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## EVENTS TO LOOK OUT FOR

2016 Annual Session of the Parliamentary Conference on the WTO, 13-14 June 2016

WTO Public Forum 2016 "Inclusive Trade", 27-29 September 2016.

The WTO will tentatively organize regional outreach activities to Parliamentarians from the Caribbean and Central Eastern Europe, Central Asia and the Caucasus (CEEAC) during the remainder of 2016.

## Trade Figures 2016

The WTO on 7 April 2016 revised its global trade forecast downward by more than one percentage point. Trade growth will remain subdued in 2016 as uncertainties weigh on global demand. In September 2015, the WTO estimated that global trade would rise by 3.9% this year, but lowered that projection to 2.8 per cent.

Growth in the volume of world trade is expected to remain sluggish in 2016 at 2.8%, unchanged from the 2.8% increase registered in 2015. Imports of developed countries should moderate this year while demand for imported goods in developing Asian economies should pick up. Global trade growth should rise to 3.6% in 2017, WTO economists reported on 7 April.

Risks to this forecast are mostly on the downside, including a sharper than expected slowing of the Chinese economy, worsening financial market volatility, and exposure of countries with large foreign debts to sharp exchange rate movements. On the other hand, there is some upside potential if monetary support from the European Central Bank succeeds in generating faster growth in the euro area.

"Trade is still registering positive growth, albeit at a disappointing rate," WTO Director-General Roberto Azevêdo said. "This will be the fifth consecutive year of trade growth below 3%. Moreover, while the volume of global trade is growing, its value has fallen because of shifting exchange rates and falls in commodity prices. This could undermine fragile economic growth in vulnerable developing countries. There remains as well the threat of creeping protectionism as many governments continue to apply trade restrictions and the stock of these barriers continues to grow."

On the basis of the forecast for 2016, world trade will have grown at roughly the same rate as world GDP for five years (at market exchange rates), rather than twice as fast as was previously the case. Such a long, uninterrupted spell of slow but positive trade growth is unprecedented, but its importance should not be exaggerated. Overall, trade growth was weaker between 1980 and 1985, when five

out of six years were below 3%, including two years of outright contraction.

Alternative indicators of economic and trade activity in the opening months of 2016 are mixed, with some pointing to a firming of trade and output growth while others suggest some slowing. On the positive side, container throughput at major ports has recovered much of the ground lost to



From left to right: Coleman Nee; Robert Koopman; DG Roberto Azevêdo; Keith Rockwell

the trade slowdown last year, while automobile sales — one of the best early signals of trade downturns — have continued to grow at a healthy pace in developed countries. On the other hand, composite leading indicators from the Organization for Economic Cooperation and Development point to an easing of growth in OECD countries, and financial market volatility has continued in 2016. Therefore trade growth may remain volatile in 2016.

More info: [https://www.wto.org/english/news\\_e/pres16\\_e/pr768\\_e.htm](https://www.wto.org/english/news_e/pres16_e/pr768_e.htm)

## Developments at the WTO

### WTO's 10<sup>th</sup> Ministerial Conference

The WTO's 10<sup>th</sup> Ministerial Conference was held in Nairobi, Kenya, from 15 to 19 December 2015.

It culminated in the adoption of the “Nairobi Package”, a series of six Ministerial Decisions on agriculture, cotton issues related to least-developed countries (LDCs). A Ministerial Declaration outlining the Package and the future work of the WTO was also adopted, at the closing session on 19 December. The Conference was chaired by Kenya's Cabinet Secretary for Foreign Affairs and International Trade, Amina Mohamed.



DG Azevêdo and H.E. Amina Mohammed, Cabinet Secretary for Foreign Affairs and International Trade of Kenya, at the closing ceremony of the MC10

More info: [https://www.wto.org/english/thewto\\_e/minist\\_e/mc10\\_e/mc10\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc10_e/mc10_e.htm)

### Information Technology Agreement

The Information Technology Agreement (ITA) was concluded by 29 participants at the Singapore Ministerial Conference in December 1996. Since then, the number of participants has grown to 82, representing about 97 per cent of world trade in IT products. The participants are committed to completely eliminating tariffs on IT products covered by the Agreement. At the Nairobi Ministerial Conference in December 2015, over 50 members concluded the expansion of the Agreement, which now covers an additional 201 products valued at over \$1.3 trillion per year.

Recently the Committee on the Information Technology Agreement (ITA), at a meeting on 18 April 2016, heard reports about current preparations for implementation of the Nairobi Ministerial Declaration on the Expansion of Trade in IT Products. The declaration established that the first set of tariff cuts were to be implemented on 1 July 2016 and the second set no later than 1 July 2017, with successive reductions taking place on 1 July 2018 and effective elimination no later than 1 July 2019.

More info: [https://www.wto.org/english/tratop\\_e/inftec\\_e/inftec\\_e.htm](https://www.wto.org/english/tratop_e/inftec_e/inftec_e.htm)

### Trade Policy Reviews

The Trade Policy Reviews (TPR) of the following Members have been held since June 2015: [India](#), [Canada](#), [Chile](#), [New Zealand](#), [European Union](#), [Madagascar](#), [Dominican Republic](#), [Guyana](#), [Angola](#), [Cabo Verde](#), [Republic of Moldova](#), [Southern African Customs Union](#), [Namibia](#), [Botswana](#), [Swaziland](#), [South Africa and Lesotho](#), [Jordan](#), [Thailand](#), [Haiti](#), [Georgia](#), [Morocco](#), [Fiji](#), [Turkey](#), [Maldives](#), [Kingdom of Saudi Arabia](#), [Ukraine](#), [Malawi](#), [Honduras](#). You will find a link to the Secretariat's reports that are made available online, when you click on the Member.

[https://www.wto.org/english/tratop\\_e/tpr\\_e/tpr\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm)

### Accessions

Since June 2015, there have been new accessions at WTO. [Kazakhstan](#) became the 162<sup>nd</sup> WTO member on 30 November 2015, closing the 20-year long chapter of negotiating its accession terms with WTO members. At the Tenth Ministerial Conference in Nairobi, ministers approved unanimously [Liberia](#) and [Afghanistan's](#) WTO membership terms at a special ceremony held on 16 and 17 December 2015 respectively.



DG Azevêdo and H.E. President Nazarbayev signed the Protocol on the Accession of Kazakhstan on 27 July 2015

Liberia will have until 15 June 2016 to ratify its Protocol of Accession and would become a WTO member 30 days after it notifies its acceptance to the WTO Director-General. Afghanistan will have until 30 June 2016 to ratify its Protocol of Accession and would become a WTO member 30 days after it notifies its acceptance to the WTO Director-General.



DG Azevêdo and H.E. President Ellen Johnson Sirleaf of Liberia



DG Azevêdo and H.E. Mohammad Khan Rahmani, First Deputy Chief Executive of Afghanistan's National Unity Government

More info: [https://www.wto.org/english/thewto\\_e/acc\\_e/acc\\_e.htm](https://www.wto.org/english/thewto_e/acc_e/acc_e.htm)

## Trade Facilitation Agreement

Montenegro and Albania have become the latest WTO members to ratify the new Trade Facilitation Agreement (TFA) on 10 May 2016. With the acceptance by Montenegro and Albania, the number of TFA ratifications now stands at 79. In addition, the following WTO members have also accepted the TFA: Australia, Belize, Botswana, Brazil, Brunei, Cambodia, Chinese Taipei, China, Côte d'Ivoire, European Union (on behalf of its 28 member states), Georgia, Grenada, Guyana, Hong Kong China, India, Jamaica, Japan, Kenya, Lao PDR, Lesotho, Liechtenstein, Macao, China, Malaysia, Mali, Mauritius, Myanmar, New Zealand, Nicaragua, Niger, Norway, Pakistan, Panama, Paraguay, Republic of Korea, Russia, Saint Lucia, Samoa, Seychelles, Singapore, Switzerland, Thailand, Togo, Trinidad and Tobago, Turkey, Ukraine, United Arab Emirates, United States, Viet Nam, Yugoslav Republic of Macedonia and Zambia.

Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and

capacity building in this area. And for the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so.

The Trade Facilitation Agreement will enter into force once two-thirds of members have completed their domestic ratification process.

More info: [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm)

## General Council

In his report to the General Council on 24 February 2016 as chair of the Trade Negotiations Committee, Director-General Roberto Azevêdo urged WTO members to "deepen their dialogue with each other" about how to advance the work of the WTO and to build on the recent success of the Ministerial Conference in Nairobi.

The Director-General referred to the MC10 process and said that, as he had also noted at the 10 February HoDs meeting, Members needed to improve the way they worked in Geneva by having closer contacts with capitals and engaging Ministers more throughout the process. Follow-up actions on the Nairobi Declaration and Decisions also demanded Members' attention. Absence of a common view on how to deal with DDA and non-DDA issues remained. Different views had been expressed on the way forward. He thus encouraged Members to talk to each other and share their views about their next steps in light of the Nairobi outcomes.

More info: [https://www.wto.org/english/news\\_e/news16\\_e/sum\\_gc\\_feb16\\_e.htm](https://www.wto.org/english/news_e/news16_e/sum_gc_feb16_e.htm)

## New Chairpersons

New chairpersons have been elected for 2016. On 24 February 2016, in the presence of the Director-General, Ambassador Harald Neple of Norway was elected chairperson of the General Council. In addition, the WTO General Council noted the consensus on a slate of names of chairpersons for several WTO bodies.

More info: [https://www.wto.org/english/news\\_e/pres16\\_e/pr766\\_e.htm](https://www.wto.org/english/news_e/pres16_e/pr766_e.htm)

## Least developed countries

Director-General Roberto Azevêdo took part on 18 April 2016 in a retreat organized by the Least-Developed Country (LDC) Group of WTO members, held in Montreux, Switzerland. The aim of the retreat was to reflect on the outcomes of the WTO's Tenth Ministerial Conference, held in Nairobi in December 2015, and to discuss how LDC issues can be further advanced in future negotiations. DG Azevêdo congratulated the Group on the initiative to hold the retreat and reviewed some of the next steps which would be needed to take forward the decisions on LDC issues which were taken at the Nairobi Ministerial Conference and at the previous Ministerial Conference, held in Bali in 2013.

More info: [https://www.wto.org/english/news\\_e/news16\\_e/dgra\\_18apr16\\_e.htm](https://www.wto.org/english/news_e/news16_e/dgra_18apr16_e.htm)



DG Azevêdo at the World Trade Report 2015 Book Launch

## World Trade Report 2015

The WTO Trade Facilitation Agreement (TFA), which was agreed by WTO members at the Ministerial Conference in Bali in December 2013, is the first multilateral trade agreement concluded since the establishment of the WTO in 1995. The 2015 World Trade Report is the first detailed study of the potential impacts of the TFA based on a full analysis of the final agreement text.

The Report's findings are consistent with existing studies on the scale of potential benefits from trade facilitation, but it goes further by identifying and examining in detail a range of other benefits from the TFA. These include diversification of exports from developing countries and least-developed countries to include new products and partners, increased involvement of these countries in global value chains, expanded participation of small and medium-sized enterprises in international trade, increased foreign direct investment, greater revenue collection and reduced incidence of corruption.

The Report also looks into the challenges of implementing the Trade Facilitation Agreement and examines how a new facility, launched in 2014 by WTO Director-General Roberto Azevêdo, will provide support to help developing countries implement the Agreement.

[https://www.wto.org/english/res\\_e/publications\\_e/wtr15\\_e.htm](https://www.wto.org/english/res_e/publications_e/wtr15_e.htm)

## Outreach to MPs

In 2015, The WTO organized two regional workshops for members of parliament (MPs) from Asia and from the Indian Ocean Commission, an intergovernmental organization composed of [Comoros](#), [Réunion](#), [Madagascar](#), [Mauritius](#) and [Seychelles](#), and the East African Community. These workshops were held respectively in [Singapore](#) and [Mauritius](#) and in partnership with the Temasek Foundation, Singapore and the Commonwealth Parliamentary Association and the Assemblée Parlementaire de la Francophonie for the event in Port-Louis.

These meetings, which were each attended by around 30 participants, aimed to generate greater understanding of the multilateral trading system and to provide a forum for participants to discuss and exchange ideas in the context of the TFA and MC10. The workshops were part of regular WTO cooperation with various regional parliamentary associations, foundations and think tanks.



DG Azevêdo speaking at the Annual Parliamentarians Workshop in Singapore

The WTO also teamed up with the Organization Internationale de la Francophonie (OIF) for a multi-stakeholder consultation in Dakar, [Senegal](#), involving around 90 African Members of Parliament and representatives of Non-Governmental Organizations, Private Sector and Media to discuss the preparations of the 10<sup>th</sup> Ministerial Conference of the WTO in Nairobi. This wide and successful consultation was part of a Plan set up by the OIF to consult its different constituencies on MC10. The WTO further supported this Plan by attending a similar event organized by OIF in Hanoi, Vietnam in the lead up to MC10.

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### We would like to hear from you:

World Trade Organization  
Information and External Relations Division

Rue de Lausanne 154,  
1211 Geneva, Switzerland

[wto4mps@wto.org](mailto:wto4mps@wto.org)  
[www.wto.org](http://www.wto.org)

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