did not receive any papers or proposals in 2019 and did not meet during the year.**

## Services

- **WTO members engaged in exploratory discussions on market access for tourism services and environmental services.**
- **India circulated a revised proposal for disciplines on domestic regulation relating to the movement of individuals (Mode 4) to supply services abroad.**

### Background on services

The General Agreement on Trade in Services (GATS) mandates WTO members to progressively open up trade in services. The negotiations are overseen by the Council for Trade in Services, meeting in special session, and its subsidiary bodies, in particular the Working Party on Domestic Regulation.

The special session of the Council for Trade in Services focused principally on market access for tourism and environmental services. A proposal from Chile, Mexico, New Zealand and Panama underscored the importance of the tourism sector for economic development and trade and suggested areas of interest for improving commitments of the General Agreement on Trade in Services (GATS) in the sector. They stressed that the tourism sector, more than many services sectors, relies heavily on trade and is key to the economic vitality of many communities, including in rural and remote areas.

Australia, Canada, Mexico, New Zealand and Switzerland argued that improved commitments and greater trade in environmental services, including sewage, refuse disposal, sanitation, noise abatement and environmental protection services, would reduce the costs of environmental policies. They would also help governments address climate change and achieve the UN Sustainable Development Goals.

**Negotiations focused on market access for tourism and environmental services.**



4





### Domestic regulation

Multilateral negotiations on domestic regulation are carried out by the Working Party on Domestic Regulation, which has a mandate to develop any necessary disciplines to ensure that licensing and qualification requirements and procedures do not constitute unnecessary barriers to trade in services.

In March, the Working Party discussed a revised proposal by India for disciplines relating to the movement of individuals to supply services abroad (Mode 4), including on procedures and requirements for their temporary entry to fulfil qualification and other requirements. While some WTO members expressed support, others raised questions or expressed doubts.

At a Working Party meeting in December, several members expressed concerns about work carried out in the Joint Initiative on Services Domestic Regulation (see pages 53). They said some of the elements of the work provided for obligations at a lower level than those already in effect under the GATS. Such changes could only be made through an amendment to the GATS itself. Participants of the joint initiative affirmed that all disciplines constituted improvements to existing GATS commitments and could be integrated into participants' GATS schedules without recourse to an amendment process.

# Trade-related aspects of intellectual property rights (TRIPS)

- **The Chair convened informal consultations with the most active WTO members in the negotiations on a register for geographical indications (GIs).**
- **An informal meeting open to all was held in December; a number of members reaffirmed the importance they attach to a multilateral system for registering wine and spirit GIs.**

## Background on Trade-related aspects of intellectual property rights

Negotiations on a multilateral system for notifying and registering geographical indications for wines and spirits are carried out in the special session of the TRIPS Council. The purpose of the register is to facilitate the protection of geographical indications (GIs) for wines and spirits. These are indications (including place names or other terms or signs associated with a place) used to identify products whose place of origin contributes to their special qualities, reputation or other characteristics.

The Chair of the TRIPS Council special session, Ambassador Dacio Castillo (Honduras), convened small group consultations in May 2019 with the most active WTO members and drew attention to the dynamic activity on geographical indications (GIs) in bilateral and regional trade agreements.

An informal meeting open to all members was held in December. A number of active delegations reiterated the importance they attach to a multilateral system for notifying and registering GIs for wines and spirits. They confirmed their view that the WTO is the right forum for these negotiations and their commitment to the parallel advancement of all three TRIPS issues – the GI register, GI extension (a proposal to extend to other products the higher level of protection currently given to wines and spirits) and the relationship between the TRIPS Agreement and the Convention on Biological Diversity. However,

other members said that the moment was not right to engage substantively on GIs. The Trade Negotiations Committee has been kept informed of these discussions.

Historically, members have disagreed on the legal effects the register should have and whether it should create obligations for all WTO members or only those choosing to participate in it. They remain divided on product coverage and on whether, as the negotiating mandate says, the register should be confined to wines and spirits, or whether it could also apply to other products, such as food and agricultural products. Differences also remain over whether linkages should be made between the GI register negotiations and other TRIPS-related implementation issues (see page 94).



## Trade and development

- **The G-90 presented a new submission on special and differential treatment (S&D) for developing countries. Reactions to it were mixed.**
- **The Chair said WTO members must move beyond well-known positions and be creative for there to be an outcome on S&D at the 12<sup>th</sup> Ministerial Conference.**

### Background on trade and development

Special and differential treatment (S&D) refers to the special treatment, or flexibility, granted to developing countries in WTO agreements, such as longer implementation periods. Many WTO agreements contain provisions that give developing countries special rights and that allow developed countries to treat them more favourably than other WTO members. Differences among WTO members include the definition of who exactly should benefit from S&D. The special session of the Committee on Trade and Development is mandated to review all S&D provisions, with a view to making them more precise, effective and operational.

Ambassador François Xavier Ngarambe (Rwanda) was elected Chair of the Special Session of the Committee on Trade and Development in April. Later that month he began bilateral consultations with key players representing all geographical regions. There was no shift in members' positions on S&D but neither was there disagreement on the centrality of development and the role WTO rules can play in harnessing it.

Ten agreement-specific special and differential treatment (S&D) proposals were put forward by the Group of 90 (G90) group of developing countries in 2017. The aim of these proposals is to foster industrialization, promote diversification and facilitate structural transformation. In 2019, a call was made for the G90 group to present a revised document. In October, Ambassador Ahmed Hassan (Djibouti) took over as Chair. In the following weeks, she held bilateral discussions with several delegations.

The G90 made available a new submission on 20 November, which was introduced to the special session as a room document – an official

restricted document – at an informal meeting open to all members on 27 November. The group, which includes the Africa, Caribbean and Pacific Group, the African Union and least-developed countries, explained that the same ten proposals remained on the table since the issues raised were still of relevance and concern to them. The new submission spelled out the rationale behind each proposal.

The Chair reported to an informal meeting of the Trade Negotiations Committee (see page 34) in December that reactions to the new G90 submission had been mixed. Some delegations were willing to engage but others felt that having the same conversation, on the basis of the same proposals, would not help advance the work.

The Chair observed that the discussion on the submission had served as a reality check. For there to be a chance of an outcome on S&D at the 12<sup>th</sup> Ministerial Conference, members needed to move beyond their known positions and be creative. She announced her intention to facilitate discussions in informal settings.



# Trade and environment

- **The Chair held bilateral consultations with delegations. WTO members reiterated the importance of discussing trade and environment issues but made no new negotiating proposals.**
- **The WTO Secretariat organized two training sessions for least-developed countries (LDCs) on environment and trade issues.**

## Background on trade and environment

The negotiations cover the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs), procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the reduction or, as appropriate, elimination of tariff and non-tariff barriers to trade in environmental goods and services.

The Chair of the special session of the Committee on Trade and Environment, Ambassador Leopold Samba (Central African Republic), held bilateral consultations with delegations on the state of play in negotiations on trade and environmental issues. WTO members reiterated the importance of discussing trade and the environment in the WTO but made no new proposals. Environmental services are being discussed in the WTO services negotiations (see page 39).

During the consultations, the LDCs Group, represented by a large number of delegations, expressed a strong interest in furthering their

understanding of trade and environment issues, particularly those within the mandate of the special session.

The LDCs Group asked Ambassador Samba and the WTO Secretariat to organize training sessions for Geneva-based delegates. Two such sessions took place in 2019, enabling participants to build on their knowledge of key subjects, such as the circular economy (see page 97), climate change, fisheries, environmental goods, multilateral environmental agreements and the work of the Committee in regular and special session.



## WTO rules: fisheries subsidies, other WTO rules

- **Fisheries subsidies remained the main focus of the Negotiating Group on Rules in 2019.**
- **Two additional facilitators joined the four appointed at the end of 2018 to take up some of the many cross-cutting issues, such as special and differential treatment for developing countries and notifications.**
- **WTO members worked intensively to reach an agreement on fisheries subsidies disciplines. At the end of the year, they agreed to a new work programme for 2020 and committed to concluding the negotiations by the 12<sup>th</sup> Ministerial Conference (MC12).**

### Background on WTO rules

In 2001, ministers launched WTO negotiations to clarify and improve existing rules on anti-dumping, subsidies and countervailing measures including fisheries subsidies and regional trade agreements, instructing the Negotiating Group to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing. In 2015, the Sustainable Development Goals reiterated this call for agreement in the WTO by 2020 on eliminating subsidies to illegal, unreported and unregulated fishing and to prohibiting certain subsidies that contribute to overfishing and overcapacity, with special and differential treatment integral to the negotiations.

In 2019, the Negotiating Group on Rules continued to focus on fisheries subsidies, working on the basis of agreed programmes for January-July and September-December. The work programmes aimed at carrying out ministerial instructions to reach an agreement on disciplines to prohibit harmful fisheries subsidies by the end of 2019. The sessions were chaired by Ambassador Roberto Zapata (Mexico), with Ambassador Santiago Wills (Colombia) taking over from November 2019.

The 11<sup>th</sup> Ministerial Conference (MC11) instructed members to agree on comprehensive and effective prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing and the elimination of subsidies that contribute to illegal, unreported and unregulated (IUU) fishing. Special and differential treatment for developing countries

was to be an integral part of the negotiations. Ministers also re-committed to implementation of existing notification obligations in respect of fisheries subsidies.

The 2019 work programmes comprised ten week-long clusters of meetings. Each cluster was equally divided between meetings that delegations organized among themselves and informal meetings open to all members. The meetings open to all members were organized around four main topics: subsidies to IUU fishing; subsidies to fishing where stocks are overfished; subsidies contributing to overcapacity and to overfishing; and cross-cutting issues, including special and differential treatment for developing and least-developed countries, dispute settlement, institutional issues, notifications and transparency.



**Negotiating activity on fisheries subsidies intensified in 2019.**



The appointment of four facilitators at the end of 2018 – one for each of the main topics above – together with the chair’s own work, helped intensify activity during 2019. The basis for discussions included the sixth revision, carried out in 2018, of a working document compiling members’ proposals, with its numerous alternatives, and a compilation of brainstorming “incubator group” discussions between members from 2018, along with new proposals.

In total, members made 29 new written submissions in 2019, including discussion documents and suggestions of compromise language on certain issues that did not necessarily represent any one member’s position. In addition, at the request of members, the WTO Secretariat issued five factual background papers.

In April 2019, heads of delegation instructed the facilitators – delegates appointed to be neutral parties – to work towards “clean, consolidated” texts as a basis for text-based negotiations in the autumn. Further discussions led to only limited convergence. As a result, the facilitators were not able to produce the requested texts. Instead, they submitted working papers that largely outlined the state of play, identified some possible common points of departure and made suggestions in certain areas for text and/or the structure of legal provisions.

After Ambassador Zapata ended his role as chair in August, the facilitators – now increased to six – stepped up their work, including by holding facilitator-led meetings between and during the monthly clusters of meetings.

During the WTO’s Public Forum (see page 150) in October, a high-level panel urged rapid action to secure a global deal to end harmful fisheries subsidies. Renowned conservationist Sir David Attenborough added his support, noting via video message that a WTO agreement is vital for the sustainable future of the oceans. DG Azevêdo told the Forum: “It is clear today that the harm done by many fisheries subsidies cannot continue. More and more people outside Geneva and outside government circles are aware of this. They are looking to the WTO for a meaningful outcome. The world is now watching because the world cares. So, let’s get this done.”

On taking over as chair, Ambassador Wills immediately consulted with a large number of members and convened two negotiating group meetings at heads of delegation level. Here, it was decided that the facilitators should be empowered to develop negotiating texts.



## Trade negotiations and discussions

In December 2019, the six facilitators circulated draft working papers under their own responsibility in the hope that they would help move the negotiations forward, without prejudice to members' original proposals and positions. The working papers set out the current state of negotiations in their respective areas, and in some cases, draft text for possible rules. These working papers were distributed as informal "room documents".

As the December 2019 deadline to conclude negotiations on fisheries' subsidies was not

met, members set a new deadline of the 12<sup>th</sup> Ministerial Conference. They also agreed to a schedule of meetings for the first five months of 2020 designed to engage members in continuous negotiating mode in the run-up to the ministerial meeting.

The objective of the work ahead of MC12 is to develop a single simplified text with a minimum of options, which can be presented to ministers for a decision. Preparing this text will require increasing intensification of work in Geneva and possibly the involvement of senior officials.

**Ambassador Santiago Wills took over as the chair of the negotiations in November 2019.**





# Dispute Settlement Understanding

- **The special session concluded focused work on the 12 issues under discussion. The Chair issued a report on the state of play in the negotiations.**

## Background on negotiations on the Dispute Settlement Understanding

In November 2001, at the Doha Ministerial Conference, WTO members agreed to negotiate to improve and clarify the Dispute Settlement Understanding – the rules and procedures governing the settlement of WTO disputes. These negotiations take place in special sessions of the Dispute Settlement Body.

In 2019, the Dispute Settlement Body in special session concluded focused work, initiated in 2016, on the 12 issues under consideration in the negotiations. The discussions sought to identify the potential for agreement among WTO members, either on incremental outcomes or on a comprehensive result covering several issues.

In the first half of 2019, the special session held seven meetings and addressed four topics: flexibility and member control (involving issues such as whether to introduce interim review in appellate proceedings or to allow the parties to jointly seek deletion of parts of a panel or Appellate Body report), effective compliance with rulings and recommendations (including whether remedies in case of non-compliance can be improved), panel composition and developing country interests.

The other eight issues under consideration had already been discussed in previous years. These are: mutually agreed solutions, post-retaliation (i.e. the procedure to be followed when parties disagree on whether there has been compliance, after retaliation has been authorized), remand (i.e. referral of cases back to panels when the Appellate Body is unable to complete the analysis), sequencing, strictly confidential information, third-party rights, timeframes, transparency and amicus curiae briefs (when someone other than a party or third party to the case provides an unsolicited brief).

In some areas under discussion, it became clear that owing to the passage of time and developments in dispute settlement, there was less convergence than before.

In June, Ambassador Coly Seck (Senegal), then Chair of the special session, circulated a report presenting the state of play of the negotiations, identifying challenges that the group had faced and outlining possible options. The report called for political will and engagement of members to reinvigorate the negotiations and unlock the potential for a successful conclusion. Members praised the report as an accurate reflection of the work and viewed it as a sound basis for future discussions.

In July, Ambassador Seck stepped down and a new Chair, Ambassador Yackoley Kokou Johnson (Togo), was elected. The new Chair consulted with the membership on the future work of the group, including in light of broader discussions on the functioning of the dispute settlement system ongoing in other WTO bodies.

# Joint initiatives

## Background on the joint initiatives

At the 11<sup>th</sup> Ministerial Conference, like-minded groups of members issued joint statements on advancing discussions on e-commerce, on developing a multilateral framework on investment facilitation, on launching a working group on micro, small and medium-sized enterprises (MSMEs) and on advancing ongoing talks on domestic regulation in services trade. Finally, 118 WTO members and observers supported the Buenos Aires Declaration on Trade and Women's Economic Empowerment, which seeks to remove barriers to, and foster, women's economic empowerment. The groups said they are open to all and encouraged other WTO members to join them.

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## Electronic commerce

- **Members of the Joint Statement on Electronic Commerce began negotiations on trade-related aspects of e-commerce, holding eight meetings in 2019.**
- **Negotiations were organized under six groups – enabling digital trade, openness and digital trade, trust and digital trade, cross-cutting issues, telecommunications and market access.**

**A total of 82 WTO members have joined the negotiations on e-commerce.**

Members of the Joint Statement on Electronic Commerce began negotiations on trade-related aspects of e-commerce, holding eight meetings in 2019, six of which were substantive negotiating clusters. The meetings continued to be open to all WTO members. They were co-convened by Australia, Japan and Singapore and chaired by Ambassador Frances Lisson (Australia). Proposals, submissions, compilation texts and reports of the meetings were made available to all members.

The negotiations grew out of a joint statement issued by 71 trade ministers at the 11<sup>th</sup> Ministerial Conference in 2017 declaring their intention to work towards “WTO negotiations on trade-related aspects of electronic commerce”. They stressed that participation would be open to all WTO members and would be without prejudice to participants' positions on future negotiations.

In January 2019, on the margins of the World Economic Forum in Davos, Switzerland, 76 members, accounting for 90 per cent of global trade, announced they were ready to begin negotiations. They agreed to “seek to achieve a high standard outcome that builds on existing WTO agreements and frameworks with the participation of as many WTO members as possible”. All members were encouraged to participate in order to further enhance the benefits of e-commerce for businesses, consumers and the global economy. Since January 2019, six additional members have joined the negotiations, bringing the total number of participants to 82.

At the first meeting in March 2019, the co-conveners encouraged members to submit text-based proposals on a range of trade-related issues. Based on the submissions received, negotiations were organized under six focus groups: enabling digital trade/e-commerce; openness and digital trade/e-commerce; trust and digital trade/e-commerce; cross-cutting issues; telecommunications; and market access.



Six rounds of negotiations were held in May, June, July, September, October and November 2019. Issues covered included electronic authentication and electronic signatures, paperless trading, cross-border transfer of information, location of computing facilities, access to the internet, consumer protection, protection of personal information/privacy, market access, telecommunications, spam, source code, cybersecurity, capacity building and cooperation.

The unique opportunities and challenges faced by WTO members, including developing countries and least-developed countries, as well as by micro, small and medium-sized enterprises, were taken into account in the discussions.

In September, October and November, negotiations were based on streamlined texts prepared by the co-conveners. An organizational meeting was held in December to discuss future work leading up to the 12<sup>th</sup> Ministerial Conference (MC12). Several open events were organized throughout 2019, giving an opportunity to other stakeholders to enrich the discussions.

Addressing a meeting of members of the Joint Statement in Davos in January 2020, DG Azevêdo urged them to use MC12 to show they really mean business. “Substantive deliverables on e-commerce – if not full agreements, then concrete negotiating texts or partial agreements – would show the world that this process is serious about articulating shared rules of the game for digital trade,” he said.



# Investment facilitation for development

- **The initiative made significant progress in 2019 on identifying possible elements of a multilateral framework on investment facilitation for development.**
- **In November, 98 WTO members issued a joint ministerial statement committing themselves to intensify work towards a concrete outcome on investment facilitation at the 12<sup>th</sup> Ministerial Conference (MC12).**

Discussions on investment facilitation for development, launched by 70 WTO members at the 11<sup>th</sup> Ministerial Conference in December 2017, made substantive progress in 2019 at the group's 11 meetings. Discussions focused on further developing possible elements of a multilateral framework identified in 2018.

The framework's aim is to improve the transparency and predictability of investment measures and to streamline and speed up administrative procedures and requirements. It also aims to enhance international cooperation, information-sharing, the exchange of best practices and relations with relevant stakeholders, including dispute prevention. Facilitating greater participation by developing and least-developed countries in global investment flows is at the core of the discussions. The initiative does not address market access, investment protection and investor-state dispute settlement.

Just as the WTO is helping to facilitate global trade – with its 2017 Trade Facilitation Agreement (see page 90) – many members argue that the WTO could help to facilitate global investment.

Between January and July 2019, discussions were based on examples and suggestions submitted by WTO members illustrating how the possible elements of the framework could be developed. The examples drew on members' bilateral and regional trade agreements, international investment agreements, domestic legislation and WTO texts.

Building on these text-based examples and focusing on areas of common interest and convergence, and at the request of participating members, the discussions' coordinator Ambassador Eduardo Gálvez Carvallo (Chile) prepared a working document, which formed the basis for work in the second half of 2019.

The meetings were organized thematically. Attendance and participation at the meetings were high, leading to in-depth text-based discussions. Participation in the meetings has been without prejudice to members' positions on the initiative.

In November 2019, following an informal ministerial meeting in Shanghai, 98 members signed a joint ministerial statement committing themselves "to intensify work to further develop the framework for facilitating foreign direct investments, and work towards a concrete outcome on investment facilitation for development at the 12<sup>th</sup> WTO Ministerial Conference (MC12)."

In December, DG Azevêdo welcomed the progress made in the talks and commended participants for advancing in an open, transparent and inclusive manner. He stressed that trade and investment facilitation policies can help promote economic growth, development and job creation, and that everyone would stand to benefit from a shared investment facilitation framework that also leaves space for members to address their particular circumstances.

DG Azevêdo urged participants, as they move towards MC12, to maintain their high level of engagement and to continue reaching out to other members, to ensure transparency and inclusivity.

Ministers met again in January 2020 at the World Economic Forum in Davos, Switzerland, where they re-affirmed their commitment to work towards a concrete outcome on investment facilitation by MC12 and to keep the momentum in the forthcoming crucial months, including by conducting further outreach activities. They also confirmed the decision taken in December to move into negotiating mode as of March 2020 in order to achieve a concrete outcome.

"MC12 is an important moment to show that the WTO can deliver. A meaningful outcome on investment facilitation would be a huge achievement to that end. It would foster greater cross-border economic activity, contributing to growth, job creation, and development," DG Azevêdo told the ministers in an address.

**Discussions on investment facilitation are being conducted by 100 WTO members.**



# Micro, small and medium-sized enterprises

- The Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) held four meetings open to all members and various workshops.
- Work focused on developing potential outcomes and proposals for the 12<sup>th</sup> Ministerial Conference (MC12) on issues ranging from access to information to MSME inclusion in rule-making.
- The group grew to 91 members, from 89 at the end of 2018.

**The working group on MSMEs comprises 91 WTO members.**

The Informal Working Group on MSMEs, launched in December 2017 by 88 WTO members, grew to 91 members with the incorporation of Mongolia and Saudi Arabia. Armenia joined in 2018. The group, which is open to all members, continues to be chaired by Uruguay. Its principal aim is to address obstacles to MSME participation in international trade.

The group, whose members account for around 80 per cent of world exports, held four meetings – in February, June, October and November – and a drafting session in December to discuss proposals for a declaration on MSMEs at MC12. The objective is a declaration that includes recommendations, decisions, calls to action and a work programme.

Proposals submitted include the development of a new online platform with links to useful practical tools for MSMEs (online courses, relevant websites) and policy-makers (useful studies, information on good practices). Another suggestion was for WTO members to actively contribute to the success and prompt operationalization of the Global Trade Helpdesk by responding to a questionnaire to help fill data gaps. The helpdesk was launched jointly by the International Trade Centre (ITC), the UN Conference on Development and Trade and the WTO at the 11<sup>th</sup> Ministerial Conference in Buenos Aires. It aims to integrate trade-related information into a single online portal.

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There was also a call to members to submit MSME-related information in their Trade Policy Reviews (TPRs – see page 104), on the basis of a checklist developed by the group, and to establish a database of the information collected or provided by members through their TPRs. Other proposals submitted by members relate to trade facilitation, trade finance (see page 110) and consultation with MSMEs when new trade-related regulations are developed and on the publication of draft and adopted regulations.

Chairs of various WTO committees and working groups were invited to brief the group on MSME-related discussions in their respective bodies, and representatives of various international organizations gave presentations on their projects and activities related to MSMEs. These included the International Chamber of Commerce, the International Finance Corporation, the International Telecommunication Union, the ITC, the Organisation for Economic Co-operation and Development, the Universal Postal Union and the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT).

On 27 June 2019, to celebrate the United Nations' Micro, Small and Medium Enterprise (MSME) Day, the group hosted a workshop on trade facilitation (see page 90) organized by the United Kingdom's Federation of Small Businesses. Members also participated in the launch of the ITC SME Competitiveness Outlook 2019, "Big Money for Small Business, Financing the Sustainable Development Goals".

The group hosted two other workshops in 2019 – on cybersecurity and trade enablement of MSMEs through the use of technology. It also supported a workshop organized by Romania on MSMEs and the digital economy, co-hosted a presentation of the Global Trade Helpdesk with the ITC at the 2019 Public Forum (see page 150) and participated in a workshop organized by the WTO's Trade Facilitation Committee in October.



# Domestic regulation of trade in services

- **Participants in the Joint Initiative on Services Domestic Regulation achieved significant convergence on disciplines to ensure transparent, predictable and facilitative authorization processes for service providers.**
- **The Chair of the talks urged participants to intensify work in early 2020 in order to finalize negotiations by the 12<sup>th</sup> Ministerial Conference.**

In 2019, the 60 participants in the joint initiative continued discussions, which are open to all WTO members, on the development of regulatory disciplines to ensure that measures related to authorization of service suppliers, such as licensing, qualification and technical standards, are transparent, predictable and facilitate the obtaining of authorizations.

The joint initiative was launched by 57 trade ministers in Buenos Aires in December 2017. The work is organized outside the WTO Working Party on Domestic Regulation, which is mandated to develop any necessary disciplines to ensure that members' domestic regulations do not constitute unnecessary barriers to trade in services.

In May 2019, ministers from participating members pledged to continue working on outstanding issues, with a view to incorporating the outcome in participants' schedules of commitments by the 12<sup>th</sup> Ministerial Conference. The additional regulatory disciplines would be binding on all participants, who would implement them to the benefit of all WTO members.

During the year, significant convergence was achieved on the proposed new disciplines. Among these are: enhanced transparency in the publication of relevant information and the possibility to obtain relevant information from authorities; impartial and independent administration of authorization processes; and reasonable timeframes for examining and processing applications.

The disciplines also encourage the use of electronic means during the application processes and seek to ensure that such processes are adequate and do not become undue barriers. Participants exchanged draft schedules of commitments in which they indicated how they would incorporate the disciplines into their General Agreement on Trade in Services schedules.

At the last meeting in December, DG Azevêdo noted that the work is of benefit to all members. Businesses need clarity on regulatory processes and to have confidence that regulatory decisions are independent and impartial. "I understand that your work is also converging along these lines. This kind of responsiveness to the users of the trading system can only be a positive thing," he said.

The Chair of the talks, Jaime Coghi Arias (Costa Rica), said significant progress had been made but that work needed to be intensified in the early months of 2020.

**Sixty WTO members are participating in the joint initiative on services domestic regulation.**

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## Trade and women's economic empowerment

- **WTO members held three workshops on links between trade and gender, as called for in the Buenos Aires Declaration on Trade and Women's Economic Empowerment.**
- **By the end of 2019, 126 WTO members and observers had joined the Declaration, representing 75 per cent of world trade.**
- **Ten of the 12 members undergoing Trade Policy Reviews in 2019 included information on their gender-responsive trade policies, a 66 per cent increase on 2018.**

**The Buenos Aires Declaration on women's empowerment is supported by 126 WTO members and observers.**

WTO members held three further workshops on trade and gender in 2019, adding to the three organized in 2018, with the aim of better understanding the links between trade and gender. The workshops fulfilled a commitment made in the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment to convene six thematic workshops between March 2018 and October 2019. The six themes were: data collection, government procurement, global value chains, trade agreements, digital trade and financial inclusion.

Launched on the margins of the 11<sup>th</sup> WTO Ministerial Conference, the Declaration provides a platform for WTO members to share information and best practices on how they have been

integrating gender into their trade policies and strategies. By the end of 2019, 126 WTO members and observers had joined the Declaration, representing 75 per cent of world trade.

In March, a workshop was held at the WTO on "Gender Considerations in Trade Agreements". Co-organized by Iceland, Botswana and the United Nations Conference on Trade and Development, in cooperation with the WTO and the International Trade Centre (ITC), it looked at how trade agreements can enhance women's empowerment. "All the evidence shows that giving women the same opportunities as men improves competitiveness and productivity. In turn, this boosts economic growth and poverty reduction," DG Azevêdo told the session.

**A workshop in March highlighted the role of trade agreements in enhancing women's empowerment.**





A workshop on “Women in Digital Trade” was organized by the European Union, Senegal and Trinidad and Tobago at the WTO in July. Electronic commerce has great potential to boost the economic empowerment of women but only if the necessary conditions are in place, the session heard. It addressed the opportunities, challenges and key issues for women in digital trade. It also heard real-life stories and good practices from entrepreneurs.

At the final workshop on financial inclusion, co-organized by Rwanda, the African Development Bank, the Asian Development Bank, the Intra-American Development Bank, ITC and the Islamic Development Bank, in cooperation with the WTO, participants discussed initiatives aimed at increasing access to trade finance to support women entrepreneurs seeking to export to new markets. The workshop showcased practical examples of collaborations with development finance institutions and investors to support women entrepreneurship.

The Buenos Aires Declaration says the Aid for Trade initiative and Trade Policy Reviews can be used to support members in gathering and sharing information on strengthening women’s economic empowerment. Economic diversification and empowerment of women are key to achieve a fairer and more efficient trading environment, speakers at various sessions told the Aid for Trade Global Review on 3-4 July (see page 134). In 2019, ten of the 12 members undergoing Trade Policy Reviews included information on their gender-responsive trade policies, a 66 per cent increase on 2018.

The 2019 Aid for Trade monitoring and evaluation exercise (see page 132) showed that women’s economic empowerment is high on the agenda for both donors and partner countries. Some 84 per cent of donors’ Aid for Trade strategies and 85 per cent of partner countries’ national or regional development strategies seek to promote women’s economic empowerment, according to a WTO working paper on women’s economic empowerment published in 2019.



# Implementation and monitoring

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**Various WTO councils and committees seek to ensure that WTO agreements are being properly implemented. All WTO members undergo periodic scrutiny of their trade policies and practices.**



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# General Council

- **WTO members increasingly raised issues related to WTO reform, the negotiating function of the WTO, strengthening the role of WTO committees and dispute settlement.**
- **The General Council appointed Ambassador David Walker (New Zealand) as a facilitator to help WTO members find a solution on improving the functioning of the Appellate Body. However, there was no consensus on the resulting set of proposals, and in December DG Azevêdo announced he would launch high-level consultations to find a way forward.**
- **The General Council agreed to reinvigorate the Work Programme on Electronic Commerce. Members agreed to renew the moratorium on e-commerce customs duties until the 12<sup>th</sup> Ministerial Conference.**

## Background on the General Council

The General Council is entrusted with carrying out the functions of the WTO and taking actions necessary to this effect between ministerial conferences in addition to carrying out the specific tasks assigned to it by the Agreement establishing the WTO. As part of its overall oversight function, the General Council conducts a year-end review of WTO activities on the basis of annual reports from its subsidiary bodies.

## Current trade debates and WTO reform

During 2019, WTO members brought up a range of issues in the General Council, including on matters related to WTO reform. Substantive discussions took place on issues such as the negotiating function of the WTO, special and differential treatment for developing countries, dispute settlement, transparency, and the committee work of the WTO. This included discussions on strengthening the role of committees in terms of their monitoring function and the airing of specific trade concerns.

Several proposals, submissions and communications were presented by members in each of the areas under discussion. Non-market policies and practices and transparency in dispute settlement were also raised.

In December, 60 members presented a “statement in support of the rules-based multilateral trading system”, stressing the central role of the WTO. Members also used the General Council as a forum to raise concerns about a number of specific measures taken by other members.

## Informal process on matters related to the Appellate Body

An “informal process of solution-focused discussions on matters related to the functioning of the Appellate Body” was launched in January 2019 under the auspices of the General Council to try to unblock the appointment process of Appellate Body members (see page 119). A facilitator – Ambassador David Walker (New Zealand) – was appointed to lead this process.





**The General Council was chaired by Sunanta Kangvalkulkij in 2019.**

A series of intense, informal consultations followed throughout the year. Discussions focused, in particular, on concerns raised about the functioning of the Appellate Body and its adherence to WTO rules. Twelve proposals were put forward by members to address the concerns.

Six informal meetings open to all WTO members were convened, and five formal stock-taking meetings took place. Ambassador Walker delivered five formal reports to the General Council, culminating in a draft General Council decision, put forward at the facilitator's own responsibility. The draft contained areas and issues where the facilitator detected convergence. Many members thanked the facilitator for his efforts but there was no consensus to approve the draft decision.

DG Azevêdo told a meeting of the Council in December that he would launch more intensive, high-level consultations on how to resolve the longstanding impasse. He said that the consultations, to take place at Heads of Delegation level, would focus on whether members are discussing all the elements that need to be addressed in finding a solution and what basic concepts members need to agree on so as to make progress.

## Implementation of Bali, Nairobi and Buenos Aires outcomes

The General Council regularly reviewed progress in the implementation of decisions taken by ministers at the 9<sup>th</sup> (Bali), 10<sup>th</sup> (Nairobi) and 11<sup>th</sup> (Buenos Aires) ministerial conferences and approved the Committee on Agriculture's recommendations under the Bali Decision on Tariff Rate Quota (TRQ) Administration, covering the "underfill" of TRQs (see page 66).

## Work Programme on Electronic Commerce

Members continued discussions on the Work Programme on Electronic Commerce, with a particular focus on the issue of not imposing customs duties on electronic transmissions – the e-commerce moratorium – which was due to expire in December 2019. A workshop in April addressed the history of the moratorium, possible revenue implications, technical challenges of imposing customs duties on electronic transmissions and the development dimension of the moratorium.

According to a paper circulated by India and South Africa, developing countries would bear the brunt of the potential tariff revenue loss due to the moratorium. At a meeting in June, members' views continued to differ regarding the moratorium and its scope. As instructed by ministers in Buenos Aires in 2017, the General Council reviewed progress of the Work Programme on Electronic Commerce in July 2019, based on reports submitted by the councils for services, goods, and trade-related aspects of intellectual property rights and the Committee on Trade and Development.

In October, the Chair held an informal session open to all members to hear their views on the moratorium. Delegations reiterated their positions. Some members expressed support for making the moratorium permanent or, at a minimum, extended. Others noted the need for further analysis on the impact of the moratorium. The Chair began consultations with members to determine the way forward.

On 10 December, the General Council adopted a Decision on the E-Commerce Work Programme. In that decision, WTO members agreed to reinvigorate the work and to have structured discussions in early 2020 based on all topics of interest brought forward by members, including least-developed countries. Topics to be discussed would include the scope and impact of the moratorium on customs duties on electronic transmissions. Members also agreed to renew the moratorium until the 12<sup>th</sup> Ministerial Conference (MC12).

### Moratorium on TRIPS non violation and situation complaints, other TRIPS matters

In December, the General Council adopted a decision extending the Moratorium on TRIPS Non-Violation and Situation Complaints until MC12 (see page 96). It also considered the TRIPS Council's report on the annual review of the special compulsory licensing system and agreed to extend the period to accept the Protocol amending the TRIPS Agreement until 31 December 2021 for those WTO members who have yet to do so (see page 94).

### Requests for accession and for observer status

The Council considered a request from the African Union for observer status. This was the first time for several years that a specific request for observer status from an intergovernmental organization had been received. The Council also took up the WTO accession request of Curaçao as a separate customs territory.

### Other reports

The General Council in 2019 considered the regular reports on the work programme on small economies (see page 131) and the report on the development assistance aspects of cotton (see page 37).

### Waivers under Article IX of the WTO Agreement

In 2019, the General Council considered and granted six waivers from obligations under the WTO Agreement, as set out in Table 1.

It also reviewed the following multi-year waivers:

- LDC members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to Pharmaceutical Products, granted on 30 November 2015 until 1 January 2033
- Preferential Treatment in favour of Services and Service Suppliers of LDCs, granted on 17 December 2011 until 31 December 2030

- Kimberly Process Certification Scheme for Rough Diamonds, granted on 26 July 2018 to 31 December 2024
- Canada – CARIBCAN, granted on 28 July 2015 until 31 December 2023
- United States – Caribbean Basin Economic Recovery Act, granted on 5 May 2015 until 31 December 2019
- Cuba – Article XV:6 – Extension of waiver, granted on 7 December 2016 until 31 December 2021
- European Union – Application of Autonomous Preferential Treatment to the Western Balkans, granted on 7 December 2016 until 31 December 2021
- United States – African Growth and Opportunity Act, granted on 30 November 2015 until 30 September 2025
- United States – Former Trust Territory of the Pacific Islands, granted on 7 December 2016 until 31 December 2026
- United States – Trade Preferences granted to Nepal, granted on 7 December 2016 until 31 December 2025

### Other issues

As part of its overall oversight function, the General Council conducted a year-end review of WTO activities on the basis of annual reports from its subsidiary bodies. The Council also conducted its review of the exemption provided under Paragraph 3 of the General Agreement on Tariffs and Trade 1994 granted to the US legislation – the Jones Act – which prohibits the use, sale or lease of foreign-built or foreign-reconstructed ships in US national waters. In addition, the General Council approved the WTO budget for 2020 and considered a report from the Joint Advisory Group of the International Trade Centre.

**Table 1: Waivers under Article IX (decision-making) of the WTO Agreement**

In 2019, the General Council granted the following waivers from obligations under the WTO agreements.

Member	Type	Decision	Date of adoption	Expiry date
China	Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions	WT/L/1082	10 December 2019	31 December 2020
Argentina; Brazil; China; Dominican Republic; European Union; Malaysia; Philippines; and Thailand	Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions	WT/L/1083	10 December 2019	31 December 2020
Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Hong Kong, China; India; Kazakhstan; Republic of Korea; Malaysia; Mexico; New Zealand; Norway; Philippines; Russian Federation; Singapore; Switzerland; Thailand; and United States	Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions	WT/L/1084	10 December 2019	31 December 2020
Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Kazakhstan; Republic of Korea; Macao, China; Montenegro; New Zealand; Norway; Pakistan; Paraguay; Philippines; Russian Federation; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; United States; and Uruguay	Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions	WT/L/1085	10 December 2019	31 December 2020
Developing country members	Preferential Tariff Treatment for Least-Developed Countries – Decision on Extension of Waiver	WT/L/1069	16 October 2019	30 June 2029
United States	Caribbean Basin Economic Recovery Act	WT/L/1070	16 October 2019	30 September 2025

Spotlight:

# International Forum on Food Safety and Trade

In April 2019, the WTO welcomed to its headquarters in Geneva over 600 representatives from the private and public sectors and civil society for a two-day International Forum on Food Safety and Trade.

**The Forum looked into increasing cooperation to pursue the shared goal of access to safe food.**

The Forum built on the International Food Safety Conference – organized by the UN Food and Agriculture Organization (FAO), the World Health Organization (WHO) and the African Union (AU) in Addis Ababa in February – by bringing a trade angle to the exchanges launched there about the current state and future of food safety and public health. It explored how existing cooperation can be further leveraged to pursue the shared goal of access to safe food. One example of this cooperation is the joint FAO/WHO work in setting Codex food safety standards that are recognised in the Agreement on Sanitary and Phytosanitary Measures as the benchmarks for national food safety measures.

The opening session was attended by WTO Director-General Roberto Azevêdo and his counterparts at the FAO, José Graziano da Silva,

the WHO, Tedros Adhanom Ghebreyesus, and the World Organisation for Animal Health (OIE), Monique Eloit, together with AU Commissioner Josefa Leonel Correia Sacko.

### Harnessing digital technologies

Digital technologies were seen as having a clear role to play in food safety management – for example, in electronic certification or blockchain-supported traceability systems. But the digital revolution must be well governed and inclusive. “There is huge potential in digitalization. New technologies help to gather and analyse data to manage food safety risks. However, this discussion must also be about ensuring that everybody can take part, especially developing countries, as well as the smallest and most vulnerable ones,” DG Azevêdo told the conference.





The opening session was attended by DG Azevêdo and the heads of the FAO (José Graziano da Silva), the WHO (Tedros Adhanom Ghebreyesus) and the World Organisation for Animal Health (Monique Eloit).



### Tackling food safety risks

The Forum also looked at opportunities and challenges in food safety management from the angle of trade facilitation, following the entry into force in 2017 of the WTO's newest multilateral pact, the Trade Facilitation Agreement. The synergies between trade facilitation and food safety management are clear and greater efforts must be made to ensure that they complement each other rather than compete. Streamlined and transparent border inspections and controls that help goods move more smoothly make all the difference for perishable food and agricultural products while effectively ensuring that traded food complies with safety requirements.

Solid and harmonized regulatory frameworks must underpin any coordinated response to existing and emerging food safety risks. The discussions looked at how food safety regulatory systems can adapt to new challenges in a harmonized, transparent and timely manner, without losing sight of keeping science as the basis of all work.

### Joint initiatives

Joint initiatives, such as the Standards and Trade Development Facility (see page 138), where the WTO, FAO, OIE, the World Bank, WHO and other stakeholders come together to promote solutions to persistent sanitary and phytosanitary trade challenges, can play a crucial part in building capacity and facilitating market access, the conference heard.

### A shared responsibility

Food safety is, as it was stressed repeatedly at the Forum, a shared responsibility that cuts across different sectors and requires coordinated policy action and effective partnerships. The Forum made a significant contribution in this respect, emphasizing the importance of broad international engagement.

"Food safety is a shared responsibility ... and building strong partnerships ... across the public and private sectors is essential," WTO Deputy Director-General Alan Wolff said in a closing speech to the Forum.

# Trade in goods

- **Twelve new trade concerns were brought by WTO members to the Council for Trade in Goods, down from 21 in 2018.**
- **The Goods Council continued to discuss enhancing transparency and complying with notification requirements. Members agree on the importance of transparency for the trading system but differ on how to improve it.**
- **The Council discussed ideas to improve its functioning and the functioning of its subsidiary bodies.**

## Background on trade in goods

The Council for Trade in Goods is responsible for the workings of WTO agreements on trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The Goods Council has 12 subsidiary committees dealing with specific subjects, such as agriculture, market access, subsidies, technical barriers to trade, sanitary and phytosanitary measures, import licensing, customs valuation, and the Committee on Trade Facilitation. These committees also comprise all WTO members. Working parties on state trading enterprises and the Information Technology Agreement also report to the Goods Council.

WTO members raised 12 new trade concerns in 2019, down from 21 the previous year (see Table 2).

Among new issues brought before the Council, 34 members raised concerns regarding the European Union prohibiting a number of agro-chemical substances. The measure hurt trade in products such as cereals, nuts and bananas, and disproportionately affected developing countries and least-developed countries (LDCs), the members said.

China expressed concerns over the US Government banning US companies from buying or using telecommunications equipment provided by enterprises considered to pose a potential national security threat.

Russia, echoed by Australia, Canada, Mexico, the Philippines and the United States, expressed concern over a proposed update to EU regulations on products containing titanium dioxide and cobalt for the potential trade impact on products such as paints, toys, cosmetics, plastics, prostheses and other medical devices.

The United States, supported by Canada and Korea, expressed concern over new EU regulations restricting patients' access to life-saving and life-improving medical technologies. Korea expressed concerns over Japan's export-control measures on materials used in semi-conductors and smartphones and on which the Korean industry depended. The EU, supported by China, expressed concern over Tunisia's import authorization regime, in place since November 2018, which affected various products, including agricultural and agri-food products.

**Table 2: New trade concerns raised in the Council for Trade in Goods in 2019**

EU – Safeguard measures on Indica rice from Cambodia
EU – Regulation concerning the update of the classification, labelling and packaging (CLP) of chemical substance mixtures (Russian Federation)
Jamaica – Regulations banning single-use plastic products (Dominican Republic)
Trinidad and Tobago – Ban on the marketing and importation of polystyrene plastics (Dominican Republic)
EU – Implementation of non-tariff barriers on agricultural products
United States – Measures regarding market access prohibition for ICT products (China)
United States – Export control measures for ICT products (China)
European Union – Medical device regulation and in vitro diagnostic medical devices regulation (United States)
Tunisia – Import restriction measures (EU)
Angola – Import restricting practices (US)
Japan – Export control measures on materials essential for semiconductors and displays (raised by Korea under other business).
The new EU anti dumping procedures in Regulation (EU) 2017/2321 and Regulation (EU) 2018/825 (Russian Federation)



WTO members raised again the issue of the EU's renegotiation of tariff rate quota commitments in response to the United Kingdom's decision to leave the EU (see page 66). Other previously raised concerns included: Indonesia's import and export-restricting policies and practices; India's customs duties on information and communications technology products; the European Union's quality schemes for agricultural products; China's measures restricting the import of scrap materials; US measures on aviation security equipment; and trade-restricting practices of Russia.

### Transparency

The Council discussed a revised transparency proposal regarding notification requirements submitted by Argentina, Australia, Canada, Costa Rica, the European Union, Japan, New Zealand and the United States, incorporating additional comments made by WTO members. Criticisms were made again regarding the administrative sanctions of the transparency proposal and the issue of counter-notifications. The constraints faced by developing countries and LDCs in the collection and processing of the information necessary to notify were raised. Members also discussed the extension of transparency to other areas of the WTO and not only goods.

The Council debated a new communication submitted by the African Group, Cuba, India and Oman outlining an inclusive approach to transparency and notification requirements.

The 31 members that intervened recognized the importance of transparency for the trading system, particularly through compliance with notification obligations, but continued to diverge on how to improve it.

### E-commerce

The Council continued discussing e-commerce in response to the call from the 11<sup>th</sup> Ministerial Conference in 2017 to reinvigorate the WTO's work in this area.

### Waiver requests

The Council approved two requests to extend preferential tariff treatment for LDCs by developing countries and US trade preferences in favour of the Caribbean countries. It also approved four collective waiver requests to extend deadlines for updating WTO goods schedules to take account of harmonized system changes (2002, 2007, 2012 and 2017).

After almost four years of discussion, Jordan announced the termination of its export subsidy programme and requested to withdraw its request for a waiver.

### Better functioning of the Council

A thorough discussion on how to improve the work of the Council and its subsidiary bodies took place based on a suggestion submitted by Hong Kong, China, to use annotated agendas and tentative calendars of meetings. Informal discussions will continue.

**Customs duties on information and communication technology products were among the trade concerns raised by WTO members.**



# Market access

- **The Committee discussed 18 trade concerns, two more than in 2018. These included the establishment of a draft goods schedule for the United Kingdom following its decision to leave the European Union and the manner in which tariff quotas will be renegotiated.**
- **The Committee adopted a revised Decision on the Integrated Database, the WTO's main source of tariff and import data, to streamline notification procedures for WTO members.**
- **Fourteen members submitted notifications on quantitative restrictions, down from 22 in 2018. Three were first-time notifications.**

## Background on market access

The Committee on Market Access supervises the implementation of tariff and non-tariff measures not covered by any other WTO body. In addition, it seeks to ensure that WTO members' schedules of concessions are up to date, including changes required to reflect amendments to the Harmonized System (HS). The HS allows countries to classify traded goods on a common basis. Without this technical work at the Committee, it would be difficult to compare members' tariff obligations with the tariffs they apply in practice.

## Trade concerns

WTO members raised 18 trade concerns about issues such as internal taxation, applied tariffs that are allegedly in excess of WTO commitments, procedures to modify schedules of concessions and, in particular, prohibitions and restrictions on imports and exports. Many concerns had already been raised, but a number of new issues were aired.

Russia, supported by other members, returned to a concern over the methodology used for the renegotiation of tariff rate quotas (TRQs) following the United Kingdom's decision to leave the European Union. The UK presented its draft schedule of concessions in July 2018 setting out its WTO market access commitments for goods. Members called for a solution which does not leave them worse off following the UK's exit from the EU. The United Kingdom communicated to the WTO on 1 February 2020 that the goods schedule of the European Union will continue to apply to the UK during the transition period afforded under its Withdrawal Agreement with the EU.

China questioned what it considered discriminatory market access prohibitions on 5G equipment by Australia and certain export control measures and market access prohibitions for Chinese information and communication technology products by the United States.

Russia called for enhancing transparency in applied tariffs. It considers that the existing provisions have created a gap between the

national and WTO levels. While WTO members are obliged to publish each change to their tariffs at the national level, there is no obligation to notify those changes to the WTO beyond the annual notification of all duty rates.

## Databases

In 2019, the Committee agreed to update the 20-year old Integrated Database, the main source of tariff and import data at the WTO. The decision streamlines notification procedures and better explains who must do what and when, including the interaction with other existing notification requirements. It broadened the database to include all taxes, duties and charges levied at the border, and made most of the data publicly available.

Another innovation allows for the automatic transmission of data by permitting the connection of members' domestic systems to the WTO. The WTO Secretariat was also asked to maintain a list of members' official websites with tariff information and import statistics.

## Harmonized System

The Committee works to ensure that WTO members' schedules of concessions reflect the latest amendments to the World Customs Organization's Harmonized System (HS) nomenclature, the system used to classify traded goods on a common basis. This technical work at the WTO seeks to ensure that WTO schedules are up to date, thereby facilitating the comparison of a member's applied tariff regime with its WTO obligations.



The HS96, HS2002 and HS2007 “transposition exercises” – the amendments are typically referred to by the year in which they enter into force – have been nearly concluded for all members. The Committee continued making good progress on the HS2012 transposition, where the schedules of 97 WTO members have now been updated. Work on HS2017 will be launched in 2020. The Committee was informed that a new amendment to the HS will enter into force on 1 January 2022.

The WTO Secretariat announced that a “Goods Schedules e-library” will be launched in 2020 to facilitate access to the legal instruments that comprise these schedules.

## Quantitative restrictions

The Committee received notifications on quantitative restrictions from 14 members, down from 22 in 2018. Three were from members notifying for the first time. These notifications include information on prohibitions and other restrictions that do not take the form of a tariff, tax, fee or charge, and are allowed by the WTO in some circumstances. WTO members are obliged to provide detailed information every two years. The Secretariat announced that a revised version of the quantitative restrictions database will be launched in 2020.

**WTO members raised 18 trade concerns about issues such as prohibitions and restrictions on imports and exports.**



5



# Agriculture

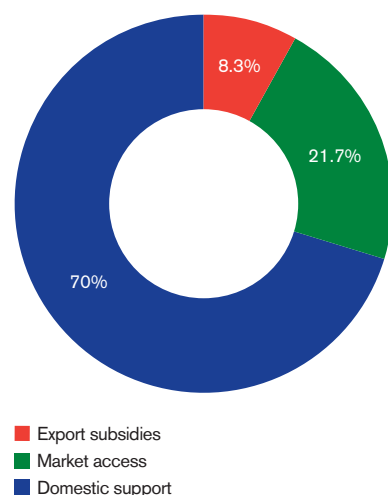
- The Committee on Agriculture received 439 notifications from WTO members in 2019, the highest number since 1995 and a sign of increased transparency.
- Members raised 241 questions on 161 notifications that were reviewed in 2019.
- By end-2019, 11 out of 16 members required to eliminate export subsidies as per the Nairobi ministerial decision had modified their schedules of commitments.
- Members concluded a review of the Bali decision on tariff rate quotas and agreed on recommendations to enhance transparency and improve notifications.
- The WTO Secretariat launched an online agriculture notification system.

## Background on agriculture

The Agreement on Agriculture aims to reform trade and make WTO members' policies more market-oriented. The rules and commitments apply to market access, domestic support and export competition, as well as export restrictions and prohibitions. The Committee on Agriculture oversees the implementation of the Agreement. The Committee also monitors follow-up to the Marrakesh ministerial decision regarding the least-developed and net food-importing developing countries, which sets out objectives and mechanisms on the provision of food aid and other assistance.

The Committee on Agriculture reviewed 161 notifications from WTO members, significantly more than the 104 notifications reviewed in 2018, during which members posed 241 questions on agricultural policy measures. Around 70 per cent of the questions concerned domestic support (subsidy) notifications, including by China, the European Union, India and Israel. Figure 1 gives a snapshot of the questions on notifications by subject area.

**Figure 1: Questions on notifications raised in the Committee on Agriculture in 2019, by subject area**



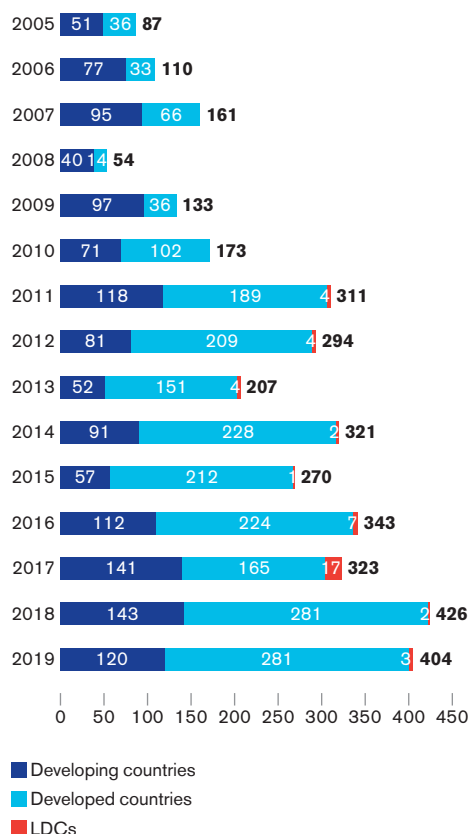
Two counter-notifications were submitted under a rule allowing WTO members to raise any measure that in their view ought to have been notified by other members. Australia, Canada and the United States questioned India's reporting of market price support for various pulses while Indonesia contested the trigger price of instant coffee and coffee extracts used by the Philippines for invoking special safeguards.

The review of WTO members' progress in implementing their subsidy and market access commitments was largely based on notified information. In addition, Article 18.6 of the Agreement on Agriculture allows members to raise questions on any matters relevant to implementation of commitments. In 2019, 12 members raised 78 such matters and posed 163 questions.

Out of the 404 questions raised in 2019 (including questions on individual notifications and under Article 18.6), just three were directed to least-developed countries, 120 to developing countries and 281 to developed countries (see Figure 2). Developed countries posed some 80 per cent of all questions raised.

Compliance with annual notification obligations, particularly for domestic support and export subsidies, was subject to specific scrutiny in the Committee. Twenty-one questions were raised concerning pending notifications from China, Egypt, Ghana, India, Indonesia, Kazakhstan, Kenya, the Republic of Korea, Morocco, Pakistan, Tunisia, Turkey, Ukraine and Viet Nam.

**Figure 2: Questions addressed to developed and developing countries, 2005-19**



Thirty-four per cent of domestic support notifications (811) and 31 per cent of export subsidy notifications (859) remained outstanding as of 17 October 2019. Nevertheless, Figure 3 shows a rising trend in the number of annual notifications, with the total reaching 439 in 2019, the highest in any year since 1995.

### Export competition

The Committee held its annual dedicated discussion on export competition in June 2019. Export competition covers export subsidies, export credits, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises.

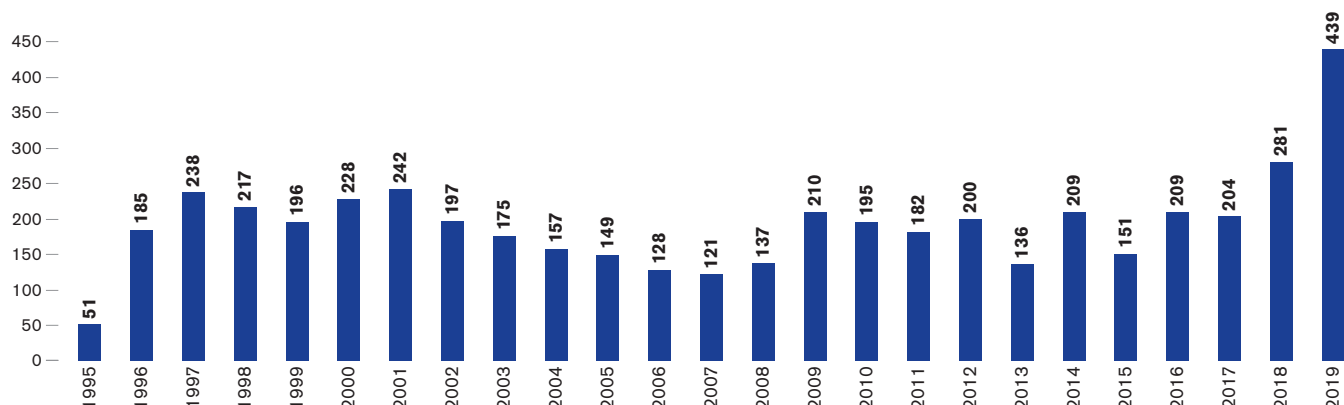
By the end of 2019, three more members – Iceland, Mexico and Turkey – had their revised export subsidy schedules certified. This means that 11 of the 16 WTO members that had export subsidy reduction commitments at the time of the decision in 2015 have modified their schedules in line with the decision.

In addition, Canada and the European Union have circulated draft revised schedules and certification is expected in due course. Under the decision, developed countries had to immediately eliminate their export subsidies, while developing countries had until the end of 2018, with some transitional exceptions.

### Other ministerial decisions

At a meeting on 30-31 October 2019, the Committee adopted a report on the operation of the 2013 Bali Ministerial Decision on Tariff Rate Quotas (TRQs), which it had been reviewing for two years. It adopted recommendations on improving the use of TRQs, including measures and processes aimed at enhancing transparency and improving notifications.

**Figure 3: Number of agriculture notifications submitted by WTO members, 1995 to 2019**





But members could not agree on recommendations in respect of the TRQ underfill mechanism. Instead, they extended the deadline for a decision for two years. Duties are usually lower within TRQs and unfilled quotas mean exporters missing out on the favourable rates of duty. The General Council approved the Committee's recommendations at its meeting on 9-10 December 2019.

### Notification workshop

The annual Geneva-based agriculture notification workshop provided training to 30 capital-based officials from developing countries. It covered practical exercises on notification requirements and the Committee's review process. Participants were also introduced to a new online notifications system (see below).

### Transparency tools

The WTO Secretariat launched the new online system for submission of agriculture notifications in October 2019. It will facilitate members' preparation and submission of notifications and make notified information publicly accessible.

The WTO Secretariat organized an information session to familiarize members with the new digital resources and enhancements, including planned new features for the Agriculture Information Management System. This system provides public access to agriculture-related information notified by WTO members and to questions and responses in the Committee's review process. New features to be introduced in 2020 include tracking of pending responses and of issues that arise in multiple committee meetings.

### Information exchange

The WTO Secretariat organized in June 2019 a two-day symposium on the role of trade in the global agri-food system, involving experts from academia, international organizations and think tanks. Participants exchanged ideas and identified opportunities and challenges for public sector intervention to create a more resilient and sustainable agri-food system.

The Secretariat, in collaboration with other international organizations, organized in June an information session on disciplines, monitoring and data collection for international food aid and food assistance.



# Sanitary and phytosanitary measures

- **The Committee continued work on the fifth review of the Agreement on Sanitary and Phytosanitary (SPS) Measures and began work on concrete recommendations to be delivered in a report in 2020.**
- **A co-publication of the WTO and the Organisation for Economic Co-operation and Development, launched in 2019, highlights how the SPS Agreement and the Technical Barriers to Trade Agreement contribute to easing trade tensions.**
- **Food safety represented over 40 per cent of new trade concerns raised in the Committee and over 50 per cent of previously raised ones.**
- **WTO members' notifications of new or changed SPS regulations rose to 1,757 in 2019, up from 1,631 the previous year.**

## Background on sanitary and phytosanitary measures

The Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures establishes the rights and obligations of WTO members regarding measures taken to ensure food safety, protect human health from plant or animal-spread diseases, protect plant and animal health from pests and diseases, or prevent other damage from pests. Governments must ensure that their SPS measures are necessary for health protection and based on scientific principles.

## Fifth Review of the SPS Agreement

The SPS Committee worked actively on the fifth review of the operation and implementation of the SPS Agreement, launched in March 2018. WTO members engaged in in-depth discussions on topics such as equivalence, which encourages members to accept other members' SPS measures that provide the same level of health protection for food, animals and plants. They also discussed the role of the SPS Agreement in enabling access to safe and effective tools and technologies to cope with pests, such as the fall armyworm pest, a crop-damaging insect native to tropical and sub-tropical regions of the Americas. Other topics discussed by the Committee included transparency and SPS coordination mechanisms.

Members began working on concrete recommendations for the review's report, with the aim of achieving a successful conclusion in 2020. Draft recommendations address transparency and call for intensified exchanges on subjects of interest. The latter includes the trade effects of pesticide maximum residue limits (MRLs) and the role of the relevant standard-setting bodies – Codex, the International Plant Protection Convention and the World Organisation for Animal Health – in Committee discussions on specific trade concerns.

## WTO/OECD publication on regulatory cooperation

The WTO and the OECD jointly launched a publication – “Facilitating Trade through Regulatory Cooperation: The Case of the WTO's TBT/SPS Agreements and Committees”. It outlines how disciplines of the SPS Agreement and the Technical Barriers to Trade (TBT) Agreement, and practices of their related committees,

provide a unique framework for international regulatory cooperation and contribute to easing trade friction.

## Discussions on specific trade concerns

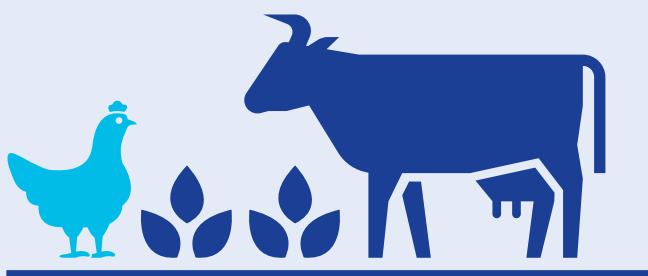
The SPS Committee considered a wide range of specific trade concerns – 17 new ones and 23 that had been previously discussed. Food safety represented over 40 per cent of new concerns and over 50 per cent of previously raised ones. Discussions took place on maximum limits for pesticides (including questions related to substances that may interfere with the body's endocrine system) and testing and approval procedures in general and of biotech products in particular.

Animal health-related concerns raised in the Committee saw recurrent references to commonplace diseases such as avian influenza and foot-and-mouth disease and increased focus on the rapidly spreading African swine fever. Fruit flies were a frequent subject of concerns related to plant health, together with wider procedural issues, including those related to phytosanitary certificates.

In 2019, developing countries were more active than developed countries in raising concerns, accounting for approximately 65 per cent (either independently or in conjunction with developed countries). Close to 60 per cent of the concerns raised also concerned developing country measures.

The European Union, Senegal and Chinese Taipei provided information on trade concerns that had been resolved, bringing the total number of fully or partially resolved concerns to 202 (over 40 per cent of the 469 concerns raised since 1995).

SPS measures ensure that a country's consumers are supplied with food that is safe to eat – but they also make sure that health and safety regulations are not used as an excuse for imposing unjustified obstacles to trade.



Food safety represented over 40% of new trade concerns raised in the SPS Committee.



In 2019, WTO members submitted 1,757 notifications of planned, new or changed SPS regulations.

The SPS Agreement sets out the rights and obligations of WTO members regarding measures to ensure food safety, and to protect human, animal and plant health.

The WTO Secretariat initiated in 2019 a project titled “eAgenda”, a platform through which WTO members can submit specific trade concerns and other agenda items for inclusion in Committee meetings. It will increase transparency and provide early notice of concerns to be discussed.

### Notifications

Transparency is particularly important since compliance with SPS measures is normally a mandatory precondition for market access. The SPS Agreement requires notification of draft regulations that are not “substantially the same” as an international standard, with an opportunity for other members to submit comments on the notified regulation.

Members' notifications of planned new or changed SPS regulations rose to 1,757 in 2019, up from 1,631 the previous year. Of these, 1,118 were regular notifications (down from 1,203 in 2018) and 119 were emergency notifications (almost at a par with the 121 submitted in 2018), the rest being made up by addenda and corrigenda.

In line with previous years, developing countries accounted for a large share of notifications, submitting 67 per cent and 80 per cent of the regular and emergency notifications, respectively.

Approximately 75 per cent of the notifications in 2019 came through the online SPS notification submission system, which has so far been used by close to 50 members.



## Food safety

“WTO rules on food safety are crucial for enabling governments to protect their citizens while ensuring trade can play its critical part in maintaining timely supplies of safe and affordable food,” said DG Azevêdo in opening the International Forum on Food Safety and Trade, which took place at the WTO in April 2019 (see page 62).

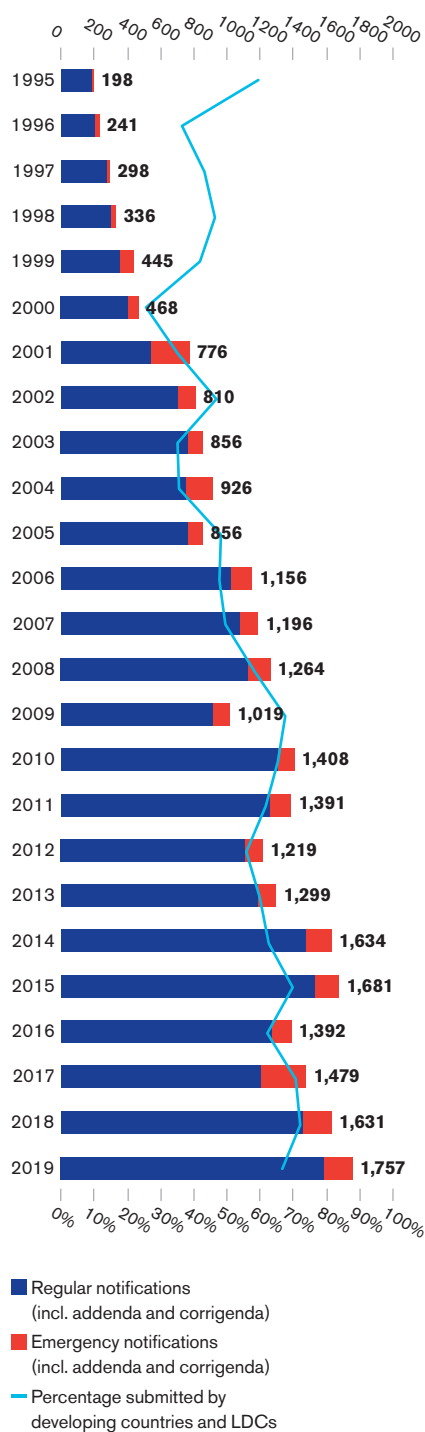
## Capacity-building

SPS was a top priority in questionnaires for the preparation of the WTO's technical assistance plan for 2020-21, and demand for SPS-related capacity building continued to be high. The WTO Secretariat held 13 SPS technical assistance activities in 2019, often in cooperation with other divisions of the WTO and regional and international partners, such as the Inter-American Institute for Cooperation on Agriculture. Transparency figured increasingly among the subjects flagged in training requests.

**Food safety represented over 40 per cent of new trade concerns raised in 2019.**



**Figure 4: Total number of SPS notifications and percentage of notifications submitted by developing countries and LDCs, 1995-2019**



# Technical barriers to trade

- The Technical Barriers to Trade (TBT) Committee began implementing the 2019-21 work programme, which includes recommendations in areas from transparency to improving implementation of the TBT Agreement.
- The Committee held a number of thematic sessions on topics ranging from good regulatory practices to conformity assessment and transparency.
- The Committee agreed an improved notification procedure to facilitate access to measures adopted by members and other information.
- Members' notifications to the WTO rose again – to over 3,300 – the highest figure since the launch of the WTO in 1995 and an indication of increasing transparency.

## Background on technical barriers to trade

The Technical Barriers to Trade (TBT) Agreement aims to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade. The number of regulations adopted by WTO members has continued to grow in response to consumers' demands for safe, high-quality products, the protection of health and the need to curb pollution and environmental degradation.

## Progress on several fronts

The TBT Committee began implementing its 2019-21 work plan, adopted in November 2018, and held several thematic sessions on important TBT issues, including transparency, conformity assessment and good regulatory practices, alongside its regular sessions.

Work also started on its mandate to develop guidelines on the choice and design of appropriate and proportionate conformity assessment procedures. These aim to make sure that measures, such as health and safety requirements, are not unnecessarily restrictive or discriminatory. There is significant interest and momentum on the issue, with submissions on draft guidelines by the European Union, the United States, Australia, Japan and Canada.

A thematic session on transparency in June discussed, among other issues, the functioning of enquiry points, which members must establish to answer questions on their implementation of the TBT Agreement. It also looked at tracking and reacting to members' notifications, including the role of ePing, an alert system for tracking sanitary and phytosanitary and TBT notifications.

By the end of 2019, ePing had 8,820 registered users from 179 countries/territories, around half of them from governments and the rest from private bodies, non-governmental organizations, academia, regional and international organizations, etc. Members underlined the key role that the TBT transparency framework can play in reducing trade tensions.

In November, the Committee agreed to improve notification procedures with a revised addendum format which facilitates access to the final texts of adopted measures and other information, such as the date of entry into force and where to access the texts on national websites.

Figure 5: Specific trade concerns raised in the TBT Committee, 1995 to 2019



The TBT Agreement aims to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade. It also recognises WTO members' right to implement measures to achieve legitimate policy objectives, such as the protection of human health or the environment.



In the TBT Committee, members discussed 185 specific trade concerns dealing with matters such as cybersecurity, labelling and environmental protection.



Manufacturers and exporters need to know what the latest standards are, so WTO member governments are required to keep each other informed by notifying the WTO about new measures.



In 2019, WTO members submitted 3,337 TBT notifications, the highest-ever number and a positive sign of increased transparency.



**New trade concerns on product regulations included those dealing with environmental protection and labelling.**

### Specific trade concerns

In 2019, delegations discussed 185 specific trade concerns (STCs) regarding draft or adopted TBT measures, one more than in 2018 and a new WTO record (see Figure 5). New concerns (35) grew by more than 50 per cent while there were slightly fewer previously raised concerns (150).

The new concerns covered a wide range of product regulations, including those dealing with cybersecurity, environmental protection (for example, on solid waste, plastics, eco-design requirements, energy conservation) and the description and labelling of various products. Of the new concerns, 22 were raised by developing countries (13 independently and nine in conjunction with developed countries – see Figure 6).

Members also began implementing a new procedure, agreed in 2018, for raising specific trade concerns which allows more time for members to engage with each other and domestic stakeholders in advance of Committee meetings.

### Notifications

In a boost for transparency, notifications continued to increase. Members submitted a record 3,337 notifications of new (or changed) draft measures (see Figure 7), compared with 3,061 in 2018.

The number of notifying members also rose, with 93 members submitting at least one notification. Africa and South America were particularly active. Uganda submitted the most notifications among WTO members, while Ecuador, Brazil, Kenya, Tanzania and Argentina were among the top ten.

Most notifications (88 per cent) were submitted through the WTO's online portal, which enables the WTO Secretariat to publish notifications within two days of receipt. The portal also allows members to easily track the status of submitted notifications and facilitates the preparation of notifications via templates.

### Capacity-building

Demand for TBT-related technical assistance has increased steadily. It has consistently been among the top topics requested in recent years. In 2019, 37 TBT-related training activities were organized by the WTO Secretariat, some in cooperation with other organizations.

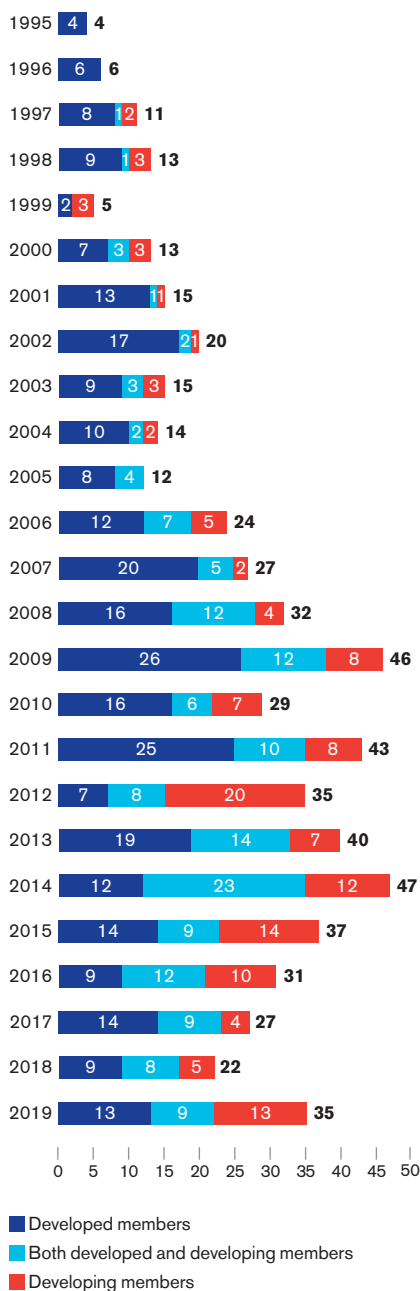
Activities included two Geneva-based advanced courses, six regional workshops and 13 national workshops. They were designed to help participants expand their understanding of the TBT Agreement, discuss challenges in

implementing it and learn more about the work of the TBT Committee. As in previous years, there was strong demand for training on TBT transparency in general and ePing in particular.

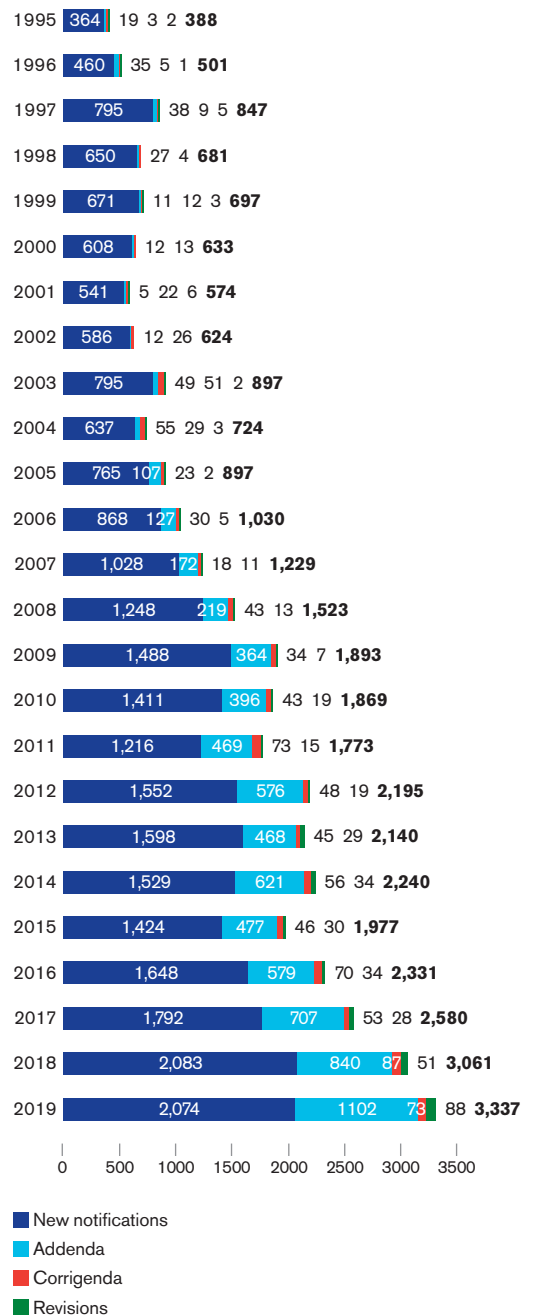
### Report

In July, a WTO/Organisation for Economic Co-operation and Development (OECD) joint report highlighted the unique contribution of the TBT Agreement and the Sanitary and Phytosanitary Agreement to regulatory cooperation (see page 159).

**Figure 6: New specific trade concerns raised by WTO members, 1995 to 2019**



**Figure 7: TBT notifications, 1995 to 2019**



# Subsidies and countervailing measures

- **Chairs alerted WTO members to chronic low compliance with notification obligations on subsidies. Only 69 members met the end-June deadline for 2019 notifications.**
- **The Committee returned to the issue of whether subsidies contribute to overcapacity in some sectors.**

## Background on subsidies and countervailing measures

The Subsidies and Countervailing Measures (SCM) Agreement regulates WTO members' use of subsidies and countervailing measures on subsidized imports of a product found to be injuring domestic producers of that product. The SCM Committee reviews WTO members' notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing actions and ad hoc notifications of preliminary and final countervailing measures taken. It serves as a forum for members to discuss the implementation of the SCM Agreement and any matters arising from this.

In 2019, the Subsidies and Countervailing Measures (SCM) Committee considered new and full notifications from WTO members and continued reviewing previous ones.

Committee chairs – Luis Fernandez (Costa Rica), then Michèle Legault Dooley (Canada) – drew members' attention to the chronic low compliance with the fundamental transparency obligation to notify subsidies, noting that this constitutes a serious problem for the proper functioning of the SCM Agreement.

Only 69 of the WTO's 164 members had submitted their 2019 notifications by the end-June deadline. In addition, 72 members had not submitted their 2017 notifications. The Committee continued to discuss ways to improve the timeliness and completeness of notifications and other information flows on trade measures.

At the Committee's November meeting, several WTO members welcomed what they said was an improvement in the notification of fisheries subsidies. Many members said that these notifications are critical for the ongoing WTO negotiations on fisheries subsidies (see page 44), where information on existing programmes is essential for moving talks forward.

The Committee considered a revised proposal by the United States on procedures for questions and answers for subsidy programmes not included in members' notifications.

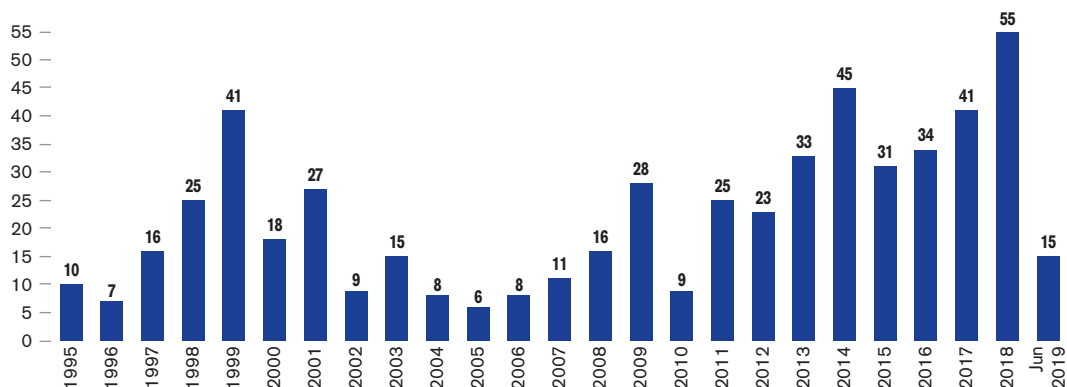
One more developing country notified the Committee of the elimination of its export subsidy programme. Four notifications remain outstanding from the 19 developing countries that had received extensions, to end-2015, for eliminating export subsidies, with final notifications of removal due by end-June 2016. The Committee agreed to continue to discuss this issue in 2020. Least-developed and developing countries are still exempted from the prohibition on per capita income grounds.

The Committee reviewed notifications of countervailing actions taken (see Figure 8). As of 30 June 2019, there were 178 notified measures (definitive duties and undertakings) in force, up from 173 the year before.

The Committee had discussions on the implementation of the Ministerial Decision on Fisheries Subsidies (concerning notification of subsidies), under an agenda item co-sponsored by Argentina, Australia, Canada, Costa Rica, the European Union, Iceland, Japan, the Republic of Korea, New Zealand, Norway, Chinese Taipei and the United States. The Committee also considered requests for information from the European Union and the United States to China regarding potential steel subsidies.

The Committee returned to the issue, raised by Canada, the European Union, Japan and the United States, of whether subsidies contribute to overcapacity in certain sectors. China reiterated that the Committee is not the proper forum to discuss the issue of overcapacity.

**Figure 8: Countervailing initiations by WTO members, 1 January 1995 to end-June 2019\***



\* Figure 8 covers initiations up to the end of June 2019. Data for the second half of 2019 are not yet available.

# Anti-dumping practices

- **WTO members initiated 100 new anti-dumping investigations from January to June 2019, down from 122 in the same period in 2018.**
- **India and the United States were the leading initiators, accounting for 39 per cent of the total.**
- **Investigations involving steel products continued to dominate discussions in the Committee on Anti-Dumping Practices.**

## Background on antidumping practices

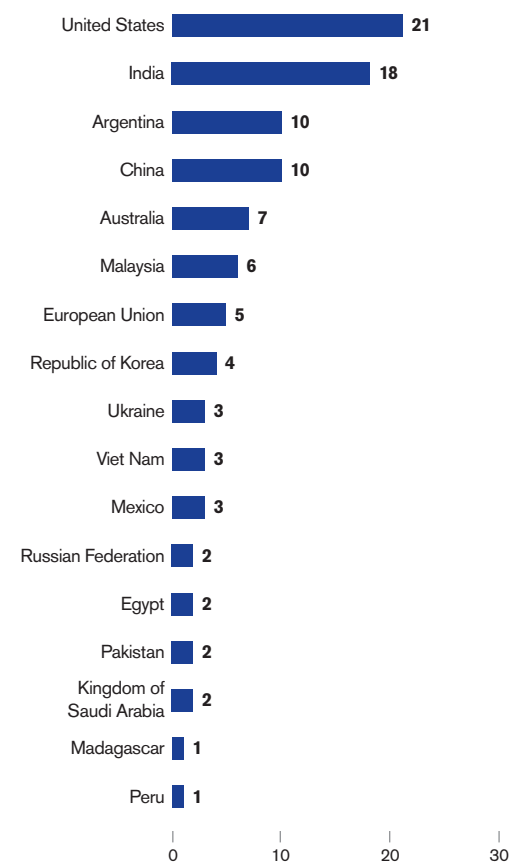
WTO members can apply anti-dumping measures on imports of a product where the exporting company exports the product at a price lower than the price it normally charges in its home market and the dumped imports cause or threaten to cause injury to the domestic industry. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement.

In the first six months of 2019, the United States initiated 21 new anti-dumping investigations and India 18, down from 22 and 28, respectively, in the same period of the previous year.

Other frequent users of anti-dumping investigations, including Argentina, Australia and Russia, initiated fewer investigations while Brazil, Canada, Chinese Taipei and Turkey did not initiate any. However, China, Egypt, the European Union, Madagascar, Malaysia, Mexico, Pakistan, Peru, the Republic of Korea, Saudi Arabia, Ukraine and Viet Nam initiated more investigations.

Investigations involving steel products continued to dominate discussions in the Committee on Anti-Dumping Practices. As in 2018, these products accounted for more than a quarter of all new investigations.

**Figure 9: Anti-dumping investigation initiations by reporting member, 1 January 2019 to end-June 2019\***



\* Figure 9 covers initiations up to the end of June 2019. Data for the second half of 2019 are not yet available.



**Steel products accounted for more than a quarter of new investigations in 2019.**





At its spring and autumn meetings, the Committee reviewed semi-annual reports for the second half of 2018 submitted by 43 WTO members and semi-annual reports for the first half of 2019 submitted by 44 members. Committee Chair Lenka Sustrova (Czech Republic) noted that a number of WTO members had failed to submit semi-annual reports for the first half of 2019.

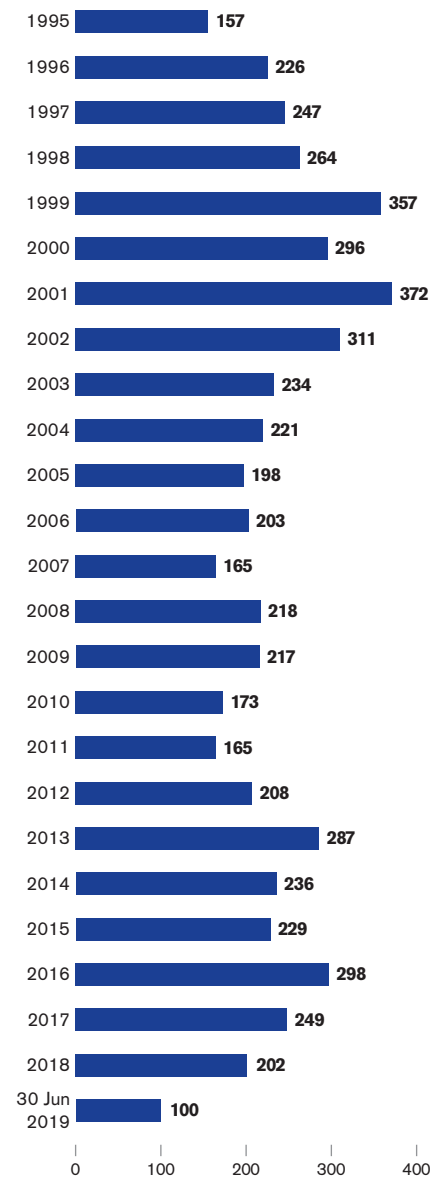
At its spring and autumn meetings, the Committee also reviewed ad hoc notifications of preliminary and final actions taken by WTO members. As of 30 June 2019, 47 members had notified the WTO of 1,919 anti-dumping measures (definitive duties and undertakings) in force, up from 1,854 the previous year.

The Committee reviewed new notifications of legislation submitted by Brazil, Canada, Ecuador, Japan, Kenya, Lesotho, Madagascar, Mauritius, United Arab Emirates and Viet Nam and continued the review of previously reviewed notifications of Ecuador, El Salvador and Viet Nam.

The Working Group on Implementation, which serves as a forum for the exchange of information on WTO members' practices, discussed gathering and examination of evidence for the determination of a causal relationship between the dumped imports and the injury to the domestic industry; assessment of domestic industry's economic indicators in threat of injury analysis; and verification procedures. Also discussed were the treatment of financial expenses and financial income in dumping margin calculations/sales below cost test; and determination of the base price for the below-cost test. Some WTO members made presentations describing their practices while others contributed to the discussions with questions or comments.

In addition, two meetings of the Informal Group on Anti-Circumvention were held in 2019. During those meetings, Australia and the United States presented their anti-circumvention proceedings and responded to questions posed and comments made by other WTO members.

**Figure 10: Anti-dumping investigation initiations by year, 1 January 1995 to end-June 2019\***



\* Figure 10 covers initiations up to the end of June 2019. Data for the second half of 2019 are not yet available.

# Customs valuation

- **The Committee received six first-time notifications of national legislation.**
- **Two specific trade concerns were raised.**
- **The Committee held an experience-sharing workshop to help least-developed countries address challenges in implementing the Customs Valuation Agreement.**

## Background on customs valuation

The WTO's Agreement on Customs Valuation seeks to establish a fair, uniform and neutral system for the valuation of goods for customs purposes, precluding the use of arbitrary or fictitious values. The Committee on Customs Valuation reviews implementation and administration of the agreement as well as the Agreement on Pre-shipment Inspection.

The Committee on Customs Valuation received six first-time notifications of national legislation, bringing to 104 the number of WTO members that have notified and boosting the compliance rate to 76 per cent. It had received no notifications in 2018. The Committee also received three first-time notifications of the checklist of issues related to their legislation, bringing to 68 the number of members that have submitted this notification and giving a compliance rate of 50 per cent.

Uruguay's long-standing proposal to amend the Committee's 30-year-old "Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment" to take account of software on newer types of media carriers, such as USB keys, remained on the agenda, without reaching consensus.

Two specific trade concerns were raised in 2019 – Pakistan's determination of customs value of paper and Tajikistan's alleged use of reference pricing in customs valuation.

The Committee held an information-sharing workshop in February 2019 to help least-developed countries (LDCs) address challenges in implementing the Customs Valuation Agreement. The Committee continued its discussions regarding ways of supporting LDCs in implementing the Agreement in full.

## Pre-shipment inspection

The key issues continued to be the status of notifications of pre-shipment measures and the concern of some WTO members that not all measures are being notified. In 2019, the Committee received three notifications regarding the Pre-shipment Inspection Agreement.

**A customs control point in Malaba at the Kenya/Uganda border.**



# Rules of origin

- **The WTO Secretariat presented the “Rules of Origin Facilitator”, a free online database making it easier for firms to claim reduced or zero duties.**
- **The Committee on Rules of Origin continued to examine a proposal to enhance transparency in non-preferential rules of origin.**
- **The Committee examined issues surrounding the under-utilization of tariff preferences. A Secretariat note showed that 82 per cent of all imports of fruits, vegetables and plants from least-developed countries (LDCs) did not receive any tariff preferences in 2016 despite being eligible.**

## Background on rules of origin

Rules of origin are the criteria used to determine the country in which a product is made. They are used in the implementation of many trade measures, including trade preferences, customs duties, labelling of country of origin and the application of anti-dumping measures. The main objective of the Agreement on Rules of Origin is to harmonize the rules that all WTO members use to determine origin in their non-preferential trade. This work is conducted by the Committee on Rules of Origin. The Committee also reviews the implementation of the 2013 and 2015 ministerial decisions on preferential rules of origin for LDCs.

In 2019, the WTO Secretariat officially presented the online “Rules of Origin Facilitator”, which provides firms with free access to a unique, publicly searchable database on duty savings in trade agreements and the corresponding rules of origin. It makes it easier for firms to claim reduced or zero duty rates under free and preferential trade arrangements by accessing the information through an easy-to-navigate system.

The facilitator was developed in collaboration with the International Trade Centre and the World Customs Organization. “The facilitator fills a real gap. We believe this tool will prove especially useful for smaller companies in developing and least-developed countries,” DG Azevêdo said.

## Non-preferential rules of origin

Switzerland again presented a joint proposal, now on behalf of 14 WTO members, for enhancing transparency in non-preferential rules of origin. The idea is to set out a template that WTO members can use to notify their rules of origin in the application of most-favoured-nation (MFN) treatment and other non-preferential commercial policy instruments and practices.

Non-preferential rules of origin are those which apply when trade is conducted on a MFN basis. Some trade policy measures, such as quotas, anti-dumping or “made in” labels, require the identification of the country of origin and the application of non-preferential origin requirements.



The work programme on harmonization of non-preferential rules of origin, mandated by the Agreement on Rules of Origin, has been stalled since 2007. Members have been undertaking a “transparency and educational exercise” on how existing non-preferential rules of origin affect businesses and international trade.

### Preferential rules of origin

WTO ministers have laid down guidelines for making it easier for LDCs to qualify for preferential treatment and better utilize market access opportunities. Sustainable Development Goal 17 calls for preferential rules of origin applied to LDC exports to be “transparent and simple”.

Members discussed transparency in preferential rules of origin. The Committee has gathered wide-ranging information about preferential rules and origin requirements for LDCs. Import statistics under such preferences are more available although data is still missing from several members.

The Committee also continued examining the change of tariff classification criterion in drafting “substantial transformation” rules of origin. A product can count as “made in” an LDC when it undergoes substantial transformation there but LDCs have argued the rules can be overly strict. A separate session was organized on the “REX System”, a new regime of self-certification for registered exporters being implemented by the European Union, Norway, Switzerland and Turkey.

The Committee also examined utilization of preferences by LDCs. The Secretariat prepared notes examining the utilization of agricultural preferences. For example, 82 per cent of all imports of fruits, vegetables and plants from LDCs did not receive any tariff preference in 2016, despite being eligible. The same was true for over 50 per cent of imports from landlocked LDCs.

**SDG 17 calls for preferential rules of origin for LDC exports to be “transparent and simple”.**



# Import licensing

- **The Committee reviewed 43 notifications from WTO members under the Agreement on Import Licensing Procedures, down from 77 in 2018.**
- **WTO members advanced work on a new import licensing website and shared experiences on using a new template to streamline notifications.**
- **The Committee heard specific trade concerns about import licensing rules and procedures.**

## Background on import licensing

The Agreement on Import Licensing Procedures establishes disciplines on import licensing systems, with the objective of ensuring that the procedures applied for granting import licenses do not in themselves restrict trade. It aims to simplify the administrative requirements necessary to obtain licenses and to ensure fair and transparent administration of the procedures.

The Committee on Import Licensing reviewed two notifications from WTO members regarding publications and/or legislation on import licensing procedures and 18 notifications from nine members on new import licensing procedures or changes in these procedures. It also reviewed 23 notifications from 19 members regarding responses to a questionnaire on import licensing procedures.

In 2019, Myanmar submitted its first notification to the Committee and provided a comprehensive list of import licensing laws and regulations. The Chair of the Committee, Carol Tsang (Hong Kong, China), welcomed this move and encouraged others to improve their notification compliance.

As of October 2019, 14 WTO members had not submitted any notification, down from 15 the previous year. In addition, 24 members had never submitted responses to the annual questionnaire on licensing procedures. WTO trade monitoring reports have identified import licensing as one of the main trade-restricting measures introduced by governments.

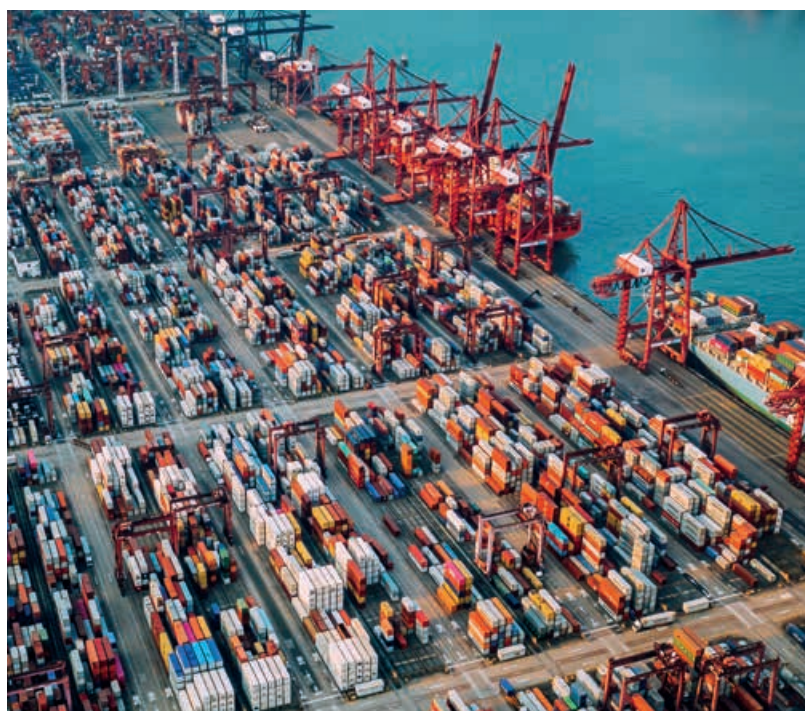
WTO members raised a number of new specific trade concerns. The European Union and the United States questioned Tunisia's import authorization measures on a long list of products, including agriculture and agri-food products, textiles, clothing, cosmetics, leather products, shoes, toys and electrical goods. The United States also asked for clarification from the Dominican Republic on its import licensing procedures for agricultural products and from Ghana on import procedures and permits for poultry. It also voiced concerns at Myanmar's import licensing requirements on agricultural products.

At the Committee's two meetings, members discussed various previously raised issues, such as Indonesia's licensing regime for cell phones, handheld computers and tablets, Viet Nam's import licensing for cybersecurity products and Brazil's import licensing on nitrocellulose.

WTO members advanced work on a new import licensing website. The site (<https://importlicensing.wto.org>) is based on members' notifications and the work carried out in the Import Licensing Committee since 1995.

At the April 2019 meeting, WTO members shared their experiences on using a new notification form which streamlines the way new or updated import licensing laws and procedures are reported.

In October 2019, representatives from 30 developing countries took part in the third workshop on import licensing and notifications in Geneva. National workshops were held in: the Kingdom of Bahrain; Lao People's Democratic Republic; Macao, China; Myanmar; the Philippines; and Chinese Taipei.



# Safeguards

- The number of new safeguard investigations initiated by WTO members rose to the second-highest level since 1995.
- The number of new safeguard measures imposed rose to the third-highest level since 1995.
- At the November meeting of the Safeguards Committee, several members expressed concern over the rising use of safeguards. For some, the concerns focused on the steel sector.

## Background on safeguards

WTO members may take safeguard actions (impose temporary additional duties, quantitative restrictions or other measures on a product) to protect a specific domestic industry from an increase in imports of the product that is causing, or threatening to cause, serious injury to the industry. In these circumstances, WTO members have the right to apply safeguard measures on imports of the product from all sources (but not from a specific member or group of members). The Agreement on Safeguards provides rules concerning the investigation that must be conducted as well as the application of safeguard measures.

The number of new investigations initiated during 2019 rose sharply for the second consecutive year to 30, almost twice the number (16) recorded in 2018 and nearly four times the low level (eight initiations) of 2017 (see Figure 11). This is the second-largest figure since 1995. The largest was 34 in 2002.

Members initiating two or more investigations were: the Philippines and WTO members of the Eurasian Economic Union (EAEU) – Armenia, Belarus, Kazakhstan, the Kyrgyz Republic and Russia – with two; India and Ukraine with three; Madagascar four; and Indonesia five. Guatemala initiated its first-ever safeguard investigation.

WTO members imposed 13 new safeguard measures in 2019, the third-largest figure since 1995. The largest was in 2003 with 15 and the second largest in 2002 with 14.

Members that imposed measures in 2019 were: Indonesia and Madagascar (two each), and Canada, Egypt, the European Union, Morocco, the Philippines, WTO members of the EAEU, Gulf Cooperation Council members (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), South Africa and Turkey (one each).

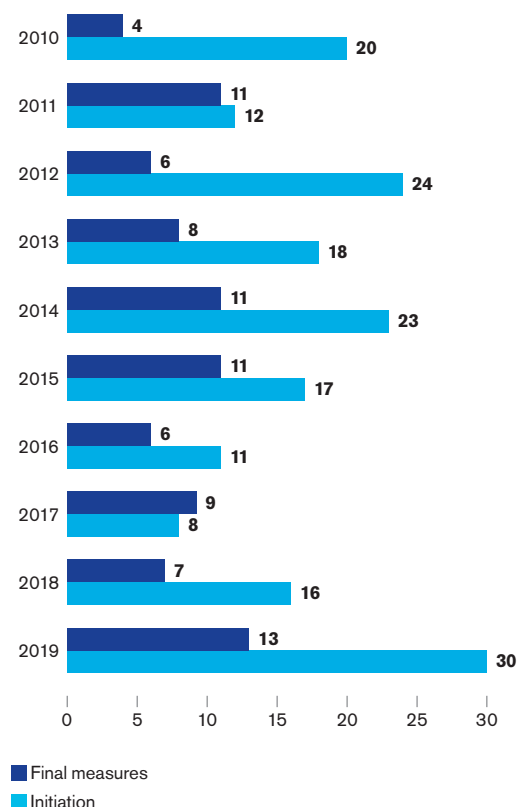
Of the 30 actions reviewed in the April 2019 meeting of the Committee on Safeguards, 11 actions – 37 per cent – were related to steel products. Of the 45 actions reviewed in the November 2019 meeting, 11 actions – 24 per cent – were related to steel products.

In the April Committee meeting, several members expressed concerns over the chain-reaction effect of safeguard measures, warning that the situation may be deteriorating and that members are beginning to react to others' trade-restrictive measures with their own.

In the November meeting, Australia, China, Japan, Korea, Switzerland and the United States voiced general concerns over the rising use of safeguard measures. For Japan, Korea and Switzerland, their concerns focused on the steel sector. Some members asked the European Union to clarify what would happen to its steel safeguard measure once the United Kingdom left the EU.

At both the April and November meetings, members discussed how to improve transparency of notifications by exploring best practices regarding the process of notifying a recommendation to impose a measure.

**Figure 11: Safeguard investigations by year (for all WTO members)**



# Trade-related investment measures

- **The TRIMs Committee continued to discuss concerns regarding local content requirements.**

## Background on trade-related investment measures

The Agreement on Trade-Related Investment Measures (TRIMs) recognizes that certain measures aimed at promoting foreign or domestic investments can restrict and distort trade. It states that WTO members may not apply any trade-related investment measure that discriminates against foreign products or that leads to quantitative restrictions, both of which violate basic WTO principles. An illustrative list of prohibited TRIMs, which often take the form of local content requirements, is part of the Agreement. The TRIMs Committee monitors the implementation of the Agreement and allows members to consult on any relevant matters.

In 2019, WTO members raised concerns in the Committee on Trade-related Investment Measures (TRIMs) over requirements imposed by other members which they said effectively mean that at least a part of a good or service should be locally produced, in violation of TRIMs regulations.

The concerns included measures adopted by Argentina in its auto parts industry and measures adopted by Russia in relation to its automotive industry, along with measures allegedly directing private companies to give priority to Russian-sourced goods, services and works.

The Committee also discussed alleged local content requirements in China's cybersecurity law. China made clear that the law contains no local content requirement. It is motivated by national security and economic, public safety and health reasons, it said.

The Committee also looked at certain Indonesian measures. These included: the alleged implementation of local content requirements for 4G LTE mobile devices and base stations; alleged investment restrictions in Indonesia's energy sector; and developments in the mining, retailing, franchising, pharmaceutical and medical device sectors.

The Committee took note of a new notification submitted by Afghanistan under Article 6.2 of the TRIMs Agreement, which requires WTO members to notify the Committee of all publications in which TRIMs may be found, including those applied by regional and local governments within their territory.

**WTO members' concerns included local content requirements applied to the car industry.**



# Information Technology Agreement

- **WTO members raised concerns about import duties on information and communication technology (ICT) products introduced by India, China and Indonesia.**
- **The Information Technology Agreement (ITA) Committee continued its discussions on non-tariff barriers and improving market access in information technology.**
- **All participants in the 2015 ITA expansion have submitted their expansion commitments.**

## Background on the Information Technology Agreement

The Information Technology Agreement (ITA) requires participants to eliminate duties on IT products on a most-favoured nation basis, meaning that all WTO members benefit, not just participants in the Agreement. The ITA covers a large number of high-technology products, including computers, telecommunications equipment, semiconductors, software and scientific instruments. The Committee of the Participants in the Expansion of Trade in Information Technology Products oversees the Agreement and reviews its implementation. The ITA has 53 participants, representing 82 WTO members.

At the May and October 2019 meetings, WTO members expressed concerns about import duties introduced by India, China and Indonesia on some ICT products and their parts, which they consider to be covered by the ITA. The ITA Committee continued its discussions on non-tariff barriers and improving market access in information technology. The industry is pressing for the harmonization of different technical and administrative regulations, which significantly increase compliance costs.

A key area of the non-tariff measures (NTMs) work programme is a survey of conformity assessment procedures for electromagnetic compatibility (EMC) and electromagnetic interference (EMI) adopted and used by ITA participants. Regarding its work on an EMC/EMI pilot project, the Committee noted that of the 53 participants in the ITA, 43 had provided survey responses, up from 39 in 2018. The Committee encouraged the remaining 10 to provide the information.

On NTMs other than EMC/EMI, the Committee continued discussions on the follow-up to a workshop held in May 2015 and to a symposium marking the 20<sup>th</sup> anniversary of the ITA, held in June 2017. The main issues raised at the workshop

were transparency, standards for recognition of test results, e-labelling and energy efficiency.

Five participants sought technical assistance from the WTO Secretariat regarding the Committee's decisions in 2013 and in 2016 to use the HS 2007 classification (see page 66) for 33 products, mainly semiconductor manufacturing equipment and automatic data-processing machines and units. On the possible HS 2007 classification for 22 "Attachment B" items of the 1996 Ministerial Declaration, for which there is no agreed tariff classification, the Secretariat has received comments from 21 WTO members.

## 2015 ITA Expansion

Members of the ITA expansion group continued to implement tariff reduction commitments with respect to the 201 IT products covered by the expansion deal, reached in 2015. The new products include integrated circuits and touch screens. All current participants in the 2015 ITA expansion have submitted their expansion commitments and modified their tariff schedules.

The expansion deal covers 90 per cent of world trade in the relevant products. It has 26 participants, representing 55 WTO members.

**Import duties on ICT products were raised as a concern by WTO members.**





# State trading enterprises

- **The Working Party reviewed new and full notifications by 15 WTO members.**
- **Compliance with notification obligations remained poor.**

## Background on state trading enterprises

State trading enterprises are defined as governmental or non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges to deal with goods for export and/or import. They are required to act in a manner consistent with the WTO principle of non-discriminatory treatment. The Working Party on State Trading Enterprises reviews notifications by WTO members of their state trading activities.

At its July and November 2019 meetings, the Working Party on State Trading Enterprises (STEs) reviewed new and full notifications of 15 WTO members regarding the activities of their STEs, and members asked questions about specific aspects of notifications made at previous meetings.

Compliance with notification obligations remained low. For the most recent notification period, covering 2016 and 2017, only 40 new and full notifications were received. For the previous notification period, covering 2014 and 2015, only 58 new and full notifications were received from the 136 WTO members subject to this obligation. WTO members were encouraged to continue working with their respective capitals and the WTO Secretariat to improve their notification record.

# Trade in civil aircraft

- **North Macedonia became the 33<sup>rd</sup> signatory to the Agreement on Trade in Civil Aircraft.**

## Background on trade in civil aircraft

The Agreement on Trade in Civil Aircraft aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment – such as engines, radar, flight recorders and ground flight simulators – by eliminating tariffs on goods listed in its product annex, by promoting fair and equal competitive opportunities for civil aircraft manufacturers, and by regulating government support for civil aircraft development, production and marketing. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.

Chair Damaris Carnal (Switzerland) reported in November at the Committee on Trade in Civil Aircraft's only meeting in 2019 that North Macedonia had become the latest signatory to the Agreement on Trade in Civil Aircraft. With the incorporation of North Macedonia, the number of signatories to the plurilateral agreement rose to 33.

At the meeting, the Committee continued the discussion, begun in November 2016, on whether and how to undertake a further update of the tariff classifications of the list of products covered by the Agreement on Trade in Civil Aircraft. The proposal on the table is to align it with the latest version of the Harmonized System, the system used internationally for classifying goods for customs purposes.



## Spotlight: World Cotton Day 2019

On 7 October, the WTO hosted the inaugural “World Cotton Day”, established to celebrate all aspects of cotton, from its qualities as a natural fibre to the benefits people obtain from its production, transformation, trade and consumption.

The event was launched by the WTO Secretariat at the initiative of the Cotton-4 group of African cotton producers – Mali, Benin, Chad and Burkina Faso, which are seeking official recognition for 7 October as World Cotton Day by the United Nations General Assembly.

### Facing the challenges

Organized in collaboration with the United Nations Food and Agriculture Organization (FAO), the UN Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC) and the International Cotton Advisory Committee (ICAC), World Cotton Day shed light on the challenges faced by the sector around the world, particularly in least-developed countries (LDCs).

**Chad's Trade Minister Achta Djibrine Sy addressing the plenary session of World Cotton Day.**

Eight ministers, senior government officials, representatives of international organizations, national cotton producers, textile industry professionals and private sector business executives attended the gathering. Events included a plenary session, thematic sessions on topics such as sustainability, technology and innovation, a partners' conference and a fashion show to display cotton fashion and the work of designers from Africa. It also offered cotton exhibitions, a cotton boutique and a photo contest.

### Addressing the challenges faced by cotton farmers

Addressing the plenary session, DG Azevêdo lauded cotton's central role in livelihoods, job creation and economic stability in several LDCs. He urged participants to heed the challenges faced by cotton farmers, including market access barriers, subsidies provided by some countries and supply-side challenges at home, which limited the competitiveness of export-oriented processing.

DG Azevêdo was joined at the plenary by WTO General Council Chair Sunanta Kangvalkulkij, Benin's Trade Minister Shadiya Alimatou Assouman, Burkina Faso's Trade Minister Harouna Kaboré, Chad's Trade Minister Achta Djibrine Sy and Mali's Minister of Agriculture Moulaye Ahmed Boubacar. Also present were Brazil's Minister of Agriculture Tereza Cristina Dias, India's Minister of Textiles Smriti Zubin Irani, FAO Director-General Qu Dongyu, then ITC Executive Director Arancha González, UNCTAD Deputy Secretary-General Isabelle Durant and ICAC Executive Director Kai Hughes.

### The importance of cotton

Benin's Trade Minister underlined cotton's substantial contribution to poverty reduction, education, health-care needs and economic growth. She also highlighted the huge social impact that cotton could generate along the value chain and beyond. It is often asserted that “when cotton is fine, everything is fine in the C-4 countries”, she said. Burkina Faso's Trade Minister noted that although cotton remains the country's main agricultural export and contributes more than 10 per cent of GDP, almost all production is exported without any processing.



The event included a display of cotton products and a fashion show to highlight the work of designers from Africa.



### Cotton in the WTO negotiations

In his speech, Minister Ahmed Boubacar drew attention to the issue of domestic support (subsidies) in cotton trade, which are the subject of long-standing WTO negotiations (see page 37). “African cotton is less than 10 per cent of world production. Despite its qualities, our fibre faces stiff competition, particularly from the estimated US\$ 5.9 billion in domestic support in 2017-18 some countries provided to their producers, resulting in the precariousness of our producers,” he said.

Minister Achta Djibrine Sy reaffirmed the C-4’s commitment to pursuing outcomes on cotton at the WTO. “We are committed to multilateral negotiations to find fair, balanced and sustainable solutions to this thorny issue of distorting subsidies,” she said.

### Developing cotton by-products

A partners’ conference brought together representatives from cotton-producing economies, donor governments and international development partners. It was organized to leverage resources and catalyse technical expertise for a new project on technology transfer for the development of cotton by-product value chains in eight African LDCs, namely Benin, Burkina Faso, Chad, Mali, Mozambique, Tanzania, Uganda and Zambia. Moreover, Malawi and Togo officially requested to join the new project.

### Looking ahead

At the end of a special session entitled “The Road Ahead for the Cotton Negotiations”, which was organized by the WTO, ministers and high-level representatives from the C-4, Côte d’Ivoire, Brazil, China, the European Union, India and the United States issued a joint statement on the state of play in the WTO’s cotton negotiations.

“We will intensify our discussions on factors negatively impacting cotton trade and markets. We will continue our efforts aimed at enhancing transparency and monitoring of cotton-related trade measures affecting the global cotton market ... We invite all WTO members to work with us in the Committee on Agriculture in special session so as to make progress on this issue.”



# Trade facilitation

- **The Trade Facilitation Agreement (TFA) had been ratified by 90 per cent of WTO members by the end of 2019.**
- **The Trade Facilitation Committee received 83 implementation notifications from WTO members. Ninety-five per cent of developing countries have provided their roadmap for the full implementation of the Agreement.**
- **The Trade Facilitation Agreement Facility (TFAF) delivered a new work plan; among its aims is to assist developing and least-developed countries to submit timely notifications.**

## Background on trade facilitation

The Trade Facilitation Agreement entered into force in February 2017. The Agreement aims to expedite the movement, release and clearance of goods, including goods in transit. It establishes measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. The Agreement also contains provisions for technical assistance and capacity-building. The Committee on Trade Facilitation oversees the Agreement and reviews its implementation.

The WTO received acceptances of the Agreement from eight members, bringing the rate of ratification to 90 per cent by the end of 2019. The Agreement entered into force on 22 February 2017 after acceptances of the required two-thirds of WTO members were received. The TFA will reduce trade costs globally by expediting the movement, release and clearance of goods across borders.

The TFA provides unique flexibilities to developing and least-developed countries regarding categorizing their commitments to implement the TFA. Members undertake to implement commitments in category A at entry into force of the TFA, to implement commitments in category B following a transitional period, and to implement commitments in category C once they have received the required technical assistance and capacity-building.

The Committee received 83 implementation notifications from WTO members during 2019. By the end of 2019, 95 per cent of developing countries had provided to the Committee their roadmap for the full implementation of the Agreement through a series of implementation notifications. Developed countries have been implementing the Agreement in full since it began.

At the October meeting, members said they now had more clarity on which areas needed further support to achieve full TFA implementation and what technical assistance was required. Technical assistance is most commonly requested for training, establishing legislative and regulatory frameworks and providing information and communication technologies.

Members also have to submit transparency notifications on various issues: publication of information; “single-window” operations, where multiple transactions can be accomplished at one contact point; use of customs brokers;

**Trade facilitation was the topic of a session organized by the WTO, the World Bank and the UK Department for International Development at the Global Review of Aid for Trade in July 2019.**





**Bureaucratic delays are burdensome for traders moving goods across borders.**



**The TFA entered into force in 2017 and has been ratified by 90% of WTO members.**



**The Trade Facilitation Agreement aims to expedite the movement, release and clearance of goods across borders.**



**95%**  
of developing countries have provided their roadmap for full implementation of the Agreement.



**The TFA is expected to reduce trade costs by 14% and boost global trade by up to US\$1 trillion per year, with the biggest gains in the poorest countries.**

and contact points for information on customs cooperation. The Committee received 123 transparency notifications from 50 members in 2019. They must also provide notifications on technical assistance and capacity-building.

Donor members must notify of their assistance activities, beneficiaries, implementing agencies, contact points in responsible agencies and the process for requesting support. The Committee received 17 notifications in 2019. Developing and least-developed countries are required to submit contact information for offices responsible for coordinating such support. The Committee received 23 notifications in 2019.

This successful rate of notifications, which can be accessed via the WTO's TFA database, was made possible through continuous engagement among members of the Committee, the WTO Secretariat and the partner organizations.

The Committee held three regular meetings in 2019 plus one dedicated session on assistance and capacity-building, which is required under the Agreement. Themes included implementation issues, such as single window operations, authorized economic operators, publication and availability of information and national trade facilitation committees.

### **TFA Facility**

The WTO Trade Facilitation Agreement Facility (TFAF), which aims to help members implement the TFA, delivered a new work plan that focused on helping developing and least-developed

countries submit timely notifications and establish and reinforce national trade facilitation committees (NTFCs) to coordinate implementation of the Agreement. The TFAF also provided support to members still ratifying the Agreement and advice to members seeking technical assistance and capacity building to implement their commitments.

In 2019, training and presentations by WTO officials were delivered to over 1,600 participants in 22 activities. The TFAF assisted members to submit a total of more than 50 notifications, more than double the number of notifications submitted with TFAF support in 2018.

The TFAF also helped 15 members and one regional organization to complete "expressions of interest", the first step in applying for assistance under the TFAF grant programme, which was launched at the end of 2018. Members that cannot identify assistance elsewhere for their TFA commitments are eligible to apply for a TFAF grant. This first step seeks to avoid duplication with the efforts of bilateral, regional and multilateral donors.

The TFAF website provides ratification and notification updates, TFA resources/case studies, news, contact points, implementation support and coordination of technical assistance efforts. In 2019, there was the addition of a TFAF grant application portal, an improved resources page, more case studies, and an interactive calendar of upcoming events. The site attracted over 74,000 users in 2019, an increase of 69 per cent on the previous year.

# Trade in services

- **WTO members held a dedicated session on the services waiver, which allows more favourable treatment for suppliers from least-developed countries.**
- **Members engaged in e-commerce discussions throughout the year.**
- **The Council discussed how notifications from members and transparency of services-related measures might be improved.**

## Background on trade in services

The General Agreement on Trade in Services (GATS) defines trade in services in terms of four types of transactions: Mode 1 – cross-border supply (a supplier in one WTO member provides services to a consumer in another member's territory); Mode 2 – consumption abroad (a consumer from one member consumes services in another member's territory); Mode 3 – commercial presence (a foreign company provides services through establishment in another member's territory); and Mode 4 – presence of natural persons (individuals move to supply services in another member's territory). The Council for Trade in Services oversees the operation of the GATS.

## LDC services waiver

The Council discussed the services waiver for least-developed countries (LDCs) in accordance with ministers' instructions "to review and promote the operationalization of the waiver". The waiver allows WTO members to grant more favourable treatment to LDC service suppliers.

Members held a dedicated session, structured as a workshop and a formal meeting, in October 2019. The session saw an exchange of information on the participation of LDCs in services trade. Improving data collection at the national, regional and international levels is essential to better capture progress made on implementing the waiver, the dedicated session heard. DG Azevêdo told participants that increasing the participation of LDCs in services trade should be "a key priority for all WTO members".

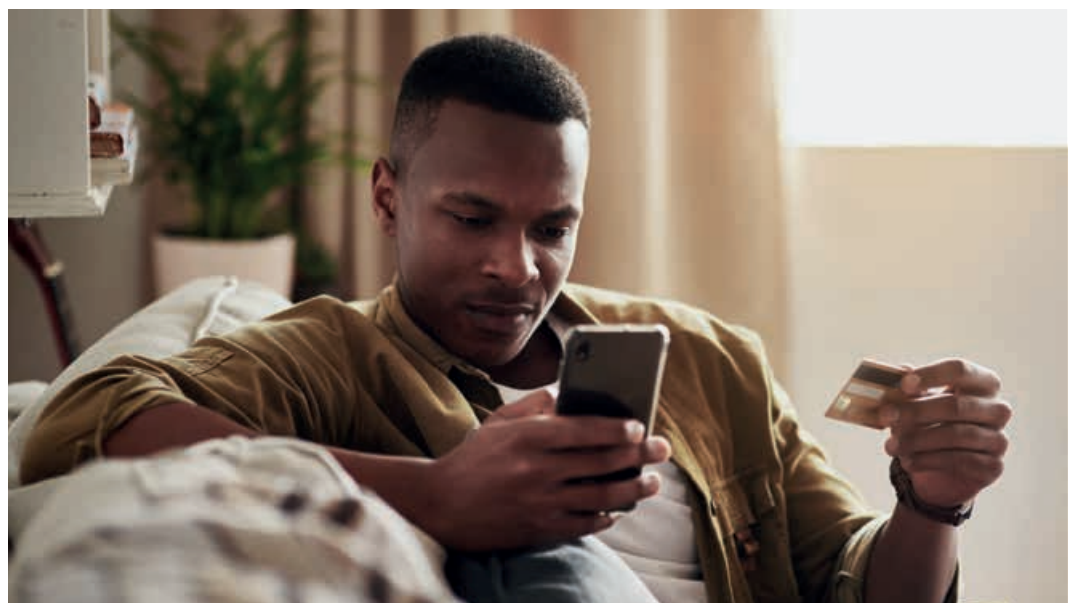
The WTO has received 24 notifications of preferential treatment in favour of LDC services and service suppliers from 51 members (counting EU members as one).

## E-commerce

WTO members engaged in e-commerce discussions throughout the year. The Council learned of members' initiatives, case studies and experiences. It considered a new paper submitted by the United States on "The Economic benefits of cross-border data flows", intended to reinvigorate work under the work programme and complement efforts in the joint statement initiative on e-commerce (see page 48).

Numerous members called for discussions under the work programme on e-commerce to focus on issues of relevance to developing countries and LDCs. Several said that it was premature to consider negotiating multilateral rules on e-commerce.

In December, the General Council agreed to reinvigorate work under the e-commerce work programme in the lead-up to the 12<sup>th</sup> Ministerial Conference (see page 59).



## Other issues addressed by the Council

Members discussed how transparency and notification of services-related measures might be improved. Some suggested focusing on issues such as sharing of best practices, involving capital-based officials and the private sector more, allowing sufficient time for delegations to analyse notifications, and establishing a central portal for notifications. Others stressed the need to consider capacity constraints.

Japan and the United States reiterated their concerns about cybersecurity measures by China and Viet Nam that, among other things, require local storage of data and/or limitations to its transfer abroad. A number of members echoed many of the concerns raised.

The Council received 37 notifications of new or revised measures that could significantly affect trade in sectors where the notifying members have commitments. Eight other notifications dealt with economic integration agreements covering services trade and another ten concerned recognition measures in services sectors.

## Financial services

There was broad support at the October 2019 meeting of the Committee on Trade in Financial Services for China's proposal to hold a thematic seminar on "FinTech: Trade, Financial Inclusion and Development" in 2020.

## Specific commitments

A communication from the Kyrgyz Republic in March 2019 on scheduling issues related to mode 4 – the movement of individuals across borders to supply services – led to substantive discussions in the Committee on Specific Commitments.

The Kyrgyz Republic said that many members' mode 4 entries are ambiguous and opaque, leading to legal uncertainty and thus undermining the value of specific commitments. Some problems relate to economic needs tests – a test that conditions market access upon the fulfilment of certain economic criteria, also known as "ENT". Many members that spoke – the issue was raised again in October – agreed with the need for more clarity and transparency but the Committee failed to reach agreement on how to address the issue.

The WTO Secretariat updated the Committee on recent developments in the measurement of digital trade (see page 165). The presentation focused on the conceptual framework for digital trade measurement, trade in services and related classification challenges.

**Cybersecurity measures were among the concerns raised by WTO members.**



# Trade-related aspects of intellectual property rights (TRIPS)

- **Cuba and Burundi confirmed their acceptances of the amendment to the TRIPS Agreement making it easier for developing countries to access affordable medicines.**
- **Eighteen members notified the TRIPS Council of new or revised IP legislation. To date, 137 WTO members have notified their TRIPS implementing legislation.**
- **The eTRIPS gateway and the online notification submission system were launched, providing user-friendly access to all TRIPS-related materials.**
- **The WTO Secretariat focused technical assistance on effective use of the TRIPS amendment and its domestic implementation.**

## Background on TRIPS

The intellectual property system has become central to the debate about economic development and broader public policy questions, such as innovation policy and public health. The TRIPS Agreement is the most comprehensive international treaty governing the protection, administration and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members and to certain observers, administers the TRIPS Agreement, provides a forum for debate on policy issues and reviews the intellectual property legislation of individual WTO members.

## Public health

Cuba and Burundi deposited their acceptances of the protocol amending the TRIPS Agreement. The amendment, which makes a special compulsory licensing system an integral part of the Agreement, provides developing countries and least-developed countries (LDCs) with an additional secure legal avenue to procure affordable medicines from third-country sources. It was the first amendment to a multilateral WTO agreement and entered into force in 2017 once it was accepted by two-thirds of members.

The amendment empowers importing developing countries and LDCs facing public health problems and lacking the capacity to produce drugs generically to seek generic versions of patented medicines from third-country producers under “compulsory licensing” arrangements (that is, without the consent of the patent owner).

To date, 128 members have accepted the protocol; the remainder continue to benefit from the 2003 waiver decision that first established the mechanism. The General Council decided in December that the remainder now have until 31 December 2021 to accept the amendment.

TRIPS and public health continued to be addressed in various technical cooperation activities organized by the WTO Secretariat as part of the trilateral cooperation of the WTO with the World Health Organization (WHO) and the World Intellectual Property Organization (WIPO) and its collaboration with other multilateral and regional partners.

In July, the WTO organized, in collaboration with the World Customs Organization, WHO, WIPO and the Commission of the West African Economic and Monetary Union, a regional workshop in Dakar, Senegal, to facilitate access to medicines and medical technologies while fostering innovation. A national seminar devoted to intellectual property and public health in Senegal was delivered back-to-back with the regional activity.

In October, a symposium held by WHO, WIPO and the WTO discussed the opportunities and challenges of cutting-edge health technologies to ensure progress towards universal health coverage and the achievement of the health-related Sustainable Development Goals (SDGs). SDG 3 calls for action to “ensure healthy lives and promote well-being for all at all ages”. DG Azevêdo said that “if we are to have the trade and intellectual property systems delivering for public health, then cooperation, coordination and a shared policy outlook is not just desirable – it is essential”.

In November, the 15<sup>th</sup> annual WTO Workshop on Trade and Public Health took place in Geneva. Attended by government officials from 29 developing countries and LDCs, the workshop covered a wide range of trade and IP issues as they relate to public health.

**SDG 3 calls for action to “ensure healthy lives and promote well-being for all at all ages”.**







## Trade and IP issues relating to public health continued to be addressed by WTO members.

### Promoting transparency

In 2019, 18 WTO members notified the TRIPS Council of new or updated IP legislation. To date, 137 WTO members have notified their TRIPS implementing legislation. In addition, 112 members have provided responses to a checklist notifying the essential elements of their systems for enforcement of IP rights and 145 have notified contact points for cooperating with each other on eliminating trade in IP-infringing goods.

Members' notifications to the Council provide a comprehensive body of information and constitute an important transparency mechanism. They show how WTO members have implemented the TRIPS Agreement at the domestic level.

At the Council meetings, several WTO members provided further background to their respective notified legislation. The Council was also briefed on the wide range of IP policy matters that members had raised in other members' Trade Policy Reviews and the TRIPS-related measures covered in the G20 and WTO-wide trade monitoring reports (see page 108).

The e-TRIPS gateway and an online notification submission system were launched in the WTO's three official languages, with the aim of streamlining the submission and management of notifications and other transparency materials and providing user-friendly access to all TRIPS-related materials. They have been developed with the close involvement of delegations to ensure their practical utility for members.

### Plants, animals, biodiversity and traditional knowledge

The Council continued its discussion on the patentability of plant and animal inventions, the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD) and the protection of traditional knowledge and folklore.

In 2019, the Council received responses from Mexico and Ukraine to the checklist of questions on Article 27.3(b), which allows governments to exclude some kinds of inventions from patenting – for example, plants, animals and “essentially” biological processes. They were the first two submissions in 15 years. At the Council's meetings, they also provided an overview of their sui generis protection of new plant varieties.

WTO members reiterated their positions on whether the TRIPS Agreement should be amended to prohibit the patentability of life forms and whether – and, if so, how – TRIPS should do more to promote the CBD objectives of authorized access and equitable sharing of the benefits from the use of genetic resources and associated traditional knowledge in other members' jurisdictions.



### Incentives for technology transfer

In February 2019, the Council concluded its 16<sup>th</sup> annual review of the reports provided by developed countries on the incentives granted to promote and encourage the transfer of technology to LDCs, as provided for by Article 66.2 of the TRIPS Agreement. A workshop aimed at exchanging views between cooperation partners and to deepen the dialogue on incentives for transfer of technology preceded the meeting. The Council started its 17<sup>th</sup> review in November.

### TRIPS non-violation and situation complaints

As mandated by the 11<sup>th</sup> Ministerial Conference in Buenos Aires, the TRIPS Council continued to consider the application of so-called non violation and situation complaints.

Discussions focused on the longstanding issue of whether members should have the right to bring disputes not only if an agreement or commitment has been violated but also if an expected benefit has been nullified, even without any specific violation, as is the case generally in WTO agreements. The TRIPS Agreement contained a moratorium on such complaints, which has been repeatedly extended. In December, members agreed to extend the moratorium until the 12<sup>th</sup> Ministerial Conference.

### Technical cooperation and capacity-building

The WTO held several training sessions for members, focused on TRIPS notification obligations, transparency mechanisms and how to use the new e-TRIPS submission system.

A two-week advanced course on intellectual property for government officials, jointly organized by the WTO and WIPO, was held in Geneva in March. The training aimed to enhance the capacity of developing countries and LDCs to develop and implement national expertise in IP matters.

The WIPO-WTO Colloquium for IP teachers took place in June. This activity forms part of a wider approach towards cooperation with the academic community.

The TRIPS Council undertook the review of technical cooperation and capacity building on the basis of reports submitted by developed countries and international organizations.

### IP and innovation

During 2019, the Council continued its dynamic information exchange on intellectual property and innovation, focusing on public-private collaborations. Members shared their experiences and domestic policies designed to foster partnerships in research and development as well as promoting the use and good management of IP rights.

### IP and the public interest

WTO members continued their discussions on the relationship between IP and the public interest, centred on the promotion of public health through competition law and policy. Members shared examples on how competition law is used to achieve public health objectives and address various anti-competitive practices that affect access to medicines and medical technologies. Under this item, members also discussed research and development costs and pricing of health technologies.



# Trade and environment

- In November, WTO members held dedicated discussions at the Committee on Trade and Environment and at side-events – in what was dubbed “Environment Week” – on plastics pollution and trade’s potential role in facilitating the “circular economy”.
- New Zealand presented a proposal for an Agreement on Climate Change, Trade and Sustainability. The initiative was launched with Norway, Iceland, Costa Rica and Fiji; negotiations will start in 2020.

## Background on trade and environment

Sustainable development and protection and preservation of the environment are fundamental goals of the WTO. The Committee on Trade and Environment is responsible for examining the relationship between trade and the environment.

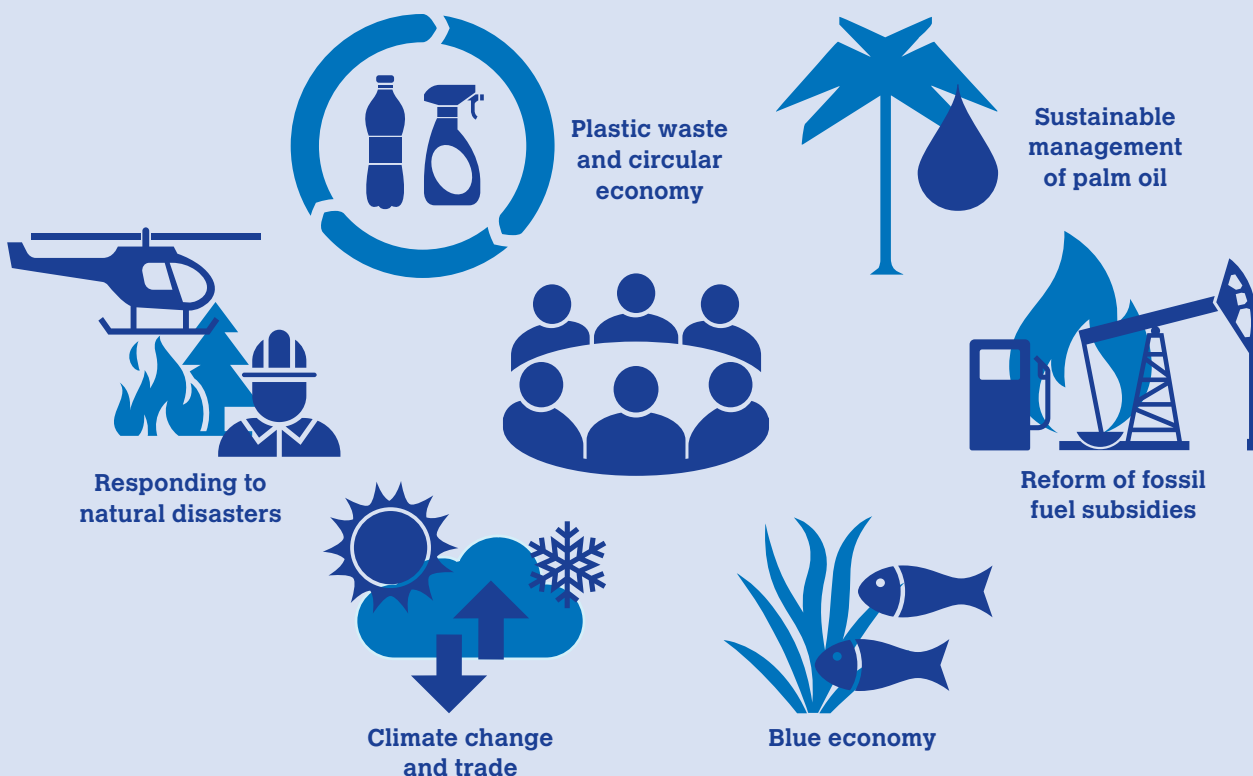
Under the chairmanship of Jean-Marie Paugam (France), the Committee on Trade and Environment held formal meetings in May and November. At these meetings, WTO members debated issues at the interface of trade and environment policies, including how a reduction in trade-restrictive measures would benefit trade, the environment and development. During the year, the Committee discussed a number of important trade and environment topics, such as fossil fuels subsidy reform, the circular economy, plastics pollution, sustainable palm oil production,

endangered species, climate change and environmental services.

## Circular economy, plastics pollution and the WTO “Environment Week”

WTO members undertook dedicated discussions on trade and plastics pollution and how trade can help promote a “circular economy”, which favours keeping materials in use and improving resource efficiency, at a meeting of the Committee on Trade and Environment and at side-events held on 25-27 November.

## Topics discussed in the Committee on Trade and Environment



### WTO members discussed a proposed Agreement on Climate Change, Trade and Sustainability.

“Many trade-related measures actively support the circular economy – for example, by requiring governments to purchase goods that meet environmental standards. But others may inadvertently work against circular trade, reflecting the fact that trade policies have traditionally been conceived with a linear, rather than a circular, economy in mind,” Deputy Director-General Alan Wolff told a November workshop on the circular economy.

Several WTO members presented their programmes related to the circular economy. Speakers noted that, while national action is essential, global cooperation and solutions are equally critical. The meetings also discussed developing countries’ expertise in the sustainable utilization and conservation of biological resources while noting their need for technical assistance and capacity-building.

There was strong participation from least-developed countries (LDCs) during the Committee meeting and the side events. Chad, speaking on behalf of the LDC Group, called for action to support efforts by LDCs to achieve sustainable development. Transition to a circular economy needed to be inclusive and address the challenges faced by LDCs, it said.

The United States put forward a paper proposing that the WTO should focus on trade facilitation for supply chains that work to channel “end of life” products towards recycling and thus serve the circular economy. Several international organizations also presented their programmes related to the circular economy.

The cluster of events and meetings was dubbed WTO “Environment Week” and several members suggested it could be replicated in the future.

### Sustainable management of palm oil

Colombia briefed delegates on a project to avoid deforestation and enhance biodiversity synergies in oil palm plantations. Malaysia updated WTO members on its efforts to help palm oil producers comply with international certification systems for sustainably produced palm oil.

Several WTO members expressed support for initiatives that strengthen the sustainability of palm oil production and trade while noting that issues such as deforestation, biodiversity loss, greenhouse gas emissions and water management are of growing consumer concern.

### Reform of fossil fuel subsidies

New Zealand updated members on recent developments related to fossil fuel subsidy reform, which seeks to rationalize and phase out subsidies that encourage wasteful consumption. It recalled the statement issued by a group of ministers at the 11<sup>th</sup> Ministerial Conference urging “ambitious and effective disciplines on inefficient fossil fuel subsidies” and said the signatories intend to broaden its support at the 12<sup>th</sup> Ministerial Conference. Some members reiterated their view that the WTO is not an appropriate venue for such matters.

### Sustainable and inclusive economic development

New Zealand presented its Trade for All initiative, highlighting positive results from a country-wide public consultation. It outlined several projects, including a zero-carbon bill, a framework for analysing trade’s impact on productivity, sustainability and inclusiveness and a joint declaration signed with Chile and Canada to support inclusive and sustainable trade. Canada, Chile and the European Union shared experiences on similar efforts to integrate inclusiveness into their trade policies.

### Climate change and trade

New Zealand briefed delegates on a proposed Agreement on Climate Change, Trade and Sustainability. The initiative was launched on 25 September with Norway, Iceland, Costa Rica and Fiji, and negotiations will start in 2020. Parties will consider the elimination of tariffs on environmental goods, new commitments on environmental services, disciplines to eliminate fossil fuel subsidies and guidelines for eco-labelling programmes.

The European Union and Canada provided a joint presentation on the implementation of the environmental chapter of the EU-Canada Comprehensive Economic and Trade Agreement, with a particular focus on the nexus between trade and climate change.



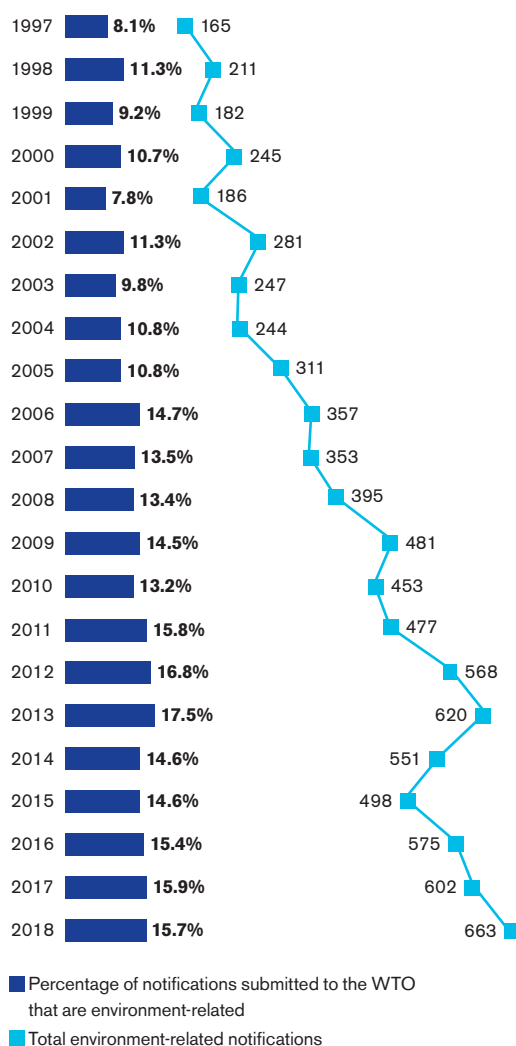
## Responding to natural disasters

A fourth Symposium on Natural Disasters and Trade, held at the WTO in November, highlighted ways of helping economies respond to and recover from natural disasters and build resilience against future events (see page 131). The Committee was briefed about this event.

## Trade in jute for environment sustainability

Bangladesh made a presentation on trade in jute, noting the environmental advantages of using jute as an alternative to plastic and fossil-based options. It enumerated a number of tariff and non-tariff barriers that could be addressed to facilitate jute trade. Several delegations welcomed the discussion. The Philippines highlighted the environmental benefits of trade in other natural fibres, such as abaca and coconut fibres.

**Figure 12: Environment-related notifications (1997-2018)**



## Other briefings on policy developments

Canada briefed members on its landmark prohibition on imports and exports of unattached shark fins. It also shared how the issue has been addressed in its recent free trade agreements.

On behalf of Australia, Mexico, New Zealand and Switzerland, Canada updated the Committee on informal discussions the group had facilitated on liberalizing trade (see page 39). New technologies have opened up possibilities to deliver environmental services across borders, it said.

Several observer institutions briefed delegates on their trade and environment work. These included the Organisation for Economic Co-operation and Development, the International Organization for Standardization, UN Environment and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

## WTO environmental database

The WTO Secretariat presented the 2018 update to the environmental database ([www.wto.org/edb](http://www.wto.org/edb)), which covers all environment-related notifications (see Figure 12) and environmental measures and policies mentioned in Trade Policy Reviews.

Following requests by members for examples of how the data can be used for analytical work, the WTO Secretariat presented three different case studies: on measures notified on waste management; on measures notified on circular economy objectives; and on measures notified on the implementation of multilateral environmental agreements.

## Technical assistance and outreach

The WTO held a regional workshop on trade and environment for government officials from Caribbean WTO members.

Training was delivered during Geneva-based and regional trade policy courses. It was also made available through the e-learning platform, with translations to French and Spanish of two recently developed online courses on CITES and the WTO and an introductory course on trade and environment.

The WTO maintains an active outreach programme with MEA secretariats, other intergovernmental organizations, universities and think tanks. It hosted a joint side-event to the 18<sup>th</sup> conference of parties of CITES together with the CITES Secretariat and organized joint training activities with the UN Food and Agriculture Organization on sustainable fish trade. The WTO also took part in many events on how WTO agreements relate to environmental objectives.

# Trade and transfer of technology

- **The Working Group continued examining the relationship between trade and technology transfer.**
- **Least-developed countries (LDCs) underscored the critical role of technology in boosting productivity and diversifying economies.**

## Background on trade and transfer of technology

The Working Group on Trade and Transfer of Technology was established at the Doha Ministerial Conference in 2001 “to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the mandate of the WTO, to increase flows of technology to developing countries”.

The Working Group on Trade and Transfer of Technology continued its examination of the relationship between trade and transfer of technology and possible recommendations that might be made within the mandate of the WTO to increase flows of technology to developing countries.

Panama presented a project that uses information and communications technology to help agricultural producers monitor agroclimatic variables in greenhouses and improve production, development and crop quality. This project originated in the Centre for Innovation and Technology Transfer of the Technological University of Panama (UTP). The latter concluded in 2015 an agreement with the Latin American Development Bank, whose objective was to transform UTP into the first Latin American university to generate and manage international technological patents.

The LDC Group underscored the critical role technology plays in increasing productivity and output, and in diversifying economies so they better integrate into regional and global value chains. It requested that an evaluation be undertaken of what has been accomplished by the Working Group and what remains to be done.

The United Nations Technology Bank for Least Developed Countries explained its work towards achieving the 2030 Agenda for Sustainable Development in LDCs through building capacity in science, technology and innovation (STI) and assessing technology needs.

The focus of the Bank’s work is on strengthening STI capacity of LDCs, promoting the development and implementation of national and regional STI strategies, reinforcing partnerships in the public and private sectors and encouraging cooperation among those involved in STI, including academics. The Bank also supports LDCs as they identify, access and use technologies and facilitates the smooth transfer of technologies to LDCs.



# Regional trade agreements

- In 2019, the WTO received 15 notifications of regional trade agreements (RTAs) currently in force, compared with 12 in 2018.
- The 15 notifications concern 13 RTAs. Overall, the Americas and the Asia Pacific regions notified the highest number of RTAs.
- The number of RTAs (including accessions to existing RTAs) reviewed by WTO members under the transparency mechanism for RTAs rose to 183, involving 122 members.

## Background on RTAs

The Committee on Regional Trade Agreements (CRTA) monitors all RTAs notified to the WTO, except those notified under special provisions for agreements between developing countries (the Enabling Clause), which are considered by the Committee on Trade and Development. The CRTA considers RTAs individually and considers the systemic implications of RTAs for the multilateral trading system.

## Notifications

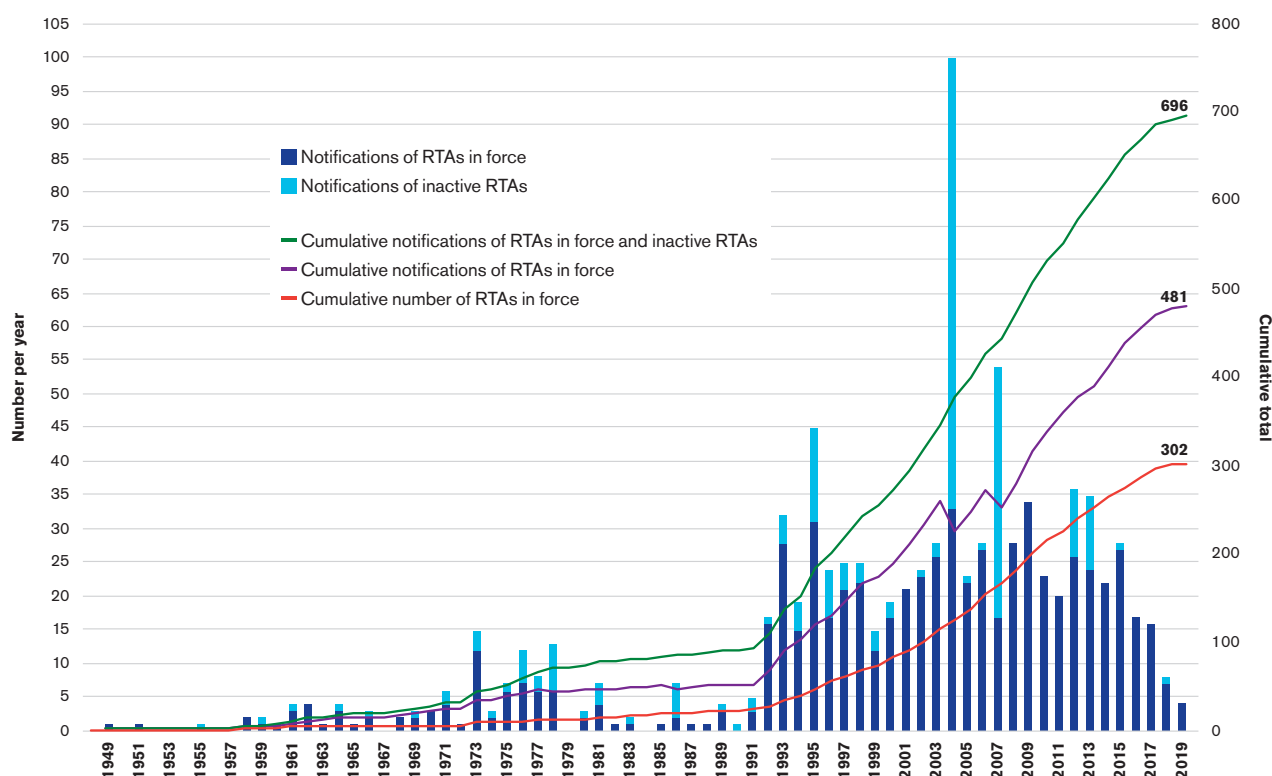
WTO members submitted 15 notifications of regional trade agreements (RTAs) in 2019, up from 12 the year before. The 15 notifications concern 13 RTAs, of which nine cover trade in goods only, three cover trade in goods and services and one trade in services only.

Ten of the RTAs are between developing partners, up from four in 2018, while two are between developed partners. One involves developing and developed partners. The Americas and the Asia Pacific regions were involved in the highest number of RTA notifications – seven and four, respectively

– followed by Europe, the Commonwealth of Independent States and the Middle East (two each) and Africa (one). Five of the agreements covered members from two different regions.

This took RTA notifications by 31 December 2019 to 696, of which 481 concerned RTAs in force (see figure 13). RTAs are reciprocal preferential trade agreements between two or more partners. The goods and services aspects of RTAs and accessions to existing RTAs are notified and counted separately. If all three elements are counted together, the notifications involved 498 individual RTAs, of which 302 were in force.

Figure 13: RTAs notified to the GATT/WTO (1948 to 2019) by year of entry into force



Note: Notifications of RTAs: goods, services and accessions to an RTA are counted separately. The cumulative lines show the number of RTAs/notifications that were in force for a given year. The notifications of RTAs in force are shown by year of entry into force and the notifications of inactive RTAs are shown by inactive year.

### Regional trade agreements have risen in number and reach over the years.

WTO members continued to discuss the issue of non-notified RTAs and urged the members concerned to notify their RTAs to the WTO in a timely manner. The number of RTAs not notified stood at 81 as of 25 October 2019, up from 79 on 12 November 2018. The WTO Secretariat issues a list of RTAs in force but not notified before each meeting of the Committee on Regional Trade Agreements. In 2019, nine RTAs on the list were subsequently notified to the WTO compared with only one in 2018.

RTAs have risen in number and reach over the years. Non-discrimination among trading partners is one of the core principles of the WTO. But RTAs constitute one of the exemptions and are authorized under the WTO, subject to a set of rules.

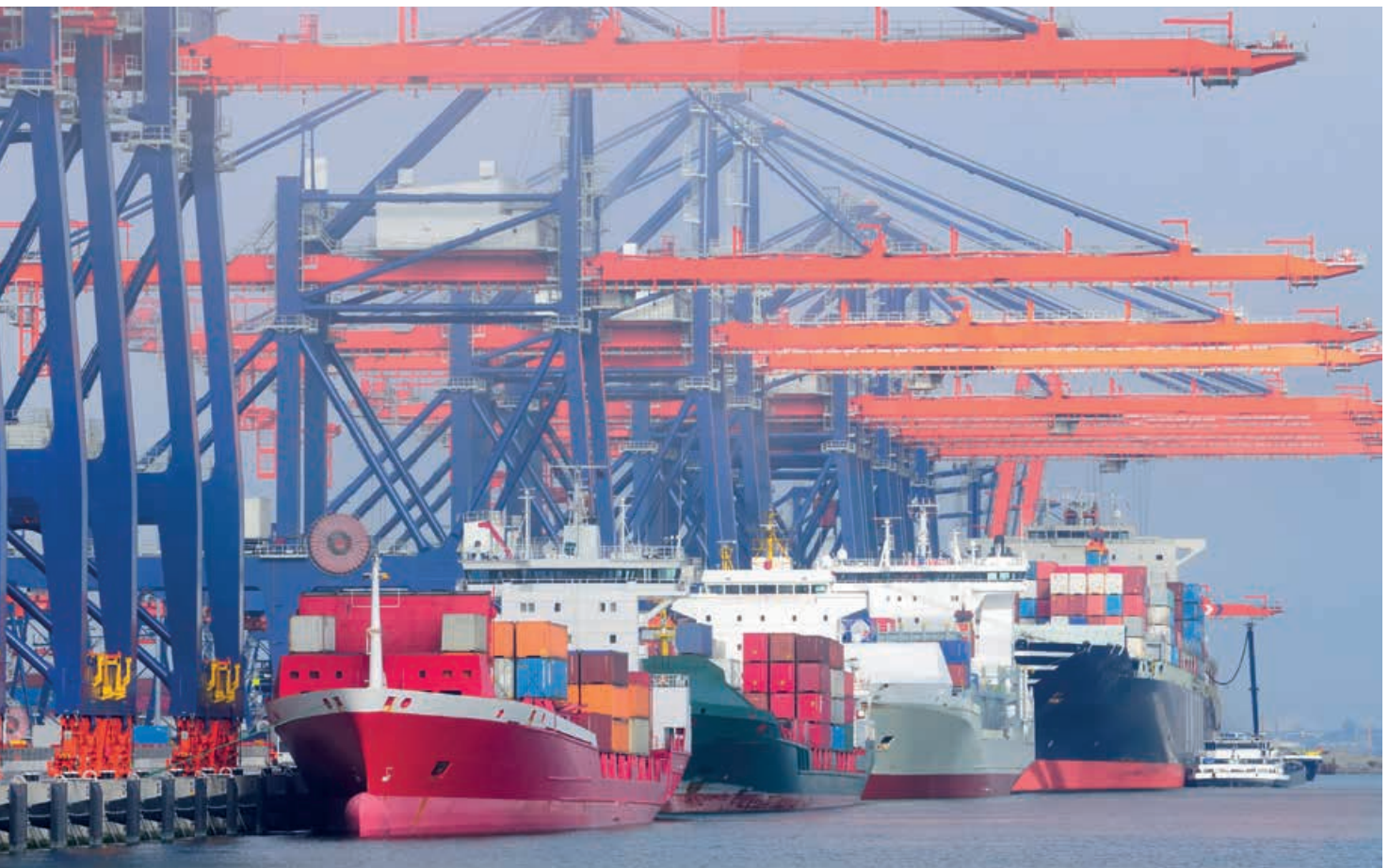
#### Monitoring RTAs

All RTAs are subject to the WTO's transparency mechanism for RTAs, regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, the Enabling Clause between developing countries (for trade in goods) or Article V of the General Agreement on Trade in Services (GATS).

The mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat and the related information and data to be provided. It also requires the Secretariat to prepare a factual presentation on each RTA and that each RTA be reviewed by WTO members. By the end of 2019, 183 RTAs currently in force (including accessions to RTAs), involving 122 WTO members, had been reviewed.

Agreements notified under the GATT 1994 and the GATS are considered by the Committee on Regional Trade Agreements (CRTA) while agreements notified under the Enabling Clause (see page 101) are considered by a dedicated session of the Committee on Trade and Development (CTD), based on the WTO's Secretariat's factual presentation (see Table 3).

Under the transparency mechanism, WTO members are encouraged to inform the Secretariat of any agreements being negotiated or that have been signed but have not entered into force (so-called early announcements). They are required to inform the Secretariat of any changes to a notified agreement and to provide a report once an agreement is fully implemented.





In 2019, the CRTA considered 20 notifications of RTAs, counting goods, services and accessions separately, compared with 22 in 2018 and 16 in 2017. The CTD held one dedicated session on RTAs and considered three RTAs notified under the Enabling Clause.

The transparency mechanism also required the WTO Secretariat to prepare “factual abstracts” on older RTAs that had already been examined by the Committee. By the end of 2019, 72 factual abstracts of agreements currently in force had

been prepared in consultation with the relevant RTA parties and posted in the RTA database. The Secretariat has completed all the factual abstracts required under the mechanism.

Two “early announcements” on RTAs signed by the EFTA states with Ecuador and Indonesia, respectively, were received; and one was received for an RTA under negotiation between Canada and MERCOSUR, taking to 110 the total number received as of December 2019. Seventy of these were subsequently notified to the WTO following entry into force of the agreements.

Under the transparency mechanism, the CRTA also discusses end-of-implementation reports for RTAs, which are short, written reports on how the liberalization commitments have been put into effect. They are important for understanding whether RTAs accomplish what they set out to do. The CRTA Chair, Ambassador Carlos Mario Foradori (Argentina), noted that reports had been due for 139 RTAs as of 15 March 2019, up from 134 the year before, but none was received during the year.

The General Council established the transparency mechanism on a provisional basis in 2006. Members are required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. The Negotiating Group on Rules started the review in 2011. At the 10<sup>th</sup> Ministerial Conference in Nairobi in December 2015, ministers called on WTO members to work towards making the mechanism permanent.

**Table 3: RTAs (including accessions to existing RTAs) considered in 2019**

1. Considered in the CRTA:
Hong Kong, China – Macao, China (goods and services)
Chile – Thailand (goods and services)
China – Georgia (goods and services)
European Free Trade Association – Georgia (goods and services)
Accession of Ecuador to the Trade Agreement between the European Union and Colombia and Peru (goods and services)
Accession of Panama to the Central American Common Market (goods)
Pacific Alliance – additional protocol to the Framework Agreement between Colombia, Chile, Mexico and Peru (goods and services)
Armenia – Kazakhstan (goods)
Eurasian Economic Union – Viet Nam (goods and services)
Turkey – Singapore (goods and services)
European Union – Japan (goods and services)
2. Considered in the CTD:
El Salvador – Ecuador (goods)
India – Thailand (goods)
Southern Common Market (MERCOSUR) – Egypt (goods)

Note: The table refers to 14 agreements, nine of which covered both goods and services and five covered only goods.

# Trade Policy Reviews

- In 2019, the Trade Policy Review Body reviewed 16 WTO members.
- Lao People's Democratic Republic and Samoa were reviewed for the first time.
- The 30<sup>th</sup> anniversary of the establishment of the Trade Policy Review Mechanism was marked in 2019.

## Background on Trade Policy Reviews

The Trade Policy Review Mechanism aims at encouraging all WTO members to adhere to WTO rules. Through its regular trade policy reviews, the mechanism enables members to collectively examine the trade policies and practices of individual members in all trade-related areas. Reviews are not intended to serve as a basis for the enforcement of obligations or for dispute settlement procedures.

In 2019, the Trade Policy Review Body (TPRB) reviewed the trade policies and practices of 16 WTO members, including Samoa and Lao People's Democratic Republic, which were reviewed for the first time. The other members reviewed were Ecuador; Burundi, Kenya, Rwanda, Tanzania and Uganda (grouped as members of the East African Community); Bangladesh; Papua New Guinea; Trinidad and Tobago; Canada; North Macedonia; Suriname; Costa Rica; and Peru. The chair's concluding remarks for each review can be found on the WTO website at: [www.wto.org/tptr](http://www.wto.org/tptr)

By the end of 2019, the TPRB had conducted 501 reviews, covering 157 of the 164 WTO members. The United States has been reviewed the most – 14 times, followed by the European Union and Japan – 13 times, and Canada – 11 times.

Under a new review cycle phased in from 2019, the four largest trading entities (the European Union, the United States, China and Japan) are to be reviewed every three years instead of every two. The next 16 largest are to be reviewed every five years, against four previously, and other members every seven years (six previously).

**Lao People's Democratic Republic was reviewed for the first time in 2019.**



**A conference was held at the WTO in November to mark 30 years of the Trade Policy Review Mechanism.**

Seven of the 16 members reviewed opted for the alternative timeline for submission of written questions and replies in 2019. Under it, members submit written questions five weeks before a meeting, with the reviewed member expected to reply one week in advance. Under the standard timeline, written questions are submitted two weeks before a meeting, with written responses provided by the start of the meeting.

Each Trade Policy Review is available as a WTO publication, which includes the report by the WTO Secretariat, the report by the reviewed member, the concluding remarks by the chair of the TPRB and a section on key trade policy facts.

### **TPR follow-up workshops**

The Secretariat organized follow-up workshops with domestic stakeholders in Cambodia, Côte d'Ivoire, Ecuador, Mexico and Vanuatu to discuss the review outcome and their technical assistance and capacity-building needs.

### **Trade Policy Review programme for 2020**

In 2020, reviews are scheduled for the European Union; Australia; Japan; Zimbabwe; Tajikistan; Macao, China; India; Nicaragua; Myanmar; Thailand; Cameroon, Congo, Gabon, Central African Republic and Chad (grouped as members of the Economic Community of Central African States); Indonesia; the Kyrgyz Republic; Argentina; and Viet Nam.

### **Thirtieth anniversary of the TPRM**

The 30<sup>th</sup> anniversary of the establishment of the Trade Policy Review Mechanism was marked in 2019. To commemorate the event, a conference was held in November, with the participation of various stakeholders (see page 106).



## Spotlight:

# Trade Policy Review Mechanism at 30

The WTO commemorated 30 years of the Trade Policy Review Mechanism (TPRM) in 2019, with DG Azevêdo calling it “a pillar of the multilateral trading system”.

A one-day conference – the TPRM@30 – highlighted the crucial role the TPRM has played in helping members to better understand each other's trade policies and measures and in providing a more predictable international trading environment.

### Five themes

The commemorative event, held at WTO headquarters on 27 November, was organized around five themes: the history of the TPRM; its evolution over the years and the present; the contribution to technical assistance and capacity building; added transparency under the trade monitoring exercise; and the future.

### Sharing experiences

WTO members, academics, negotiators of the mechanism, current and past chairs of the Trade Policy Review Body (TPRB) and WTO directors of the Trade Policy Review Division shared their experiences, reflecting on the lessons learned and looking at how this mechanism can evolve.

In his opening speech, DG Azevêdo said: “The conference marks 30 years of the TPRM. It is an opportunity to celebrate its success and reflect on the many lessons learned. It is also an occasion to look at how this mechanism can adapt and respond to a changing trading system.”

### Thirty years of increasing significance

The TPRM was launched on a provisional basis in 1989 as an “early harvest” of the Uruguay Round of trade negotiations, which led to the creation of the WTO in 1995. Australia, Morocco and the United States were the first members reviewed. The TPRM was made permanent with the establishment of the WTO. The past 30 years have seen more than 500 TPR reports and about 390 meetings of the TPRB, at which 157 WTO members have been reviewed, most of them multiple times (see page 104).



2019 marked the 30<sup>th</sup> anniversary of the first trade policy review. By the end of 2019, the Trade Policy Review Body had conducted:



**501**  
trade policy reviews



covering  
**157**  
WTO members.



**389**  
TPR meetings  
had been held



**33**  
LDC members had  
been reviewed



**24**  
WTO-wide trade  
monitoring reports



**22**  
G20 trade  
monitoring reports





Panellists noted that the TPRM is a huge source of information and has become one of the main channels WTO members use to promote accountability, predictability and transparency in the multilateral trading system. The Trade Policy Reviews shed light on members' trade policies and practices, providing an opportunity to clarify trade concerns, defuse potential frictions and promote good practice.

### Opportunities for developing countries

For many developing countries, their TPRs can be a unique opportunity for government agencies to enhance internal coordination and discuss policies and measures, improving understanding of policies among domestic stakeholders and enhancing policy coherence. TPR follow-up workshops can be organized (at the request of members) to further share information and identify technical assistance

and capacity-building needs. This element was highly appreciated by all participants.

### Monitoring trade policy across the membership

The conference was a chance to reflect on the WTO's role in monitoring trade policy trends across the WTO membership, which is also part of the TPRM mandate. Panellists and participants recognized the importance of the trade monitoring exercise and its contribution to the multilateral trading system. By being accurate and credible, the reports contribute to greater transparency.

### Looking ahead

Interesting ideas were generated during the discussions. Suggestions by panellists and the audience covered all aspects of TPRM work, including the conduct of TPRB meetings, the trade monitoring exercise and the coverage and content of WTO Secretariat reports.

For trade monitoring reports, suggestions included further strengthening and developing analysis of trade in services measures, general economic support and trade concerns. This would allow the exercise to broaden the narrative, including on issues of systemic relevance. DG Azevêdo expressed the hope that the ideas generated would help the TPRM to be as effective for the next 30 years as it had been in the past.



**DG Azevêdo and Willy Alfaro, Director of the Trade Policy Review Division.**

# Trade monitoring reports

- The 2019 reports showed that trade restrictions by WTO members continued at historically high levels.
- New trade restrictions and increasing trade tensions added to the uncertainty surrounding international trade and the world economy.
- “Strong collective leadership from the membership would make an important contribution to increasing certainty, encouraging investment and bolstering trade and economic growth,” said DG Azevêdo.

## Background on trade monitoring reports

The WTO began regular monitoring of global trade developments in early 2009, covering all trade-related measures implemented by WTO members and observers. Initially launched in the context of the global financial crisis, the trade monitoring exercise has become a regular function in the WTO that further strengthens the transparency aims of the Trade Policy Review Mechanism by shedding light on the latest trends in the implementation of policy measures that facilitate as well as restrict the flow of trade. The trade monitoring is overseen by the Trade Policy Review Body.

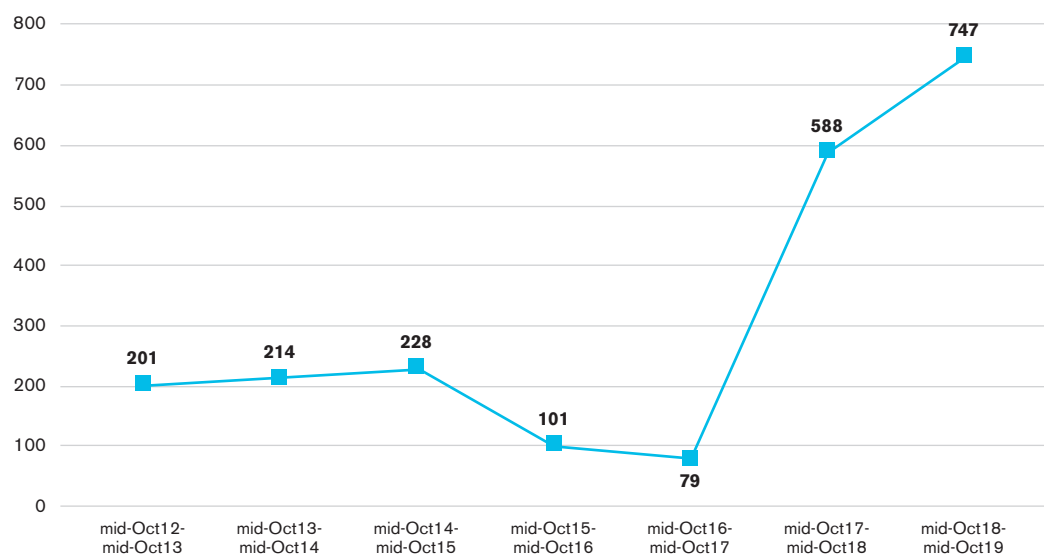
The latest trade monitoring report, covering mid-October 2018 to mid-October 2019, showed an increase of 27 per cent to US\$ 746.9 billion in the value of annual imports of products from economies affected by import restrictive measures. This compares with US\$ 588.3 billion in the previous period. The annual import value, or trade coverage, of such measures, which include tariff increases, quantitative restrictions, import taxes and duties, has soared in the last two periods (see Figure 14).

The stockpile of import restrictions implemented since 2009, and still in force, suggests that 7.5 per cent of world imports were affected by restrictions at the end of 2018. By mid-October 2019, the trade coverage of the stockpile was estimated at US\$ 1.7 trillion, up from US\$ 1.5 trillion at the end of 2018 (see Figure 15).

“The report’s findings should be of serious concern for WTO members and the broader international community. Historically high levels of trade-restrictive measures are hurting growth, job creation and purchasing power around the world. Strong collective leadership from the membership would make an important contribution to increasing certainty, encouraging investment and bolstering trade and economic growth. Without such action, however, unfavourable trends could become worse,” DG Azevêdo said.

The WTO Secretariat prepared four reports on global trade policy developments in 2019, including two on G20 trade measures. The trade monitoring reports have no legal effect on the rights and obligations of WTO members. They neither seek to pronounce on whether a trade measure is protectionist nor question the explicit right of members to take certain trade measures.

**Figure 14: Trade coverage of new import-restrictive measures in each reporting period (not cumulative) (US\$ billion)**



Note: These figures are estimates and represent the trade coverage of the measures introduced during each reporting period, and not the impact of the trade measures.



**The trade coverage of new import-restrictive measures from mid-October 2018 to mid-November 2019 was US\$ 746.9 billion, the highest level recorded.**

Between mid-October 2018 and mid-October 2019, WTO members implemented 685 trade measures, including 102 trade-restrictive measures, 120 measures facilitating trade, such as eliminating or reducing tariffs and simplified customs procedures for imports and exports, and 463 trade remedy measures (anti-dumping, countervailing and safeguard measures).

The trade coverage of the import-facilitating measures introduced by WTO members during the review period was estimated at US\$ 544.7 billion, the second-highest trade coverage for this type of measures since October 2012.

During the same period, the trade coverage of initiations of trade remedy actions by WTO members was estimated at US\$ 46.2 billion, around half of the previous year's US\$ 93.6 billion, while that of trade remedy terminations rose slightly to US\$ 24.8 billion from US\$ 18.3 billion.

Trade remedy measures account for 68 per cent of all trade measures captured in the report.

World trade growth slowed during the review period, with a further slowdown forecast by the WTO for 2019.

## Continuous consultation

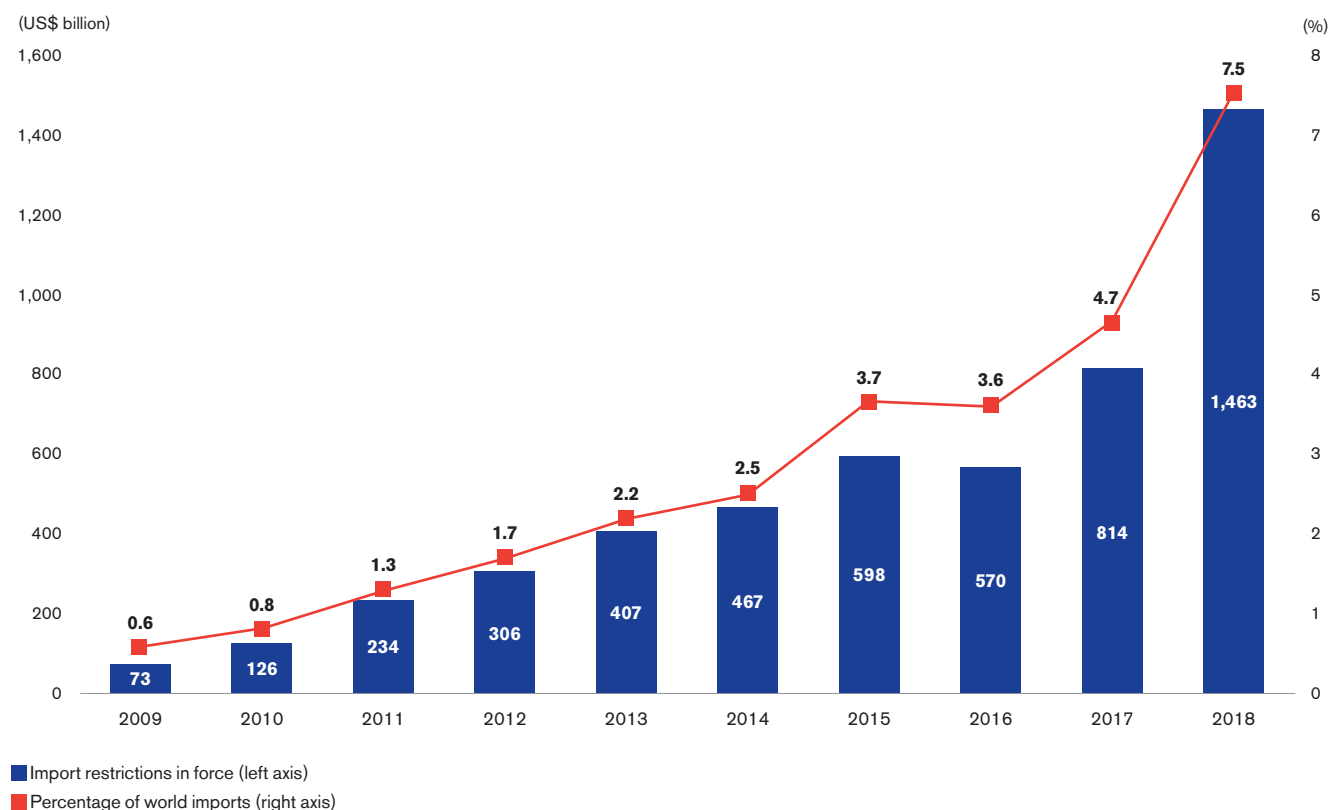
The most important element in collecting trade policy information for the reports is consultation between the WTO Secretariat and WTO members. This consultation seeks to gather complete, up-to-date and accurate information on trade-related measures and to verify the relevant information collected from other public sources.

The Secretariat submits the information gathered to each member for verification. This process is a unique feature of the WTO's monitoring efforts and represents a quality-control mechanism. The trade monitoring reports are subsequently discussed at meetings of the WTO's Trade Policy Review Body.

## Database

The WTO Trade Monitoring Database, which is publicly available, provides information on trade measures implemented by WTO members and observers and includes various search criteria options – for example, country or country group, HS code, type of measure, date of measure. Members are regularly invited to update information compiled by the WTO Secretariat since 2008.

**Figure 15: Cumulative trade coverage of import-restrictive measures in force since 2009 (US\$ billion and percentage of world merchandise imports)**



## Trade, debt and finance

- **DG Azevêdo continued to work with international partner institutions to bridge persistent trade financing gaps, which affect poorer countries and smaller businesses particularly.**
- **The WTO and the International Finance Corporation (IFC) launched a joint publication showcasing international cooperation in trade finance and highlighting lessons learned.**

### Background on trade, debt and finance

WTO ministers decided in 2001 to establish a Working Group on Trade, Debt and Finance to look at how the WTO could contribute to finding a durable solution to the external debt problems of many developing countries and to avoid having WTO members' trade opportunities undercut by financial instabilities. The Working Group has been focusing its attention on a range of financial issues with an impact on trade, including the provision of trade finance and the relationship between exchange rates and trade.

With the support of the Working Group on Trade, Debt and Finance, DG Azevêdo continued to work with international partner institutions to reduce trade financing gaps – the amount of trade finance requested but rejected by lenders or donors and which affect poorer countries and smaller businesses in particular.

Trade finance shortages have been chronic and persistent in the developing world, creating a major obstacle for exporters. The gap remained at about US\$ 1.5 trillion in 2019. It may even have widened since global banks have been retrenching their business in emerging markets due to a heightened perception of regulatory risk and compliance costs.

The WTO, the IFC, other multilateral development banks and the Financial Stability Board have come together to mobilize resources to enhance trade finance programmes and to increase the capacity of trade finance banks in developing countries to comply with international regulations.

These international agencies have cooperated in an unprecedented technical assistance effort to train a new generation of trade finance specialists and build capacity on anti-money-laundering and other financial transparency requirements. On 3 July, DG Azevêdo and the Chief Executive Officer of the IFC, Philippe Le Houérou, launched "Trade Finance and the Compliance Challenge: A Showcase of International Cooperation". This publication can be downloaded free at [www.wto.org](http://www.wto.org).

**DG Azevêdo and IFC Chief Executive Officer Philippe Le Houérou launched a co-publication on increasing the availability of trade finance.**







**The WTO will continue efforts to address trade finance gaps in conjunction with multilateral development partners.**

The publication looks at lessons learned from capacity building, such as that undertaken by the IFC, with WTO participation, in Liberia, Madagascar, Mauritania, Rwanda, Zambia and Zimbabwe. It also describes similar activities organized by the European Bank for Reconstruction and Development, the Asian Development Bank (ADB) and the Islamic Development Bank.

At the report's launch, it was emphasized that, in the joint monitoring and evaluation exercise conducted by the Organisation for Economic Co-operation and Development and the WTO in preparation for the 2019 Aid for Trade Global Review (see page 134), lack of local access to trade finance was cited as an obstacle to economic diversification by 60 WTO developing countries and 14 donors.

An ADB study concluded that the global trade finance gap affects small and medium-sized businesses (SMEs) more than any other category of business. In half the cases where their requests for trade finance were rejected, they abandoned the planned trade transaction. In 18 per cent of cases, they resorted to "informal" funding and only in 16 per cent could SMEs find "formal" alternative financing.

The WTO will continue its efforts to address trade finance gaps by encouraging the mobilization of resources from multilateral development banks, partners and private sector organizations.

**Expert Group on Trade Finance**

Chaired by DG Azevêdo, the Expert Group on Trade Finance continued to evaluate gaps in trade finance markets. The group includes the IFC, regional development banks, export credit agencies, big commercial banks and other international organizations.

**Strengthening multilateral cooperation**

DG Azevêdo, International Monetary Fund (IMF) Managing Director Christine Lagarde and her successor Kristalina Georgieva and World Bank President David Malpass met at IMF and World Bank gatherings and at the G20 in 2019. They argued for renewed efforts to leverage trade as a force to reduce poverty and discussed the impact of trade tensions on world economic prospects.

# Government Procurement Agreement

- **The Agreement on Government Procurement (GPA) entered into force for Australia, bringing membership of the Agreement to 48.**
- **GPA parties adopted decisions concerning the United Kingdom's accession to the agreement in its own right.**
- **China circulated its sixth revised market access offer.**
- **Discussions continued on the accessions of North Macedonia, the Kyrgyz Republic, Russia and Tajikistan. Kazakhstan applied to join.**

## Background on the Government Procurement Agreement

The GPA aims to open up, based on principles of reciprocity, and to the extent agreed between WTO members, government procurement markets to foreign competition, and to make government procurement more transparent. It provides legal guarantees of non-discrimination for the products, services and suppliers of GPA parties in procurement covered by the Agreement. The GPA is a plurilateral agreement – open to all interested WTO members and binding only the parties to it. Currently, 48 WTO members are covered by the Agreement. Any WTO member can apply for accession. The Committee on Government Procurement administers the GPA.

## Accessions to the GPA

Following the successful conclusion of negotiations on Australia's accession to the GPA in 2018, Australia deposited with the DG Azevêdo its instrument of accession to the GPA on 5 April 2019. The Agreement entered into force for Australia a month later. Preliminary calculations suggest that Australia's overall government procurement market is worth US\$ 78 billion annually, meaning that Australia's accession will add significantly to the market covered by the Agreement.

On 27 February 2019, the Committee adopted a decision concerning the United Kingdom's accession to the Agreement in its own right. The decision was updated on 26 June 2019, taking account of Australia's accession to the GPA. In the Committee's decision, it was acknowledged that if the European Union and the United Kingdom conclude an agreement that provides for a transition period during which EU law would apply to and in the United Kingdom, the United Kingdom is covered by the GPA until the date of expiry of that transition period. During such a transition period, the United Kingdom would be treated as a member of the European Union. The Withdrawal Agreement between the European Union and the United Kingdom contains such a transition period and entered into force on 1 February 2020.

In October, China circulated its sixth revised market access offer, which it said is ambitious and responds to comments received on its previous offer of 2014. The Chair of the Committee, Carlos Vanderloo (Canada), called the new offer "a very significant development".

The accessions of North Macedonia, the Kyrgyz Republic, Russia and Tajikistan also continued to advance. On 29 November, Kazakhstan submitted its application for accession to the GPA. The Chair said Kazakhstan's application for accession underlines the GPA's relevance for countries seeking to undertake reforms of their procurement regimes and promote the development of their trade and economy.

In addition, Albania, Georgia, Jordan and Oman have initiated the process of acceding to the GPA. Four other WTO members – Afghanistan, Mongolia, the Kingdom of Saudi Arabia and Seychelles – have GPA-related commitments in their respective protocols of accession to the WTO.

The past decade has witnessed steady growth in the GPA's membership, and many other WTO members are observers to the Committee. In 2019, Ecuador, Paraguay and the Philippines were granted observer status, bringing the number of observers to 34. Government procurement typically accounts for about 15 per cent of developed and developing-country economies. The GPA as a whole has been estimated to cover around US\$ 1.7 trillion annually.

## Monitoring of implementation and legislation

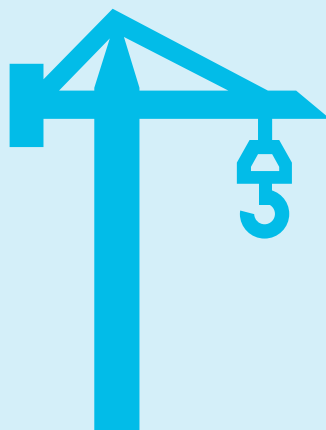
The revised version of the GPA, adopted in 2012, is in force for all but one of the parties, Switzerland. The latter recently completed its internal legislative procedures and is expected to provide its acceptance in time for the revised agreement to enter into force for Switzerland together with updated procurement legislation on 1 January 2021.

The revised GPA entered into force on 6 April 2014 for other GPA parties, extending coverage to approximately 500 additional procurement entities, including local government and sub-central entities, together with new services and other areas of public procurement activities. The revised version strengthened the GPA's role in promoting good governance, battling corruption and protecting the environment.

The WTO's e-GPA web portal provides a single entry point for market access information under the revised Agreement, together with related information.



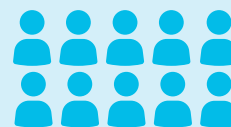
The Government Procurement Agreement (GPA) aims to open up government procurement markets to foreign competition and to make procurement processes more transparent.



48<sup>th</sup>

In 2019, Australia became the latest party to the GPA, bringing the total membership to 48.

Ten WTO members are currently seeking to join the GPA.



US\$ 1.7 tn

The GPA parties have opened procurement activities worth an estimated US\$ 1.7 trillion annually to international competition.

### Work programmes

Attention in the work programmes, instituted after the entry into force of the revised GPA, focused on sustainable procurement, the collection and reporting of statistical data and small and medium-sized enterprises. The work programmes are intended to promote transparency, improve the Agreement's administration and assist with preparations for possible future negotiations. The revised GPA calls for further negotiations to improve the Agreement and to progressively reduce and eliminate remaining discriminatory measures.

### Technical assistance and international cooperation

The WTO Secretariat organized regional workshops for Latin American economies, Arab and Middle Eastern countries and the Central and Eastern Europe, Central Asia and the Caucasus region.

In May, some 50 senior government officials from 42 WTO members and observers discussed government procurement as it relates to trade, good governance and inclusive sustainable development at the 2019 Advanced Global Workshop on Government Procurement. GPA

national seminars were organized at the request of Afghanistan, Côte d'Ivoire, Indonesia, Morocco and Uzbekistan.

The WTO Secretariat continued its collaboration with other organizations, including the European Bank for Reconstruction and Development, the World Bank, the Asian Development Bank and the African Development Bank, and with the Commercial Law Development Programme of the US Department of Commerce.

For a list of current GPA parties and observers, see <http://www.wto.org/memobs>



# Dispute settlement

Dispute settlement activity in 2018	116
Appellate Body	122



# 6

WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body.



# Dispute settlement activity in 2019

- WTO members initiated 19 new disputes in 2019, half the number of 2018, but above the levels of 2016 and 2017.
- Twenty-three dispute settlement reports and decisions were circulated.
- On average, 54 proceedings were ongoing each month, nearly a third more than the previous year. This is the highest figure on record and reflects the high level of disputes passing through the dispute settlement system.
- As of December 2019, the Appellate Body was reduced to one member and, as a result, could not hear new appeals.
- Members continued to consult to resolve disagreements over the functioning of the Appellate Body and the selection process to appoint new Appellate Body members.

## Background on dispute settlement activity

WTO members can bring disputes when they consider their rights are being infringed with respect to any agreement contained in the Final Act of the Uruguay Round that is subject to the Understanding on Rules and Procedures Governing the Settlement of Disputes. The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes. The DSB has authority to establish dispute settlement panels, to adopt panel and Appellate Body reports, maintain surveillance over the implementation of recommendations and rulings, and authorize suspension of concessions and other obligations in the event of non-compliance with those recommendations and rulings.

## New disputes

During 2019, WTO members filed 19 requests for consultations – the first stage in the dispute settlement process – concerning allegedly WTO-inconsistent measures. In addition, one request was filed in late December 2018 and circulated to members on 8 January 2019. This figure was half the new disputes initiated in 2018, a year which had recorded a particularly high number (see Figure 1).

Despite the decline in the number of new cases in 2019, the overall level of dispute settlement activity remained significant (see Figure 2), with an average of 54 ongoing proceedings (panel, arbitral or appellate proceedings) each month. This level of monthly activity is related to the high number of disputes initiated during 2018 and that are now progressing through the dispute settlement system.

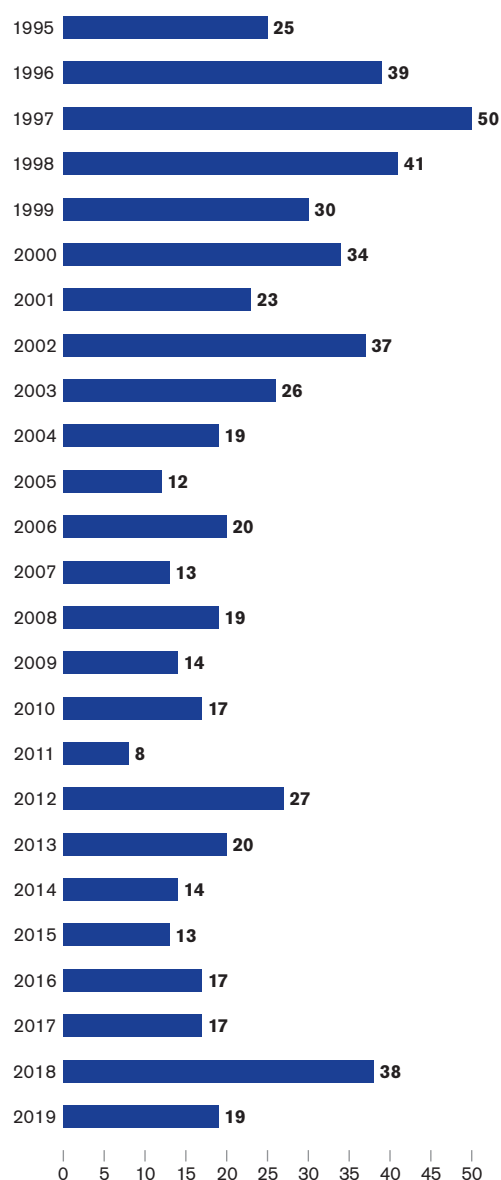
By the end of 2019, a total of 593 disputes had been initiated under the WTO dispute settlement procedures since the entry into force of the WTO agreements in 1995.

## Sustained levels of dispute settlement activity

If the parties to a dispute are unable to resolve their differences through consultations, the complainant can ask for a dispute settlement panel to be established by the Dispute Settlement Body (DSB). Among the 19 disputes initiated in 2019, eight led to the establishment of a panel by the end of 2019.

In 2019, the DSB established panels in 13 separate proceedings covering 11 distinct matters. In addition, one panel was established in respect of so-called “compliance” proceedings to determine whether parties have complied with previous recommendations and rulings (see Tables 2 and 3).

Figure 1: Requests for consultations, 1995 to 2019



**Table 1: Disputes initiated in 2019 (requests for consultations)**

Dispute number	Short title	Complainant	Date of initial request	Status on 31 December 2019
DS575	Colombia – Liquid Fuels	Venezuela	09/01/2019	In consultations
DS576	Qatar – Goods from the UAE	United Arab Emirates	28/01/2019	UAE withdrew the complaint on 8 August 2019
DS577	US – Ripe Olives from Spain	European Union	28/01/2019	Panel composed, panel proceedings ongoing
DS578	Morocco – Definitive Anti-Dumping Measures on Exercise Books	Tunisia	21/02/2019	Panel established, panel proceedings ongoing
DS579	India – Sugar and Sugarcane (Brazil)	Brazil	27/02/2019	Panel composed, panel composition ongoing
DS580	India – Sugar and Sugarcane (Australia)	Australia	01/03/2019	Panel composed, panel proceedings ongoing
DS581	India – Sugar and Sugarcane (Guatemala)	Guatemala	15/03/2019	Panel composed, panel proceedings ongoing
DS582	India – Tariffs on ICT Goods	European Union	02/04/2019	In consultations
DS583	Turkey – Pharmaceutical Products	European Union	02/04/2019	Panel established, panel composition ongoing
DS584	India – Tariff Treatment	Japan	10/05/2019	In consultations
DS585	India – Additional Duties	United States	03/07/2019	Panel established, panel composition ongoing
DS586	US – Carbon-Quality Steel	Russian Federation	05/07/2019	In consultations
DS587	US – Certain Goods (China) III	China	02/09/2019	In consultations
DS588	India – Tariffs on ICT Goods	Chinese Taipei	02/09/2019	In consultations
DS589	China – Canola Seed	Canada	10/09/2019	In consultations
DS590	Japan – Products and Technology	Korea	11/09/2019	In consultations
DS591	Colombia – Frozen Fries	European Union	15/11/2019	In consultations
DS592	Indonesia – Raw Materials	European Union	22/11/2019	In consultations
DS593	EU – Palm Oil	Indonesia	09/12/2019	In consultations

**Table 2: Original panels established in 2019**

Dispute number	Short title	Complainant	Date established
DS521	EU – Cold-Rolled Fat Steel Products from Russia	Russian Federation	26/04/2019
DS543	US – Tariff Measures on Certain Goods (China)	China	28/01/2019
DS561	Turkey – Additional Duties	United States	28/01/2019
DS562	US – Safeguard Measure on PV Products	China	15/08/2019
DS573	Turkey – Air Conditioning Machines	Thailand	11/04/2019
DS576	Qatar – Goods	United Arab Emirates	28/05/2019
DS577	US – Ripe Olives from Spain	European Union	24/06/2019
DS578	Morocco – Definitive Anti-Dumping Measures on Exercise Books	Tunisia	28/10/2019
DS579	India – Sugar and Sugarcane (Brazil)	Brazil	15/08/2019
DS580	India – Sugar and Sugarcane (Australia)	Australia	15/08/2019
DS581	India – Sugar and Sugarcane (Guatemala)	Guatemala	15/08/2019
DS583	Turkey – Pharmaceutical Products (EU)	European Union	30/09/2019
DS585	India – Additional Duties (US)	United States	28/10/2019

There was also ongoing activity in seven disputes concerning arbitration on the permissible level of retaliation (as a temporary remedy in the event of non-compliance – see Table 4).

Moreover, a party in one dispute (Ukraine – Ammonium Nitrate (Russia)) requested that the reasonable period of time for implementation of the DSB's recommendations and rulings be determined by arbitration.

The parties notified the DSB in five instances that they had achieved a mutually agreed solution in their disputes (see Table 5).

In 2019, following requests made by the complainant in the dispute, the panel suspended its work in three proceedings (see Table 6). If a panel's work is suspended for more than 12 months, its authority will automatically lapse.

**Table 3: Compliance panels established in 2019**

Dispute number	Short title	Complainant	Date established
DS484	Indonesia – Chicken	Brazil	31/07/2019

**Table 4: Arbitration activity on the suspension of obligations, 2019**

Dispute number	Short title	Date of recourse to arbitration/ date of composition
DS316	EC and Certain Member States – Large Civil Aircraft	Arbitrator's decision circulated on 2/10/ 2019
DS353	US – Large Civil Aircraft (2 <sup>nd</sup> Complaint) (Article 22.6)*	Arbitration recomposed on 03/06/2019
DS430	India – Poultry (Article 22.6)	Parties requested postponement of circulation of the decision
DS437	US – Countervailing Measures (China) (Article 22.6)	Arbitrator composed on 15/11/2019
DS464	US – Washing Machines	Arbitrator's decision circulated on 08/02/2019
DS471	US – Anti-Dumping Methodologies (China)	Arbitrator's decision circulated on 01/11/2019
DS488	US – OCTG (Korea) (Article 22.6)	Recourse to Article 22.6 by the United States on 29 July 2019. Arbitrator not yet composed.

\* These proceedings were initiated in 2012 and suspended later that year at the request of the parties. In May 2019, the European Union requested the arbitrator to resume its work.

**Table 5: Mutually agreed solutions notified to the DSB in 2019/Withdrawal of complaint**

Dispute number	Short title	Complainant	Date established
DS492	EU – Poultry Meat (China)	China	30/05/2019
DS550	US – Steel and Aluminium Products (Canada)	Canada	23/05/2019
DS551	US – Steel and Aluminium Products (Mexico)	Mexico	28/05/2019
DS557	Canada – Additional Duties (US)	United States	23/05/2019
DS560	Mexico – Additional Duties (US)	United States	28/05/2019
DS576	Qatar – Goods	United Arab Emirates	08/08/2019 (dispute withdrawn)

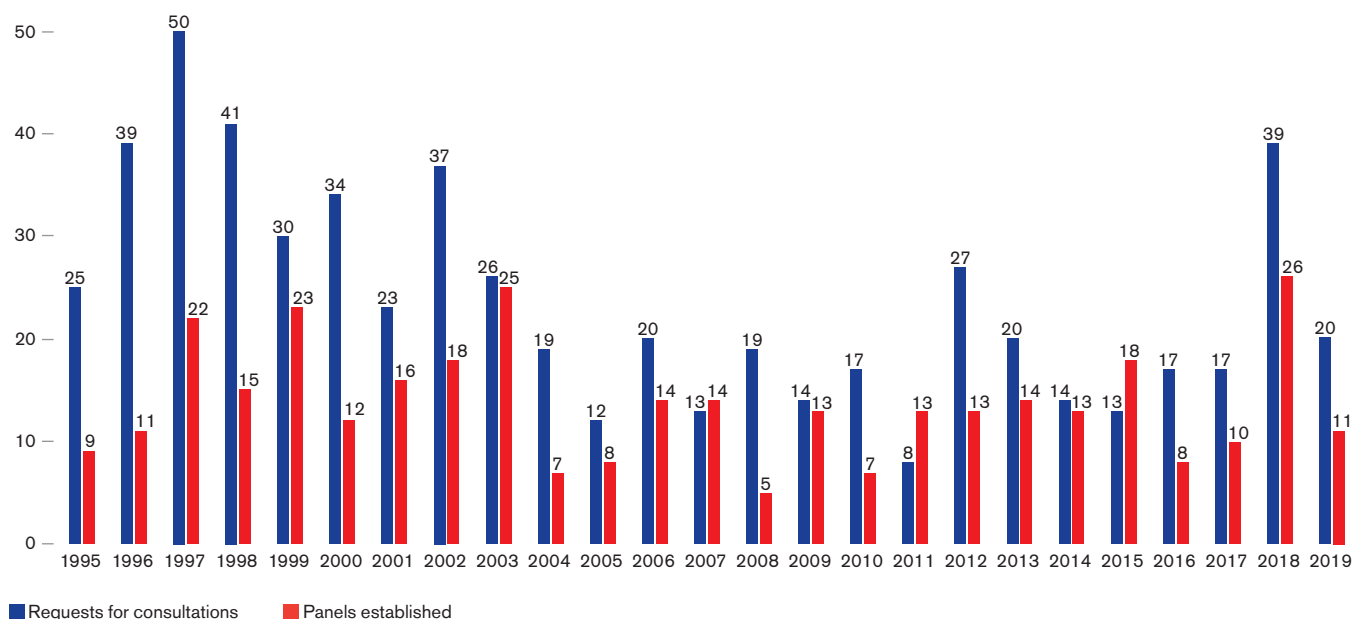




**Table 6: Suspended panel proceedings in 2019**

Dispute number	Short title	Complainant	Date established
DS516	EU – Price Comparison Methodologies	China	14/06/2019
DS522	Canada – Commercial Aircraft	Brazil	25/11/2019
DS542	China – Intellectual Property Rights II	United States	11/06/2019

**Figure 2: Total number of disputes initiated and panels established, 1995 to 2019**



### Reports and decisions

In total, 23 dispute settlement reports and decisions were circulated in 2019. This covered 11 "original" panel reports, three compliance panel reports, five Appellate Body reports, one Appellate Body compliance report and three arbitration decisions on the permissible level of retaliation as a temporary remedy in the event of non-compliance. Four of the panel reports circulated were brief reports comprising a description of the case and noting that parties had reached a solution in their dispute. These four reports were not considered for adoption by the DSB.

The DSB adopted 11 panel reports covering ten different matters in 2019 (including three compliance panel reports) and eight Appellate Body reports (including three compliance reports – see Tables 7 and 8).

The DSB authorized suspension of concessions in October 2019 in one dispute.

### WTO and Appellate Body secretariats

The Legal Affairs Division and the Rules Division of the WTO Secretariat service dispute settlement

panel and arbitral proceedings. Depending on the subject matter of the disputes, relevant divisions in the Secretariat also contribute their expertise in their areas of specialization. Appeals are serviced by the Appellate Body Secretariat (see page 122).

Other parts of the WTO Secretariat, such as translation services, also play an important role in dispute settlement activities, as the often voluminous and complex reports of panels, arbitrators and the Appellate Body are circulated to members and made public only when they are available in the three working languages of the WTO (English, French and Spanish).

### Appellate Body members

On 10 December 2019, the terms of office of two of the remaining three Appellate Body members expired (see page 122). Discussions to replace six of the seven Appellate Body members remain in stalemate. At the request of the General Council, Ambassador David Walker (New Zealand), met with members during 2019 as part of an informal process that attempted to overcome the impasse (see page 125).

**Table 7: Original panel reports circulated and/or adopted in 2019**

Dispute code	Short title	Date circulated	Date adopted by the DSB (if applicable)
DS472	Brazil – Taxation (EU)*	30/08/2017	11/01/2019
DS493	Ukraine – Ammonium Nitrate*	20/07/2018	30/09/2019
DS495	Korea – Radionuclides (Japan)*	22/02/2018	26/04/2019
DS497	Brazil – Taxation (Japan)*	30/08/2017	11/01/2019
DS504	Korea – Pneumatic Valves (Japan)*	12/04/2018	30/09/2019
DS510	US – Renewable Energy	27/06/2019	Report appealed 15/08/2019
DS511	China – Agricultural Producers	28/02/2019	26/04/2019
DS512	Russia – Traffic in Transit	05/04/2019	26/04/2019
DS517	China – TRQs	18/04/2019	28/05/2019
DS529	Australia – A4 Copy Paper	04/12/2019	27/01/20
DS534	US – Differential Pricing Methodology	09/04/2019	Report appealed 04/06/2019
DS541	India – Export Related Measures	31/10/2019	Report appealed 19/11/2019
DS550	US – Steel and Aluminium Products (Canada)	11/07/2019	23/05/2019 Mutually agreed solution (Report unadopted)
DS551	US – Steel and Aluminium Products (Mexico)	11/07/2019	28/05/2019 Mutually agreed solution (Report unadopted)
DS557	Canada – Additional Duties (US)	11/07/2019	23/05/2019 Mutually agreed solution (Report unadopted)
DS560	Mexico – Additional Duties (US)	11/07/2019	28/05/2019 Mutually agreed solution (Report unadopted)

\* Panel report adopted as modified or upheld by the Appellate Body following an appeal.

**Table 8: Compliance panel reports (Article 21.5) reports adopted and/or circulated in 2019**

Dispute number	Short title	Date circulated	Date adopted by the DSB (if applicable)
DS316	EC and Certain Member States – Large Civil Aircraft	2 December 2019	Appealed
DS353	US – Large Civil Aircraft (2 <sup>nd</sup> complaint)**	9 June 2017	11/04/2019
DS371	Thailand – Cigarettes (Philippines)	12 July 2019	Appealed
DS381	US – Tuna II (Mexico)**	26 October 2017	11/01/2019
DS436	US – Carbon Steel (India)	15 November 2019	Appealed
DS437	US – Countervailing Measures (China)**	21 March 2018	15/08/2019

\*\* Panel report adopted as modified or upheld by the Appellate Body following an appeal.



## Intensity of activities

Figure 3 shows the intensity of dispute settlement activities since the inception of the WTO in 1995. It displays how many panel, appellate and arbitral proceedings were ongoing each month, on average, every year from 1995 to 2019. It reveals that the level of activity in dispute settlement proceedings has been steadily increasing in recent years, with 2019 the highest on record.

For the purposes of Figure 3, each proceeding (original panel or appeal, Article 21.5 panel or appeal and arbitration) is counted as a single instance where it relates to the same matter, regardless of the number of complainants involved or the level of complexity of the proceedings. This provides a quantitative indication of the number of distinct issues that are subject to “active” dispute settlement proceedings (ongoing panel, arbitral or appellate proceedings). Figure 3 does not seek to reflect the relative complexity of different proceedings, which has also tended to increase over time.

## Jackson Moot Court Competition on WTO Law

Following a number of regional rounds involving 90 teams of students, 22 teams gathered in Geneva on 4-8 June 2019 for the final round of the annual John H. Jackson Moot Court Competition. It is organized by the European Law Students' Association (ELSA), with technical support from the WTO. Kenya's Strathmore University School of Law won the 2019 competition, with Harvard Law School the runner-up.

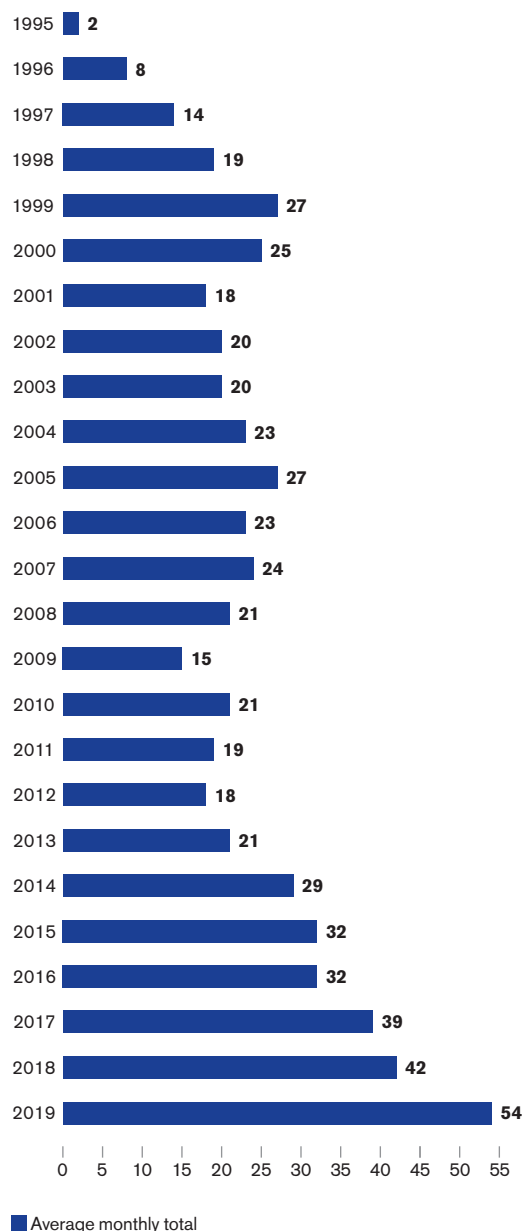
The competition involves a simulated dispute under WTO dispute settlement rules, with exchanges of written submissions and adversarial hearings before panellists on international trade law issues. Formerly known as the ELSA Moot Court Competition, the name was changed in 2018 in memory of the academic who was a founding figure in international trade law.

## WTO issues updated dispute settlement case summaries

The WTO issued a new and updated edition of “WTO Dispute Settlement: One-Page Case Summaries” in 2019. The publication provides a succinct summary of the key findings of every dispute panel report up to the end of 2018 and, where applicable, the subsequent Appellate Body report.

**The final round of the John H. Jackson Moot Court Competition was held at the WTO in June.**

**Figure 3: Average of monthly active proceedings, 1995-2019**



# Appellate Body

- **The Appellate Body completed six appeals in 2019 and eight new appeal proceedings were initiated.**
- **Members were unable to reach consensus on launching the selection process for the appointment of new Appellate Body members.**
- **Six out of seven positions on the Appellate Body were vacant as of 10 December 2019. A minimum of three Appellate Body members is required for an appeal to be heard.**
- **The Appellate Body suspended its work on all but three pending appeals in which the oral hearings had already taken place in 2019.**

## Background on the Appellate Body

The WTO's Dispute Settlement Understanding states that the Appellate Body "shall be composed of seven members" appointed by the Dispute Settlement Body. Each member is appointed for four years, with the possibility of being appointed for one further four-year term. Three members of the Appellate Body hear an appeal of a panel's ruling. Any party to a dispute may appeal a panel report to the Appellate Body. The appeal is limited to issues of law covered in the panel report and legal interpretations developed by the panel.

## Appeals

Eight appeal proceedings were initiated in 2019 (see Figure 4 and Table 9). The Appellate Body completed its work on one large appeal filed in 2017 (Compliance proceedings in US – Large Civil Aircraft (2<sup>nd</sup> complaint)), and work on another large appeal filed in 2018 (Australia – Tobacco Plain Packaging) required a significant portion of the resources of the Appellate Body and its Secretariat throughout 2019.

Six Appellate Body reports were circulated in 2019 (see Figure 5 and Table 10). In these appeals, the Appellate Body interpreted provisions under various WTO agreements, such as the Sanitary and Phytosanitary Measures Agreement, the Anti Dumping Agreement, the Subsidies and Countervailing Measures Agreement, and the Dispute Settlement Understanding. Since its inception, the Appellate Body has circulated 165 reports.

## Work suspended

Until 10 December 2019, the Appellate Body was composed of the following three members:

- Ujal Singh Bhatia (India) (2011-2019)
- Thomas R. Graham (United States) (2011-2019)
- Hong Zhao (China) (2016-2020)

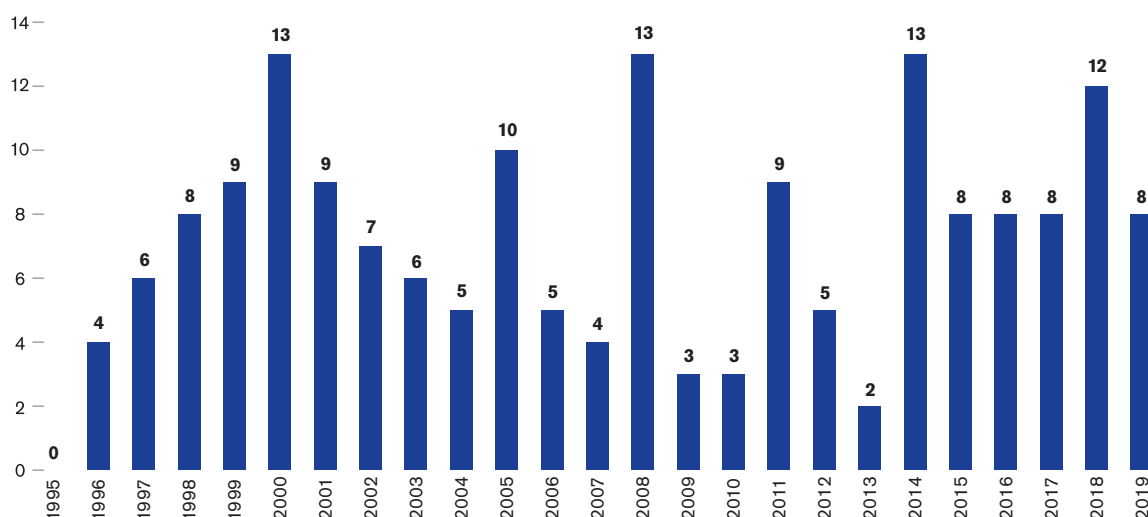
Members continued to be unable to reach consensus on launching the selection processes for the appointment of new Appellate Body members. With the expiry of the terms of office of Ujal Singh Bhatia and Thomas R. Graham on 10 December 2019, six out of seven positions on the Appellate Body were vacant and no new appeals could be heard. A minimum of three Appellate Body members is required for an appeal to be heard.



**Ujal Singh Bhatia presented the Appellate Body Annual Report in May 2019.**



**Figure 4: Number of notices of appeal filed, 1995 to 2019**



**Table 9: Appeals filed and pending in 2018**

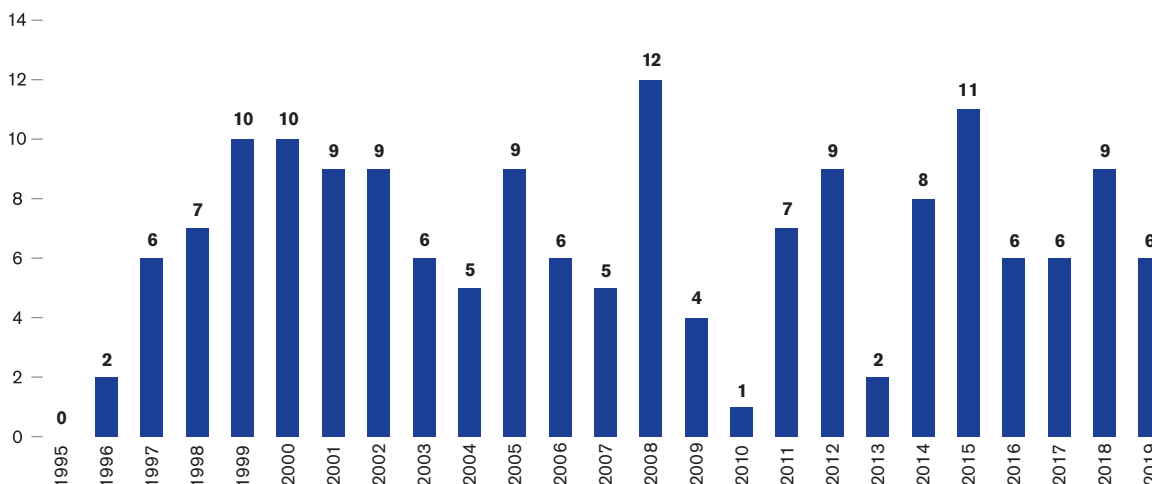
Panel report appealed	Date of appeal <sup>a</sup>	Appellant <sup>a</sup>	Document symbol	Other appellant <sup>b</sup>	Document symbol
Australia – Tobacco Plain Packaging (Honduras) / Australia – Tobacco Plain Packaging (Dominican Republic)	19 July 2018	Honduras	WT/DS435/23	---	---
	23 August 2018	Dominican Republic	WT/DS441/23	---	---
Russia – Railway Equipment	27 August 2018	Ukraine	WT/DS499/6	Russia	WT/DS499/7
US – Supercalendered Paper	27 August 2018	United States	WT/DS505/6	---	---
EU – Energy Package	21 September 2018	European Union	WT/DS476/6	Russia	WT/DS476/7
Colombia – Textiles (Article 21.5 – Colombia) / Colombia – Textiles (Article 21.5 – Panama)	20 November 2018	Panama	WT/DS461/28	Colombia	WT/DS461/29
India – Iron and Steel Products	14 December 2018	India	WT/DS518/8	Japan	WT/DS518/9
Thailand – Cigarettes (Philippines) (Article 21.5 – Philippines) /	9 January 2019	Thailand	WT/DS371/27	---	---
Thailand – Cigarettes (Philippines) (Article 21.5 – Philippines II)	9 September 2019	Thailand	WT/DS371/30	---	---
US – Pipes and Tubes (Turkey)	25 January 2019	United States	WT/DS523/5	Turkey	WT/DS523/6
US – Differential Pricing Methodology	4 June 2019	Canada	WT/DS534/5	---	---
US – Renewable Energy	15 August 2019	United States	WT/DS510/5	India	WT/DS510/6
India – Export Related Measures	19 November 2019	India	WT/DS541/7	---	---
EC and certain member States – Large Civil Aircraft (Article 21.5 – EU)	6 December 2019	European Union	WT/DS316/43	---	---
US – Carbon Steel (India) (Article 21.5 – India) <sup>c</sup>	18 December 2019	United States	WT/DS436/21	---	---

<sup>a</sup> Pursuant to Rule 20(1) of the Working Procedures.

<sup>b</sup> Pursuant to Rule 23(1) of the Working Procedures.

<sup>c</sup> The United States notified the Disputes Settlement Body of its decision to appeal this panel report pursuant to Article 16(4) of the DSU, but it filed neither a notice of appeal pursuant to Rule 20(1) of the Working Procedures nor an appellant's submission pursuant to Rule 21(1) (WT/DS436/22). By the end of 2019, this panel report had not been adopted by the DSB.

Figure 5: Number of Appellate Body reports circulated, 1995 to 2019\*



\* Some Appellate Body reports were issued as a single document covering two or more reports.

Table 10: Appellate Body reports circulated in 2019

Case	Document symbol	Date circulated	Date adopted by the DSB
US – Large Civil Aircraft (2 <sup>nd</sup> complaint) (Article 21.5 – EU)	WT/DS353/AB/RW	28 March 2019	11 April 2019
Korea – Radionuclides (Japan)	WT/DS495/AB/R	11 April 2019	26 April 2019
US – Countervailing Measures (China) (Article 21.5 – China)	WT/DS437/AB/RW	16 July 2019	15 August 2019
Korea – Pneumatic Valves	WT/DS504/AB/R	10 September 2019	30 September 2019
Ukraine – Ammonium Nitrate (Russia)	WT/DS493/AB/R	12 September 2019	30 September 2019
Morocco – Hot-Rolled Steel	WT/DS513/AB/R	10 December 2019	8 January 2020

The Appellate Body suspended its work on all but three pending appeals in which oral hearings had already taken place in 2019. Appellate Body reports in two of these appeals were circulated in February 2020; the third report will be circulated later in 2020. Eleven appeals remain suspended at the end of 2019.

Speaking at the presentation of the Appellate Body Annual Report in May 2019, Ujal Singh Bhatia recalled members’ ongoing discussions regarding the need to reform the dispute settlement system, including the Appellate Body. He called on members to think carefully about the kind of system they want, its role and its reach, as well as the core principles that should govern its operation.

Mr Bhatia said that the debates should aim at answering two core questions: What does it mean for WTO dispute settlement bodies to provide positive solutions to trade disputes? And what does it take for the dispute settlement system to do justice to the needs of all members, weak and strong, and to maintain legitimacy among its stakeholders?

Mr Bhatia emphasized that the performance and legitimacy of the dispute settlement system rests not on abstract principles of international law, but on its ability to address the pressing needs of real-life trade. Where WTO-inconsistent measures remain in place, trade flows are hindered, and companies across the globe lose precious business opportunities. This accentuates the real value of independent and effective dispute settlement in a multilateral setting.

Finally, Mr Bhatia stressed that the crisis of the Appellate Body is the crisis of trade multilateralism. Binding commitments of WTO members must necessarily rest on the bedrock of impartial and effective dispute resolution. He added that it was difficult to imagine how this could be achieved without a well-functioning appellate process.

### Challenges

In January 2019, the General Council launched an informal process to overcome the impasse, with Ambassador David Walker (New Zealand)

as facilitator. Ambassador Walker identified several elements of convergence and proposed in December a General Council decision on the functioning of the Appellate Body (see page 58). However, members were unable to reach consensus on the proposal.

DG Azevêdo announced on 9 December that he would launch intensive, high-level consultations on how to resolve the deadlock (see page 59).



Ambassador David Walker (New Zealand) was appointed as a facilitator to help WTO members improve the functioning of the Appellate Body.

# Supporting development and building trade capacity

Trade and development	128
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**The WTO aims to help developing countries build their trade capacity and allows them a longer time to implement trade agreements. Hundreds of training courses are organized each year for officials from developing countries.**





## Spotlight

Aid for Trade  
Global Review 2019 136



# Trade and development

- **The Committee on Trade and Development (CTD) pursued its mandate to be the focal point for development work at the WTO.**
- **The Committee held two dedicated sessions on the monitoring mechanism for special and differential treatment (S&D) for developing countries.**
- **Latest WTO Secretariat data showed continuing growth of the share of developing countries in world merchandise and services trade.**

## Background on trade and development

The Committee on Trade and Development is the focal point for the coordination of all work on trade and development issues in the WTO. The Committee deals with a variety of issues, including all developmental issues, technical cooperation and training, and notifications under the Enabling Clause, which allows developed countries to give more favourable treatment to developing countries.

The Committee on Trade and Development continued work on the link between trade and development, as instructed by trade ministers. In particular, it looked at how to fully operationalize the mandate of the CTD as the focal point for development work within the WTO. The Chair of the Committee, Ambassador Chad Blackman (Barbados), encouraged WTO members to “explore all possible ways to move forward”.

The Committee also continued discussions on electronic commerce and duty-free and quota-free market access for least-developed countries (LDCs). It considered a report by the WTO Secretariat on the implementation of special and differential (S&D) treatment provisions for developing countries in WTO agreements and decisions. Such provisions range from increasing trade opportunities for developing countries and LDCs to granting longer transition periods for the implementation of WTO agreements and providing technical assistance. It was agreed that the report would be updated at least once every two years.

The Committee held two dedicated sessions on the monitoring mechanism on S&D, which acts as a focal point to review the implementation of S&D. WTO members expressed regret that no written inputs or submissions, which are required for the exercise, have been presented. Delegations differed on whether to proceed with a review of the mechanism regardless. Ambassador Blackman urged members to come to a “common understanding on the way forward” for the mechanism.

The WTO Secretariat presented an updated note on the participation of developing economies in the global trading system. The shares of developing economies in world merchandise and commercial services trade continued to rise during the 2016-18 period. For merchandise trade, the shares rose from 42.7 per cent to 43.4 per cent for exports and from 39.9 per cent to 41.1 per cent for imports. For commercial services, shares rose from 30.1 per cent to 30.8 per cent and 37.7 per cent to 38.2 per cent, respectively.



In a session dedicated to regional trade agreements (see page 101), the Committee considered the Partial Scope Agreement between El Salvador and Ecuador, the Framework Agreement for establishing a Free Trade Area between India and Thailand and the Free Trade Agreement between the Southern Common Market (MERCOSUR) and Egypt.

## Trade and the SDGs

Speaking at the United Nations' High-level Political Forum on the Sustainable Development Goals (SDGs) in New York in July, Deputy Director-General Yonov Frederick Agah called for greater cooperation among international organizations to help revitalize the global partnership for development and to deliver the SDGs. His remarks were delivered at a side-event on improving trade's contribution to sustainable development. International organizations are mandated by SDG 17 to revitalize the global partnership for development.

## Technical cooperation and training

The annual performance report on technical assistance and training for 2018 was presented to the Committee. The WTO Secretariat undertook 307 technical assistance activities in 2018 and participated in several other related activities. Overall, 22,800 participants received training, representing an increase of 25 per cent over 2017. The biennial technical assistance and training plan for 2020 and 2021, which defines the strategy and priorities, was adopted by the Committee.



**International organizations must follow the road of cooperation, as mandated by SDG 17, to revitalize the global partnership for development.**

DDG Agah



# Least-developed countries

- **Market access was a central theme in discussions in the Sub-Committee on Least-Developed Countries (LDCs).**
- **LDC exports of goods and services rose by 12 per cent in 2018, continuing a positive trend.**
- **In 2018, LDCs were associated with 62 per cent of all WTO trade-related technical assistance.**

## Background on least-developed countries (LDCs)

The Sub-Committee on LDCs, established in July 1995 as a subsidiary body to the Committee on Trade and Development, focuses its work on an agreed WTO work programme for LDCs. This programme looks at a number of systemic issues of importance to LDCs in the multilateral trading system, such as market access, technical assistance and accession to the WTO.

## Market access for LDCs

Market access for LDCs was a central theme in the Sub-Committee on LDCs in 2019. The WTO Secretariat's yearly report on trends in LDC trade and market access showed that LDCs' exports of goods and services increased by 12 per cent in 2018, continuing the positive trend from 2017.

LDCs' share of world exports increased slightly from 0.92 per cent in 2017 to 0.94 per cent in 2018. As this is still lower than in 2011, the LDCs are unlikely to achieve the 2011 Istanbul Programme of Action target to double their export share by 2020. The LDCs' trade deficit remained substantial at US\$ 98 billion in 2018, more than twice the 2011 level.

LDCs called on WTO members to continue to make progress in the implementation of ministerial decisions on duty-free and quota-free (DFQF) market access (see page 128), preferential rules of origin (see page 81) and the LDC services waiver (see page 92) to further facilitate LDCs' market access.

The WTO Secretariat briefed the Sub-Committee on developments in preferential rules of origin in the Committee on Rules of Origin and presented analytical work on preference utilization. LDCs welcomed progress made in the notifications of rules of origin requirements and expressed interest in better understanding factors behind non-utilization of certain preferences.

LDCs welcomed the opportunity to learn about the findings of a mid-term evaluation of the European Union's General System of Preferences (2014-23) granting preferential tariffs to imports from developing countries. Duty-free access under the EU's Everything-But-Arms scheme, under which all imports to the EU from LDCs are duty-free and quota-free with the exception of armaments, was considered to be making a positive contribution to enhancing exports from LDCs.

## Technical assistance and capacity building

The WTO continued to attach priority to LDCs in the delivery of technical assistance (see page 140). In 2018, LDCs were associated with 62

per cent of all WTO trade-related technical assistance. LDCs, especially from Africa, were among the biggest users of e-learning courses, accounting for close to one-third of participants. LDCs highlighted the importance of the WTO's technical assistance, including internship programmes and national activities, for strengthening trade capacity.

The Executive Secretariat of the Enhanced Integrated Framework (EIF), which assists LDCs in integrating trade into their national development strategies, updated members on EIF activities, including its strategic plan 2019-22 (see page 136). Highlighting the importance of the EIF for building their capacity to use trade as a tool for development, the LDCs called for further strengthening of the programme.

The Secretariat of the Standards and Trade Development Facility noted that LDCs benefited from 59 per cent of project preparation grants in 2018 (see page 138). LDCs highlighted the utility of the STDF not only as a funding mechanism but also as a global knowledge platform on sanitary and phytosanitary capacity-building.

## Accession of LDCs to the WTO

The WTO Secretariat briefed WTO members on the state of play for LDC accessions (see page 26). Eight LDCs are in the process of acceding to the WTO (Bhutan, Comoros, Ethiopia, São Tomé and Príncipe, Somalia, South Sudan, Sudan and Timor-Leste). LDCs highlighted the importance of technical assistance in LDC accessions and called on members to intensify their efforts towards concluding ongoing LDC accessions.

## LDC graduation

The WTO Secretariat briefed members on an EIF-WTO project on LDC graduation, launched in March 2019. The project, which responded to a request from the LDC Group, aims to help 12 LDCs on the way to graduating from LDC status to prepare for trade-related implications. Regional and national workshops are being organized as part of the project, and a report will be presented at the 12<sup>th</sup> Ministerial Conference. Members welcomed the project and looked forward to its findings.



# Small economies

- **The Group on Small, Vulnerable Economies (SVEs) presented an “outcome” document on the challenges and opportunities faced by small economies in reducing trade costs.**
- **The SVEs introduced a proposal for a ministerial decision at the 12<sup>th</sup> Ministerial Conference on the Work Programme on Small Economies.**

## Background on small economies

The Committee on Trade and Development – in dedicated sessions – oversees work on small economies and monitors the progress of proposals from small, vulnerable economies in the various WTO bodies and negotiating groups. Several small economies are small island states.

The Committee on Trade and Development held two dedicated sessions in 2019 on small, vulnerable economies (SVEs). At the first session, the SVE Group presented an “outcome” document on the challenges and opportunities experienced by small economies in their efforts to reduce costs in goods and services trade, particularly through trade facilitation. It was based on the discussions held in dedicated sessions in 2018.

The session also heard a presentation from the WTO on trade and natural disasters, which contained a summary of work done in two symposia in April and December 2018 to discuss the links between natural disasters and the multilateral trading system.

In the second meeting, the Committee considered a compilation paper by the WTO Secretariat of the work on SVEs since the beginning of the Work Programme on Small Economies. The SVE Group introduced a proposal for a ministerial decision at MC12 on the work programme to include a mandate for work on the impact of natural disasters on trade for small economies and the integration of small economies into new forms of trade. It also proposed that a discussion on attracting investments take place in early 2020.



# Aid for Trade

- Aid for Trade disbursements rose to US\$ 43.1 billion in 2017, from US\$ 38.9 billion in 2016. US\$ 409.1 billion has been disbursed since 2006.
- The WTO hosted the Global Review of Aid for Trade on the theme “Supporting economic diversification and empowerment”.
- The Committee on Trade and Development began preparing an Aid for Trade work programme for 2020-21.

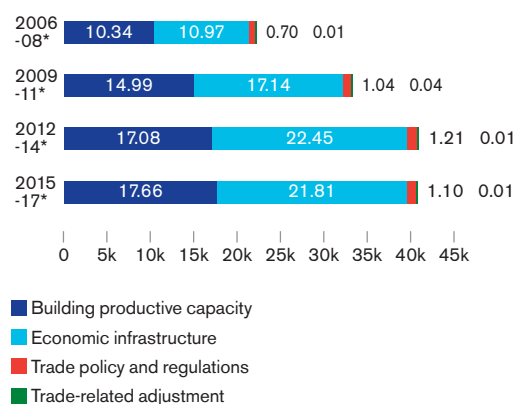
## Background on Aid for Trade

Aid for Trade helps developing countries, and particularly least-developed countries (LDCs), to trade. The WTO-led Aid for Trade initiative encourages developing country governments and donors to integrate trade objectives into their development plans. It seeks to mobilize resources to address the trade-related constraints faced by developing countries and LDCs.

The WTO hosted the 2019 Aid for Trade Global Review in July (see page 134). The event drew some 1,500 participants to 84 sessions and facilitated high-level dialogue on trade and development issues. There was a particular focus on Aid for Trade’s role in supporting economic diversification, the empowerment of women and youth.

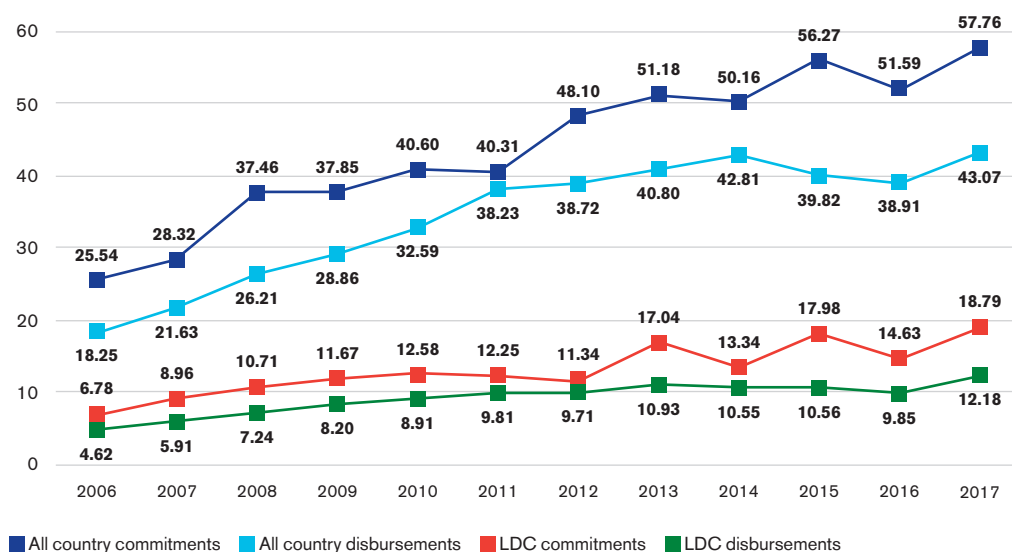
The Global Review also saw the launch of the 2019 edition of the flagship publication “Aid for Trade at a Glance”, co-published with the Organisation for Economic Co-operation and Development, which analyses the latest Aid for Trade monitoring and evaluation exercise (see page 159).

**Figure 1: Aid for Trade disbursements by category (in US\$ billion, 2017 prices)**



Source: OECD-CRS, Creditor Reporting System

**Figure 2: Aid for Trade commitments and disbursements by income group (in US\$ billion, 2017 prices)**



## Aid for Trade financing

The most recent Aid for Trade data published by the OECD show that total disbursements rose to US\$ 43.1 billion in 2017 from US\$ 38.9 billion in 2016 (see Figures 1 and 2). Commitments reached US\$ 57.8 billion in 2017, up from US\$ 51.6 billion in 2016.

Between 2006 and 2017, the total amount of Aid for Trade, part of official development aid, disbursed to developing countries reached US\$ 409.1 billion. An additional US\$ 346 billion in development finance was also provided at non-concessional rates.

Disbursements have increased in every region since the launch of the Aid for Trade initiative (see Figure 3). In 2017, they increased again in all regions other than Europe. Support targeting least-developed countries (LDCs) also grew to reach US\$ 12.2 billion in 2017, up from US\$ 9.8 billion in 2016. An increasing proportion of this support was provided in loans rather than grants.

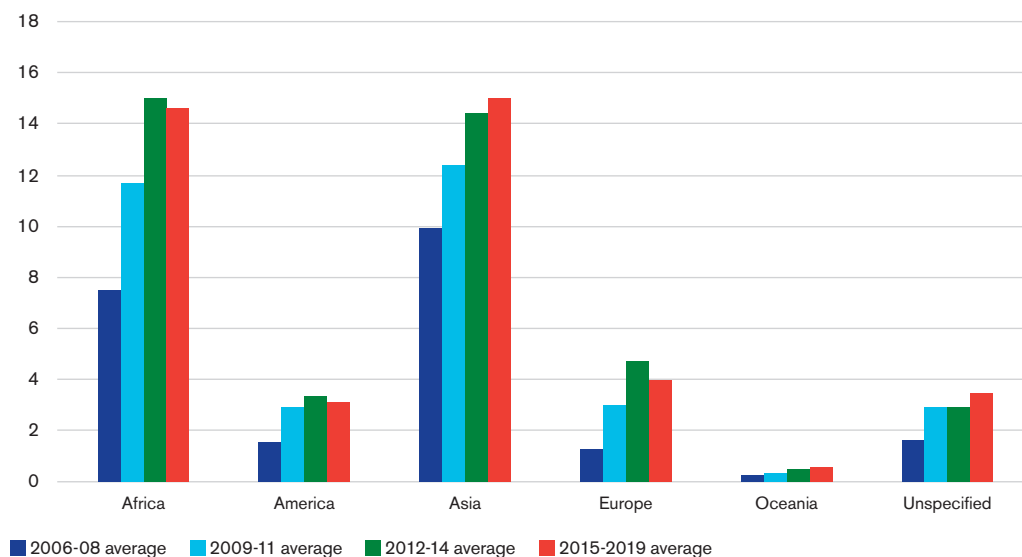
## Aid for Trade work programme

The Committee on Trade and Development continued to review the implementation of Aid for Trade at three sessions during the year. Members, development institutions, UN agencies and multilateral development banks participated and reported on their activities.

The Committee also organized four dedicated thematic workshops on: sustainable development and the green economy; connectivity and digital skills development; findings of the Aid for Trade monitoring and evaluation exercise; and micro, small and medium-sized enterprises (MSMEs) and access to finance. All these themes were further developed at the Global Review.

In November, the Committee started developing a new Aid for Trade work programme for 2020-21. The Chair, Ambassador Chad Blackman (Barbados), highlighted the continued relevance of economic diversification as a policy objective for developing countries, in particular LDCs. He also highlighted some themes emerging from the Global Review, including inclusivity and empowerment, digital connectivity and diversification in terms of green growth.

**Figure 3: Aid for Trade disbursements by continent (in US\$ billion, 2017 prices)**



Source: OECD-CRS, Creditor Reporting System

## Spotlight:

## Aid for Trade Global Review 2019

On 3-5 July 2019, the WTO hosted the Global Review of Aid for Trade on “Supporting economic diversification and empowerment”. In 84 sessions, spread over three days, some 1,500 participants discussed the many facets of trade and development, with economic diversification and empowerment as the main threads.

High-level panellists included the prime minister of Cambodia, over 30 ministers or deputy ministers and 20 heads or deputy heads of agencies and international organizations. The conference also brought together a large number of officials from WTO members and professionals from the development arena.

#### High-level opening session

The opening session featured remarks from DG Azevêdo and General Council Chair Sunanta Kangvulkulkij before a keynote address by Samdech Hun Sen, Cambodia’s Prime Minister, who highlighted the economic progress his country has made since its WTO accession. “As a small economy, Cambodia believes in the benefits of globalization and international cooperation based on multilateral rules,” he said. Organisation of Economic Co-operation and Development (OECD) Secretary-General Ángel Gurría, the Secretary General of the UN Conference on Trade and Development (UNCTAD), Mukhisa Kituyi, Chief Executive Officer Philippe Le Houérou of the International Finance Corporation (IFC), then International Trade Centre (ITC) Executive Director Arancha González, and Hani Sonbol, CEO of the International Islamic Trade Finance Corporation, were also on the opening panel.

Participants emphasized the importance of Aid for Trade in achieving the 2030 Sustainable Development Goals (SDGs), including through generating economic growth, poverty reduction, and the economic empowerment of women, youth and micro, small and medium-sized enterprises (MSMEs). The initiative also helps integrate developing countries into the multilateral trading system, particularly low-income, fragile and vulnerable economies, they said.

#### Launch of “Aid for Trade at a Glance”

The opening session saw the launch of the 2019 edition of “Aid for Trade at a Glance” – a joint OECD/WTO publication with contributions from the Enhanced Integrated Framework, the ITC, UNCTAD, the UN Development Programme, the UN Industrial Development Organization and the World Bank (see page 159). The report analyses the 2019 monitoring and evaluation exercise, which showed that economic diversification and empowerment are core objectives of the trade and development strategies and policies of WTO members.

**The opening session was attended by Samdech Hun Sen, Cambodia’s Prime Minister, DG Azevêdo and OECD Secretary-General Ángel Gurría.**





DG Azevêdo participated in a session on “Women entrepreneurs: Making the Buenos Aires declaration happen”.



DG Azevêdo told the Global Review that diversification and empowerment help countries increase their participation in global trade flows and facilitate opportunities to move up the value chain. “In turn, all this helps to build better prospects and opportunities for improved livelihoods,” he said.

Many of the 133 respondents to the monitoring exercise highlighted how economic diversification is a gateway to economic empowerment, with respondents seeing empowerment in turn stimulating economic diversification. Also included in the publication was a breakdown of the US\$ 410 billion disbursed in Aid for Trade since the launch of the initiative in 2006 (see page 132).

Several other reports were launched at the Review. A lack of trade finance is severely hindering the trade opportunities of small businesses in developing countries, according to a co-publication released by the WTO and the IFC (see page 110).

### Main themes

Themes that emerged strongly from the Review included the importance of digital connectivity for diversification and inclusion, the need to promote greater economic sustainability, building diversification in climate-sensitive sectors, and how to promote adaptation measures that increase resilience to natural and other disasters. Inclusion and empowerment also featured prominently in the debates, including many on women’s economic empowerment. Other debates around inclusivity and empowerment included a particular focus on ways to empower least-developed countries.

### Adapting to modern realities

The Global Review concluded with participating members reaffirming their commitment to, and the importance of, Aid for Trade, and with calls for the initiative to continue promoting economic development, sustainability and inclusiveness, while adapting to modern realities. “The richness of the debate clearly reflects two things: first, that Aid for Trade continues to be a fundamental tool to help economic empowerment; second, that there is much scope for this initiative to adapt, change, improve and evolve in order to keep helping members to address structural challenges, both old and new,” DG Azevêdo said in concluding remarks.



A session entitled “Africa focus: Supporting economic diversification and empowerment” was held on 3 July.

# Enhanced Integrated Framework

- The Enhanced Integrated Framework (EIF) officially launched its 2019-22 strategic plan, which aims to better position least-developed countries (LDCs) in the global economy.
- New projects totalling US\$ 35 million were submitted to the EIF Board for approval in 2019.
- The Board extended the current EIF programme for two years until 2024 to allow more time for LDCs to implement projects.

## Background on the Enhanced Integrated Framework

The EIF is the only multilateral partnership dedicated exclusively to supporting least-developed countries in using trade as an engine for growth, sustainable development and poverty reduction. The EIF partnership of 51 countries, 24 donors and eight partner agencies works closely with governments, development organizations, civil society and academia. The WTO houses the EIF Executive Secretariat.

## Implementing EIF's new strategic plan

The EIF began to deliver on its 2019-22 strategic plan – “inclusive trade for better lives” – working to ensure that LDCs are able to use trade and investment to integrate more fully into global trade and achieve sustainable development and poverty reduction. Officially unveiled on 19 February 2019 in Kampala, Uganda, the new plan is designed to better position LDCs in the global economy at a time of growing concerns about trade.

In 2019, new projects totalling US\$ 35 million were submitted to the EIF Board for approval aimed at building analytical, institutional and productive capacity for trade in LDCs. The Board extended the current, seven-year EIF programme (2016-22) for two years until 2024 to allow LDCs more time to implement projects. Total commitments to the programme stand at US\$ 136 million. In 2019, Australia, Denmark, Germany, Finland, Japan and Sweden pledged some US\$ 14 million.

## Building capacity for trade

Eighteen projects to build productive capacity in LDCs were designed with input from EIF countries and submitted for approval by the EIF Board.

Of these, 13 projects valued at US\$ 19 million have been approved. They aim to increase exports and access to international markets. Examples include strengthening the shea value chain in West Africa, enhancing export growth initiatives in Rwanda and promoting export diversification in Bhutan.

The Cambodia Trade Integration Strategy (2019-23) is providing a blueprint for the country's trade development. It includes chapters on trade facilitation, trade logistics development, e-commerce and digital transformation. Sustainability support projects were also approved in Lesotho, Malawi, Mali, Senegal and Sierra Leone.

A project in Zambia, which is being implemented by the International Trade Centre, delivered technical training to over 120 women-owned businesses to enhance their business export strategies and access to finance. The project contributes to the EIF's “Empower Women Power Trade” initiative, which was announced by DG Azevêdo on International Women's Day in March 2019 and unveiled at the Women 20 meeting in Tokyo. The four-year initiative will involve working with partner LDC governments to shape policy and bring women into decision-making bodies as equal participants. The programme aims to benefit 50,000 women in LDCs by 2022.



The EIF partnered with the United Nations Economic and Social Commission for Asia and the Pacific for a regional capacity-building project in South Asia. The project aims to enhance the knowledge and capacity of women entrepreneurs in the use of e-commerce platforms in order to expand their business exports and increase their participation in local, regional and global supply chains.

In partnership with the UN Conference on Trade and Development, “eTrade” readiness assessments were made for Kiribati, Lesotho, Malawi and Tuvalu, evaluating the ability of these LDCs to join the global digital economy.

The EIF is partnering with the WTO on a project to assess the trade-related implications for LDCs of their “graduating” from LDC to developing country status. For example, a project is under way in Vanuatu, which is scheduled to graduate in December 2020.

### Reaching out

At the 2019 Global Review of Aid for Trade (see page 134), the EIF’s main event, “Seeing Impact and Looking Forward”, hosted over

200 participants. An EIF-organized side event, “Diversifying Exports in Fragile LDCs”, generated a lively discussion on trade challenges for LDCs in fragile and conflict-affected regions.

In 2019, the EIF’s Trade for Development News platform launched a series of articles focusing on three major trade conversations – the Fourth Industrial Revolution, climate change and the evolving global trade landscape – with a particular emphasis on the impact on LDCs.

### Monitoring, evaluation and learning

Significant investments in strengthening effective monitoring, evaluation and learning were put in place. Workshops in Cotonou, Kampala and Luang Prabang focused on results-based communication and planning.

A so-called meta-evaluation of EIF projects was conducted to assess the quality and use of project evaluations for continuous learning and for drawing lessons about the overall performance of EIF projects. The performance was rated as satisfactory across each of the evaluation criteria. The results were presented to the full EIF partnership at the year-end Steering Committee meeting.

A project to promote export diversification in Bhutan has been approved by the EIF Board.



# Standards and Trade Development Facility

- The Standards and Trade Development Facility (STDF) approved US\$ 4.2 million for projects aimed at improving food safety, animal and plant health and helping developing countries meet sanitary and phytosanitary (SPS) requirements for trade.
- Africa remained the leading beneficiary of STDF grants.
- An independent external evaluation reconfirmed the STDF’s key role as a knowledge network and catalyst for developing and rolling out collaborative, innovative SPS projects. It also said the STDF is achieving more than can be expected in responding to developing country needs, given its budget and resources.

## Background on the Standards and Trade Development Facility

The STDF is a global partnership helping developing countries improve food safety, animal and plant health and meet sanitary and phytosanitary (SPS) requirements for trade, based on international standards. Established by the UN Food and Agriculture Organization, the World Organisation for Animal Health, the World Bank, the World Health Organization and the WTO, the STDF contributes to sustainable economic growth, poverty reduction and food security. It is financed by voluntary contributions from Australia, Canada, Denmark, the European Union, Finland, Germany, France, Ireland, the Netherlands, Norway, Sweden, the United Kingdom and the United States.

## Strengthening SPS capacity in developing countries

The STDF in 2019 approved six project grants and seven project preparation grants (PPGs) totalling US\$ 4.2 million. New projects in Africa aim at strengthening the phytosanitary system in Guinea, improving SPS capacity in Penja pepper in Cameroon and preventing fruit fly pests in South Africa and Mozambique.

In Asia, new projects will boost food safety and market access for peppercorns in Viet Nam, the Lao People’s Democratic Republic and Cambodia, and will contribute to pesticide residue mitigation using biopesticides. In Latin America, a new project was approved to mitigate trade barriers due to high cadmium levels in cocoa in Colombia and Ecuador.

New PPGs will develop projects to strengthen sanitary capacity in the shellfish sector in Senegal, promote regulatory harmonization on biopesticides in the Southern African Development Community, and improve compliance with SPS requirements for feed in Afghanistan. Other projects include strengthening food safety and quality in Sri Lankan spices and developing a food-safety risk analysis programme in Latin America. PPGs will also pilot the use of good regulatory practices in the Philippines and use the STDF’s evidence-based approach to prioritize SPS investments in Ecuador.

STDF projects mostly benefit countries in Africa, followed by Asia-Pacific and Latin America and the Caribbean (see Figures 4 and 5).

Since its founding in 2004, the STDF has provided US\$ 53.2 million for projects to develop the SPS capacity of producers, traders and governments in developing countries to meet international standards for food safety, plant and animal health and to access international markets. Of these funds, over US\$ 35 million has been allocated to projects in least-developed and other low-income countries.

Figure 4: STDF regional projects and PPGs (number), 2004-19\*

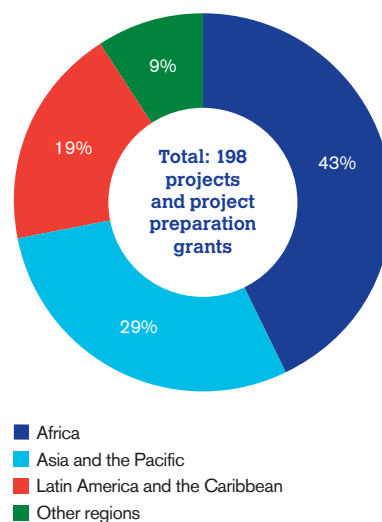
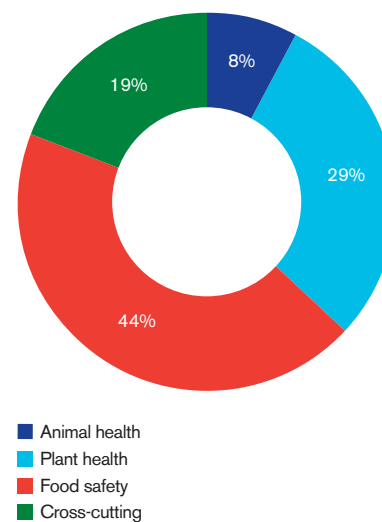


Figure 5: STDF projects and PPGs by topic (number), 2004-19\*



\*The figures comprise total STDF funding and non-STDF funding.





**Flower workers have been supported by STDF's project to promote exports in Uganda.**

### Developing SPS capacity

The STDF continued to facilitate dialogue among public and private-sector partners within its projects and on thematic topics cutting across the areas of food safety, animal and plant health, and trade. These include good regulatory practice, electronic SPS certification, border risk management, public-private partnerships and prioritization of SPS investment needs. The STDF Secretariat shared experiences and lessons from the STDF's work at over 70 conferences and SPS capacity-building workshops worldwide.

### External evaluation

An independent external evaluation, released in 2019, reconfirmed the STDF's key role as a knowledge network and catalyst for developing and rolling out collaborative, innovative SPS projects. It also concluded that the STDF and the STDF Secretariat have delivered outputs and results beyond what might be expected given their budget and resources. The evaluation, carried out

by Nathan Associates, highlighted the STDF's added value and set out various recommendations to shape its future direction.

### New STDF strategy 2020–24

In January 2020, the STDF launched its 2020-24 strategy entitled "Safe and Inclusive Trade Horizons for Developing Countries". In support of the UN's 2030 Agenda, and building on the STDF's strong track record, the strategy sets out how the STDF will continue to assist developing countries by connecting diverse stakeholders with a role in SPS capacity development, delivering innovative and collaborative SPS projects and catalysing change in developing and least-developed countries.



# Technical cooperation and training

- The WTO undertook just under 300 technical assistance activities in 2019, including e-learning, national, regional and global training activities.
- Least-developed countries (LDCs) participated in 50 per cent of all technical assistance activities.

## Background on technical cooperation and training

The Institute for Training and Technical Cooperation coordinates the WTO's technical assistance programmes. Its activities include e-learning, global and regional training courses, academic programmes and workshops at national and regional level. The technical assistance programmes help WTO members better understand their rights and obligations in the multilateral trading system. This strengthens countries' capacity to benefit from participation in the system.

The WTO Secretariat undertook just under 300 technical assistance (TA) activities in 2019 to help government officials gain a better understanding of WTO rules and the multilateral trading system. More than 18,600 participants benefited. The number of online courses rose by 10 per cent to 87, showing a continuing shift towards online learning.

The WTO's 2018-19 technical assistance and training plan follows a "results-based management" approach to ensure that training is delivered in the most effective way. Guidelines and benchmarks help to maintain a high standard of content for all training, consistent teaching methods and regular evaluation of all WTO technical assistance activities.

The WTO Secretariat participated in 12 conferences and other events organized by partner institutions. The number of technical assistance activities in which LDCs participated was roughly unchanged – 50 per cent. More than 60 per cent of all participants accessed their training through e-learning resources on the WTO's online platform.

The WTO continued to involve international and local partners in technical assistance activities to integrate a local perspective in the design of the training programmes.

Sixteen per cent of activities were focused on African countries, 13 per cent Asia and the Pacific, 9 per cent Central and Eastern Europe and Central Asia, 8 per cent Latin America, 4 per cent Middle East countries and 3 per cent the Caribbean (see Table 1). The remaining 47 per cent were "global" activities (including online courses), mostly held in Geneva and aimed at participants from all WTO members and observers. In line with the demand-driven approach, just over 30 per cent of all activities were delivered at the national level in countries where a specific need was identified.

## Participation levels

Women represented 48 per cent of participants for all WTO technical assistance activities, an increase of two percentage points on 2018. Roughly 68 per cent of participants undertook technical assistance in English, 12 per cent in Spanish and 11 per cent in French. Another 8 per cent benefited from multilingual training.



**Table 1: Technical assistance activities by region in 2019\***

Target region	Regional	National	Global**	Total
Africa	37%	26%	0%	16%
Asia and the Pacific	19%	29%	0%	13%
Caribbean	6%	5%	0%	3%
Central and Eastern Europe and Central Asia	13%	20%	0%	9%
Global**	0%	0%	100%	47%
Latin America	14%	15%	0%	8%
Middle East	11%	4%	0%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* Totals may not add up to 100 per cent due to rounding.

\*\* Activities under the "global" category are not targeted at a specific region but include activities such as Geneva-based courses, distance learning, internship programmes and an advisory role on legal issues.

Technical assistance continued for countries seeking to join the WTO (see page 28), with approximately 350 government officials participating in 46 technical assistance events.

### Internship programmes

In 2019, the majority of officials completing WTO internship programmes were from LDCs and other low-income countries in Africa and the Asia and Pacific regions. Nineteen candidates completed the French and Irish Missions Internship Programme, thirteen candidates are currently in the Netherlands Trainee Programme (which commenced in May 2019), five candidates completed the Regional Coordinator Internship Programme and eight completed the Accession Internship Programme.

WTO internship programmes offer government officials hands-on experience in WTO activities. The programmes give priority to applicants from Africa and LDCs, to small, vulnerable economies and to countries in the process of joining the WTO.

### Young Professionals Programme

Following a merit-based selection process, 13 young professionals (seven men and six women) were recruited for the Young Professionals Programme in 2019. The programme was launched in 2016 to increase the representation of professionals from nationalities currently under-represented at the WTO Secretariat. Funded by the Global Trust Fund, the programme aims to improve the opportunities for the young professionals to be recruited by the WTO and/or other regional and international organizations.

All the young professionals came from members currently without any professional staff in the WTO Secretariat. The 2019 group comprised professionals from Afghanistan; Cambodia; Haiti; Honduras; Hong Kong, China; Liberia; Macao, China; Maldives; Namibia, Oman; Papua New Guinea; Sri Lanka; and Tajikistan. Their tasks ranged from contributing to WTO Secretariat working documents, attending meetings and preparing minutes to assisting in the organization of the WTO's Public Forum.

DG Azevêdo met with them in November to thank them for their good work and contribution to the organization. "This programme helps to strengthen the diversity at the Secretariat," he said. "This is very important in an organization like the WTO, where inclusivity and diversity are at the core of our activities."

### Financing technical assistance

The bulk of the technical assistance programme is financed by the Global Trust Fund, which receives voluntary contributions from WTO members. Excluding some annual fluctuations, there has been a steady decrease in voluntary contributions for a decade. In 2019, total contributions were CHF 6.2 million compared with CHF 7.4 million in 2018.

Other funding sources include the WTO regular budget for Geneva-based courses and national technical assistance activities – CHF 4.5 million for 2019 – and contributions from other trust funds (such as the French and Irish Missions Internship Programme and the China Programme), which totalled CHF 2.5 million in 2019.

# Trade and women's empowerment

- DG Azevêdo told an event marking International Women's Day that "gender issues are central to who we are as an organization".
- The WTO launched a training module looking at the intersection between trade and women's economic empowerment.
- The WTO participated in 16 international conferences to showcase its work on trade and gender. It also published a number of studies on how trade impacts women's empowerment.

## Background on trade and women's empowerment

In 2017, the WTO appointed a Trade and Gender Focal Point, who is leading the work on trade and gender in the WTO. The WTO seeks to build a more inclusive trading system, raise awareness on the link between trade and gender, facilitate WTO members' actions on trade and gender, generate new data on the impact of trade on women and provide training to government officials.

## Research work on trade and gender

In 2019, the WTO published a number of studies on how trade impacts women's empowerment. A paper published in April looked at how WTO members integrated women's empowerment into trade policies between 2014 and 2018. Almost half of the membership has implemented at least one trade policy in support of women. Another paper looked at how Aid for Trade has impacted women's economic empowerment by building their capacity to trade and to use trade as a tool for their economic development.

In partnership with the South Asian Women Development Forum and TradeMark East Africa, a trade-promoting organization, the WTO conducted two surveys in South Asia and in East Africa of over 200 women entrepreneurs. They showed that most women wanted to export and join global markets but were not sure where the opportunities were or how to access them.

The WTO marked International Women's Day on 8 March 2019 with an event – "Unlocking Trade for Women's Empowerment through Innovation and Sustainability". It took place a little over a year after a large group of WTO members and observers endorsed at the 11<sup>th</sup> WTO Ministerial Conference an initiative to boost women's role in international trade (see page 54). Opening the event, DG Azevêdo reviewed what the organization is doing on trade and gender and talked about future work and initiatives. "Gender issues are central to who we are as an organization," he said.

He also announced a new research project to look at how trade can help women seize new economic opportunities arising from the development of the green economy and how it can help them benefit fully from new environmental innovations. At a session at the Aid for Trade Global Review 2019, DG Azevêdo said that women entrepreneurs play a vital part in the world economy but more must be done to dismantle barriers to their full participation in global trade.





The WTO marked International Women's Day with an event entitled "Unlocking Trade for Women's Empowerment through Innovation and Sustainability".



### Trade and gender training for government officials

A WTO training module on trade and women's economic empowerment was launched on 8 March 2019. It looks at the intersection between the two, examining the issue in the context of WTO rules and members' different perspectives on how these rules can be reflected in trade policies. The module contains concrete examples, case stories and WTO members' best practices. It is based on the mandate provided to the Secretariat by WTO members in the 2018-19 Biennial Technical Assistance and Training Plan (see page 129).

The training module has been gradually included as part of courses delivered by the Institute of Training and Technical Cooperation (see page 140), and as part of advanced and regional trade policy courses, Geneva Week events, introductory trade policy courses for least-developed countries

and e-chats. Thirteen training activities were organized for trade officials in 2019.

The WTO also contributed to a capacity-building workshop on women and trade organized by the Asia-Pacific Economic Cooperation's Committee for Trade and Investment in Santiago, Chile, in March.

The WTO participated in 16 international conferences in 2019 to showcase the WTO's work on trade and gender. Through the Public Forum (see page 150) more links were established with civil society. The WTO partnered with Graduate Women International to celebrate the NGO's 100<sup>th</sup> anniversary. It has also started a dialogue with the Gender and Trade Coalition, a group initiated by NGOs to call for equitable trade policy.

# Outreach

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Public Forum 2019

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## Spotlight

Open Day 2019

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The WTO maintains regular dialogue with the business community, non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance cooperation and raise awareness of trade issues.

8-11 octobre 2019, Genève



## Contact with the business community

- Over 350 business representatives attended the WTO Public Forum, nearly 50 per cent more than in 2018. The business community held 25 sessions during the event.
- The International Chamber of Commerce (ICC) and the B20 presented ideas on the 12<sup>th</sup> Ministerial Conference (MC12) and WTO reform.

### Background on contact with the business community

Business and the WTO have always been closely connected. The private sector is a major beneficiary of transparent and predictable trade rules and obligations. Business is an important interlocutor for both governments and the WTO. It is actively involved in the multilateral trading system and participates in public activities of the WTO.

### Business backs reform of the global trading system

At a high-level session at the WTO Public Forum (see page 150) in October, the ICC and the B20, the business arm of the G20 economies, spelled out their expectations for an outcome at MC12. Business representatives also put forward ideas on changes they would like to see to the functioning of the WTO. The session was attended by DG Azevêdo, who welcomed the business community's support for strengthening the trading system.

The WTO's 2019 Public Forum drew more than 350 business representatives – almost 50 per cent more than in 2018 – to its debates and meetings on the theme of “Trading Forward: Adapting to a Changing World”. The business community organized 25 sessions during the four-day event, covering topics such as sustainability, e-commerce, services, millennials' expectations from trade, digitalization and the future trade agenda.

ICC Secretary General John Denton presented a paper entitled: “Reforming the multilateral trading system – The outcomes we want for people and planet”, with a set of recommendations on

enhancing the functioning of the WTO. These include strengthening WTO governance and accountability, updating the existing WTO rulebook and accelerating new rule-making. He also invited business representatives to express their views in the online “Trade Dialogue”, a digitally enabled platform, launched by the ICC in May 2019 to facilitate debate on an achievable outcome for MC12.

### Other contact with businesses

Throughout the year, WTO officials met with members of the business community in Geneva or elsewhere. The issues most frequently discussed included the state of play in the WTO's trade negotiations (see page 34), trade tensions and the Appellate Body impasse (see page 122).

In a speech at the launch of the Association of Bilateral Chambers of Commerce on 29 October 2019 at the WTO, DG Azevêdo highlighted the role of chambers of commerce in bringing the voice of businesses to the trade debate. The DG also attended the centenary summit of the ICC in Paris on 28 May and a meeting organized in Paris by the Mouvement des Entreprises de France and the ICC, also in May.

The ICC and the B20 organized a high-level session at the WTO Public Forum.



# Trade Dialogues

- The WTO facilitated the first “Trade Dialogue” with consumer organizations, bringing together consumer groups and private sector representatives.
- Consumer groups expressed support for multilateral trade.
- Consumers focused on the challenges and opportunities provided by e-commerce and how the WTO can help address consumers’ concerns.

## Background on Trade Dialogues

The “Trade Dialogues” initiative was launched in 2016 to bring together a wide range of stakeholders, including consumer bodies, business and academics, to discuss trade concerns. Events were held at the WTO in May 2016, June 2018 and May 2019. Each of these meetings identified pressing issues and resulted in recommendations that were presented to WTO members.

On 6 May, the WTO facilitated the first meeting to be organized solely for consumer organizations as part of the WTO’s “Trade Dialogues” initiative. The meeting was held at the request of Consumers International, which has more than 200 member organizations in over 100 countries.

The event brought together senior representatives of more than a dozen consumer organizations from around the world and a number of private sector representatives. Participants discussed consumer issues in the trade arena, focusing on the challenges and opportunities provided by e-commerce and how the WTO can help address consumers’ concerns in this area.

The Trade Dialogue initiative aims to bring together a wide range of stakeholders, including labour organizations, consumer bodies, business and academics, to discuss trade concerns. The first dialogue was held in 2016.

At the opening session, the consumer organizations sent a strong message of support for the WTO and the multilateral trading system. They stressed the importance of ensuring consumers’ concerns are taken into account in

trade negotiations and policy-making. Participants expressed interest in the ongoing work at the WTO, in particular in the negotiations on fisheries and agriculture.

“Consumers are central to the success of trade and it is in everyone’s interests that their voices are heard in the development of trade rules ... These trade dialogues are a good start towards an open process that will allow consumer advocates to engage with negotiators and ensure the consumer perspective is heard,” Consumers International Director-General Helena Leurent told the opening session.

In his address, DG Azevêdo said: “We are very conscious of the duty we have to consumers, and the need to ensure that trade functions in a way that is good for all. The voices of consumers must, therefore, be heard in the trade debate – especially at this crucial moment where trade tensions are rising, and governments are discussing potential reforms to the trading system.”

The opening session was followed by a discussion on the work of the WTO on e-commerce, led by Helena Leurent. Consumer groups noted that there will be more than 2 billion online consumers by 2021. The ongoing discussions on e-commerce at the WTO (see page 59) are a window of opportunity to put policies in place that make the world fair, safe and sustainable for them, participants said.

At the final session, also attended by WTO members, the consumer organizations presented their priorities for e-commerce and their recommendations for how these should be addressed at the WTO. Among them is the need for transparency in the negotiations, with consumer groups asking to be informed about proposals and included in consultations with their respective governments to ensure their interests are represented. In addition to reducing prices and enhancing choice, consumer groups would also like the e-commerce negotiations to address steps to strengthen consumer protection.

**A Trade Dialogue with consumer organizations was held at the WTO in May 2019 at the request of Consumers International.**



# Relations with non-governmental organizations

- **Non-governmental organizations (NGOs) arranged 42 sessions at the 2019 Public Forum, twice as many as in 2018. NGOs were the third-largest group at the Forum after business and academia.**
- **NGOs were kept informed of WTO work through regular WTO Secretariat briefings and workshops.**

## Background on relations with NGOs

The WTO maintains regular dialogue with civil society organizations to enhance cooperation and increase their awareness of WTO activities and the multilateral trading system. Maintaining and strengthening the relationship with civil society remains important for increasing transparency and increasing public awareness of the work of the WTO.

In 2019, NGOs attended regular WTO Secretariat briefings on trade negotiations and other WTO work. Six briefings were held following meetings of the Trade Negotiations Committee and the General Council. In 2019, 18 local NGOs (61 individuals) had WTO-NGO badges, which facilitate participation in events at the WTO that are public or dedicated to NGOs, such as WTO Secretariat briefings.

In partnership with the Friedrich-Ebert-Stiftung (FES), the WTO held a three-day regional dialogue in Johannesburg, South Africa, in October for civil society and the media. The 54 participants discussed the WTO's scope, functions and work, with specific focus on issues relevant to Africa, including the African Continental Free Trade Area, agriculture, the digital economy and the joint initiatives (see page 48).

NGOs could also attend seven dispute hearings at the WTO related to six cases, including three on US steel and aluminium products, brought individually by Switzerland, Norway and the European Union, and another involving the European Community and certain member states in a compliance complaint over large civil aircraft brought by the United States.

At the 2019 Public Forum, NGOs organized 42 sessions (over double the number in 2018) and accounted for 12 per cent of over 2,500 participants – the third-largest group after business and academia (see page 150).

**CUTS International Geneva co-organized a Public Forum session on leveraging the digital era for better integration of the developing world in global trade.**



# Contact with parliamentarians

- A parliamentary session was held during the Public Forum on the role of parliamentarians in digital trade.
- The 10<sup>th</sup> edition of the Asia Pacific Regional Parliamentary meeting took place in Singapore, with a message from DG Azevêdo.

## Background on contact with parliamentarians

Parliamentarians play an important role in the multilateral trading system. Any deal resulting from intergovernmental negotiations at the WTO will, in most cases, need approval from legislators. The WTO seeks to maintain an open dialogue with parliamentarians and to help them gain a deeper understanding of the organization and its work.

The steering committee of the Inter-Parliamentary Union (IPU) on WTO matters met in March in Brussels and October in Geneva during the WTO Public Forum (see page 150). Deputy Director-General Yi Xiaozhun, senior WTO staff and Geneva-based ambassadors briefed legislators on important issues facing the multilateral trading system. The IPU is the international organization of parliaments.

A parliamentary session was held during the Public Forum on “What role for parliamentarians in digital trade?”. Participants included the Speaker of the Parliament of Zimbabwe, Jacob F. Mudenda, the Speaker of the Parliament of Namibia, Margaret Mensah-Williams, members of the European Parliament and the Deputy Secretary-General of the UN Conference on Trade and Development, Isabelle Durant.

## Regional workshops and meetings

The 10<sup>th</sup> edition of the Asia Pacific regional parliamentary meeting took place in Singapore. In a videoed message to the meeting, DG Azevêdo flagged the importance of the joint work of regional parliamentarians in challenging times. The Speaker of the Singapore Parliament,

Tan Chuan-Jin, said: “Given the complex interdependence of economies around the world, abuse and neglect of the multilateral trading system will benefit few.”

During the year, DG Azevêdo also spoke at the French Assemblée Nationale and the Mexican Senate about challenges facing the WTO. In his address in Paris in May, DG Azevêdo stressed the importance of maintaining and strengthening the multilateral trading system so that it can continue to respond effectively to the challenges of today’s world.

He told the parliamentarians that they play a particularly important role in the WTO’s work “through your advocacy on trade issues, through debating and ratifying WTO agreements, and through the pressure that you apply to your governments to engage on the key issues”. Parliamentarians also “help connect the WTO as an organization to your constituents – to the people you represent. This is a very important link. It helps to ensure inclusivity in the global trading system, so that we can ensure that the benefits of trade reach everyone,” he said.

The WTO organized two regional workshops for parliamentarians: in Vienna (co-organized with the Joint Vienna Institute) and at the parliamentary meeting in Singapore. The WTO participated in the parliamentary assemblies of the IPU in Geneva and of the parliamentary assembly of the Mediterranean in Belgrade and Milan.



In an address to the French National Assembly in Paris in May 2019, DG Azevêdo highlighted the important role of the multilateral trading system in supporting growth and development.

## Spotlight:

## Public Forum 2019

Under the theme “Trading Forward: Adapting to a Changing World”, the 2019 Public Forum was the largest ever in terms of sessions held and running time. Taking place over four days, it attracted over 2,500 participants from 126 countries and featured 140 sessions. High-level sessions examined how countries, businesses and traders can best adapt to change, including threats to the environment, and discussed the increasing importance of services in global trade. A high-level panel of millennials and Generation Z looked at what they expect from global trade.



Keynote speakers at the opening plenary addressed the importance of a rules-based multilateral trading system in uncertain times and how to ensure that global trading rules work in sync with environmental policies to ensure that trade contributes positively to sustainable development.

The enthusiastic response to the Public Forum, the WTO's largest public outreach event, was “reassuring,” DG Azevêdo told the plenary. “It means we’re asking the right questions – and that we are working together to find answers.”

### Adapting to a changing environment

DG Azevêdo stressed the need for all participants in global trade – including the WTO – to recognize and adapt to a trading environment that is undergoing rapid technological change. “We need to change because technology advances, more services become tradeable, and rising generations join the workforce,” he declared.

New technologies have the potential to expand human capabilities and enable inclusive prosperity, said DG Azevêdo, or they could fuel unemployment, inequality and years of instability and unrest. “The future we get will be shaped by the policies we choose, at the domestic and international levels.”

### Agreement for a sustainable future

Another high-level panel called for the urgent need to end harmful fisheries subsidies (see page 44). Sir David Attenborough, renowned conservationist, voiced his support, noting via video message that a WTO agreement is vital for the sustainable future of the oceans.

### Launch of the World Trade Report

The 2019 edition of the WTO's *World Trade Report* (see pages 158 and 162) was launched at the Forum and highlighted the increasing and dynamic role of services in international trade and the need for cooperation to support this expansion. The Forum also debated how statistics can better capture trends in trade.

### Youth

Thirty-one sessions were held under the sub-theme “The Next Generation – What do Millennials & Gen Z Want to See from Global Trade”. A high-level panel of millennials and Generation Z, who will soon account for over half of the world's population, brought together young entrepreneurs to discuss with DG Azevêdo how global trade can reflect youth values and address the challenges facing young people.

**DG Azevêdo launched the World Trade Report 2019 at the Public Forum.**





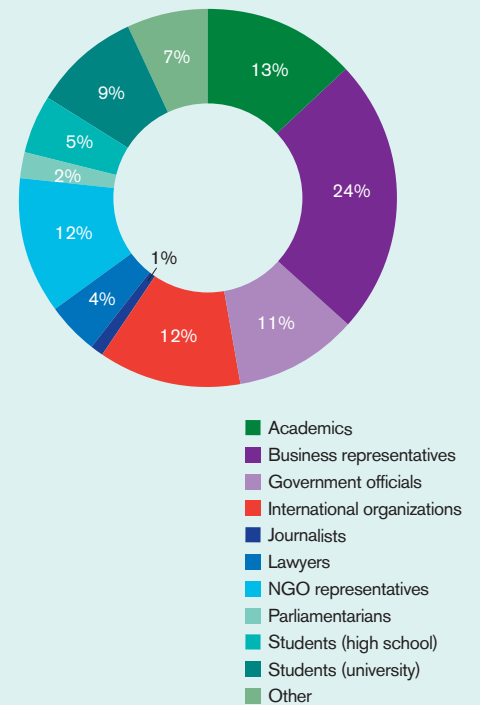


A high-level youth panel looked at their expectations for world trade.

In the panellists' view, the current paradigm has to change and institutions and governments need new ideas that respond to new ways of doing business. "The theme of the conference is how we need to adapt to the trading environment of 2030, 2040 and 2050, and the millennials and Generation Z are the ones who are going to be trading," DG Azevêdo told the high-level session.

Of the 14 exhibitors at the Forum, several were millennials showcasing how they are using new technologies to address challenges including those related to the environment, education and poverty. A photo exhibition, "Youth Voices on Trade", highlighted the hopes and expectations of youth around the world for the future of global trade. The photos were made available to a wider audience through a dedicated webpage on the WTO website.

Figure 1: Public Forum participation in 2019



A Meet the Author session at the Public Forum.

# Cooperation with other intergovernmental organizations

- **G20 leaders recognized the contribution of the multilateral trading system to economic growth and called for reform to improve its functioning.**
- **DG Azevêdo attended the G20 and G7 summits and took part in events organized by the UN, the World Bank, the IMF, the OECD and others.**
- **The WTO worked closely with other international organizations to promote the Sustainable Development Goals and to assist developing countries in maximizing the benefits of trade.**
- **UN Secretary-General António Guterres addressed the WTO General Council in May, underscoring the importance of revitalizing multilateral trade cooperation.**

## Background on cooperation with other international organizations

The WTO works closely with other intergovernmental organizations and regional bodies, especially those involved in trade-related issues. This cooperation helps to ensure coordinated action and a consistent approach to international trade policies.

**DG Azevêdo participated in a G20 meeting in Osaka, Japan, in June 2019.**

## G7

In August, DG Azevêdo attended a summit of leaders of the G7 group of industrialized countries in Biarritz, France, together with the heads of the United Nations, the International Labour Organization (ILO), the International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD). At a session on “Fighting Inequalities”, the DG said that the trading system could help improve inclusiveness and promote a wider distribution of the benefits of trade and the modern economy. “Reform of the WTO provides an opportunity to focus the agenda of work on issues that make trade and trade rules more responsive to the demands of today’s economy in an inclusive way,” he said.

## G20

The G20 declared in Osaka, Japan, in June that international trade and investment are important engines of growth, productivity, innovation, job creation and development. The summit of leading developed and developing countries reaffirmed its support for “the necessary reform” of the WTO to “improve its functions”. DG Azevêdo joined Japan’s Prime Minister Shinzō Abe and other G20 leaders at a side event to discuss the importance of the digital economy and ongoing negotiations at the WTO (see page 48). The Osaka Declaration committed signatories to promote international rule-making and urged progress on e-commerce at the WTO.





**DG Azevêdo in discussion with IMF Managing Director Christine Lagarde and World Bank CEO Kristalina Georgieva at an event in April 2019.**

The WTO also contributed to G20 trade discussions in meetings of G20 sherpas, the G20 Working Group on Trade and Investment and G20 agriculture ministers. It also continued to monitor food crop policies under the G20 Agriculture Market Information System initiative (G20-AMIS), which aims to increase transparency in international commodity markets and improve policy coordination.

With the United Nations Conference on Trade and Development (UNCTAD) and the OECD, the WTO continued to publish six-monthly reports on trade and investment measures in G20 countries. The November report noted that the share of global trade covered by trade-restricting measures has soared (see page 108).

### High-level meetings

At a WTO-IMF-World Bank event in Washington in April, DG Azevêdo, IMF Managing Director Christine Lagarde and World Bank CEO Kristalina Georgieva called for renewed efforts to leverage trade to reduce poverty. DG Azevêdo warned that current trade tensions risked undermining recent progress. “Despite the current situation, we cannot lose focus of the urgent need to tackle poverty and to deliver on the Sustainable Development Goals,” he said. The three leaders were speaking at an event held alongside the World Bank-IMF spring meetings.

In October, DG Azevêdo took part in a meeting hosted by German Chancellor Angela Merkel in Berlin to discuss ways to strengthen multilateralism and international cooperation in order to improve prospects for inclusive and sustainable growth. The heads of the ILO, IMF, OECD and the World Bank also attended. “Reform is underway to make the WTO faster, more flexible and responsive to members’ needs, and ensure that it can respond to the current global challenges,” he said after the meeting.



**UN Secretary-General António Guterres addressed the WTO General Council in May 2019.**

**ILO Director-General Guy Ryder and DG Azevêdo at the unveiling of a sculpture by Belgian artist Constantin Meunier presented to the WTO as part of the ILO's centenary celebrations.**



### OECD

DG Azevêdo told the OECD Ministerial Council in May that the WTO has seen growing interest in discussing e-commerce. “Ultimately, the test of our success in responding to this revolution will be the extent to which we use it as a force for greater inclusion,” he said.

The OECD and the WTO cooperate in a wide range of areas, including in the trade in value-added (TiVA) database and in improving the measurement of digital trade (see page 164). They are also working together on the development of trade facilitation indicators, with an interactive web tool covering 152 countries.

Together, they launched the publication “Facilitating Trade through Regulatory Cooperation: The Case of the WTO’s TBT/SPS Agreements and Committees” in July (see page 159).

### United Nations

UN Secretary-General António Guterres addressed the WTO General Council in May. A rules-based, non-discriminatory and equitable trading system is essential to preserving the interests of the poorest and most vulnerable economies, he said.

DG Azevêdo attended meetings of the United Nations Chief Executives Board (CEB), composed of the executive heads of UN agencies, funds and programmes and the executive heads of the IMF, the World Bank and the WTO.

The CEB spring meeting was held at the ILO in May to mark the 100<sup>th</sup> anniversary of the organization. At a ceremony at the WTO’s headquarters, ILO Director-General Guy Ryder presented the WTO with a sculpture by Belgian artist Constantin Meunier. The sculpture had previously been housed at the Centre William Rappard, which was the ILO’s headquarters until 1975.

The WTO is part of the UN Secretary General-led High-Level Task Force, which brings together 23 UN agencies and international organizations to provide policy coordination and political leadership to achieve the UN Sustainable Development Goals related to food security and to sustainable agriculture and food systems.

DG Azevêdo and the Director-General of the UN Food and Agriculture Organization (FAO), José Graziano da Silva, jointly chaired the International Forum on Food Safety and Trade in April at the WTO (see page 62).

### Anniversaries

In September, DG Azevêdo attended the 25<sup>th</sup> anniversary of the Punta del Este Conference that launched the Uruguay Round of trade negotiations. He also attended in Washington in October the 75<sup>th</sup> anniversary of the Bretton Woods Conference, which laid the groundwork for a new era of global economic cooperation embedded in the IMF, the World Bank and the multilateral trading system.

### UNCTAD, ITC and UN regional commissions

UNCTAD, the International Trade Centre (ITC) and the WTO jointly produce the annual World Tariff Profiles (see page 158) and quarterly and annual statistics on international trade in services. They also combine in statistical capacity-building activities, including training and e-learning courses.

The WTO’s cooperation with the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) has grown, particularly in helping least-developed countries (LDCs) that are “graduating” from LDC status to adapt to their changing situation (see page 130) and in helping developing countries to prepare for ministerial conferences.



# Contact with the media

- **The media team addressed increasing demand from journalists for information on the WTO's work against a background of trade tensions.**
- **Journalists representing African, Asian and Latin American news outlets attended seminars on the WTO, which highlighted challenges facing the organization.**

With trade tensions making headlines, the WTO media team was kept busy addressing increasing demand from journalists for information about the WTO's work and its role in safeguarding the multilateral trading system.

Twenty-six press briefings were held, almost half of them on dispute settlement. Additional briefings followed General Council and Heads of Delegation meetings, the fisheries subsidy negotiations and accessions meetings. In April, DG Azevêdo held a press conference on the WTO's annual trade outlook. Then in July, he was invited by the Geneva Association of UN Correspondents (ACANU) for an exchange with its members. He also briefed the press after the final General Council meeting of the year.

The media team assisted journalists with coverage of major 2019 events at the WTO, including the Public Forum, (see page 150), the Aid for Trade Global Review (see page 134) and the first World Cotton Day (see page 88).

The WTO received just over 200 requests for registration to the online newsroom, where journalists can access press releases and publications under embargo. The total number of accredited journalists registered stood at 1,887.

## Outreach

On 13-17 May, 14 newspaper and television journalists representing outlets in Africa and Asia attended a seminar organized in Geneva by the WTO and the Friedrich Ebert Stiftung. The seminar highlighted the challenges facing the WTO and the importance of the multilateral trading system.

Seventeen journalists from 16 Latin-American countries were invited in June for a week-long seminar at the WTO. The programme touched on the new challenges of international trade, including WTO reform. The WTO also organized a workshop for Southern African journalists and non-governmental organizations (NGOs) in Johannesburg, South Africa, in October (see page 148).

**In June, 17 journalists from Latin America took part in a week-long seminar at the WTO.**



# Contact with the public

- The website attracted 2.7 million monthly visits, 17 per cent more than in 2018.
- The WTO launched a new video series “Let’s Talk Trade”, in which WTO staff talk about trade topics in everyday language.
- The WTO’s three institutional Twitter accounts have close to 400,000 followers. Its page on Weibo has more than 620,000.
- The WTO issued 52 publications and regularly updated the WTO iLibrary, which contains over 400 titles published by the WTO.

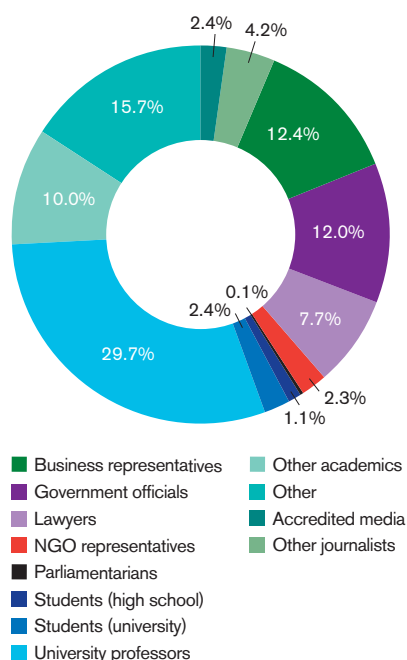
### WTO website

The WTO website attracted over 2.7 million monthly visits in 2019, over 17 per cent more than the year before. Russia accounted for the most visits, with 16.5 per cent, followed by the United States (15.6 per cent), China (9.3 per cent), the United Kingdom (4.0 per cent) and India (3.8 per cent). Total page views rose to 72.6 million from 60.8 million in 2018. Over 460 news items were published on the site in 2019.

The most downloaded files were the WTO’s flagship publications, the World Trade Statistical Review 2018 (over 225,000 downloads), the World Trade Report 2018 (over 85,000) and the Annual Report 2019 (27,000). WTO videos were viewed over 195,000 times in 2019. The most popular video, with 9,934 views, was the “Let’s Talk WTO” video about why the WTO was created and how it works.

Some 77,000 people have registered to receive email alerts for WTO news items (see Figure 2). The largest numbers of registrations are from India (10.5 per cent), followed by the United States, Mexico, Colombia, France and Peru.

Figure 2: People registered to receive email alerts, as of end-2019



**2.7m**

monthly visits to the WTO website in 2019



**▲ 17%**  
increase over 2018

### Visitors to the website



**16.5%**  
from the Russian Federation



**15.6%**  
from the United States



**9.3%**  
from China



**4%**  
from the United Kingdom



**3.8%**  
from India



## Social media followers 2019

12,000



Instagram

315,000



Facebook

400,000



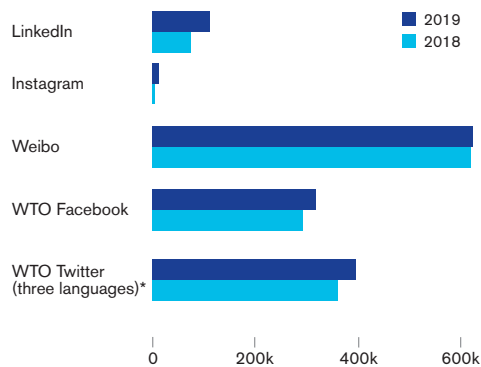
Twitter

620,000



Weibo

**Figure 3: Followers of the WTO on Facebook, Instagram, LinkedIn, Twitter and Weibo**



\*English, French and Spanish.

### Social media

The WTO maintains an active presence on social media. Some of the most popular posts were the video series “Let’s Talk Trade” on Facebook; Aid for Trade posts on Twitter; posts about the Young Professionals Programme (see pages 141 and 172) on LinkedIn; and the visit of UN Secretary-General António Guterres to the WTO in May on Instagram.

The WTO’s Instagram account almost tripled in size to about 12,000 followers. Twitter accounts in French and Spanish grew about 60 per cent. At the end of the year, the WTO’s three institutional Twitter accounts had close to 400,000 followers, its Facebook page had nearly 315,000 “likes” and its page on Weibo, a Chinese social media platform, had more than 620,000 followers (see Figure 3).

### WTO videos

WTO videos are used to inform the public and to bring trade content to a wider audience. In 2019, the WTO launched a series called “Let’s Talk Trade” aimed at explaining trade topics using metaphors and simple, everyday language. The series has been very well received by the general public and experts alike. Other popular videos showcased events such as World Cotton Day (see page 88) and the Aid for Trade Global Review (see page 134).

### Visiting groups

In 2019, the WTO welcomed 233 visiting groups – a total of approximately 6,660 people. Presentations mostly covered the WTO’s history, functions and current work. Some groups requested presentations on specific topics, primarily dispute settlement, agriculture, development and intellectual property rights.

Most of the presentations were given in English (139), while 31 were given in French, 24 in Chinese, 12 in German, three each in Italian, Korean, Russian, Spanish and Swedish, two each in Arabic and Portuguese, and one each in Finnish and Ukrainian.

### WTO publications

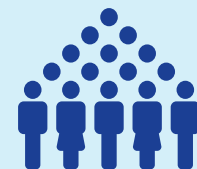
The WTO issued 52 publications in 2019 and added interactive apps of the Annual Report and the World Trade Statistical Review to its app library. Five books were launched at the WTO by DG Azevêdo, including co-publications with the Organisation for Economic Co-operation and Development (OECD) and the International Finance Corporation.

Most WTO publications can be downloaded from the WTO’s website in the organization’s three official languages, English, French and Spanish. Printed copies can be purchased from the online bookshop (<https://onlinebookshop.wto.org/shop/>). The WTO’s apps are available free from the App Store and Google Play. The WTO Publications’ Facebook page has over 50,000 followers and its Twitter page has over 70,000 followers. A digital newsletter, “Book News”, is regularly sent to 85,000 recipients.

The WTO iLibrary ([www.wto-ilibrary.org](http://www.wto-ilibrary.org)), launched in 2018 in cooperation with the OECD, was expanded to include over 1,000 titles published by the WTO or co-published with Cambridge University Press, over 200 WTO working papers, comprehensive statistical data on world trade, and every dispute settlement report issued by the WTO. The iLibrary is a dynamic research tool that brings together all the WTO’s key research material on global trade.

233

visiting groups



6,660

people in total



Contact with the public  
[www.wto.org](http://www.wto.org)

## Flagship publications



### Annual Report 2019

ISBN 978-92-870-4766-3 | CHF 50

The Report contains a message from the Director-General, an overview of the past year and in-depth accounts of the WTO's various areas of activity.



### Annual Report 2019 app

Free

The app features an interactive quiz that tests users' knowledge of the WTO and links to the full text of the report.



### World Trade Report 2019: The future of services trade

ISBN 978-92-870-4772-4 | CHF 50

The Report examines how trade in services is evolving and why services trade matters (see pages 92 and 162).



### World Trade Statistical Review 2019

ISBN 978-92-870-4778-6 | CHF 50

A comprehensive overview of the latest developments in world trade, covering both merchandise trade and trade in commercial services.

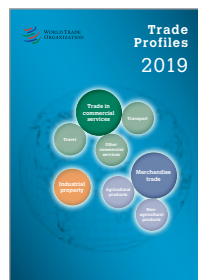


### World Trade Statistical Review 2019 app

Free

The app features an interactive quiz on the latest trends in world trade and links to the full text of the review.

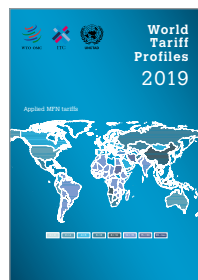
## Other annual publications



### Trade Profiles 2019

ISBN 978-92-870-4748-9 | CHF 50

Key indicators on trade in goods and services for 196 economies. Highlights each economy's major exports and imports and its main trading partners.



### World Tariff Profiles 2019

ISBN 978-92-870-4802-8 | CHF 50

Comprehensive information on tariffs and non-tariff measures imposed by over 170 countries and customs territories. Co-published with ITC and UNCTAD.



### Trade Policy Reviews

In 2019, 12 Trade Policy Reviews were published, analysing the trade policies and practices of the Lao People's Democratic Republic; Peru; Costa Rica; Suriname; North Macedonia; Canada; Trinidad and Tobago; Papua New Guinea; Samoa; Bangladesh; the East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda); and Ecuador (see page 104).



### Dispute Settlement Reports 2018

Ten volumes were produced in 2019, providing the full texts of panel reports, Appellate Body reports and arbitration awards issued by the WTO in 2018. Co-published with Cambridge University Press.





## New publications



### WTO Dispute Settlement: One-Page Case Summaries 1995-2018

ISBN 978-92-870-4979-7 | CHF 40

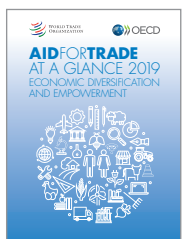
Case-by-case, single-page summaries of panel and Appellate Body reports adopted by the WTO Dispute Settlement Body.



### Making Globalization More Inclusive

ISBN 978-92-870- 5057-1 | CHF 40

The publication discusses how governments can help make international trade more inclusive and ensure that the benefits of open trade are spread more widely (see page 163).



### Aid for Trade at a Glance 2019

ISBN 978-92-870-4986-5 | CHF 70

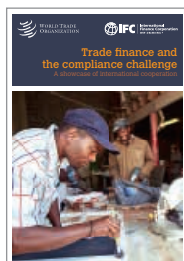
The publication analyses how trade can contribute to economic diversification and empowerment, with a focus on eliminating extreme poverty, and how Aid for Trade can contribute to this.



### WTO Ministerial Conferences: Key Outcomes

ISBN 978-1-108-74215-3 | CHF 35

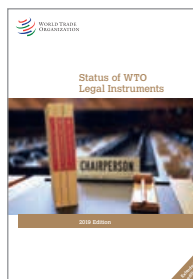
The publication contains all the key outcomes from the 11 WTO ministerial conferences held between 1996 and 2017. Co-published with Cambridge University Press.



### Trade Finance and the Compliance Challenge

ISBN 978-92-870-5008-3 | CHF 30

The publication examines the challenges of regulatory compliance and describes the efforts of international organizations, such as the WTO and the International Finance Corporation, to respond to this issue (see page 110).



### Status of WTO Legal Instruments – 2019 edition

ISBN 978-92-870- 4973-5 | CHF 40

The publication covers the treaty instruments drawn up by WTO members in relation to the Agreement Establishing the WTO and the multilateral and plurilateral trade agreements annexed to this agreement.



### Facilitating Trade through Regulatory Cooperation

ISBN 978-92-870-4284-2 | CHF 30

The publication highlights how the WTO's Agreement on Technical Barriers to Trade and the Agreement on Sanitary and Phytosanitary Measures, and the work of their committees, promote opportunities for regulatory cooperation among governments and ease trade frictions. Co-published with the OECD.



### Global Value Chain Development Report 2019

ISBN 978-92-870-4967-4 | CHF 60

The report discusses how technological developments are creating new opportunities for small and medium-sized enterprises to participate in global value chains. Co-published with IDE-JETRO, OECD, RCGVC-UIBE, the World Bank Group and the China Development Research Foundation (see page 162).



Contact with the public  
www.wto.org

## Spotlight: Open Day 2019

The WTO welcomed close to 3,000 visitors to its headquarters on Sunday 14 June for the fifth WTO Open Day. Visitors enjoyed guided tours of the building, gained insights into the work of the WTO and sampled the national cuisine of a range of WTO members. One of the day's key events was a special award presented by DG Azevêdo to Geneva's diplomatic police.

DG Azevêdo presented a "Thank You" award to Ms Monica Bonfanti, Commander of the Geneva Police.

WTO visitors gathered in the Council Room, the WTO's main meeting room, for an opening ceremony, with addresses by DG Azevêdo, the Chair of the General Council Sunanta Kangvalkulkij and representatives of the Swiss Confederation, the State Council and the City of Geneva. During the opening ceremony, a "Thank You" award was presented by the DG to the Brigade de Sécurité Diplomatique, the police officers in charge of protecting civil servants and diplomats working in Geneva.



### "Thank You" award

DG Azevêdo said: "I am pleased to give this thank you award to the Brigade de Sécurité Diplomatique. Every day, each of us relies on your professionalism, skill and expertise to protect us, and also our families and loved ones. This includes WTO staff and those who work for the diplomatic missions to the WTO. Of course, it also includes all the other international organizations and missions in Geneva. And while much of your work is unseen, it is by no means overlooked, forgotten

or taken for granted. So today we want to celebrate and recognize the exceptional job done."

Commander of the Geneva Police, Ms Monica Bonfanti, received the award on behalf of the diplomatic police. She said: "On behalf of all the employees of the Brigade de Sécurité Diplomatique of the Geneva Police, it is with pleasure and honour that I receive this award. The Brigade undertakes with great pride the task of protecting international Geneva."

Representatives of the Swiss Confederation, the State Council and the City of Geneva participated in the opening ceremony.





**WTO staff gave more than 20 guided tours.**

### Guided tours and exhibitions

Through more than 20 guided tours, carried out by WTO staff, visitors had the opportunity to discover the rich history of the Centre William Rappard, the WTO's headquarters, and its unique works of art. Visitors were able to view a photo exhibition of famous people in the history of the WTO along with pictures dating back to the signing of the Marrakesh Agreement establishing the WTO. They could also explore a display on "Ways we gain from trade", consisting of case studies depicting how various countries benefit from trade.

The tours were conducted in the three official languages of the WTO – English, French and Spanish. The WTO's team of interpreters explained what it is like to work as an interpreter and encouraged visitors to try out the interpretation booths.

### A lakeside welcome

Visitors were also able to enjoy national food and drinks provided by a selection of WTO members who set up stalls overlooking Lac Léman. Younger visitors were able to enjoy story-telling, face-painting and a bouncy castle.



# Economic research activities

- **The WTO's flagship World Trade Report said services have become the most dynamic component of global trade.**
- **A new report analyses the evolution of global value chains.**
- **The Global Trade and Blockchain Forum, held at the WTO, discussed the impact of blockchain on international trade.**

## Background on economic research activities

The WTO's Economic Research and Statistics Division organizes regular seminars and conferences as well as online forums involving academics and researchers in Geneva and around the world. These activities include the Geneva Trade and Development Workshop programme. It is responsible for the WTO's flagship publication, the *World Trade Report*, which aims to deepen understanding about trends in trade, trade policy issues and the multilateral trading system.

The WTO's flagship publication, the *World Trade Report*, was launched by DG Azevêdo at the WTO's Public Forum (see page 150) in October. The report finds that trade in services expanded faster than trade in goods between 2005 and 2017. It said that the share of the services sector in global trade could increase by 50 per cent by 2040. Trade costs in services are almost double those in goods, but these costs are falling mainly due to the impact of digital technologies. The report discusses how services trade can contribute to more inclusive growth and development.

"Services are a vitally important part of global trade. Promoting services trade creates meaningful welfare gains for society and can drive inclusiveness ... But in order to seize the opportunities offered by the changes at play, new pathways will need to be found to advance global trade co-operation and make services a central element of trade policy," DG Azevêdo said at the report's launch.

The second edition of the *Global Value Chain Development Report* was launched in April 2019 at the World Bank and International Monetary Fund (IMF) spring meetings. The report is a joint publication by the WTO, the Institute of Developing Economies (IDE-JETRO), the Organisation for Economic Co-operation and Development, the Research Center of Global Value Chains, headquartered at the University of International Business and Economics, the World Bank Group and the China Development Research Foundation.

The report finds that more than two-thirds of world trade now occurs through global value chains (GVCs). The report notes that technological advancements pose both opportunities and risks for countries participating in GVCs. To prepare their economies for a digital future, governments need to promote policies that are conducive to investment, that build the skills of local manufacturers and that nurture relationships between technology providers and local producers.

In December, the Economic Research and Statistics Division (ERSD), with the support of other divisions, organized a Global Trade and Blockchain Forum to discuss how blockchain technology is transforming international trade. Opening the forum, Deputy Director-General Yi Xiaozhun said that policy action and coordination among key stakeholders are necessary to fully realize the potential of blockchain technology to transform international trade. "Blockchain can accelerate the digitalization of international trade, but it can only do so if the legislative framework allows for transactions to be carried out through digital means and if those transactions are recognized as legal and valid," he said. But "empowering developing countries and the smallest players to reap the benefits that this technology opens is also a must," he added.

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**The 2019 edition of the World Trade Report was launched by DG Azevêdo in October.**

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In October, ERSD launched a new publication entitled “Making Globalization More Inclusive: Lessons from experience with adjustment policies”. Building on previous WTO work on the labour market effects of trade, the publication responds to the growing demand from policy-makers for further research on policies aimed at helping workers adjust to the impact of trade or technological changes. It includes an extensive review of the literature on adjustment

policies and provides case studies written by experts from seven countries across four continents.

The contributions cover a broad range of policy measures taken to help labour markets adjust to the impact of globalization, including trade openness, using a variety of approaches. They provide valuable insights into those policies and useful information for all those interested in the social dimensions of globalization and technological change.

## WTO Essay Award for Young Economists

### Background on the WTO Essay Award for Young Economists

The WTO established the annual WTO Essay Award for Young Economists in 2009. The award, which carries a prize of CHF 5,000, aims to promote high-quality economic research on the WTO and WTO-related issues and to reinforce the relationship between the WTO and the academic community.

**The 2019 WTO Essay Award was presented to Jan Bakker and Federico Huneus by Dr Roberta Piermartini.**

**The 2019 WTO Essay Award for Young Economists went to Jan Bakker of Oxford University for his paper on “International Trade and Regional Inequality” and Federico Huneus of Princeton University for his paper on “Production Network Dynamics and Propagation of Shocks”. They were ranked joint first by the selection panel and shared the prize of CHF 5,000.**

Jan Bakker’s paper documents how export participation is higher in more densely populated areas. To explain this, the paper outlines two potential mechanisms through which large cities in advanced economies benefit more from trade.

First, firms in large cities are more productive. When trade opens up, it is the most productive firms which expand, and so does economic activity in large cities. Second, the more skill- and capital-intensive sectors are disproportionately located in large cities. In advanced economies, these sectors expand with improved market access.

The paper shows that the increased productivity of firms in large cities is the most important mechanism. The paper has important policy implications for governments concerned with the income distribution effects of trade, as it shows that trade has different effects in large and small cities.

Jan Bakker is a German national. He has been a PhD student in Economics at Oxford University since 2016.

Federico Huneus’ paper looks at how external shocks propagate through production networks. The paper shows that costs to adjust links between firms in a supply chain generate important effects. Looking at how international trade shocks affected Chile during the great recession, it finds that without adjustment frictions in the networks output losses would have been 30 per cent lower.

The paper highlights the importance of stabilization policies over the business cycle to take firm-to-firm frictions into account. Questions about propagation and network dynamics are likely to become very important in a period of increased and unpredictable protectionism.

Federico Huneus is a Chilean national. He received his PhD in Economics from Princeton University in 2019. He is currently a Postdoctoral Associate at the Cowles Foundation at Yale University.

### Selection Panel

The selection panel comprised Dr Avinash Dixit (Emeritus Professor of Economics, Princeton University), Dr Robert Koopman (Director, Economic Research and Statistics Division, WTO), Dr Robert Staiger (Professor of Economics, Dartmouth College) and Dr Alberto Trejos (Professor of Economics, INCAE Business School). Dr Roberta Piermartini (Economic Research and Statistics Division, WTO) coordinated the work of the panel.



# Statistics activities

- The WTO released new experimental data on global trade in services by mode of supply.
- The WTO issued updated country profiles showing countries' participation in global value chains.
- WTO cooperation with the International Trade Centre and the UN Conference on Trade and Development has led to the development of an online portal for trade-related Sustainable Development Goals.

## Background on statistics activities

The Economic Research and Statistics Division supports WTO members and the WTO Secretariat with data on economic and trade policy issues and with technical advisory services on market access negotiations and on the maintenance of goods schedules. The division is the principal supplier of WTO trade statistics and information on tariffs and non-tariff measures. It provides technical assistance for trade policy courses and national workshops and contributes to inter-organizational statistical activities.

## Statistical publications and data series

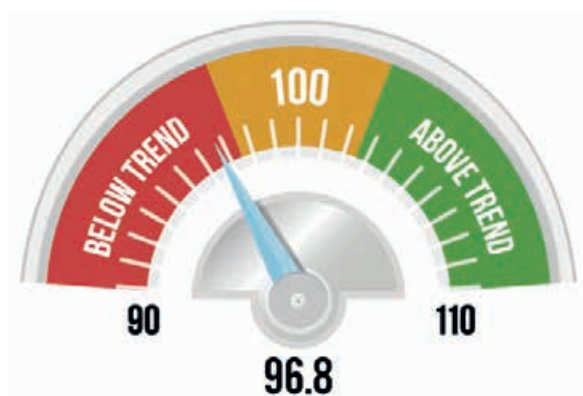
The WTO's statistical flagship, the *World Trade Statistical Review 2019*, offered a detailed analysis of trends for world trade in goods and services and provided information on WTO members' use of trade-restrictive and trade-facilitating measures (see page 158). In addition, *Trade Profiles 2019* provided a series of key indicators on trade in goods and services while *World Tariff Profiles 2019* displayed information on tariffs and non-tariff measures. Its special topic focused on "aligning trade and tariff policies with sustainable development".

The WTO Data Portal, launched in November 2018, was improved with additional data series and an improved user interface. The portal can now be accessed through API (Application Programming Interface), which gathers in one place the documentation developers need to integrate WTO data into their webpages and applications.

The WTO launched a Services Trade Barometer in September as part of efforts to develop new insights into services trade. The barometer, which will be released twice a year, highlights turning points and changing patterns in world services trade.

## Services Trade Barometer

Index value, December 2019



## Trade in value-added country profiles

The WTO released on 9 May updated profiles for 64 WTO members, revealing the share of domestic and foreign components in their exports and their participation in global value chains (GVCs). The profiles shed light on the contribution of the services sector to trade and the value of trade in intermediate products for each of the economies.

The profiles draw from data in the Organisation for Economic Co-operation and Development's (OECD) trade in value-added (TiVA) database and provide an update to the profiles released three years ago.

## Trade in services by mode of supply

The WTO produced an experimental dataset on trade in services by mode of supply (TISMOS), covering the period 2005 to 2017 for all economies. This dataset uses both official figures and estimates to give the first-ever comprehensive account of how much services are traded through the four modes of supply as defined in the WTO's General Agreement on Trade in Services (see page 92). TISMOS also offers a worldwide FATS – foreign affiliates statistics – output dataset, covering 200 economies and 13 service sectors for the period.

## Statistical capacity-building

The WTO held courses in collaboration with the UN Conference on Trade and Development (UNCTAD), the United Nations and regional statistical agencies for developing economies. They shared best practices in data collection, compilation and statistical analysis. The workshops blended online and face-to-face delivery for both merchandise trade and trade in services statistics.



The WTO also provided capacity-building on services trade statistics and on trade in value-added statistics as well as assistance to the African Union in the negotiation of requests and offers in the African Continental Free Trade Area.

Online tools to disseminate market access information are regularly presented in thematic and in regional and advanced trade policy courses.

### Outreach

At the WTO Public Forum (see page 150), a trade statistics session explored users' needs for more relevant trade statistics. Participants discussed how the WTO and other international organizations can generate statistics that can be useful in identifying and analysing current developments and future trends in global trade. Another session looked at "new evidence on preferential trade", using a new dataset on the use of trade preferences by developing countries. It highlighted that most-favoured-nation (MFN) trade remains an anchor of the multilateral trade architecture.

### International cooperation

The Expert Group on Measuring Digital Trade, meeting under the aegis of the Inter-Agency Task Force on International Trade Statistics (TFITS), finalized the first version of the Handbook on Measuring Digital Trade which includes a conceptual framework for digital cross-border transactions.

Cooperation with the International Trade Centre (ITC) and UNCTAD has led to enhanced collaboration on indicators for trade-related Sustainable Development Goals (SDGs) and the development of a dedicated SDG trade online portal (<https://sdgtrade.org/>).

### I-TIP

The WTO's Integrated Trade Intelligence Portal (I-TIP) is regularly updated to increase the information available on non-tariff measures and on services trade policies. As of the end of 2019, more than 56,000 non-tariff measures on trade in goods had been included. For services, it now includes information for 68 economies, which is drawn from OECD's database and from a survey carried out jointly with World Bank.

DG Azevêdo delivered the WTO's forecast for global trade at a press conference in April 2019.



# Cooperation with academic institutions

- **The WTO Chairs Programme (WCP) generated substantial research on trade-related issues, including 92 published articles in peer-reviewed journals.**
- **An external evaluation assessed very positively the programme’s impact since its launch in 2010. The WTO is expected to decide on the WCP’s future in spring 2020.**
- **The WCP organized a session at the WTO Aid for Trade Global Review looking at “Economic Diversification and Empowerment for Inclusive, Sustainable Development”.**

## Background on WTO Chairs Programme

The WTO Chairs Programme, launched in 2010, aims to enhance knowledge and understanding of the trading system among academics and policymakers in developing countries. Chair-holders are selected through a competitive process. Its main objectives are to foster research on trade and WTO issues, to provide teaching support for the development and delivery of courses on trade policy and WTO-related matters and to organize public activities to disseminate research and promote discussion regarding international trade. The WCP is jointly managed by the WTO’s Economic Research and Statistics Division and the Institute for Training and Technical Cooperation.

## Activities of the Chairs Programme

In 2019, 78 new or updated courses and diploma programmes were proposed and developed under the WTO’s Chairs Programme (WCP). Chairs helped 94 PhD students develop their theses. They also organized a total of 122 outreach activities, almost double the 2018 figure of 62, attracting a significant number of participants, including policy-makers.

The research output of the WCP was again substantial. Chairs produced some 93 published articles in peer-reviewed journals, up from 67 in 2018, and 52 working papers on trade, WTO topics and subjects of importance to the WTO.



**WTO  
CHAIRS  
PROGRAMME**

At the Aid for Trade Global Review (see page 134), the WCP organized a session on “Supporting Economic Diversification and Empowerment for Inclusive, Sustainable Development Through Aid for Trade”. The panel included WTO chairs and representatives from the Geneva trade-policy community as well as a minister from one of the countries with a university participating in the WCP.

**The WTO Chairs Programme annual conference took place at the WTO in July.**





WCP chairs contributed to and participated in many conferences, reaching out to government agencies, international organizations, the business community, media and other academics to underline the importance of trade. The WTO Secretariat participated in numerous technical assistance activities, academic conferences, seminars and specialized courses organized by chairs.

The WCP e-Platform, a dedicated WCP website launched in December 2017 and enhanced in 2019, continued to facilitate information-sharing, to encourage discussion and to promote networking among institutions and individuals associated with the programme. In 2019, the WCP e-Platform launched a WCP-recommended curriculum.

### Concluding Phase II of the WCP

An external and independent evaluation of the WCP took place in 2019. The report pointed to the WCP's efficiency and effectiveness. It saw three possible options for the future of the WCP, whose second four-year phase ended in 2018. The first, and preferred, is scaling up the programme, aligning it more strongly with other WTO activities and raising the number of chairs to 40 from the current 19 (see page 168). The second option is a continuation of the current programme and the third is to phase it out.

The WCP Advisory Board, an external body composed of experienced scholars, had already recommended a WCP Phase III, provided the review was positive. WTO management supports expanding the WCP, as long as some pre-conditions can be met, including the necessary funding. A decision is expected in spring 2020.

### Academic Support Programme

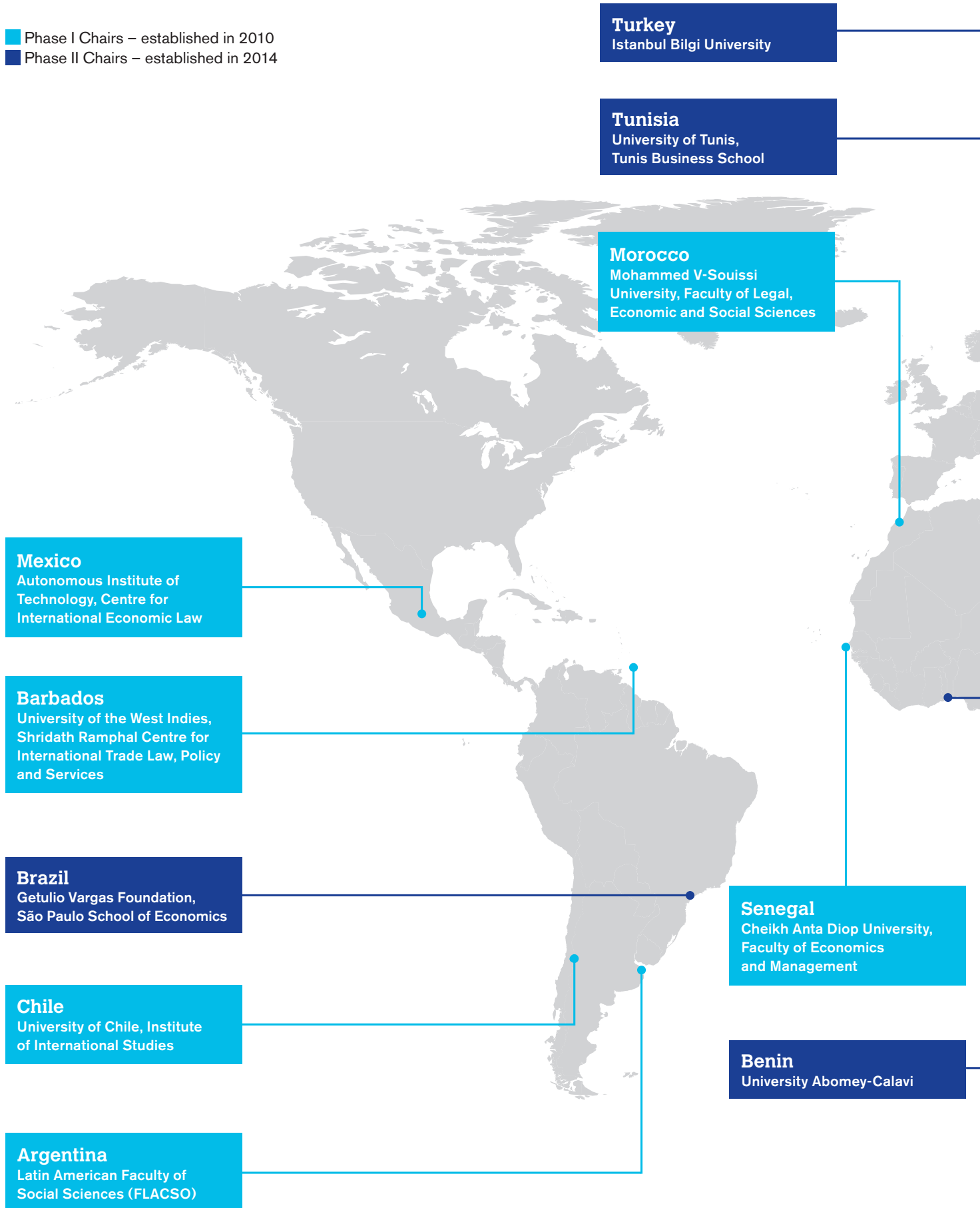
Thirteen activities were implemented in 2019 under the Academic Support Programme (ASP), which engages with academic institutions from developing countries and least-developed countries that are not part of the WTO Chairs Programme. Activities over the year included lectures delivered by WTO staff for undergraduate and postgraduate courses.

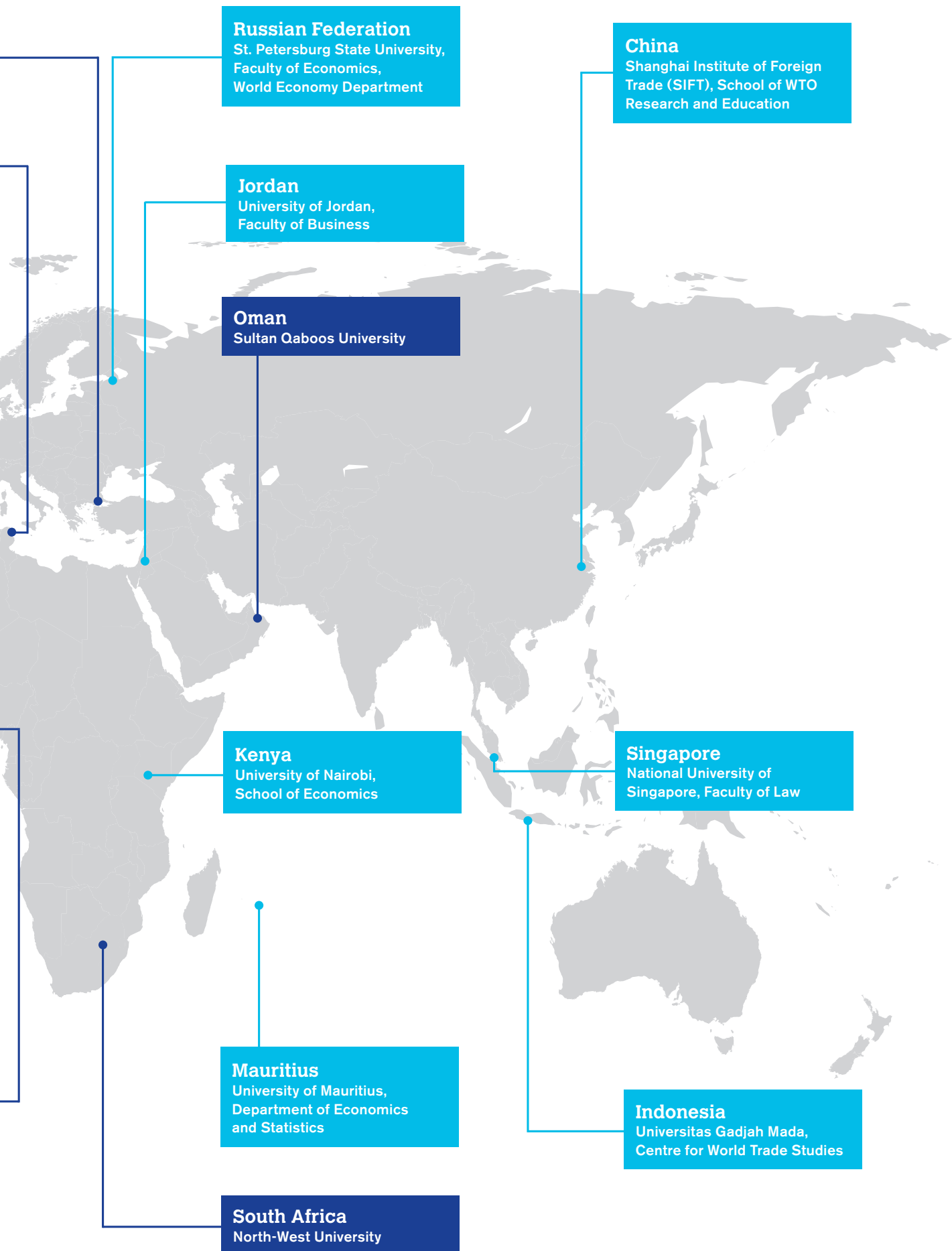
Almost one-third of the activities were related to supporting university competitions on WTO law and increasing knowledge of dispute settlement procedures among students and professors. The WTO provided staff to act as panellists in regional inter-university competitions and for the final round of the competition at the WTO (see page 121).

The ASP also organized presentations to academic audiences. In addition, the WTO continued encouraging universities to register academics as participants in online courses offered by the WTO's E-campus.

## Universities participating in the WTO Chairs Programme

- Phase I Chairs – established in 2010
- Phase II Chairs – established in 2014





# Secretariat and budget

WTO Secretariat	172
Budget, finance and administration	178



# 9

**The WTO Secretariat has over 600 regular staff who coordinate the activities of the WTO. Most of the WTO's annual budget consists of contributions by its members.**



# WTO Secretariat

- **WTO recruitment rose in 2019, with 51 vacancies filled against 41 in 2018.**
- **Staff numbers slightly decreased from 627 to 623 due to a large number of retirements.**
- **The Human Resources Division continued to reallocate resources to high-priority areas, particularly in dispute settlement.**
- **A mandatory e-learning module – “Respect&Harmony@WTO” – was developed to ensure staff fully understand their rights and obligations.**

The WTO's recruitment activity remains high, with 51 vacancies filled in 2019, ten more than in 2018. However, due to the large number of retirements in 2019, the number of staff decreased to 623 from 627. WTO Secretariat staff come from 82 WTO members.

The WTO Secretariat is composed mostly of economists, lawyers and specialists in international trade policy. There are also specialists in information technology, communications, statistics, finance, human resources and language services. The working languages of the WTO are English, French and Spanish.

Secretariat staff on the regular budget comprise professional and support service categories. Professional staff account for 62 per cent of the total and support service staff 38 per cent. Women continue to outnumber men at the WTO, by 338 to 285. Among professional staff, 45 per cent are female and 55 per cent male, compared with 42 per cent and 58 per cent, respectively, in 2014.

The Human Resources Division continues to respond to the evolving needs of the Secretariat by reallocating resources to high-priority areas. Staffing measures take into account the limitations imposed by WTO members, including the overall cap on the budget and personnel.

Various methods of informal resolution of workplace disputes continue to be available to staff. The WTO has recently incorporated an independent psychologist for staff seeking assistance with psychological and social support. This is in addition to the external and internal mediators, the Head of the Office of Internal Oversight and the Legal Counsel to the Administration.

In 2019, procedures were implemented for the policy “Right to Work in an Environment Free from Discrimination, Harassment and Abuse of Authority” established in 2018. This aims at promoting a more harmonious and efficient work environment through the improved protection of staff members' rights. An e-learning module – “Respect&Harmony@WTO” – was developed in 2019 and made mandatory for staff in order to ensure they fully understand their rights and obligations.

Thirteen new young professionals joined the Young Professionals Programme in January 2020, working in nine different divisions. The programme aims to increase the number of professionals in the WTO Secretariat from developing and least-developed countries not currently represented (see page 184).

In 2019, the medical service completed the second “Wellness Programme”, which aims at raising awareness on how a healthy diet and exercise can impact wellbeing in the workplace.

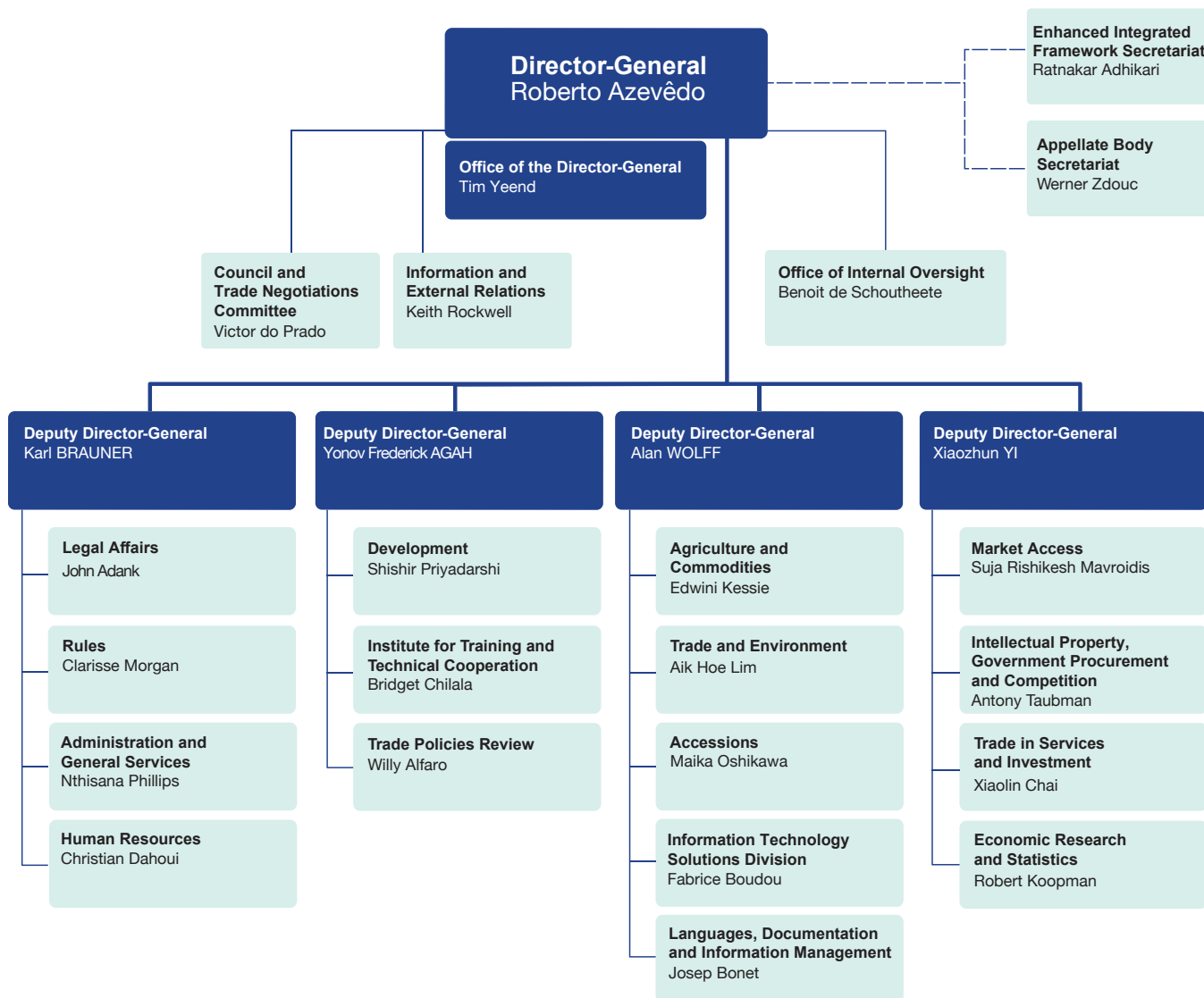
**DG Azevêdo with the 13 participants in the 2019 Young Professionals Programme.**



During the year, staff participated in approximately 500 learning opportunities, including coaching, mentoring, sessions on leadership, performance management and IT, and language courses. A peer-coaching network was established to assist new supervisors in honing their management and coaching skills. An editors' network was launched to identify and address participants' writing and editing needs.

The Human Resources Division launched a number of gender forum events to raise awareness of gender issues and to gain an understanding of staff members' views on gender and inclusion in the WTO. Among the recommendations that emerged was the need for clearer communication regarding the organization's stance on gender and diversity and to conduct ongoing sessions on unconscious biases.

**Figure 1: WTO Secretariat organizational chart, as of 31 December 2019**



## New recruits

### Stara Ahmidouch

**Head of Language Services Branch,  
Languages, Documentation and Information  
Management Division**

Nationality: Swiss/Trinidadian

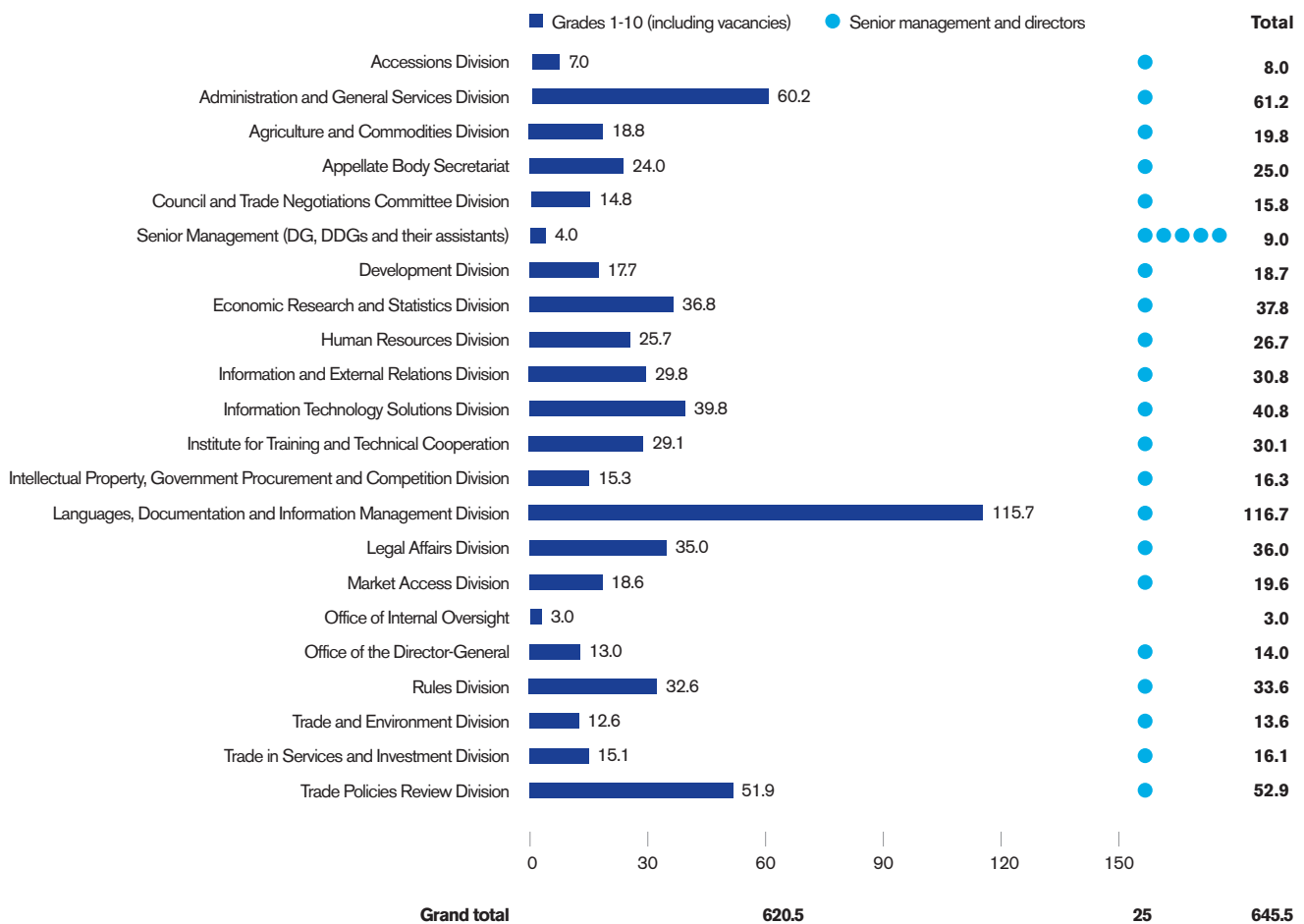
Joining date: 1 March 2019

The saying “The pen is mightier than the sword” has always struck a chord with me. Little wonder, therefore, that my fascination with languages led me from the Caribbean to Europe in the early 1990s. After working as a freelance translator in Geneva for several years,

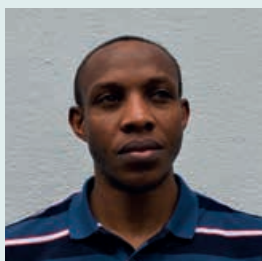
I joined the Inter-Parliamentary Union (IPU) in 2007. Since then, I have worked in both language services and governance and, prior to joining the WTO, I held the position of Chief of Staff to the IPU Secretary General.

I currently manage the Language Services Branch of the Languages, Documentation and Information Management Division (LDIMD), where I have the privilege of working with translators who are unequivocally committed to excellence. We are currently changing the way we do business in LDIMD and I accepted this job because I wanted to be part of this exciting crossroads – and because I firmly believe that linguists can be good managers too.

Figure 2: Allocation of staff by division, as of 31 December 2019 (number of posts)\*



\*includes posts not yet filled. Figures in decimals indicate staff members who work a percentage of the working week (e.g. 80 per cent).



### New recruits

**Allan Kalungi**

**Network and Telecom Engineer,  
Information Technology Solutions Division**

Nationality: Ugandan  
Joining date: 8 July 2019

Like most people in my country, I knew about the WTO from my school days. Even back then, I thought it would be fulfilling to work for such an organization that facilitates and support its members as they decide among themselves how they want to trade with one another.

I have worked in the IT field for over 13 years, mostly supporting telecommunication companies, and it gives me great pleasure to have this opportunity to bring the knowledge, skills and experience I have gathered to the WTO. As a network and telecom engineer in the Information Technology Solutions Division, I get to work directly with a team that supports the conference systems used by delegates to meet and deliberate, either remotely or within the WTO Secretariat. We also provide services that enable WTO staff to communicate and share resources with each other and with the outside world.





Figure 3: WTO staff on regular budget by grade and gender, as of 31 December 2019

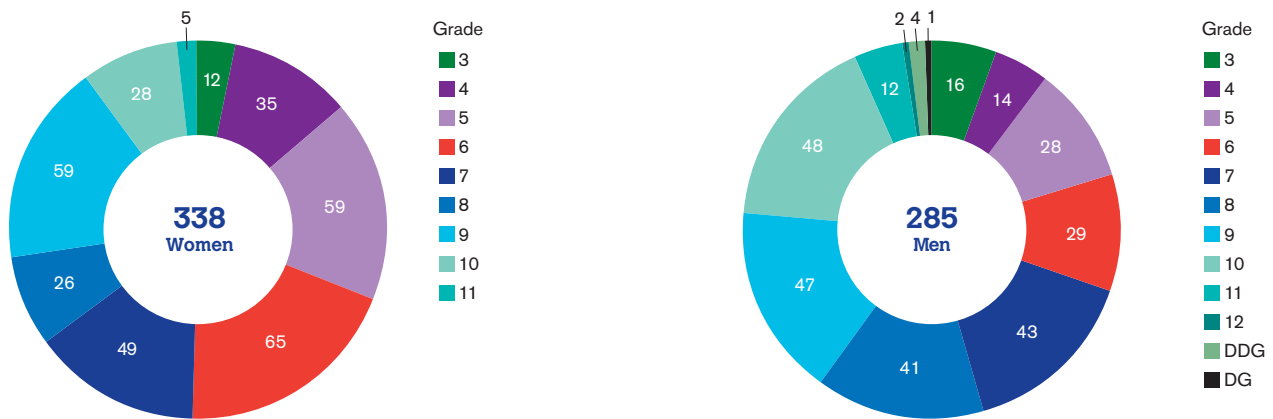
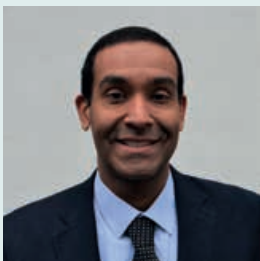
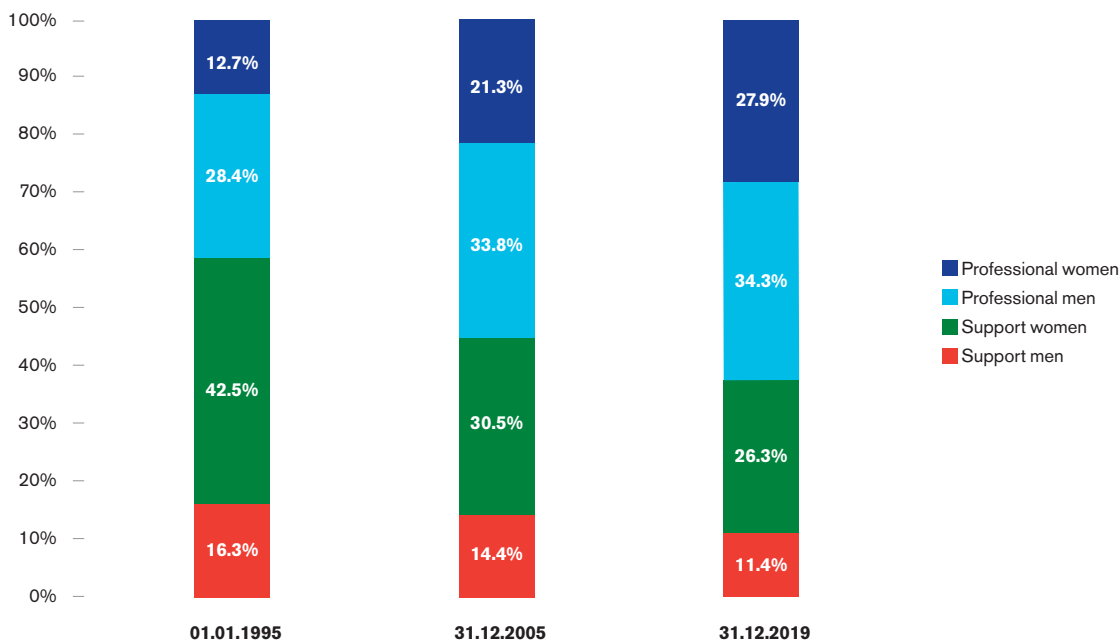


Figure 4: Percentage of WTO staff by professional/support category



### New recruits

**Robson de Moura Fernandes**  
**Economic Affairs Officer,**  
**Agriculture and Commodities Division**

Nationality: Brazilian  
 Joining date: 18 February 2019

Because of the successful cases brought by Brazil before the WTO, the organization has always been widely covered by the Brazilian press, and courses on the multilateral trading system are taught in universities across the country. This was what provoked my initial interest in the WTO.

My career path has led me to experience international trade from a number of perspectives. After graduating with a Master's degree in international law and economics from Switzerland and working in law firms in Brazil and Belgium, I undertook an internship at the WTO and worked in the Sanitary and Phytosanitary team. An entrepreneurial experience with a trading company gave me exposure to export and import operations. In my current post, I carry out trade and policy analyses in the Cotton Section, which oversees the specific trade negotiations on cotton, encompassing the efforts of some least-developed countries to level the playing field in international cotton trade.

Figure 5: WTO staff on regular budget by gender and nationality, as of 31 December 2019

**338 women**  
**285 men**  
**Total 623**

**North America**

Member	Women	Men	Total
Canada	5	14	19
Mexico	2	5	7
United States	21	12	33
<b>Total</b>	<b>28</b>	<b>31</b>	<b>59</b>

**Latin America**

Member	Women	Men	Total
Argentina	4	4	8
Barbados	0	1	1
Bolivia, Plurinational State of	0	3	3
Brazil	5	8	13
Chile	1	0	1
Colombia	3	4	7
Costa Rica	1	1	2
Cuba	1	0	1
Ecuador	1	1	2
Guatemala	2	0	2
Honduras	2	0	2
Jamaica	1	1	2
Paraguay	1	0	1
Peru	5	4	9
Trinidad and Tobago	2	0	2
Uruguay	0	3	3
Venezuela, Bolivarian Republic of	1	3	4
<b>Total</b>	<b>30</b>	<b>33</b>	<b>63</b>



## Europe

Member	Women	Men	Total	Member	Women	Men	Total
Austria	2	2	4	Moldova, Republic of	1	0	1
Belgium	3	2	5	Netherlands	1	5	6
Bulgaria	2	4	6	Norway	0	2	2
Croatia	1	0	1	Poland	2	1	3
Czech Republic	1	0	1	Portugal	0	4	4
Denmark	2	1	3	Romania	2	0	2
Estonia	1	0	1	Russian Federation	3	1	4
Finland	2	3	5	Spain	29	12	41
France	101	64	165	Sweden	1	2	3
Germany	7	14	21	Switzerland	8	7	15
Greece	3	2	5	Ukraine	2	0	2
Hungary	0	3	3	United Kingdom	37	10	47
Ireland	11	1	12	<b>Total</b>	<b>233</b>	<b>153</b>	<b>386</b>
Italy	11	12	23				
Lithuania	0	1	1				

## Asia

Member	Women	Men	Total
Bangladesh	0	1	1
China	9	7	16
India	2	12	14
Japan	2	3	5
Jordan	1	0	1
Korea, Republic of	4	0	4
Malaysia	0	2	2
Nepal	0	1	1
Pakistan	0	3	3
Philippines	6	8	14
Sri Lanka	3	0	3
Turkey	1	3	4
<b>Total</b>	<b>28</b>	<b>40</b>	<b>68</b>

## Africa

Member	Women	Men	Total
Benin	0	2	2
Botswana	1	0	1
Cameroon	1	0	1
Chad	0	1	1
Democratic Republic of the Congo	1	2	3
Egypt	3	1	4
Guinea	0	1	1
Kenya	1	0	1
Malawi	0	1	1
Mauritius	0	2	2
Morocco	1	3	4
Nigeria	0	1	1
Rwanda	0	1	1
Senegal	0	1	1
South Africa	0	1	1
Tanzania	1	0	1
The Gambia	2	0	2
Tunisia	2	2	4
Uganda	1	1	2
Zambia	1	0	1
Zimbabwe	2	0	2
<b>Total</b>	<b>17</b>	<b>20</b>	<b>37</b>

## Oceania

Member	Women	Men	Total
Australia	2	7	9
New Zealand	0	1	1
<b>Total</b>	<b>2</b>	<b>8</b>	<b>10</b>

# Budget, finance and administration

- **The Committee recommended the General Council approve the 2020 budget.**
- **The Committee recommended the accumulated budgetary surplus be transferred to the Working Capital Fund.**

## Background on budget, finance and administration

The Committee on Budget, Finance and Administration monitors the WTO's budgetary and financial matters. It considers issues concerning human resources management, hears progress reports on the WTO pension plan and deals with financial and administrative matters concerning the WTO Secretariat. The Committee reports to the General Council.

The Committee on Budget, Finance and Administration recommended the General Council approve the 2020 budgets for the WTO and the International Trade Centre. The 2021 budgets will be finalized in 2020 due to exceptional circumstances. The Committee also recommended approval by the General Council of the 2020-21 Biennial Technical Assistance and Training Plan.

The Committee reviewed the quarterly reports on the financial and extra-budgetary situation of the WTO, regular updates on the arrears of contributions from WTO members and observers and a progress report on the WTO Pension Plan. It also reviewed regular updates on external audit findings, the annual report on diversity in the WTO Secretariat, the 2017-18 report on staff learning development and the WTO strategic facilities plan.

The Committee took note of outstanding contributions from WTO members and observers and invited the General Council to urge those under administrative measures to liquidate their arrears.

The WTO Secretariat presented the WTO 2018 Financial Performance Report. The Committee proposed that the General Council approve the transfers between budgetary sections outlined in the report. The external auditors presented their report for 2018 and the Committee recommended that the General Council approve the 2018 WTO audited financial statements.

The Office of Internal Oversight presented its report on internal audit activities for 2018-19.

The Committee recommended the General Council approve that the accumulated budgetary surplus, as at 31 December 2018, be transferred to the Working Capital Fund and that it approve a policy for the fund's management. The Working Capital Fund is a rolling fund which can be used under special circumstances to cover cash shortages over a limited period of time.

After a competitive selection process, the Committee recommended that the Auditor General of France be appointed as external auditor of the WTO Secretariat and the Pension Plan for 2020-25.

The Secretariat invited delegates to liaise with their governments about considering to make contributions to facilitate the participation of least-developed countries in the 12<sup>th</sup> Ministerial Conference.

## WTO budget 2020

The WTO derives its income from annual contributions from its 164 members (see Tables 1 and 2) and miscellaneous income. These contributions are based on a formula that takes into account each member's share of international trade. Miscellaneous income mainly consists of contributions from observer countries, income from the sale of publications and rental of meeting rooms.



The WTO's budget for 2020 is:

**CHF 197,203,900**

**Table 1: Consolidated budget for 2020**

Section	Budget 2020
Staff expenditure (including staff remuneration, pension and post-employment benefits, health and invalidity insurance, family and international benefits)	131,415,300
Temporary assistance (including short-term staff, consultants, translators, panellists and Appellate Body member fees)	17,274,550
General services (including telecommunications and post, contractual services and maintenance, energy and supplies, documentation and publication)	15,376,475
Travel and hospitality	7,606,800
Implementing partners (includes any activity or event partly/jointly/fully funded by the WTO but executed by a third-party organization)	213,000
Capital expenditure (including procurement of fixed assets and rental and leasing of equipment)	2,094,650
Financial expenditure (including bank and interest charges and building loan reimbursement)	1,780,000
Contributions to International Trade Centre and special reserves (including Appellate Body operating fund, Ministerial Conference operating fund and Building Renovation fund)	21,443,125
<b>Grand total</b>	<b>197,203,900</b>

**Table 2: WTO members' contributions to the consolidated budget of the WTO Secretariat and the Appellate Body Secretariat 2020 (in Swiss Francs with a minimum contribution of 0.015%)**

Member	2020 Contribution CHF	2020 Contribution %	Member	2020 Contribution CHF	2020 Contribution %
Afghanistan	44,965	0.023%	Ecuador	218,960	0.112%
Albania	41,055	0.021%	Egypt	490,705	0.251%
Angola	379,270	0.194%	El Salvador	80,155	0.041%
Antigua and Barbuda	29,325	0.015%	Estonia	175,950	0.090%
Argentina	719,440	0.368%	Eswatini	29,325	0.015%
Armenia	39,100	0.020%	European Union*	0	0.000%
Australia	2,553,230	1.306%	Fiji	29,325	0.015%
Austria	1,917,855	0.981%	Finland	862,155	0.441%
Bahrain, Kingdom of	238,510	0.122%	France	7,466,145	3.819%
Bangladesh	365,585	0.187%	Gabon	66,470	0.034%
Barbados	29,325	0.015%	The Gambia	29,325	0.015%
Belgium	3,663,670	1.874%	Georgia	70,380	0.036%
Belize	29,325	0.015%	Germany	13,976,295	7.149%
Benin	29,325	0.015%	Ghana	168,130	0.086%
Bolivia, Plurinational State of	101,660	0.052%	Greece	631,465	0.323%
Botswana	72,335	0.037%	Grenada	29,325	0.015%
Brazil	2,287,350	1.170%	Guatemala	148,580	0.076%
Brunei Darussalam	62,560	0.032%	Guinea	29,325	0.015%
Bulgaria	318,665	0.163%	Guinea-Bissau	29,325	0.015%
Burkina Faso	33,235	0.017%	Guyana	29,325	0.015%
Burundi	29,325	0.015%	Haiti	29,325	0.015%
Cabo Verde	29,325	0.015%	Honduras	76,245	0.039%
Cambodia	129,030	0.066%	Hong Kong, China	5,548,290	2.838%
Cameroon	68,425	0.035%	Hungary	1,008,780	0.516%
Canada	4,838,625	2.475%	Iceland	80,155	0.041%
Central African Republic	29,325	0.015%	India	4,455,445	2.279%
Chad	39,100	0.020%	Indonesia	1,673,480	0.856%
Chile	703,800	0.360%	Ireland	2,619,700	1.340%
China	20,142,365	10.303%	Israel	856,290	0.438%
Colombia	531,760	0.272%	Italy	5,075,180	2.596%
Congo	70,380	0.036%	Jamaica	50,830	0.026%
Costa Rica	158,355	0.081%	Japan	7,673,375	3.925%
Côte d'Ivoire	109,480	0.056%	Jordan	168,130	0.086%
Croatia	230,690	0.118%	Kazakhstan	508,300	0.260%
Cuba	129,030	0.066%	Kenya	125,120	0.064%
Cyprus	123,165	0.063%	Korea, Republic of	5,669,500	2.900%
Czech Republic	1,405,645	0.719%	Kuwait, the State of	594,320	0.304%
Democratic Republic of the Congo	113,390	0.058%	Kyrgyz Republic	37,145	0.019%
Denmark	1,515,125	0.775%	Lao People's Democratic Republic	46,920	0.024%
Djibouti	29,325	0.015%	Latvia	160,310	0.082%
Dominica	29,325	0.015%	Lesotho	29,325	0.015%
Dominican Republic	168,130	0.086%	Liberia	29,325	0.015%

\* The European Union is not subject to contributions. However, its current 28 members are assessed individually. The total share of members of the European Union represents 33.94 per cent of the total assessed contributions for 2020.



Member	2020 Contribution CHF	2020 Contribution %
Liechtenstein	64,515	0.033%
Lithuania	322,575	0.165%
Luxembourg	999,005	0.511%
Macao, China	258,060	0.132%
Madagascar	33,235	0.017%
Malawi	29,325	0.015%
Malaysia	1,923,720	0.984%
Maldives	29,325	0.015%
Mali	35,190	0.018%
Malta	148,580	0.076%
Mauritania	29,325	0.015%
Mauritius	56,695	0.029%
Mexico	3,802,475	1.945%
Moldova, Republic of	35,190	0.018%
Mongolia	54,740	0.028%
Montenegro	29,325	0.015%
Morocco	361,675	0.185%
Mozambique	66,470	0.034%
Myanmar	127,075	0.065%
Namibia	48,875	0.025%
Nepal	50,830	0.026%
Netherlands	5,732,060	2.932%
New Zealand	465,290	0.238%
Nicaragua	56,695	0.029%
Niger	29,325	0.015%
Nigeria	586,500	0.300%
North Macedonia	56,695	0.029%
Norway	1,348,950	0.690%
Oman	365,585	0.187%
Pakistan	357,765	0.183%
Panama	252,195	0.129%
Papua New Guinea	62,560	0.032%
Paraguay	113,390	0.058%
Peru	416,415	0.213%
Philippines	768,315	0.393%
Poland	2,228,700	1.140%
Portugal	787,865	0.403%
Qatar	746,810	0.382%
Romania	725,305	0.371%
Russian Federation	3,657,805	1.871%
Rwanda	29,325	0.015%
Saint Kitts and Nevis	29,325	0.015%

Member	2020 Contribution CHF	2020 Contribution %
Saint Lucia	29,325	0.015%
Saint Vincent and the Grenadines	29,325	0.015%
Samoa	29,325	0.015%
Saudi Arabia, Kingdom of	2,162,230	1.106%
Senegal	48,875	0.025%
Seychelles	29,325	0.015%
Sierra Leone	29,325	0.015%
Singapore	4,744,785	2.427%
Slovak Republic	780,045	0.399%
Slovenia	310,845	0.159%
Solomon Islands	29,325	0.015%
South Africa	936,445	0.479%
Spain	3,714,500	1.900%
Sri Lanka	181,815	0.093%
Suriname	29,325	0.015%
Sweden	2,056,660	1.052%
Switzerland	3,687,130	1.886%
Chinese Taipei	3,286,355	1.681%
Tajikistan	29,325	0.015%
Tanzania	93,840	0.048%
Thailand	2,404,650	1.230%
Togo	29,325	0.015%
Tonga	29,325	0.015%
Trinidad and Tobago	107,525	0.055%
Tunisia	191,590	0.098%
Turkey	2,009,740	1.028%
Uganda	52,785	0.027%
Ukraine	561,085	0.287%
United Arab Emirates	3,102,585	1.587%
United Kingdom	7,399,675	3.785%
United States of America	22,855,905	11.691%
Uruguay	138,805	0.071%
Vanuatu	29,325	0.015%
Venezuela, Bolivarian Republic of	568,905	0.291%
Viet Nam	1,583,550	0.810%
Yemen	80,155	0.041%
Zambia	86,020	0.044%
Zimbabwe	52,785	0.027%
<b>TOTAL</b>	<b>195,500,000</b>	<b>100.00%</b>

# How the WTO is structured

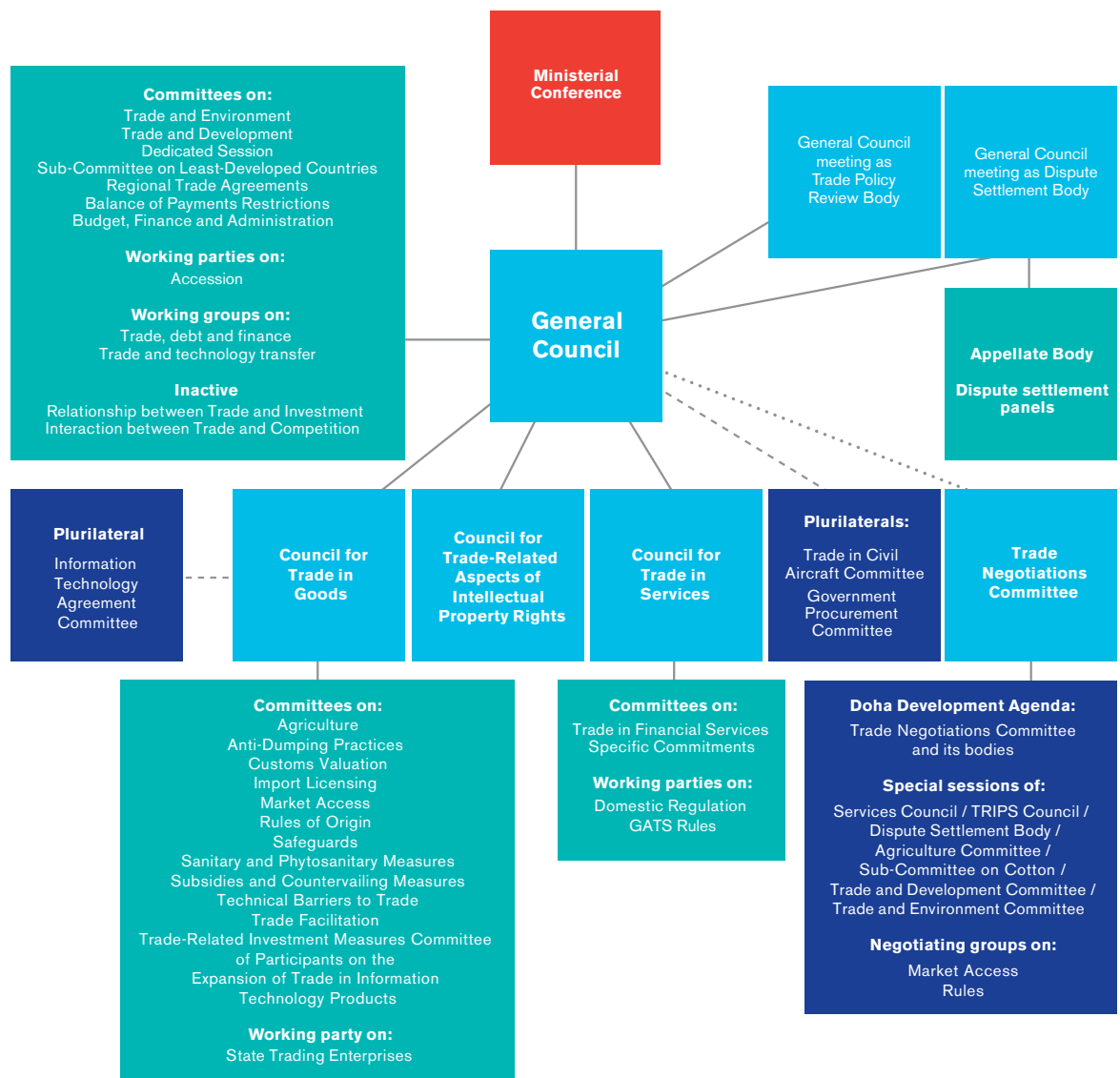
The WTO's top-level decision-making body is the Ministerial Conference, which usually meets every two years.

Below this is the General Council (normally ambassadors and heads of delegation in Geneva, and sometimes officials sent from members' capitals), which meets several times a year in the Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.

All WTO members may participate in all councils and committees, with the exceptions of the Appellate Body, Dispute Settlement panels and plurilateral committees.



- Reporting to General Council (or a subsidiary)
- Reporting to Dispute Settlement Body
- - - Plurilateral committees inform the General Council or Goods Council of their activities, although these agreements are not signed by all WTO Members
- ..... Trade Negotiations Committee reports to General Council





## WTO Chairpersons (as of 31 December 2019)

Chairpersons of the General Council and bodies reporting to it	
General Council	Ambassador Sunanta Kangvulkij (Thailand)
Dispute Settlement Body	Ambassador David Walker (New Zealand)
Trade Policy Review Body	Ambassador Manuel A.J. Teehankee (Philippines)
Council for Trade in Goods	Ambassador José Luis Cancela Gómez (Uruguay)
Council for Trade in Services	Ambassador Geert Muylle (Belgium)
Council for Trade-Related Aspects of Intellectual Property Rights	Ambassador Lundeg Purevsuren (Mongolia)
Committee on Trade and Environment	Mr. Jean-Marie Paugam (France)
Committee on Trade and Development	Ambassador Chad Blackman (Barbados)
Sub-Committee on Least Developed Countries	Ambassador Monique T.G. Van Daalen (Netherlands)
Committee on Balance-of-Payments Restrictions	Ambassador Cheryl K. Spencer (Jamaica)
Committee on Regional Trade Agreements	Ambassador Carlos Foradori (Argentina)
Committee on Budget, Finance and Administration	Ambassador Dagfinn Sørli (Norway)
Working Group on Trade and Transfer of Technology	Ambassador Rashidi Said (Malaysia)
Working Group on Trade, Debt and Finance	Ambassador Refiloe Litjobo (Lesotho)
Trade Negotiations Committee	Director-General Roberto Azevêdo (WTO)
Chairpersons of bodies established under the Trade Negotiations Committee	
Negotiating Group on Market Access	Ambassador Didier Chambovey (Switzerland)
Negotiating Group on Rules	Ambassador Santiago Wills (Colombia)
Special Session of the Council for Trade in Services	Ambassador Zhanar Aitzhanova (Kazakhstan)
Special Session of the Council for TRIPS	Ambassador Dacio Castillo (Honduras)
Special Session of the Dispute Settlement Body	Ambassador Kokou Yackoley Johnson (Togo)
Special Session of the Committee on Agriculture	Ambassador John Deep Ford (Guyana)
Sub-Committee on Cotton	Ambassador John Deep Ford (Guyana)

Chairpersons of the General Council and bodies reporting to it	
Special Session of the Committee on Trade and Environment	Ambassador Leopold Samba (Central African Republic)
Special Session of the Committee on Trade and Development	Ambassador Kadra Ahmed Hassan (Djibouti)
Chairpersons of subsidiary bodies of the Council for Trade in Goods	
Committee on Agriculture	Ms. Christiane Daleiden Distefano (Luxembourg)
Committee on Anti-Dumping Practices	Ms. Lenka Ustrová (Czech Republic)
Committee on Customs Valuation	Mr. Baroma Winega Bamana (Togo)
Committee on Import Licensing	Ms. Carol Tsang (Hong Kong, China)
Committee on Market Access	Mr. Fernando Bruno Escobar Pacheco (Plurinational State of Bolivia)
Committee on Rules of Origin	Ms. Uma Shankari Muniandy (Singapore)
Committee on Safeguards	Ms. Katherine Dellar (Australia)
Committee on Sanitary and Phytosanitary Measures	Mr Daniel Arboleda (Colombia)
Committee on Subsidies and Countervailing Measures	Ms. Michèle Legault Dooley (Canada)
Committee on Technical Barriers to Trade	Mr. Sung Hwa Jang (Republic of Korea)
Committee on Trade Facilitation	Ambassador Mohammad Qurban Haqjo (Afghanistan)
Committee on Trade-Related Investment Measures	Ms. Tiziana Zugliano (Italy)
Working Party on State Trading Enterprises	Mr. Kristian Henk (Austria)
Committee of Participants on the Expansion of Trade in Information Technology Products	Mr. Kazunori Fukuda (Japan)
Chairpersons of subsidiary bodies of the Council for Trade in Services	
Committee on Trade in Financial Services	Mr. Li Ding (China)
Working Party on Domestic Regulation	Ms. Shani Griffith-Jack (Barbados)
Committee on Specific Commitments	Mr. Tamas Vattai (Hungary)
Working Party on GATS Rules	M. Zéphiryn Kocou Pognon (Benin)
Chairpersons of Committees of Plurilateral Agreements	
Committee on Trade in Civil Aircraft	Ms. Damaris Carnal (Switzerland)
Committee on Government Procurement	Mr. Carlos Vanderloo (Canada)

Membership of the WTO: 164 members (as of 31 December 2019)

Member*	Year of accession	Member*	Year of accession	Member*	Year of accession
Afghanistan	2016	Hong Kong, China	1995	Samoa	2012
Albania	2000	Hungary	1995	Saudi Arabia, Kingdom of	2005
Angola	1996	Iceland	1995	Senegal	1995
Antigua and Barbuda	1995	India	1995	Seychelles	2015
Argentina	1995	Indonesia	1995	Sierra Leone	1995
Armenia	2003	Ireland	1995	Singapore	1995
Australia	1995	Israel	1995	Slovak Republic	1995
Austria	1995	Italy	1995	Slovenia	1995
Bahrain, Kingdom of	1995	Jamaica	1995	Solomon Islands	1996
Bangladesh	1995	Japan	1995	South Africa	1995
Barbados	1995	Jordan	2000	Spain	1995
Belgium	1995	Kazakhstan	2015	Sri Lanka	1995
Belize	1995	Kenya	1995	Suriname	1995
Benin	1996	Korea, Republic of	1995	Sweden	1995
Bolivia, Plurinational State of	1995	Kuwait, the State of	1995	Switzerland	1995
Botswana	1995	Kyrgyz Republic	1998	Chinese Taipei	2002
Brazil	1995	Latvia	1999	Tajikistan	2013
Brunei Darussalam	1995	Lao People's Democratic Republic	2013	Tanzania	1995
Bulgaria	1996	Lesotho	1995	Thailand	1995
Burkina Faso	1995	Liberia	2016	Togo	1995
Burundi	1995	Liechtenstein	1995	Tonga	2007
Cambodia	2004	Lithuania	2001	Trinidad and Tobago	1995
Cameroon	1995	Luxembourg	1995	Tunisia	1995
Canada	1995	Macao, China	1995	Turkey	1995
Cabo Verde	2008	Madagascar	1995	Uganda	1995
Central African Republic	1995	Malawi	1995	Ukraine	2008
Chad	1996	Malaysia	1995	United Arab Emirates	1996
Chile	1995	Maldives	1995	United Kingdom	1995
China	2001	Mali	1995	United States of America	1995
Colombia	1995	Malta	1995	Uruguay	1995
Congo	1997	Mauritania	1995	Vanuatu	2012
Costa Rica	1995	Mauritius	1995	Venezuela, Bolivarian Republic of	1995
Côte d'Ivoire	1995	Mexico	1995	Viet Nam	2007
Croatia	2000	Moldova, Republic of	2001	Yemen	2014
Cuba	1995	Mongolia	1997	Zambia	1995
Cyprus	1995	Montenegro	2012	Zimbabwe	1995
Czech Republic	1995	Morocco	1995		
Democratic Republic of the Congo	1997	Mozambique	1995		
Denmark	1995	Myanmar	1995		
Djibouti	1995	Namibia	1995		
Dominica	1995	Nepal	2004		
Dominican Republic	1995	Netherlands	1995		
Ecuador	1996	New Zealand	1995		
Egypt	1995	Nicaragua	1995		
El Salvador	1995	Niger	1996		
Estonia	1999	Nigeria	1995		
Eswatini	1995	North Macedonia, Republic of	2003		
European Union	1995	Norway	1995		
Fiji	1996	Oman	2000		
Finland	1995	Pakistan	1995		
France	1995	Panama	1997		
Gabon	1995	Papua New Guinea	1996		
The Gambia	1996	Paraguay	1995		
Georgia	2000	Peru	1995		
Germany	1995	Philippines	1995		
Ghana	1995	Poland	1995		
Greece	1995	Portugal	1995		
Grenada	1996	Qatar	1996		
Guatemala	1995	Romania	1995		
Guinea	1995	Russian Federation	2012		
Guinea-Bissau	1995	Rwanda	1996		
Guyana	1995	Saint Kitts and Nevis	1996		
Haiti	1996	Saint Lucia	1995		
Honduras	1995	Saint Vincent and the Grenadines	1995		

Countries seeking to join the WTO (as of 3 March 2020)	
Algeria	
Andorra	
Azerbaijan	
Bahamas	
Belarus	
Bhutan	
Bosnia and Herzegovina	
Comoros	
Curaçao	
Equatorial Guinea	
Ethiopia	
Iran	
Iraq	
Lebanese Republic	
Libya	
São Tomé and Príncipe	
Serbia	
Somalia	
South Sudan	
Sudan	
Syrian Arab Republic	
Timor-Leste	
Uzbekistan	

\* Members are mostly states but can also be customs territories with full autonomy over their external commercial relations.



# Abbreviations

<b>ADP</b>	anti-dumping practices	<b>LDCs</b>	least-developed countries
<b>ASEAN</b>	Association of Southeast Asian Nations	<b>MEAs</b>	multilateral environmental agreements
<b>CTD</b>	Committee on Trade and Development	<b>MFN</b>	most-favoured nation
<b>DDA</b>	Doha Development Agenda	<b>NAMA</b>	non-agricultural market access
<b>DSB</b>	Dispute Settlement Body	<b>NGO</b>	non-governmental organization
<b>DSU</b>	Dispute Settlement Understanding	<b>NTMs</b>	non-tariff measures
<b>EIF</b>	Enhanced Integrated Framework	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>EU</b>	European Union	<b>PSI</b>	Agreement on Preshipment Inspection
<b>FAO</b>	Food and Agriculture Organization	<b>PTAs</b>	preferential trade arrangements
<b>FDI</b>	foreign direct investment	<b>RTAs</b>	regional trade agreements
<b>GATS</b>	General Agreement on Trade in Services	<b>SCM</b>	Subsidies and Countervailing Measures
<b>GATT</b>	General Agreement on Tariffs and Trade	<b>SG</b>	Agreement on Safeguards
<b>GDP</b>	gross domestic product	<b>SMEs</b>	small and medium-sized enterprises
<b>GIs</b>	geographical indications	<b>SPS</b>	sanitary and phytosanitary measures
<b>GPA</b>	Government Procurement Agreement	<b>STDF</b>	Standards and Trade Development Facility
<b>HS</b>	Harmonized System	<b>SVE</b>	small, vulnerable economy
<b>ICC</b>	International Chamber of Commerce	<b>TBT</b>	technical barriers to trade
<b>ILO</b>	International Labour Organization	<b>TNC</b>	Trade Negotiations Committee
<b>IPU</b>	Inter-Parliamentary Union	<b>TPR</b>	Trade Policy Review
<b>ISO</b>	International Organization for Standardization	<b>TPRM</b>	Trade Policy Review Mechanism
<b>ITA</b>	Information Technology Agreement	<b>TRIMs</b>	trade-related investment measures
<b>ITC</b>	International Trade Centre	<b>TRIPS</b>	Trade-Related Aspects of Intellectual Property Rights
<b>ITTC</b>	Institute for Training and Technical Cooperation	<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>ITU</b>	International Telecommunication Union	<b>WIPO</b>	World Intellectual Property Organization

0 is zero or became zero due to rounding.

Billion means one thousand million.

Minor discrepancies between constituent figures and totals are due to rounding.

Unless otherwise indicated, (i) all value figures are expressed in US dollars; (ii) trade figures include the intra-trade of free trade areas, customs unions, regional and other country groupings.

**Note** This report covers the WTO's activities in 2019 and early 2020. The word "country" is frequently used to describe WTO members whereas a few members are officially "customs territories", and not necessarily countries in the usual sense of the word.

## Further information

**Further information about the organization and its activities can be found on the WTO website:**

**[www.wto.org](http://www.wto.org)**

General information about the WTO is available in the following publications, which may all be downloaded free of charge from the website:

### WTO in Brief

WTO in Brief provides a starting point for essential information about the WTO. Concise and practical, this short brochure is an ideal introduction to the WTO.

## 10 things the WTO can do

This publication highlights some of the benefits of the trading system, but it does not claim that everything is perfect – otherwise there would be no need for further negotiations and for the system to evolve and reform continually.

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