



A year in review

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Events of 2014

• January

- Director-General Azevêdo attends World Economic Forum in Davos, Switzerland.



• February

- Latest trade monitoring report shows that global trade growth is recovering but restrictions are on the rise.



• April

- Revised WTO Agreement on Government Procurement comes into force.



• May

- WTO Chairs Programme expanded to include seven new academic institutions.



• June

- Yemen becomes the 160th WTO member.



• July

- Launch of new WTO Trade Facilitation Agreement Facility for developing countries.



• September

- WTO appoints Shree B. C. Servansing as a new member of the Appellate Body.



October

- 2014 Public Forum, entitled "Why trade matters to everyone", takes place at WTO.



- WTO launches 2014 World Trade Report, entitled *Trade and development: recent trends and the role of the WTO*.



- Montenegro and New Zealand conclude negotiations to join the WTO's Agreement on Government Procurement.



November

- General Council adopts a number of important decisions to bring post-Bali negotiations back on track.



- Trade Facilitation Agreement is approved, the first multilateral trade agreement to be concluded since the WTO was established.
- Trade Facilitation Agreement Facility for developing countries becomes operational.



- DG Azevêdo attends the G20 meeting of world leaders in Brisbane, Australia.



December

- General Council approves the Seychelles' WTO membership.



- Nairobi, Kenya, is announced as host of the Tenth WTO Ministerial Conference in December 2015.



- Hong Kong, China is the first WTO member to formally ratify the WTO's new Trade Facilitation Agreement.
- Extension of the Enhanced Integrated Framework for poorest countries is approved.



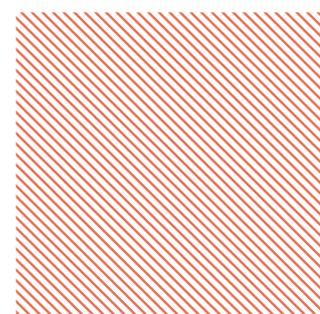


Our year

WTO work focused on implementing the decisions taken at the 2013 Bali Ministerial Conference and on advancing the remaining Doha Round issues. After a mid-year setback, WTO members succeeded in getting trade negotiations back on track by approving at the end of the year a number of important decisions relating to public stockholding for food security purposes, trade facilitation and the post-Bali work programme.

Good progress was made in implementing the Bali decisions related to the least-developed countries, while a new facility was launched to help developing and least-developed countries implement the newly approved Trade Facilitation Agreement.

Earlier in the year, Yemen became the WTO's 160th member, while Seychelles' accession package was approved in December, paving the way for it to become the WTO's newest member in April 2015. The General Council decided that Nairobi, Kenya, will host the WTO's Tenth Ministerial Conference in December 2015.





3

WTO members adopted three important decisions at a special meeting of the General Council on 27 November.

> Trade negotiations

The success achieved at the WTO's Ninth Ministerial Conference, held in Bali in December 2013, provided new impetus for work on the Doha Development Agenda (DDA) in 2014. The Trade Negotiations Committee (TNC) met in February to kick-start work on the two tasks that resulted from Bali: the implementation of the decisions and agreements reached (the "Bali Package") and preparation of a work programme on the remaining DDA issues.

The most immediate deadlines set by ministers in Bali were for WTO members to adopt by 31 July 2014 the protocol to insert the Trade Facilitation Agreement (TFA) into the WTO's legal framework and to prepare a clearly defined work programme on the remaining DDA issues by the end of 2014.

As the July deadline approached, some WTO members raised concerns with the pace of work in trade facilitation relative to the other areas of the Bali Package, including discussions on a permanent solution for public stockholding for food security purposes. Despite extensive efforts, members failed to bridge their differences and, as a consequence, did not adopt the protocol by the deadline of end-July.

An intensive process of consultations started immediately after the summer break to try and find a solution to the impasse. Consultations involved WTO members, chairs of regular and negotiating bodies, the Director-General as TNC Chair, and the General Council Chair.

Breakthrough

After intense discussions, WTO members finally adopted three decisions at a special meeting of the General Council on 27 November: on public stockholding for food security purposes, on the protocol of amendment to insert the TFA into the WTO Agreement, and on the post-Bali work programme.

On public stockholding, members committed to set a timeline of December 2015 to find a permanent solution to this issue. A peace clause remains in force until a permanent solution is found. On trade

facilitation, the insertion of the TFA into the WTO Agreement allowed the process of ratification to begin. At the same time, the Trade Facilitation Agreement Facility entered into force to help developing countries implement the newly approved Agreement. On post-Bali work, members agreed to resume work immediately and engage constructively on the implementation of all Bali decisions and to extend the deadline for the post-Bali work programme to July 2015.

The adoption of the General Council decisions put WTO work back on track. At the December General Council meeting, the TNC Chair reported on the resumed activities of the negotiating groups and announced that work will continue in 2015 and intensify as necessary. He welcomed members' re-engagement and highlighted a number of "ingredients" that, in his view, would be critical to a successful outcome. These included maintaining a sense of urgency, being pragmatic and focusing on what is doable, maintaining a high degree of engagement from all delegations, including in capitals, maintaining broad engagement beyond the core issues of agriculture, industrial goods and services, and ensuring that the needs of developing countries remain central to the negotiations.

Government Procurement Agreement

Earlier in the year, the revised WTO Agreement on Government Procurement entered into force after two-thirds of its parties accepted the amendment protocol. The revised agreement is expected to add US\$ 80-100 billion to parties' market access commitments.

 See pages 28-43.

> Implementation and monitoring

Various WTO councils and committees seek to ensure that WTO agreements and rules are being properly implemented. The General Council is the WTO's highest-level decision-making body in Geneva.

Following intensive work, the General Council held a special meeting in November to adopt decisions on trade facilitation, public stockholding for food security purposes, and post-Bali work. A new facility entered into force at the same time to help developing countries implement the newly approved Trade Facilitation Agreement (see page 15).

In December, the General Council approved the accession package of Seychelles, paving the way for WTO membership in 2015, and decided that the Tenth Ministerial Conference will be held in Nairobi, Kenya, from 15 to 18 December 2015.

Work in WTO committees

The Committee on Agriculture examined how countries are complying with their commitments on subsidies and market access. It was also tasked with implementing several of the outcomes from the 2013 Bali Ministerial Conference, including on export competition, such as export subsidies, and on tariff rate quotas.

The Sanitary and Phytosanitary Measures (SPS) Committee, which deals with issues surrounding food safety and animal and plant health, adopted a new mediation procedure to help WTO members settle their differences on specific SPS measures. Members submitted a record 1,633 notifications of new or changed food safety, animal or plant health regulations that will have an effect on international trade. The number was up 25 per cent on the previous year.

The number of new "specific trade concerns" raised in the Technical Barriers to Trade (TBT) Committee on issues such as labelling requirements and safety-related regulations was the highest since 1995, with developing countries increasingly active in airing concerns.

Least-developed countries

The Committee on Rules of Origin agreed on steps to implement the Bali ministerial decision on preferential rules of origin for least-developed countries (LDCs). As a result of the Bali decision, governments will have for the first time a set of multilaterally agreed guidelines, which, if implemented, should help make it easier for LDC exports to qualify for preferential market access.

Much of the Services Council's work in 2014 was devoted to implementing a key Bali decision in support of LDCs, the services waiver, which enables WTO members to grant more favourable treatment to services and service suppliers of LDCs and to enhance their participation in world services trade (see page 18).

Trade monitoring

The WTO conducted 13 Trade Policy Reviews in 2014 to examine the trade policies and practices of 21 WTO members.

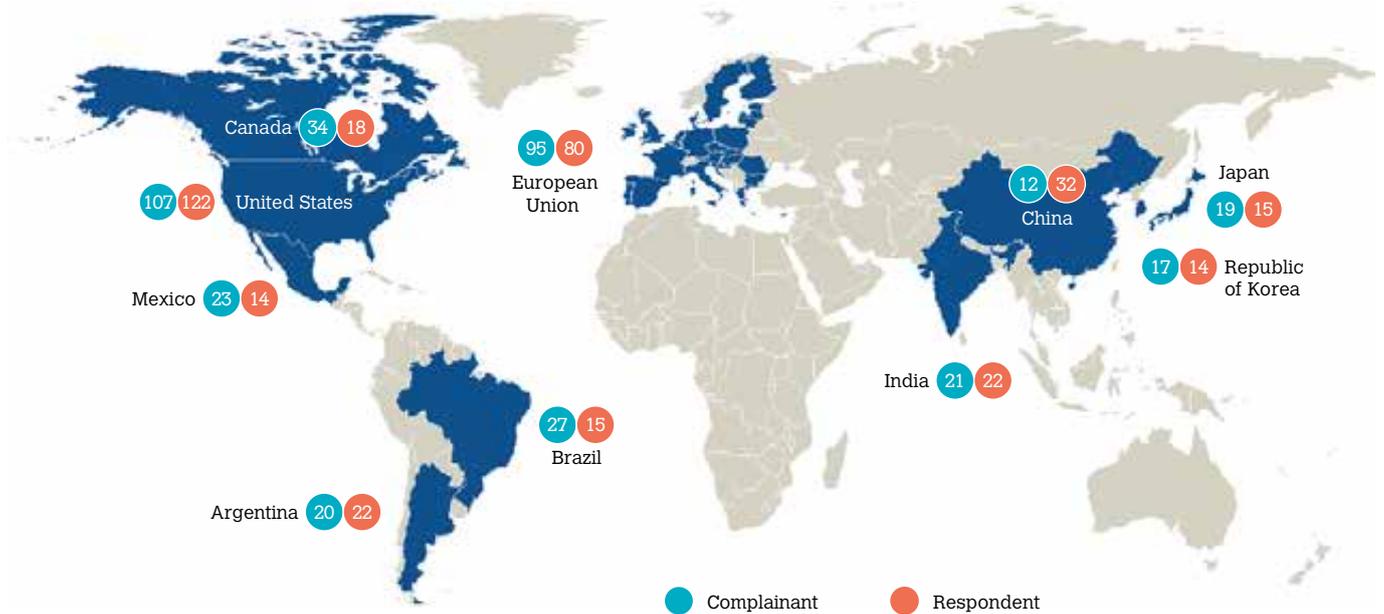
The WTO Secretariat's trade monitoring reports showed that there was a continued increase in the stock of new trade-restrictive measures in 2014, and stressed the need for countries to show restraint in imposing new measures. WTO economists reported world trade growth of 2.8 per cent in 2014 and forecast 3.3 per cent growth for 2015.

 See pages 44-89.

Trade Policy Reviews in 2014



WTO members most involved in disputes, 1995 to 2014



> Dispute settlement

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 (DSB).

One of the most active years since 1995

Dispute settlement had one of its most active years in 2014 since the inception of the WTO in 1995, with 34 active panel, compliance and arbitration proceedings and six appeals. The DSB received 14 requests for consultations – the first stage in the dispute settlement process – and established 13 panels. Although the number of requests was less than in the previous two years (27 and 20, respectively), 40 active disputes were already proceeding through adjudication, whether before the Appellate Body, panels or in arbitration. During the year, the Appellate Body heard seven appeals and issued reports on five of them.

Developing countries initiated five of the 14 new requests for consultations filed in 2014, compared with nine requests initiated by developed countries. The European Union made five requests for consultations – including three with Russia – making it the most active WTO member in 2014.

As of 31 December 2014, nine panel reports had been circulated during the year, of which five had been appealed. Three panel reports are pending either appeal to the Appellate Body or adoption by the

DSB, and one panel report was adopted by the DSB without being appealed. Of the nine reports circulated, five were in the area of trade remedies (safeguards, anti-dumping etc.), highlighting the increasing number of disputes in this area.

A highly anticipated dispute against Australia’s tobacco plain packaging requirements got under way. Five WTO members are challenging Australia’s plain packaging requirements for tobacco products and 41 members have registered their interest in participating in the dispute as third parties, making it the largest dispute ever brought before the dispute settlement system in terms of member participation.

Requests for compliance panels, whereby WTO members challenge measures taken to comply with previous rulings, increased in 2014. The DSB referred three requests for compliance panels back to the panels that had originally adjudicated the disputes. This was in addition to the two large civil aircraft compliance panels (involving Airbus and Boeing), where proceedings were already under way prior to 2014.

The upsurge in dispute settlement activity continued to present challenges for the three dispute settlement divisions (Legal Affairs Division, Rules Division and the Appellate Body Secretariat) as well as for translation services. In response, the Director-General reallocated resources within the WTO Secretariat to provide 15 additional posts to support these divisions.

New Appellate Body member

In September, a new member – Shree Baboo Chekitan Servansing of Mauritius – was appointed to the seven-member Appellate Body for a four-year term.

 See pages 90-107.



488 disputes had been brought to the WTO by the end of 2014.



324

The WTO undertook 324 technical assistance activities in 2014, up from 279 in 2013.

➤ Building trade capacity

The WTO aims to help developing countries improve their trade capacity so that they can participate more effectively in the multilateral trading system.

Implementation of Bali decisions

In 2014, the Committee on Trade and Development implemented a number of decisions taken at the Ninth Ministerial Conference in Bali, including holding a first session on the monitoring mechanism on special and differential (S&D) treatment for developing countries, as agreed in Bali at the end of 2013. The mechanism acts as a focal point for reviewing the implementation of S&D provisions in WTO agreements and decisions. Such provisions range from increasing trade opportunities to granting longer transition periods for the implementation of WTO agreements and providing technical assistance. As agreed by ministers in Bali, the Committee continued an annual review of steps taken by WTO members to provide duty-free and quota-free market access to least-developed countries (LDCs).

In July, LDCs submitted a collective request identifying the services sectors and modes of export of interest to them. In the wake of this, the Services Council held a meeting in February 2015, at which over 25 WTO members indicated services sectors and modes of supply from LDCs to which they would give preferential treatment.

A Trade Facilitation Agreement Facility entered into force in November to help developing and least-developed countries implement the newly approved Trade Facilitation Agreement. For the first time in WTO history, the commitments of developing and least-developed countries are linked to their capacity to implement the Agreement.

Global trade growth in LDCs

The WTO Secretariat's annual report on global trends in LDC trade and market access showed that LDC exports of goods and commercial

services rebounded 6.0 per cent, more than twice the world average, in 2013. However, the participation of LDCs in global trade remained marginal, at 1.23 per cent, and the overall participation of LDCs in world exports of commercial services remained low, at 0.7 per cent.

Aid for Trade

Aid for Trade flows to developing countries rebounded in 2012, the latest year for which figures are available, with commitments rising 21 per cent after sliding 14 per cent in the previous year. Africa was the region that benefited most. WTO members discussed preparations for the Fifth Global Review of Aid for Trade, to be held from 30 June to 2 July 2015.

The trade programme for the poorest countries – the Enhanced Integrated Framework (EIF) – continued to grow in 2014, with a rise in the number of active projects in EIF countries. The EIF Steering Committee agreed to extend the framework's programme into a second phase, from 2016 to 2022, when the first phase ends in 2015.

Training programme

The WTO increased its training programme for government officials, undertaking 324 technical assistance activities in 2014, compared with 279 in 2013. These training activities covered virtually all WTO-related subjects, from general courses on the WTO to more specialized courses on topics such as agriculture and intellectual property. LDCs benefited from nearly half of all technical assistance activities. The number of participants continued to rise, reaching more than 15,000 in 2014, due partly to the growing use of the WTO's e-learning resources.



See pages 108-123.



DG Azevêdo and UN Secretary General Ban Ki-moon at the opening session of the 2014 Public Forum.

> Outreach

The WTO maintains regular dialogue with non-governmental organizations (NGOs), parliamentarians, other international organizations, the media and the general public to enhance openness and transparency.

Public Forum

The major outreach event of the year was the Public Forum, which attracted 1,064 participants, a 16 per cent increase on 2013. Participants came from more than 120 countries. The United Nations Secretary General Ban Ki-moon gave the keynote speech at the opening session. The theme of the Forum was "Why trade matters to everyone". Attendees included NGOs as well as representatives from the business community and international organizations.

The WTO held two regional workshops for NGOs in 2014: in Bangkok, Thailand; and in Nairobi, Kenya. Journalists and business representatives also attended these workshops.

Reaching out to a variety of audiences

The European Parliament's Committee on International Trade met DG Azevêdo in 2014 to discuss the post-Bali agenda. A parliamentary session on the theme was also held at the Public Forum. The WTO Secretariat organized two regional workshops for parliamentarians: in Kuwait, for MPs from African Arab countries; and in Panama, for MPs from Latin America.

The WTO continued to cooperate with a variety of intergovernmental organizations in 2014. DG Azevêdo attended the spring meeting of the UN Chief Executives Board, which brings together the heads of UN agencies, the International Monetary Fund and the World Bank. In meetings with UN Secretary-General Ban Ki Moon and other UN officials, DG Azevêdo emphasized the positive role played by trade in sustainable growth and stressed the need for this to be reflected in international sustainable development targets under discussion.

Together with the United Nations Conference on Trade and Development and the Organisation for Economic Co-operation and Development, the WTO published two reports on trade and investment developments in the G20 economies. The November report urged the G20 to take decisive action to reduce its stock of trade restrictions and to show restraint in the imposition of new restrictions. DG Azevêdo attended the G20 Summit in Brisbane, Australia, in November.

More press briefings were held in Geneva in 2014 than the year before. A total of 38 briefings and four press conferences were held. The WTO held a seminar for Spanish-speaking journalists and a regional workshop for journalists from Russia, Kazakhstan and Ukraine at WTO headquarters.

The WTO continued to build its relations with business. Close to 150 business representatives attended the Public Forum, and businesses organized a total of 15 sessions. There was also increased private sector participation in the WTO's regional seminars.

In May, the WTO launched the second phase of the Chairs Programme, which supports and promotes trade-related academic activities by universities and research institutions in developing countries, with the selection of seven new chairs.

Website and social media

The WTO website received an increasing number of visitors, with page views rising 5 per cent in 2014. The site attracts over 1.9 million monthly visits. The number of followers of WTO social media pages, Facebook and Twitter, soared and subscription to the WTO channel on YouTube also increased significantly.



See pages 124-149.