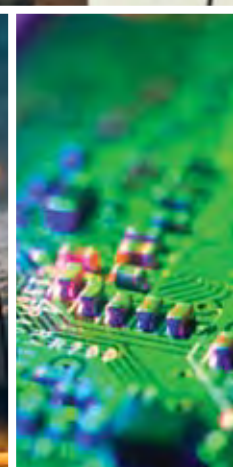
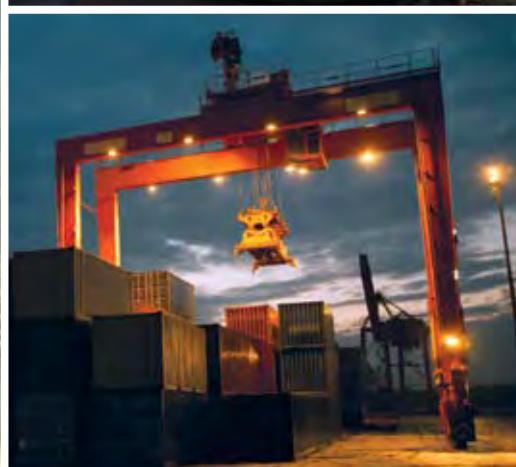


Annual Report 2014



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.

Using this report

The 2014 Annual Report is split into three main sections. The first contains a message from the WTO Director-General. The second section provides a brief overview of 2013 and some background information on the WTO, while the third has more in-depth information.

Find out more

Website: www.wto.org

General enquiries: enquiries@wto.org

Tel: +41 (0)22 739 51 11

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4. Membership 18

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5. Trade negotiations 24

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through rounds of negotiations. The most recent round began in 2001.

6. Implementation and monitoring 40

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.

7. Dispute settlement 80

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.

8. Building trade capacity 96

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.

9. Outreach 114

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance cooperation and raise awareness of trade issues.

10. Secretariat and budget 134

The WTO Secretariat has over 600 regular staff and coordinates the activities of the WTO. Most of the WTO's annual budget consists of contributions by its 159 members.

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A message from WTO Director-General Roberto Azevêdo

The World Trade Organization is back in business. That's the message that rang out loud and clear from the Bali Ministerial Conference at the end of last year, when all members of the WTO agreed on a package of measures aimed at streamlining customs practices, tackling important agricultural issues, and boosting opportunities for our poorest members. The "Bali Package" is the first set of agreements struck since the WTO was created in 1995 and represents a positive step towards concluding the Doha Round of trade negotiations, which began in 2001.

Once implemented, the Bali Package will provide a boost to the global economy, delivering growth and jobs. Indeed, it is estimated that the deal could be worth up to US\$ 1 trillion per year, generating up to 21 million jobs around the world. Crucially, the majority of these gains would accrue to developing and least-developed countries. Indeed, the negotiating process leading up to Bali created a new dynamic in the WTO as developing and least-developed countries made their voices heard as never before.

The practical benefits of the Bali Package are manifold. Entrepreneurs in developing countries will have new opportunities to participate in global trade while enterprises across the world, particularly small and medium-sized companies, will benefit from a reduction in red tape – and in an unprecedented step developing countries will be given support to build capacity in order to implement the agreement. In addition, trade in agriculture will be more transparent for many products and markets. Governments agreed to reduce export subsidies in agriculture and keep them at low levels, to increase transparency and opportunities with respect to trade in agricultural products, and to facilitate efforts of developing countries in stockpiling for food security purposes.

Bali also brought significant systemic benefits. Once again the WTO is a viable forum for negotiations. By demonstrating we can reach multilaterally agreed outcomes, we have put the spotlight back onto the WTO and raised expectations for what else we might be able to achieve. Over the coming months, it is vital that we build on the momentum that the deal created – and ensure that the WTO can deliver even more in the future.

First and foremost, we have to harvest the benefits of Bali by fully implementing the decisions reached at the Bali

Conference – including implementing the Trade Facilitation Agreement and delivering the support promised for developing countries. Secondly, as instructed by ministers at the end of the Conference, we must prepare a clearly defined work programme by December 2014 which sets out a roadmap to conclude the Doha Round. Our goal is nothing less than to complete the Doha Round, and to do it as quickly as possible.

As I have said to members, I believe that concluding the Doha Round will mean finding solutions for the areas that were the major source of the negotiating impasse: agriculture, non-agricultural market access (or industrial goods) and services. These three issues are deeply interlinked and have not been discussed in depth for nearly six years. That is far too long – now is the time to bring them back into play. If we make progress in these three areas, the prospects for agreement in the remaining Doha issues would be considerably enhanced. But if we don't tackle these tough issues head on, the opportunities for progress elsewhere are going to be very limited.

Let's not forget what is at stake here. Trade is a powerful force for growth and development. It stimulates innovation and competitiveness, supports the creation of high-quality jobs, provides access to new products, lowers prices, cuts the cost of living and brings peoples of different nations closer together. Above all, trade improves the quality of people's lives.

In the last two years, trade growth has slowed to just over 2 per cent and our forecast for 2014, while higher at 4.7 per cent, is still below the 20-year trend. But members are not powerless in the face of these figures. We can actively support trade growth by avoiding protectionism in times of uncertainty and by reaching new trade agreements.





“Our goal is nothing less than to complete the Doha Round, and to do it as quickly as possible.”

There has been a lot of focus in recent times on regional and bilateral agreements. These initiatives clearly have a role to play – indeed, I believe they are an important complement to the multilateral system. But it is clear that they are not sufficient on their own. For example, they leave out a large number of countries – not only the most dynamic emerging economies, but also the smallest and most vulnerable. In addition, many of the big issues (and therefore many of the big gains) can only be tackled at the global level. Streamlining customs procedures through the Trade Facilitation Agreement and tackling agricultural subsidies are just two examples of issues which can only be properly tackled multilaterally.

This is not just my view. Since the Bali conference, I have travelled far and wide to consult with leaders on the next steps for the WTO. From every country I have visited and every leader I have spoken to, I have been struck by the positivity towards our work in Geneva. There is strong support for the multilateral trading system and the WTO – and a will to build on the momentum of Bali.

Of course, while generating new trade rules is central to our work, we do a lot more besides.

The WTO monitors members' trade policies and practices. We conducted 15 Trade Policy Reviews in 2013, allowing members to expand their understanding of the policies of their trading partners. We also published reports on recent trade developments across the entire WTO membership. This monitoring of members' trade measures exposes governments to close scrutiny from their peers, helping them to resist domestic pressures for protectionism.

The WTO is also a forum for discussions on a variety of issues. Via the numerous WTO committees, members discuss issues such as development, agriculture, the environment, and health and safety standards. These exchanges of views promote understanding between members and can help to resolve differences of opinion before they escalate. When disputes do arise between trading partners, the WTO plays an important role in resolving them.

In 2013, 20 new disputes were brought before the WTO's Dispute Settlement Body. This figure underscores both WTO members' confidence in the system's ability to resolve commercial conflicts and the large number of trade tensions that exist in the world today. These disputes were brought by both developing and developed countries, demonstrating how the system can work for the benefit of members at different stages of development. During the course of the year, the WTO's adjudicating bodies examined a total of 28 disputes on a wide range of issues.

Our technical assistance and training programmes continue to help developing and least-developed countries improve their capacity to participate effectively in the global trading system. The Aid for Trade initiative maintains its important role in this area, promoting coherence and coordination among donors and recipients – including, for the least-developed countries, through the Enhanced Integrated Framework.

The WTO delivered more than 280 technical assistance activities in 2013, involving more than 13,000 participants across the globe. Africa accounted for approximately 40 per cent of the participants while around 20 per cent were from Asia and the Pacific, and 17 per cent were from Latin America.

Another significant development last year was the decision taken by ministers in Bali to approve WTO membership for Yemen. Once the formal process is complete, Yemen will bring the WTO's membership to 160 following the accessions of Laos and Tajikistan earlier in the year, and will further strengthen the multilateral system.

Finally, I would like to take this opportunity to express my gratitude to all those who helped to achieve a positive outcome in Bali and are currently striving for a successful conclusion of the broader Doha Round – and all those who support the WTO in a myriad of other ways.

Since my appointment as Director-General in September of last year, I have been struck by the commitment shown by WTO members and the Secretariat to achieve results. Bali was an historic occasion for the WTO. My sincere hope is that it heralded the beginning of a new era. Of course, hope is not enough on its own, but I am confident that with the same dedication and commitment we saw from our members last year, we will continue to make further progress in 2014 and beyond – and therefore help to improve the lives of the people we are here to serve.

Roberto Azevêdo
Director-General

Events of 2013

January

Nine candidates nominated for the post of Director-General.

Launch of joint OECD-WTO database on trade in value-added terms.



March

WTO welcomes Tajikistan as its 159th member.



May

General Council appoints Roberto Azevêdo as next Director-General.

June

WTO inaugurates new building.



April

WTO economists predict world trade growth of 3.3 per cent in 2013.



February

WTO welcomes Laos as its 158th member.

Launch of WHO/WIPO/WTO co-publication *Promoting access to medical technologies and innovation*.





July

Fourth Global Review of Aid for Trade takes place at WTO.

Launch of 2013 World Trade Report: *Factors shaping the future of world trade*.



August

Renato Ruggiero, first Director-General of WTO, dies in Milan aged 83.

Director-General Pascal Lamy leaves office.



September

Roberto Azevêdo takes office as sixth Director-General of WTO.

WTO economists revise world trade growth forecast to 2.5 per cent for 2013.

DG Azevêdo announces appointment of four new Deputy Directors-General.



October

2013 Public Forum takes place in Geneva.



December

WTO's Ninth Ministerial Conference takes place in Bali, Indonesia.

Ministers agree to accept Yemen as a new WTO member.

Ministers adopt the "Bali Package", a selection of issues from the broader Doha Round.