

Message from

Director-General Roberto Azevêdo



There is great value in the multilateral trading system. It has secured a foundation on which WTO members can base their economic planning with confidence. Imagine, however, if we were suddenly presented with a scenario where the system started to falter. If tariffs were no longer bound at the historically low levels we see today, if we could not rely on members honouring their services commitments, or if the system of settling trade disputes was to erode, the consequences would be dramatic. It is therefore in the interests of all WTO members – developed, developing and least-developed – that we should remember the importance of the system for our economies and recognise the need to preserve and strengthen it for future generations. This is particularly important at a time of rising trade tensions among some major trading partners.

Trade growth in 2017 was the strongest since 2011. With continued robust growth forecast for this year and next, we are seeing trade playing its part in supporting the global economic recovery – supporting GDP growth, development and job creation around the world. If we are to avoid this strong performance being compromised by a further escalation in tensions, we must seek to further enhance global cooperation. The WTO, which was created as a forum for members to find ways to cooperate and hold each other to account, will play its proper role in this process. Indeed, we have done so before. It can be argued that without the WTO, a wave of protectionist measures would have been stirred up by the 2008 crisis, significantly worsening the economic effects of that downturn. We will continue working to ease tensions and to promote cooperation and restraint.

For the trading system to keep playing its essential role, it must also be continually strengthened and improved so that it can meet the demands of a rapidly changing and evolving global economy. WTO members took a number of historic steps in this direction in early 2017 with the implementation of two important reforms to global trade rules: the Trade Facilitation Agreement, which will speed

the flow of goods across borders and potentially reduce trade costs by over 14 per cent, and an amendment to the WTO's intellectual property agreement, which will expedite poorer countries' access to affordable medicines which they lack the capacity to produce themselves.

Implementation of these changes to the global trade rulebook will be closely monitored by the WTO's relevant committees, which provide an important forum for WTO members to raise trade concerns and propose solutions. The WTO's committees were extremely active in 2017, discussing issues ranging from the use of subsidies to members' latest anti-dumping actions.

One of the main aims of the committees is to resolve trade concerns in a consensual way, thus avoiding the need to pursue these concerns more formally through the WTO's dispute settlement system. We strongly encourage amicable settlement among WTO members where possible. Since its establishment, more than half of all disputes lodged with the WTO have been settled in this way without the need for creating a dispute panel. Where it proves impossible for members to resolve trade differences, our dispute settlement system provides the legal framework for finding a solution.



The system is one of the most active adjudicatory systems in the world and operates at a faster rate than other international bodies.

The number of active disputes increased significantly in 2017. Members' regular use of the system is a clear indication of its effectiveness. To deal with the growing demand, we have reallocated resources to the divisions dealing with these cases and we continue to consult with members on ways of improving the efficiency of dispute proceedings. A properly functioning system requires full capacity in all areas, including the Appellate Body. However, there is currently an impasse in the process of appointing new Appellate Body members. Finding a solution here is a systemic priority.

2017 culminated with our Ministerial Conference in Buenos Aires, which attracted over 4,000 participants. Members actively discussed a wide range of issues, continuing the negotiations pursued in Geneva in the months leading up to the conference. Agreement could not be reached in many of the areas under discussion but a number of important steps were taken, including the ministerial decision on fisheries subsidies which commits members to establishing new disciplines in this area by the next Ministerial Conference in 2019.

In addition, the conference concluded with over 120 WTO members endorsing the Buenos Aires Declaration on Trade and Women's Economic Empowerment, which sends an important message about the WTO's efforts to make trade more inclusive. The conference also witnessed the signing of joint statements by groups of like-minded members to pursue discussions on e-commerce, investment facilitation for development and micro, small and medium-sized enterprises. It is very positive that members are seeking to use the WTO to tackle matters that they consider to be of pressing economic importance. As they move ahead, I have urged the proponents of these issues to engage with the full membership and to keep their discussions as open, transparent and inclusive as possible.

I also endorse the closing remarks of the Chair of the Ministerial Conference, Susana Malcorra, who noted the commitment of WTO members to advance negotiations in all remaining

issues, from agriculture to development, to the linkages between trade and the environment. This work is continuing in Geneva in 2018.

The needs of the poorest members remain central to the work of the WTO – in our negotiations and beyond. We provide regular training opportunities for government officials from developing and least-developed members, reaching around 18,500 people in 2017. In addition, the WTO's Aid for Trade initiative makes a real difference in supporting countries to benefit from the trading system. Over \$340 billion has been disbursed under the Aid for Trade umbrella during its first ten years. This includes targeted programmes, such as the Enhanced Integrated Framework, which provides technical and financial support to least-developed countries to help them use trade as a tool for economic growth and poverty reduction.

This essential work will play a key role in delivering the Sustainable Development Goals (SDGs). Indeed, many of the topics under discussion at the WTO will be important here, and we have already made real progress. For example, the decision taken by WTO members in 2015 to abolish agricultural export subsidies delivered a key target of SDG 2 on "zero hunger". In addition, by agreeing to act on harmful fisheries subsidies by 2019, members have also committed to meet an important target of SDG 14. In these, and many other ways, trade has the power to make a real, lasting, positive impact on people's lives.

I believe that the multilateral trading system can continue to be a force for good in the world – promoting stability, creating opportunities, and boosting growth and development, as it has done for many years. But we can take nothing for granted. For all of this to happen, we need to continue strengthening the WTO, fostering cooperation on global economic issues and making the case for the rules-based system. I will continue working together with all WTO members to that end.



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