

# Our year

**The WTO held its 11<sup>th</sup> Ministerial Conference in Buenos Aires in 2017, the first time such a meeting has been held in South America. The Conference ended with the adoption of a number of decisions, including on fisheries subsidies.**

**The year saw the entry into force of the WTO's Trade Facilitation Agreement, the first multilateral trade deal concluded in the history of the WTO, and an amendment to the WTO's intellectual property agreement to ease developing countries' access to medicines.**

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# Trade negotiations and discussions

**Trade negotiations in 2017 culminated at the 11<sup>th</sup> Ministerial Conference (MC11) in Buenos Aires in December with a decision on fisheries subsidies and decisions in a number of other areas.**

**MC11 Chair Susana Malcorra noted that WTO members were committed to advancing WTO work in all negotiating areas.**

During the year, WTO members worked hard to advance trade negotiations ahead of MC11, with discussions focusing on agriculture, fisheries subsidies, services and special and differential treatment for developing countries. A number of papers and submissions were presented, which helped focus and advance the negotiations. However, despite a high level of engagement, WTO members' positions did not converge sufficiently. The Chair of the Trade Negotiations Committee, Director-General Roberto Azevêdo, said in late November that at that stage he did not see agreed negotiated outcomes for members to present to ministers at MC11.

At MC11, five "minister facilitators" worked with the negotiating group chairs to try to narrow differences in the areas under discussion, including agriculture, fisheries subsidies, development, e-commerce, domestic regulation in services, and transparency in non-agricultural market access. The facilitators reported regularly to the full membership, following the principles of transparency and inclusiveness.

In the end, agreement could not be reached in many of the areas under discussion. However, the conference

ended with a ministerial decision to continue with negotiations on fisheries subsidies, with the aim of reaching an agreement by the Ministerial Conference in 2019. Ministers also took decisions regarding e-commerce, the Work Programme on Small Economies, and "non-violation and situation" complaints in intellectual property. In addition, the MC11 Chair, Susana Malcorra, noted that WTO members were committed to advancing WTO work in all negotiating areas.

At the end of the Conference, four joint statements by like-minded groups of members were signed on advancing discussions on e-commerce, investment facilitation for development, micro, small and medium-sized enterprises (MSMEs), and trade and women's economic empowerment. In addition, a group of WTO members issued a joint statement reaffirming their commitment to advancing the ongoing talks on domestic regulation in services.

See pages 42-59.





WTO members worked hard to advance trade negotiations before and during MC11.

# Implementation of WTO agreements and decisions

**The WTO's landmark Trade Facilitation Agreement entered into force in early 2017, as did an amendment to the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), easing developing countries' access to medicines. Director-General Roberto Azevêdo began a second term of office.**

**The Trade Facilitation Agreement entered into force on 22 February 2017.**

**The Agreement is expected to reduce trade costs globally by an average of over**

**14%**

WTO members agreed by consensus to appoint Roberto Azevêdo for a second four-year term as Director-General, beginning on 1 September 2017. He was the only candidate nominated for the post when the process closed on 31 December 2016.

Xavier Carim (South Africa), Chair of the General Council – the WTO's highest-level decision-making body in Geneva – oversaw preparations for the 11<sup>th</sup> Ministerial Conference (MC11), held in Buenos Aires in December.

The Conference ended with ministers adopting decisions on fisheries subsidies, e-commerce, small economies and intellectual property and establishing a working party on the accession of South Sudan. Substantive progress was not possible in other areas under discussion but the MC11 Chair noted that WTO members agreed to advance negotiations on all remaining issues.

During the year, the General Council regularly reviewed progress in implementing decisions taken at the two previous ministerial conferences, in 2013 and in 2015. In particular, the Chair regularly reported on the implementation of the Nairobi Decision on Export Competition, which commits WTO members to eliminating agricultural export subsidies.

The protocol amending the TRIPS Agreement entered into force on 23 January 2017 upon its acceptance by two-thirds of the WTO membership. The protocol eases poorer WTO members' access to medicines by allowing generic versions of patented medicines to be produced under compulsory licences for export to countries that cannot manufacture the medicines for themselves.

The Trade Facilitation Agreement (TFA) entered into force on 22 February 2017 after acceptances of the required two-thirds of WTO members were received. By speeding up the movement of goods across borders, the Agreement is expected to reduce trade costs globally by an average of over 14 per cent. The TFA Committee started work under its first chair.

[See pages 60-125.](#)





An amendment to the TRIPS Agreement entered into force in January 2017. It will ease poorer countries' access to medicines.

# Dispute settlement

**Dispute settlement activity intensified in 2017, as the monthly average of panels, appellate and arbitration proceedings dealt with rose by 20 per cent.**

The number of active disputes increased significantly compared with 2016, extending the trend of recent years. Due to the increase in dispute settlement activity, 29 WTO posts have been redeployed to the legal divisions over the past two to three years.

WTO members continue to be very active in dispute settlement, and the subject matter of disputes brought to the WTO continues to span a wide range of agreements. As in previous years, both developed and developing country members have been involved in the dispute settlement mechanism, both as complainants and as respondents. During 2017, WTO members filed 17 requests for consultations, the first step in the dispute settlement system, compared with 16 in 2016 and 13 in 2015. Canada, Qatar and the United States filed the most disputes in 2017, with three each, followed by Russia and Ukraine with two.

WTO members remained divided at the end of 2017 on the selection process for choosing three new members of the seven-strong Appellate Body to replace Ricardo Ramírez Hernández of Mexico and Peter Van den Bossche of Belgium, who completed their second terms of office in 2017, and Hyun Chong Kim of Korea, who resigned from the Appellate

Body on 1 August 2017. The remaining members of the Appellate Body are Ujal Singh Bhatia (India), Thomas R. Graham (United States), Shree Baboo Chekitan Servansing (Mauritius) and Hong Zhao (China).

Appellate Body Chair Ujal Singh Bhatia alerted WTO members in June 2017 that the Appellate Body faces challenges as it deals with increasing demand for its services and increasingly complex disputes. He highlighted that the increasing number of appeals means the Appellate Body is facing difficulty in meeting the requirement of “prompt” resolution of disputes, a feature that distinguishes the WTO dispute settlement system from other international adjudicative systems. He reminded WTO members that the WTO’s dispute settlement system should not be taken for granted and that it required “nurturing through timely interventions when problem areas emerge”.

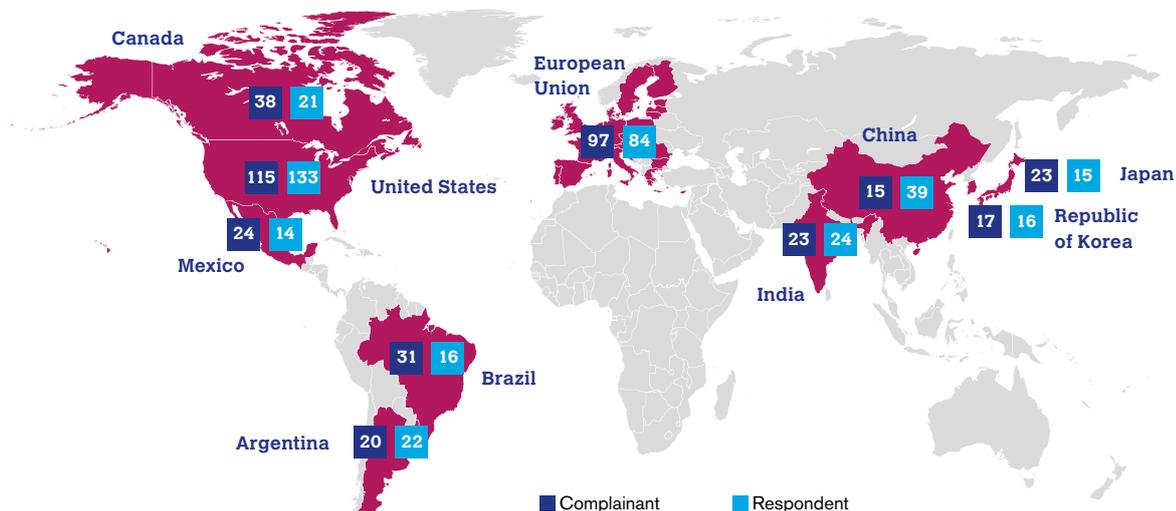
Eight appeal proceedings were initiated by WTO members in 2017, the same number as in 2015 and 2016. Six Appellate Body reports were circulated during the year, the same total as the previous year.

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Due to the increase in dispute settlement activity, 29 WTO posts have been redeployed to the legal divisions over the past two to three years.

WTO members most involved in disputes, 1995 to 2017



**Appellate Body Chair  
Ujal Singh Bhatia  
highlighted the  
challenges facing  
the appeal body.**



# 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 2017, with the Committee on Trade and Development acting as the main forum for discussions.**

At a meeting of the Committee on Trade and Development in November, the WTO Secretariat reported that the share of developing economies and least-developed countries (LDCs) in world merchandise trade contracted in 2016. The LDCs expressed concern that they were far from achieving the target of doubling their share in world exports by 2020 as envisaged under the United Nations Sustainable Development Goals (SDGs). They called on WTO members to increase their efforts in implementing ministerial decisions taken in favour of LDCs.

In July 2017, the WTO hosted the Global Review of Aid for Trade on the theme "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". Some 1,500 trade and development professionals attended the conference, which underlined the important part played by trade – and the key role of Aid for Trade – in delivering growth, reducing poverty and achieving the SDGs. Aid for Trade disbursements amounted to US\$ 38.8 billion in 2016, taking the 2006-16 total to over US\$ 342 billion.

Trade's role in promoting sustainable development was an important topic at the WTO's annual Public Forum in Geneva. Both governments and the private sector need to be more active in ensuring trade's full potential in contributing to SDGs, the Forum heard.

The Enhanced Integrated Framework, a multi-agency initiative, accelerated its activities, approving 23 new projects to help LDCs use trade as a tool for growth. In 2017, the Standards and Trade Development Facility, a global partnership, allocated USD 4.2 million to help developing countries meet international standards for food safety, plant and animal health and to access global markets.

In 2017, the WTO undertook 350 technical assistance activities, including e-learning, global and regional training courses, academic programmes and national and regional workshops, aimed at giving government officials from developing countries a better understanding of WTO agreements. Approximately 18,500 participants undertook technical assistance activities during the year.

The Young Professionals Programme, aimed at increasing the representation of professionals from developing countries under-represented at the WTO, was launched in 2017 with five participants, expanding to 15 in 2018.

[See pages 144-163.](#)



**In July 2017, the WTO hosted the Global Review of Aid for Trade, attracting some 1,500 attendees.**





**18,500**

Some 18,500 participants benefited from WTO training on trade issues in 2017.

# Outreach

**The WTO's outreach programme in 2017 included a number of initiatives aimed at the business community, civil society, academia and the general public.**

WTO interaction with the business sector increased in 2017. In July, two focus groups of business leaders, established under the WTO's Trade Dialogues initiative, issued recommendations on business priorities for the WTO. In August, the WTO and the International Chamber of Commerce (ICC) launched the Small Business Champions initiative, which aims to help micro, small and medium-sized enterprises participate more fully in global trade.

In December, a business forum took place for the first time on the sidelines of the 11<sup>th</sup> Ministerial Conference (MC11) in Buenos Aires. At the end of the Forum, the ICC issued a statement with recommendations on the direction of the world trade agenda.

The WTO continued to collaborate with other international organizations, participating in high-level meetings and producing co-publications. In July, Director-General Roberto Azevêdo attended the G20 summit in Hamburg, Germany. In a joint statement issued ahead of the summit, DG Azevêdo and the heads of the International Monetary Fund and the World Bank stressed that the economic well-being of billions

depends on trade and that deeper trade integration coupled with supportive domestic policies can help boost incomes and economic growth.

The WTO's major outreach event of the year was the Public Forum. Held in September, it attracted over 1,200 participants from 112 countries. Under the theme "Trade: Behind the Headlines", the Forum hosted 105 sessions.

The Parliamentary Conference on the WTO, which met in Buenos Aires, just before MC11, urged WTO members to make every effort to strengthen the multilateral trading system, with the WTO as its cornerstone.

In 2017, the WTO website was redesigned to give it a fresh look and to make it more accessible to a variety of devices. The website attracted almost 1.9 million visits a month while ever greater numbers followed the WTO's Twitter, Facebook and Weibo accounts. WTO videos were watched over 700,000 times on social media and the WTO's publications programme produced over 60 publications, many in collaboration with other international organizations.

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**In August, the WTO and the ICC launched the Small Business Champions initiative to help SMEs participate more fully in global trade.**





# 1,200

Over 1,200 participants from 112 countries attended the Public Forum.

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