

Spotlight:

Increasing women's role in trade

At the 11th Ministerial Conference in December 2017, WTO members joined for the first time a collective initiative to increase the participation of women in trade. By supporting the Buenos Aires Declaration on Trade and Women's Economic Empowerment, 120 WTO members and observers have demonstrated their commitment to helping women reach their full potential in the world economy and to removing barriers to women's advancement.

Supporters of the declaration have committed themselves, among other things, to sharing experiences and best practices on inclusive policies and data collection. They have also committed to working together in the WTO to ensure that Aid for Trade (see page 151) supports the development and implementation of more gender-responsive trade policies.

Director-General Roberto Azevêdo stated that the declaration "provides guidance from the members to the WTO for the way forward and the WTO will play its full part. It will be a vital element in the WTO's work to make trade more inclusive."

Three-quarters of men are in the labour force compared with only 50 per cent

of women. Close to 40 per cent of small and medium-sized enterprises (SMEs) worldwide are women-owned businesses but only 15 per cent of exporting firms are led by women. Globally, it is estimated that the elimination of all forms of discrimination against women would raise per capita productivity by 40 per cent.

Gender issues are being raised with increasing frequency at the WTO. For example, a group of members, led by Canada, proposed including gender equality in negotiations on domestic regulations in services. Other members, notably the European Union and Iceland, have used their trade policy reviews (see page 114) to highlight policy developments that contribute to gender equality. The gender perspective was also discussed at the WTO's Public Forum (see page 166).

At the WTO's Aid for Trade Global Review in July 2017 (see page 154), speakers at a high-level session on gender and trade said that removing barriers to women fully participating in trade is critical not only for the empowerment of women but also for economic growth and development in general. A number of other sessions at the Review were dedicated to gender issues, with donors and other partners discussing how to increase their focus on women's empowerment and how Aid





The Buenos Aires Declaration on Trade and Women's Economic Empowerment will be a vital element in the WTO's work to make trade more inclusive.

DG Azevêdo



for Trade impacts on women. Gender was also a cross-cutting issue in the Aid for Trade Work Programme for 2016-17.

The WTO marked International Women's Day on 8 March 2017 with a programme of events and discussions looking at women's economic empowerment and how more can be done to promote gender equality within the organization. The Director-General launched a report, "Women and the WTO", showing that the participation of women in the WTO Secretariat has increased steadily over the years while also highlighting areas where more progress can be made, including in chairing WTO bodies. In June 2017, for the first time, the WTO nominated a gender focal point to coordinate work among divisions.

The WTO's technical assistance plan for 2018-19, adopted in November 2017, gives the WTO Secretariat a mandate to develop a training module to "raise awareness and enhance the aptitude of policy makers to incorporate gender considerations in their analysis and trade policy development or negotiations".

In addition, the WTO has launched a partnership with the World Bank to

generate new data and promote better understanding of the impact of trade on women. It has also launched a research project with the Organisation for Economic Co-operation and Development looking at how Aid for Trade can help women's empowerment.

In October, the WTO launched an Action Plan on Trade and Gender, with four objectives: raising awareness on the link between trade and gender; facilitating WTO members' actions on trade and gender; generating new data on the impact of trade on women; and providing training to government officials and to women entrepreneurs.

The WTO also released a brochure, "Gender-Aware Trade Policy: A Springboard for Women's Economic Empowerment", on how trade can be a driving force for women's economic empowerment. It highlights that women play a vital role in the economy and if given equal opportunities, they could contribute to economic growth and social inclusion at all levels. The brochure underlines that trade can play a key role in delivering opportunities for women and can be a driving force for their economic empowerment.



Regional trade agreements

- In 2017, the WTO received 25 notifications of regional trade agreements (RTAs) currently in force, up from 22 in 2016.
- The notifications involved 15 new RTAs. The Americas notified the highest number – seven.
- The Committee continued to examine the impact of RTAs on the multilateral trading system.
- The RTA database was further improved, adding information and facilitating searches and comparisons.

Background on regional trade agreements

The Committee on Regional Trade Agreements (CRTA) monitors all regional trade agreements (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 examines RTAs individually and considers their systemic implications for the multilateral trading system.

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A total of 284 of the RTAs notified to the WTO were in force at the end of 2017.

Notifications

WTO members submitted 25 notifications concerning regional trade agreements (RTAs) in 2017. These notifications (submitted separately for trade in goods, services and accessions to existing RTAs) correspond to 15 new RTAs.

Of the 15 RTAs, six included goods and services provisions while nine included goods provisions only. In addition, one of these concerns an RTA that is not yet in force. As in 2016, only three of the RTAs were between developed and developing partners, while eight were between developing partners only and four RTAs were between developed partners only.

Members from the Americas were involved in the highest number of RTAs – seven – followed by the Asia Pacific region and Europe – five each. Other RTAs involved members from the Commonwealth of Independent States (four) and Africa (three). Nine of the agreements covered members from two different regions and six covered members from one region.

The notifications took the number of RTAs notified to the WTO by 31 December 2017 to 669, of which 455 were in force (see Figure 13). RTAs include free trade agreements and customs unions. Under WTO rules, the goods and services aspects of RTAs, as well as accessions to existing RTAs,

must be notified separately and thus are counted separately. However, if all three elements are counted together, the 669 notifications involved 479 individual RTAs, of which 284 were in force.

Some 69 RTAs had not been notified to the WTO as of 27 October 2017. Since 2011, the WTO Secretariat has been issuing a list of RTAs in force but not notified. In 2017, nine RTAs included in the list of non-notified RTAs were notified to the WTO.

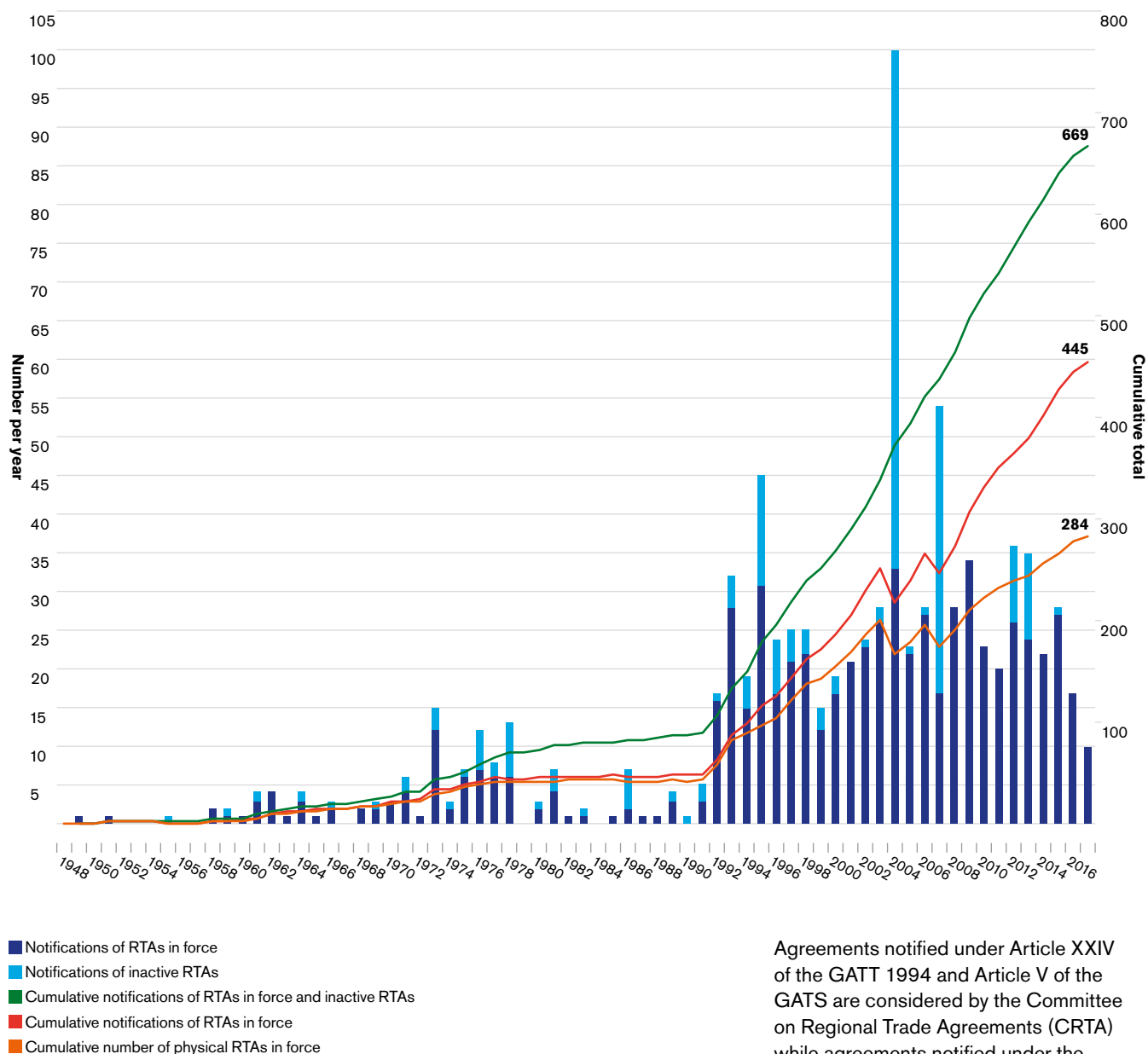
Monitoring RTAs

All 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 – for trade in services), are subject to the provisions and procedures of the transparency mechanism.

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 2017, 159 RTAs involving 107 WTO members had been reviewed, up from 143 agreements involving 106 members at the end of 2016.



Figure 13: All RTAs notified to the GATT/WTO (1948 to 2017) by year of entry into force



Agreements notified under Article XXIV of the GATT 1994 and Article V of the GATS are considered by the Committee on Regional Trade Agreements (CRTA) while agreements notified under the Enabling Clause (see page 110) are considered by a dedicated session of the Committee on Trade and Development (CTD), using the Secretariat's factual presentation as the basis for consideration (see Table 2).

Under the transparency mechanism, WTO members are encouraged to inform the Secretariat of any agreements currently being negotiated or those that have been signed but are yet to enter 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.



Table 2: Regional trade agreements considered in 2017

1. Considered in the Committee on Regional Trade Agreements:
Iceland – The Faroe Islands (goods and services)
Russian Federation – Azerbaijan (goods)
Republic of Korea – Viet Nam (goods and services)
European Union – Ukraine (goods and services)
Georgia – Russian Federation (goods)
Republic of Korea – Colombia (goods and services)
Republic of Korea – India (services)
China – Republic of Korea (goods and services)
Mexico – Panama (goods and services)
European Union – the ESA States (Madagascar, Mauritius, Seychelles and Zimbabwe) (goods)
2. Considered in the Committee on Trade and Development:
Association of Southeast Asian Nations (ASEAN) – India (goods)
<i>Note: The table refers to 11 agreements, six of which covered both goods and services, four covered only goods and one only services.</i>

In 2017, the CRTA considered 16 notifications of RTAs, counting goods, services and accessions separately, compared with 29 in 2016 and 19 in 2015. The CTD held one dedicated session on RTAs and considered one RTA notified under the Enabling Clause.

The transparency mechanism also requires the Secretariat to prepare “factual abstracts” on RTAs examined by the CRTA prior to their entry into force. By the end of 2017, 72 factual abstracts of agreements currently in force had been prepared in consultation with the relevant RTA parties and posted in the RTA database.

In addition, three “early announcements” of RTAs were received from WTO members in 2017, one for a newly signed RTA not yet in force and two for RTAs under negotiation. As of December 2017, the WTO had received 106 early announcements. Sixty-seven of these had subsequently been notified to the WTO following entry into force of the agreements.

The CRTA also discusses end-of-implementation reports for RTAs. Most RTAs are implemented over a transition period and the transparency mechanism requires RTA parties to submit a short written report on how the liberalization commitments are put into effect. Two such reports were submitted in 2017. The reports are important for understanding whether RTAs accomplish what they set out to do. The Chair of the CRTA, Walid Doudech (Tunisia), noted that implementation reports had been due for 136 RTAs as of 13 February 2017 but only two were 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. In Nairobi in December 2015, ministers called on WTO members to work towards making the mechanism permanent.



The Committee discussed the relationship between trade facilitation provisions in RTAs and the WTO's Trade Facilitation Agreement.

Impact of RTAs on the multilateral trading system

With RTAs becoming increasingly comprehensive, the Nairobi Ministerial Declaration of December 2015 reaffirmed the need to ensure they remain complementary to, and not a substitute for, the multilateral trading system. It instructed the CRTA to discuss the systemic implications of RTAs for the multilateral trading system and their relationship with WTO rules.

In April, the Committee discussed the relationship between trade facilitation provisions in RTAs and the WTO's Trade Facilitation Agreement (see page 94). The discussion looked at how certain RTAs converge with or diverge from the provisions of the TFA. Members also heard how trade facilitation provisions in RTAs have evolved and shaped TFA negotiations and how, in turn, the TFA could set the basis for customs and trade facilitation chapters in future RTAs.

RTA database

The WTO's RTA database (<http://rtais.wto.org>), where details of RTAs notified to the WTO are stored, was further strengthened in 2017 with the addition of new features and more information. The new additions became available to the public on 14 December 2017. The principal changes involve:

- an expanded list of topics and provisions which can be searched across all notified RTAs currently in force (previously only a subset of RTAs was covered)
- interactive graphs on the evolution of RTA notifications to the GATT and the WTO
- an analysis of preferential tariffs (on a tariff line basis) as they are expected to be implemented by the RTA.

An expanded list of topics covered in RTAs

The number of topics covered has been expanded to 41 and the topics further sub-divided into 72 provisions. This permits users to search the database for RTAs that contain one or several of these topics or provisions.

Interactive graphs

A series of interactive graphs allows the user to produce graphs showing the evolution of RTAs by country or region, or by date of entry into force, signature or notification. The underlying data used to produce the graphs can be exported to an Excel spreadsheet.

Preferential tariff search

The third new feature allows the user to search the preferential tariff offered by individual members of the WTO under their RTAs, compared to their latest most-favoured-nation tariff. The search function is provided at the tariff line level. Thus, an exporter in a given country could analyse preferential tariffs in distinct export markets for certain products and compare them to the MFN tariff.

The information generated by the database now permits users not only to identify RTAs with the provisions they are interested in, it also provides a clearer picture of any common features of RTAs and the evolution of emerging trends in RTAs.



Trade Policy Reviews

- In 2017, the Trade Policy Review Body reviewed 23 WTO members.
- The eight West African Economic and Monetary Union members were reviewed together for the first time.
- Bolivia and Sierra Leone were reviewed after a 12-year gap.
- Six follow-up workshops and a regional roundtable trade policy workshop were held during the year.

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. The four largest trading entities (currently the European Union, the United States, China and Japan) are reviewed every two years (three starting in 2019), the next 16 largest every four years (five starting in 2019), and other members every six years (seven starting in 2019). Reviews are not intended to serve as a basis for the enforcement of obligations or for dispute settlement procedures.

In 2017, the Trade Policy Review Body (TPRB) reviewed the trade policies and practices of 23 WTO members, the same number as in 2016. By the end of 2017, the TPRB had conducted 467 reviews since 1989, covering 153 of the 164 WTO members.

The eight West African Economic and Monetary Union member countries – Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo – were reviewed together for the first time. The Plurinational State of Bolivia and Sierra Leone were reviewed for the first time since 2005. The other members reviewed were Japan, Mexico, Belize, Mozambique, Switzerland, Liechtenstein, Nigeria, the European Union, Brazil, Jamaica, Paraguay, Iceland and Cambodia. The dates of the trade policy reviews and the members covered are shown in the map on pages 116-117.

The European Union, Japan and the United States are the most reviewed members, having been reviewed 13 times each. They are followed by: Canada – 10 times; Australia, Brazil, Hong Kong (China), the Republic of Korea, Singapore, Switzerland and Thailand – seven times; China, India, Indonesia, Malaysia, Mexico, Norway and Turkey – six times; and Chile,

Iceland, Liechtenstein, Morocco, New Zealand, Nigeria and South Africa – five times. Thirty-one members have been reviewed four times and 30 members three times.

Five members opted for the alternative timeline for the submission of written questions and replies for their TPR meetings in 2017. The alternative timeline was introduced at the fourth appraisal of the Trade Policy Review Mechanism (TPRM) in 2011. It requires members to submit questions four weeks before a meeting and requires the reviewed member to submit written responses one week in advance.

Digital audio files (podcasting) were discontinued as of 2017 in line with the sixth TPRM appraisal in 2016. The seven-minute rule for members' interventions continued to work satisfactorily.

Printed versions of each trade policy review are available as WTO publications. These include the report by the WTO Secretariat, the report by the member under review, the concluding remarks by the Chair of the TPRB and a key trade policy facts section.



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By the end of 2017, the WTO had conducted 467 Trade Policy Reviews since 1989.

TPR follow-up workshops

After a trade policy review, the reviewed member can ask the Secretariat to organize a follow-up workshop with domestic stakeholders to further disseminate the outcome of the review and to discuss technical assistance and capacity-building needs.

In 2017, six follow-up workshops – for Chad, Congo, Guatemala, Honduras, the Solomon Islands and the United Arab Emirates – were conducted. In addition, a regional trade policy roundtable workshop for five Asian least-developed countries (LDCs) was organized in Myanmar to facilitate dialogue among the participants about TPR best practices and how the TPR process can help these countries undertake trade-related reforms and mainstream trade into their wider economic and development policies.

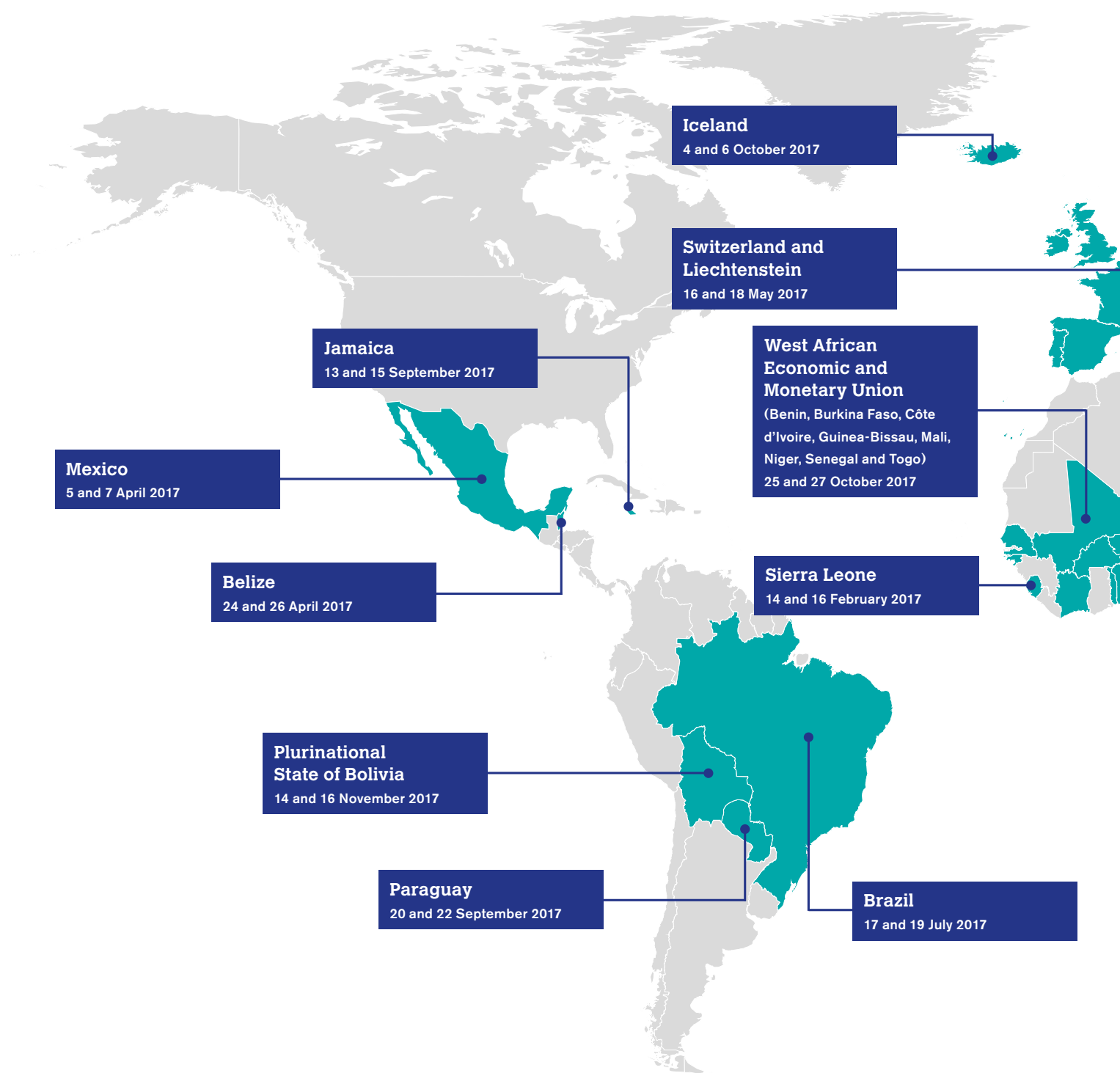
Trade Policy Review programme for 2018

Eighteen TPR meetings are scheduled to be held in 2018 for 23 members. They are: The Gambia; Malaysia; Egypt; the Philippines; Montenegro; Guinea; Mauritania; Colombia; Norway; Uruguay; China; Israel; Chinese Taipei; Armenia; Vanuatu; Hong Kong, China; East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda); Nepal; and the United States.

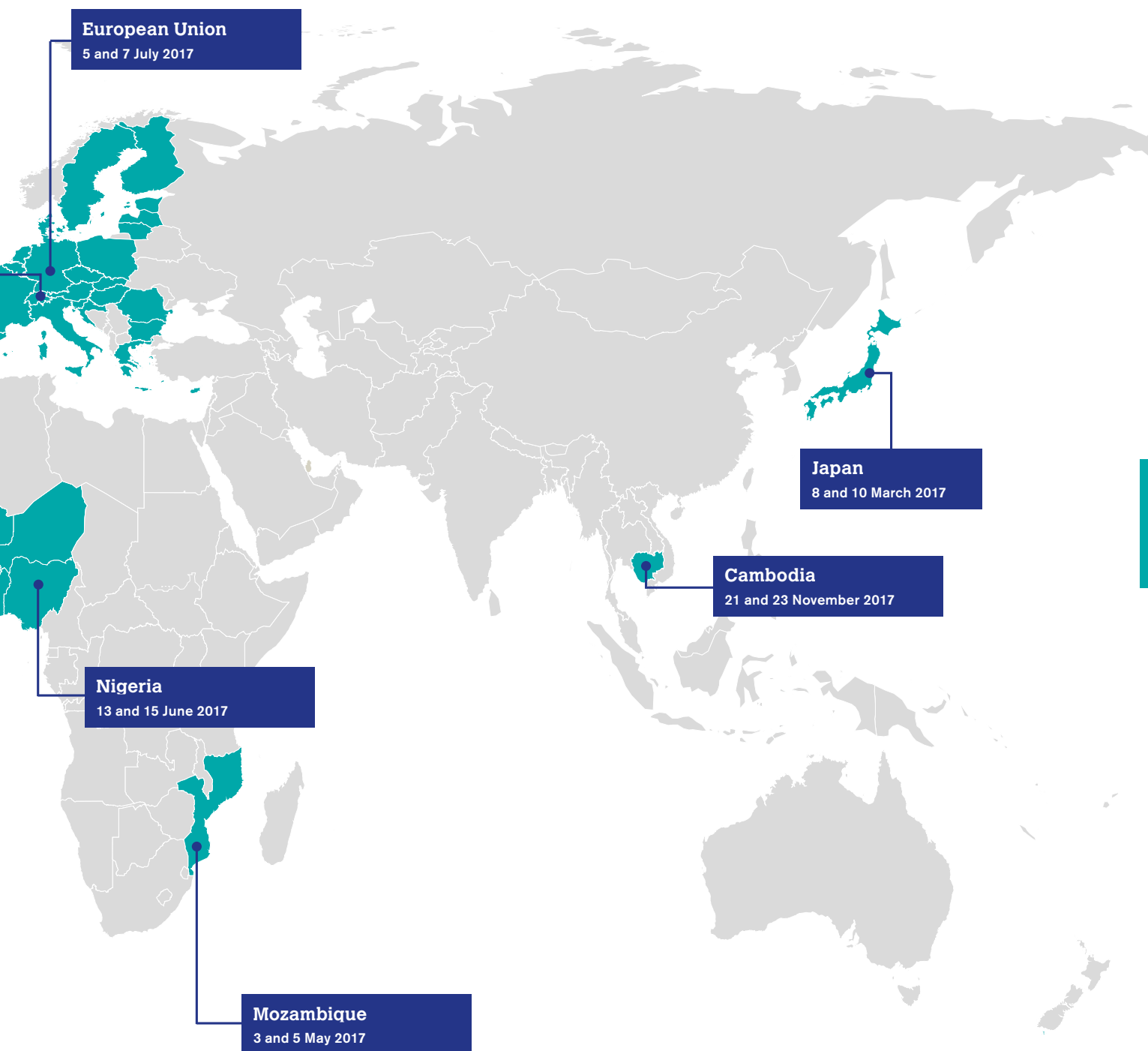
Sierra Leone was one of 23 WTO members to undergo a Trade Policy Review in 2017.



Trade Policy Reviews in 2017



The WTO conducted 15 trade policy review meetings in 2017, covering the trade policies and practices of 23 WTO members. The dates of the reviews and the WTO members covered are shown on the map. Further information, including the Chair's concluding remarks for each review, can be found on the WTO website.



Trade monitoring reports

- **WTO members introduced fewer trade-restricting measures in year to October 2017.**
- **Members implemented more trade-facilitating than trade-restricting measures.**
- **World merchandise trade volume grew by 4.7 per cent in 2017 after just 1.8 per cent in 2016.**
- **Despite the improved trade outlook, substantial risks remain, 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 and economic 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 a broad range 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 trade monitoring reports showed that WTO members introduced fewer trade-restrictive measures from mid-October 2016 to mid-October 2017 compared with the previous year. It was the second successive year-on-year decline. WTO members continued to implement more trade-facilitating than trade-restrictive measures.

The WTO Secretariat prepared four reports on global trade policy developments during 2017. The reports pointed out the need for WTO members to show leadership in reiterating their commitment to open and mutually beneficial trade as a key driver of economic growth and a major engine for prosperity.

The trade monitoring reports are intended to be purely factual and have no legal effect on the rights and obligations of WTO members. The reports neither seek to pronounce themselves on whether a trade measure is protectionist nor do they question the explicit right of members to take certain trade measures.

Almost all restrictive trade measures appear to have been taken within the flexibilities provided for in the multilateral trading system. The overwhelming majority of tariff increases are taken within bound ceilings and do not appear to break WTO rules.

Regarding trade remedy actions, these measures are often taken to address what is perceived by some as a market distortion resulting from the practices of another trading partner. The WTO's Anti-dumping Agreement and Subsidies and Countervailing Measures Agreement permit WTO members to impose anti-dumping or countervailing duties to offset what is perceived to be injurious dumping or subsidization of products exported from one member to another. The reports are not in a position to establish if, where or when such perceived distortive practices have taken place.

More notifications of sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT) measures do not automatically imply greater use of protectionist or unnecessarily trade-restrictive measures but rather enhanced transparency regarding these measures. The reports emphasize that the SPS Agreement and the TBT Agreement specifically allow members to take measures in the pursuit of a number of legitimate policy objectives.

The WTO Secretariat strives to ensure that the trade monitoring reports are factual and objective accounts of recent trends in trade policy making. The reports seek to provide a nuanced perspective on trade developments.



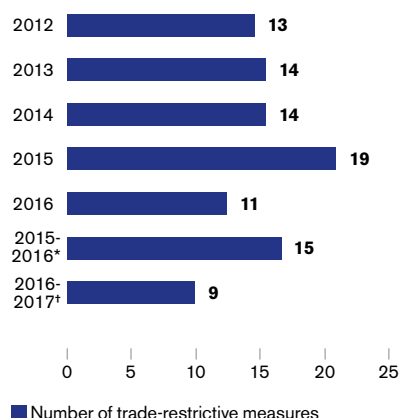
I urge members to redouble efforts to refrain from implementing new trade restrictive measures and to reverse existing measures.

DG Azevêdo



Figure 14: Trade-restrictive measures, excluding trade remedies

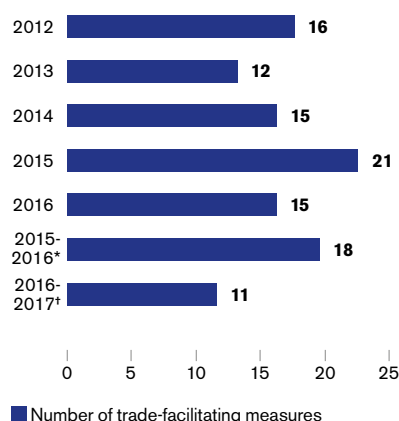
(Average per month)



■ Number of trade-restrictive measures
* mid-October 2015 to mid-October 2016
† mid-October 2016 to mid-October 2017

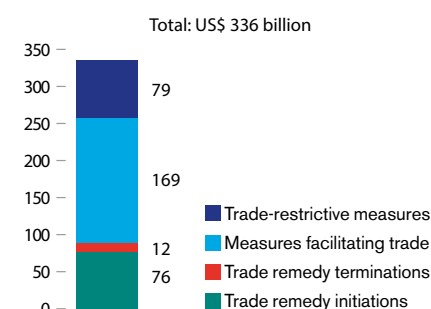
Figure 15: Trade-facilitating measures, excluding trade remedies

(Average per month)



■ Number of trade-facilitating measures
* mid-October 2015 to mid-October 2016
† mid-October 2016 to mid-October 2017

Figure 16: Trade coverage of import measures, mid-October 2016 to mid-October 2017 (US\$ billion)



Note: Values are rounded.

Key developments in 2017

WTO members applied 108 new trade-restrictive measures during the 12-month period under review. This equated to an average of nine measures per month compared with 15 in the previous period (see Figure 14).

WTO members also implemented 128 measures aimed at facilitating trade. At almost 11 measures per month, this was significantly lower than the monthly average of 18 recorded in the previous annual overview (see Figure 15).

The estimated trade coverage of import-facilitating measures (US\$ 169 billion) was more than twice the trade coverage of import-restrictive measures (US\$ 79 billion – see Figure 16). Moreover, the trade coverage of liberalization associated with measures implemented in the context of the expanded WTO Information Technology Agreement (see page 91) amounted to around US\$ 385 billion, according to WTO Secretariat estimates.

International trade flows rebounded strongly after a sharp slowdown in 2016. World merchandise trade grew by 4.7 per cent in volume in 2017, well above the 1.8 per cent increase for 2016.

“This improved outlook is very welcome, but substantial risks that threaten the world economy remain in place and could easily undermine any trade recovery,” Director-General Roberto Azevêdo said. “Further progress will require continued commitment. I urge members to redouble efforts to refrain from implementing new trade-restrictive measures, and to reverse existing measures,” he added.

On trade remedy measures (anti-dumping, countervailing and safeguard measures), the review period saw a slight deceleration both in initiations of investigations and in terminations of measures, compared with the previous annual overview. Anti-dumping measures continue to make up the bulk of all trade remedy initiations, accounting for 83 per cent of initiations.

Continuous consultation

The most important element in collecting trade policy information for the reports is the close and continuous consultation between the WTO Secretariat and WTO members, which 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.

In preparation for each report, the Director-General writes to all WTO members and observers inviting them to provide the WTO Secretariat with information on recent trade-related measures as well as general economic support measures.

The WTO Secretariat collates all recorded country-specific information on trade measures and re-submits this information to each WTO member for verification. This verification process is a unique feature of the WTO's monitoring efforts and represents a quality-control mechanism, allowing members to check the accuracy of the information before it is made public. The trade monitoring reports are subsequently discussed at meetings of the WTO's Trade Policy Review Body.

The reports covered several other important trade-related developments during 2016-17. These included new initiatives in regional trade agreements, developments in the areas of the Trade Facilitation Agreement and the Trade-Related Aspects of Intellectual Property Rights Agreement and developments in government procurement, electronic commerce and the Aid for Trade programme.

Database

The Trade Monitoring Database, which is publicly available, provides information on trade measures implemented by WTO members and observers and includes various search criteria options, e.g. 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 so as to facilitate an evaluation of the extent of “rollback” of such measures.



Trade, debt and finance

- **DG Azevêdo – with the support of the Working Group on Trade, Debt and Finance – continued efforts to facilitate access of developing countries to trade finance.**
- **The Asian Development Bank reported a US\$ 1.5 trillion “gap” between supply and demand for trade finance.**
- **Possible solutions involve more co-financing and co-risk sharing between multilateral development banks and a return of the private sector to credit markets.**
- **WTO, World Bank, IMF report says strong global trading system, with WTO at its “core”, remains critical.**

Background on trade, debt and finance

WTO ministers decided in Doha 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, more recently, the relationship between exchange rates and trade.

80-90%
Some 80-90 per cent of world trade relies on trade finance.

Director-General Azevêdo continued to address the challenges facing developing countries, and particularly their small and medium-sized enterprises (SMEs), in accessing trade finance. He has advocated a number of measures to address the financing gap, including enhancing trade finance facilitation programmes, helping local banking sectors to grow by better training, improved monitoring of problems and maintaining a close dialogue with regulators.

At its July and November 2017 meetings, the WTO Working Group on Trade, Debt and Finance reiterated its support for the Director-General's reaching out to heads of other relevant institutions.

Some 80-90 per cent of world trade relies on trade finance. But since the global financial crisis, the financial system has been highly selective in lending and in extending guarantees to developing countries, particularly to SMEs. An Asian Development Bank survey estimated the trade finance gap between supply and demand at US\$ 1.5 trillion for 2016. According to banks, 74 per cent of rejected requests came from micro and small and medium-

sized enterprises (MSMEs) and mid-cap firms (capitalized at less than US\$ 10 billion). Only 40 per cent of firms were able to complete trade transactions without bank-intermediated trade finance.

The Director-General held an informal roundtable on trade finance with senior officials from multilateral development banks (MDBs) at the Aid for Trade Global Review (see page 154). The message from the banks, which are supporting an average of US\$ 20 billion to US\$ 25 billion of trade per annum, was that scope for action is limited. Possible solutions included co-financing and co-risk sharing between MDBs, bringing the private sector back into the most challenging markets and encouraging co-financing between MDBs and commercial banks. All MDBs agreed to boost capacity building for trade finance. They also asked for a regulatory dialogue with the Financial Stability Board, an international body monitoring the financial system.

The Director-General has been working closely with the CEO of the International Finance Corporation (IFC), Philippe Le Houérou, to enhance dialogue with financial regulators on trade finance.



DG Azevêdo continued to place a focus on addressing the challenges facing small businesses in accessing trade finance.

Expert Group on Trade Finance

Under the chairmanship of the Director-General, the Expert Group on Trade Finance continued to evaluate gaps in trade finance markets. One approach is for MDBs to expand their trade finance facilitation programmes. The Expert Group includes the IFC, regional development banks, export credit agencies, big commercial banks and other international organizations.

Strengthening cooperation

Under the so-called coherence mandate, the WTO, the World Bank and the International Monetary Fund (IMF) address issues of trade finance and development. One topic addressed in 2017 was the relationship between trade, technology, jobs and globalization. A joint publication – “Making trade an engine of growth for all” – notes that while trade opening has generated higher living standards, some parts of the world have suffered from import competition.

On jobs, the report says that while trade leads to productivity gains and significant benefits for consumers, especially the poor, it can also be responsible for job displacement that must be addressed through sound domestic policies to help the unemployed get back on their feet. The report also argues that a strong global trading system, with the WTO at its core, remains critical. The WTO has a unique role to play in fostering stable, predictable and equitable trading relations across the world, the report says.

DG Azevêdo, IMF Managing Director Christine Lagarde and World Bank Group President Jim Yong Kim met regularly at IMF and World Bank gatherings and at the G20 in 2017.



5



Government Procurement Agreement

- **Australia's accession to the Government Procurement Agreement (GPA) moved towards a possible conclusion.**
- **Kyrgyz Republic and Tajikistan negotiations advanced; Russia presented market access offer.**
- **The Committee received application for accession from the former Yugoslav Republic of Macedonia.**
- **Significant work completed on GPA work programmes.**

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 or 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 the agreement. Currently, 47 WTO members (including the EU and its 28 member states) are bound by the Agreement. The Committee on Government Procurement administers the GPA.

Accessions to the GPA

Work to complete Australia's accession to the WTO's Government Procurement Agreement (GPA) intensified in 2017 with the circulation of its second revised market access offer. The accessions of the Kyrgyz Republic and Tajikistan to the 47-member Agreement also continued to advance.

Russia made its initial market access offer, kicking off its accession negotiations. The Committee on Government Procurement also received a formal application for accession from the former Yugoslav Republic of Macedonia.

Constructive discussions continued on China's accession, possibly paving the way for the country to submit a revised market access offer in 2018. The GPA parties see Russia's and China's accessions, on the appropriate terms, as very significant for the Agreement, for the WTO and for the world economy.

The GPA is a plurilateral agreement within the WTO framework, meaning only the parties to the Agreement are bound by its terms. Any WTO members can apply. Accession negotiations include a review of the candidate's legislative and policy frameworks, to ensure full compliance with the GPA, and negotiations on market access commitments. Government procurement

accounts for about 15 per cent of developed and developing-country economies. Only a part of this is currently covered by the GPA.

The Chair of the Committee, Ambassador John Newham (Ireland), updated the Committee on his outreach efforts to Latin American countries regarding their potential interest in the Agreement. Brazil and Afghanistan were granted observer status under the GPA, bringing the number of observers to 31.

The Committee also reviewed the status of other pending GPA accessions and accession commitments. In June 2017, Georgia updated the Committee on its ongoing government procurement reforms and indicated it was conducting a feasibility and impact study on GPA accession.

The past decade has witnessed steady growth in GPA membership (see Figure 17).

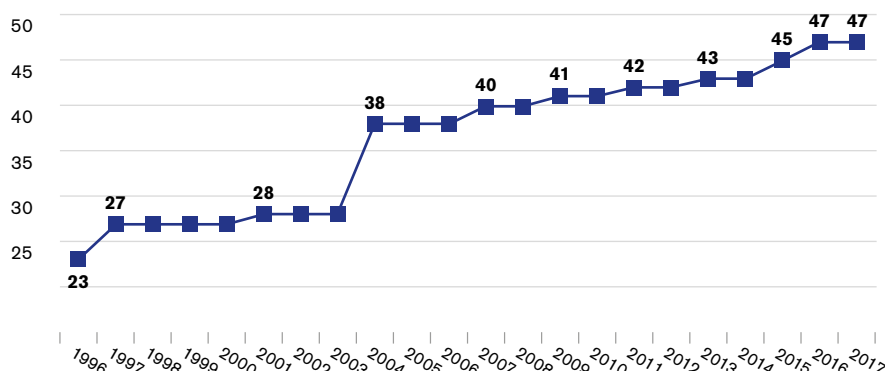
Monitoring of implementation and legislation

The revised Agreement is in force for all but one of the parties, Switzerland. The latter has assured the Committee that it will provide its acceptance as soon as possible, taking account of relevant internal requirements and legislative procedures.



Ten countries are in the process of acceding to the Government Procurement Agreement.

Figure 17: Growth in GPA membership, 1996-2017



The revised GPA entered into force on 6 April 2014. It extended GPA 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 GPA's role was strengthened in promoting good governance, battling corruption and protecting the environment.

Continuing progress was made on the WTO's e-GPA web portal (<https://e-gpa.wto.org/>). The portal provides a single entry point for market access information under the revised Agreement together with related information that parties have committed to provide. It offers improved transparency, with the aim of better publicizing market access opportunities. Envisaged further improvements include a module to handle notifications and to facilitate access to related data.

At the Committee's formal meeting in October, a discussion was held on "buy-national" initiatives in the United States. A number of delegations expressed concerns regarding an executive order issued in April 2017, entitled

"Buy American and Hire American", and related developments and initiatives. The United States responded by providing detailed information concerning the executive order and the review process that it mandated.

Work programmes

Significant work was undertaken by the Committee on its work programmes. Attention focused on sustainable procurement, the collection and reporting of statistical data and small and medium-sized enterprises. As an input to the work programme on sustainable procurement, the WTO Secretariat organized a symposium that featured contributions from non-governmental and other experts.

The work programmes are intended to promote transparency about parties' implementation of the Agreement, to improve its administration and to assist preparations for possible future negotiations. The revised GPA calls for further negotiations to improve the Agreement and to progressively reduce and eliminate discriminatory measures.



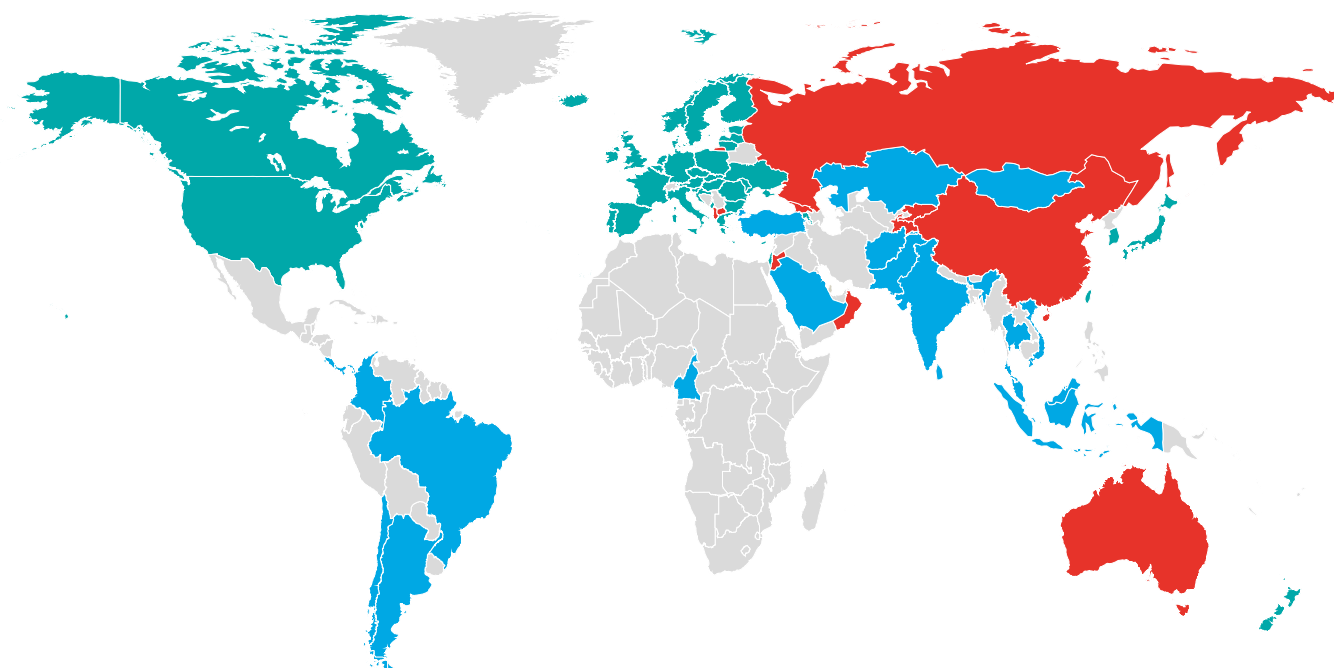
Technical assistance and international cooperation

In response to growing interest in the revised GPA and its relationship with regional initiatives, the WTO Secretariat carried out an intensive programme of technical assistance during the year. This included two regional workshops, two national seminars and a number of Geneva-based and other activities. The two regional workshops were held in Argentina for Latin American countries and in Georgia for Central and Eastern Europe, Central Asia and the Caucasus. National seminars were organized for Sri Lanka and China.

In Central and Eastern Europe, the Secretariat continued its cooperation with the European Bank for Reconstruction and Development in providing technical assistance. This cooperation has greatly facilitated the accession of countries to the GPA and reform of their national procurement systems. Collaboration has also been strengthened with the Commercial Law Development Programme of the US Department of Commerce and other international organizations, including the Organisation for Economic Co-operation and Development, the World Bank and other regional development banks.



Figure 18: Market coverage, members and observers of the Government Procurement Agreement



■ **Parties to the GPA:** 19 parties, which together cover 47 WTO members. The European Union and its member states are counted as one.

■ **WTO members in the process of GPA accession:** Albania, Australia, China, Georgia, Jordan, Kyrgyz Republic, Oman, Russian Federation, Tajikistan and the former Yugoslav Republic of Macedonia.

■ **Other observer countries:** Afghanistan, Argentina, Kingdom of Bahrain, Brazil, Cameroon, Chile, Colombia, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Mongolia, Pakistan, Panama, Kingdom of Saudi Arabia, Seychelles, Sri Lanka, Thailand, Turkey and Viet Nam.

**1.7
trillion**

47 WTO members are parties to the Agreement on Government Procurement. Participation gives them access to US\$ 1.7 trillion market.

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