



A year in review

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2015: a snapshot

- WTO marks its 20th anniversary.



- DG Azevêdo attends World Economic Forum in Davos, Switzerland.



- WTO welcomes Seychelles as 161st member.



- WTO holds joint event with UNEP on building pathways to sustainable development.



February

May

June

January

April

- Istanbul Bilgi University joins WTO Chairs Programme.



- Fernando de Mateo, of Mexico, is appointed as Chair of General Council.



- WTO launches website for Trade Facilitation Agreement Facility.



- WTO and World Bank launch new publication on role of trade in ending poverty.



- WTO welcomes over 3,000 visitors to its "Merci Genève" Open Day.



- Fifth Global Review of Aid for Trade takes place at WTO.



- Public Forum on "Trade Works" takes place at WTO.




- Niger becomes first least-developed country to ratify Trade Facilitation Agreement.



- WTO receives 500th trade dispute for settlement.



- Kazakhstan joins WTO as 162nd member.



- DG Azevêdo attends UN General Assembly that adopts Sustainable Development Goals.



- DG Azevêdo attends G20 leaders summit in Antalya, Turkey.



August September **October** November December

- WTO and UNCTAD sign declaration on increased cooperation.



- WTO holds joint symposium with WHO and WIPO on public health, trade and intellectual property.



- Tenth Ministerial Conference adopts "Nairobi Package", including decision to abolish agricultural export subsidies.



- WTO members approve membership packages for Liberia and Afghanistan.



- WTO members conclude landmark US\$ 1.3 trillion IT trade deal.





Our year

The WTO held its Tenth Ministerial Conference in Nairobi in 2015, the first time such a meeting has been held in Africa. Ministers took a number of decisions on agriculture, cotton and issues related to least-developed countries. These included a historic decision to abolish export subsidies for farm exports.

The Ministerial Declaration issued at the end of the conference acknowledged that WTO members “have different views” on how to address the Doha Round negotiations but noted the “strong commitment of all members to advance negotiations on the remaining Doha issues”.

The conference saw the approval of the WTO membership packages for Liberia and Afghanistan, paving the way for them to become WTO members in 2016. Earlier in the year, Seychelles and Kazakhstan joined the WTO, bringing the total number of members to 162.



6

The “Nairobi Package” includes six ministerial decisions on agriculture, cotton and LDC issues.

Trade negotiations

Trade negotiations in 2015 culminated at the Nairobi Ministerial Conference in December with the adoption of six ministerial decisions on agriculture, cotton and issues related to least-developed countries, known collectively as the “Nairobi Package”. Ministers also issued a declaration on the future of the WTO and members’ divergent views on the Doha Round.


The Nairobi Package included a historic decision to abolish export subsidies for farm exports, hailed by Director-General Roberto Azevêdo as the “most significant outcome on agriculture” in the organization’s 20-year history. Other decisions on agriculture covered public stockholding for food security and a special safeguard mechanism, which, once agreed to by WTO members, would allow developing countries to raise tariffs temporarily to deal with import surges or price falls.

On cotton, ministers decided to prohibit cotton export subsidies by developed countries immediately while developing countries are required to do so no later than 1 January 2017. For least-developed countries, ministers took two decisions aimed at making it easier for these countries to qualify for preferential market access and to play a bigger role in global trade in services. The conference also saw the conclusion of negotiations to expand the Information Technology Agreement, eliminating tariffs on 201 additional IT products valued at over US\$ 1.3 trillion per year.

In the Ministerial Declaration issued at the end of the conference, ministers acknowledged that WTO members “have different views” on how to address the Doha Round negotiations but noted the “strong commitment of all members to advance negotiations on the remaining Doha issues”.

Earlier in the year, the Trade Negotiations Committee and its subsidiary bodies had focused on preparing a clearly defined work programme on the remaining Doha Development Agenda issues by the end of July. Despite much effort, no substantive progress was made and significant differences remained across many key areas. From September, work switched to focusing on potential outcomes for the Tenth Ministerial Conference (MC10). Work continued up to and during the conference.

The chair of MC10, Kenya’s Cabinet Secretary for Foreign Affairs Amina Mohamed, and DG Azevêdo chaired meetings in Nairobi to facilitate discussion and consensus-building on the various texts that would be put forward for formal consideration by ministers, including the text of a draft Ministerial Declaration. Some ministers were asked to act as facilitators to assist in and help speed up the negotiations that led ultimately to the successful conclusion of the conference with the adoption of the Nairobi Package.

 See pages 30-47.

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.

In 2015, the Council oversaw preparations for the Tenth Ministerial Conference in Nairobi. In July, it approved the membership terms for Kazakhstan, which became the 162nd member of the WTO. Earlier in the year, Seychelles joined the WTO following the approval of its accession package in December 2014. The Tenth Ministerial Council approved the WTO membership packages of Liberia and Afghanistan.

By late January 2016, 68 WTO members had ratified the Trade Facilitation Agreement, which will come into effect once two-thirds of the WTO membership have ratified it. The Agreement will simplify and speed up global procedures for the movement of goods across borders and could see average trade costs fall by over 14 per cent. The Preparatory Committee on Trade Facilitation has received over 70 notifications from WTO members indicating how they will implement the Agreement once it enters into force. The Tenth Ministerial Conference saw the launch of the Global Alliance for Trade Facilitation, a new public-private platform that seeks to use private sector expertise and resources to support trade facilitation reforms.


In 2015, ten more WTO members accepted the protocol amending the WTO's intellectual property (TRIPS) agreement. The amendment aims to make it easier for the poorest

members to access affordable medicines and will come into force once it is approved by two-thirds of the membership.

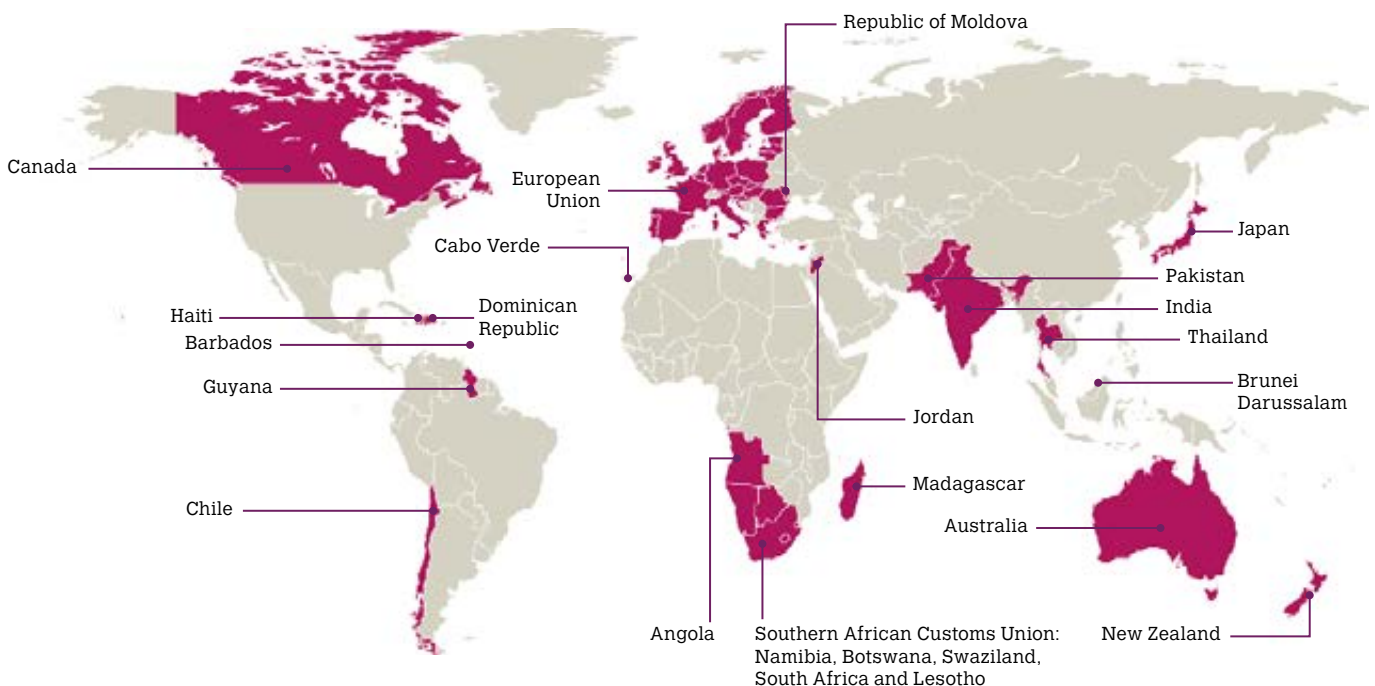
The Committee on Sanitary and Phytosanitary (SPS) Measures continued its review of the SPS Agreement. It received a record 1,681 notifications from WTO members regarding new or changed food safety, animal or plant health regulations. Seven developing countries submitted notifications for the first time, improving the transparency of their trade measures.

The Technical Barriers to Trade (TBT) Committee agreed on a three-year work plan, including work on good regulatory practice, regulatory cooperation between members and transparency on issues such as labelling requirements. As part of the WTO's 20th anniversary activities, an event was held in November to look back at the Committee's work in dealing with concerns arising from standards and regulations and in resolving frictions between WTO members.

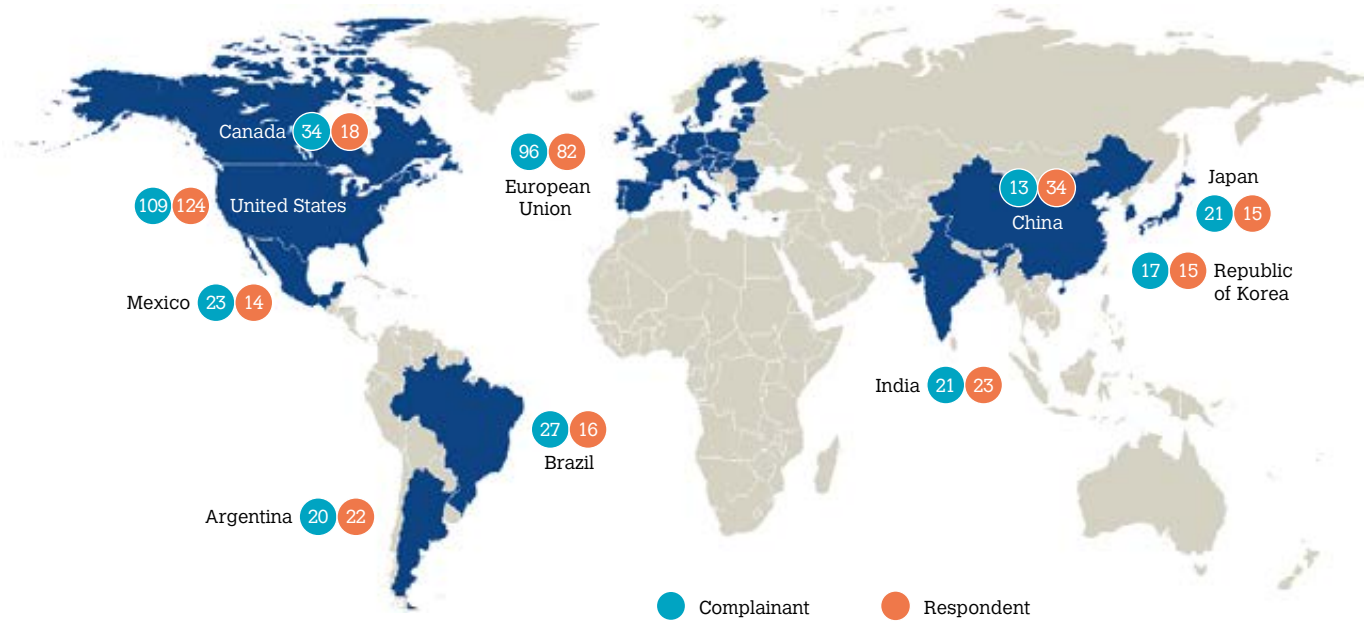
The WTO's trade monitoring reports showed that WTO members continued to introduce trade-restrictive measures in 2015. Given the continuing uncertainties in the global economy, the reports stressed the need for members to show restraint in imposing new trade restrictions and to eliminate more of the existing measures. The WTO conducted 20 Trade Policy Reviews in 2015, bringing the total number of members covered by these reviews to 151.

 See pages 48-99.

Trade Policy Reviews in 2015



WTO members most involved in disputes, 1995 to 2015



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).

The WTO's dispute settlement system experienced its busiest year so far, with an average of 30 active panels per month. During 2015, the 500th dispute was submitted to the WTO, demonstrating WTO members' continuing confidence in the dispute settlement process.

Over the year, the DSB received 13 requests for consultations, the first step in the dispute settlement process, more than half of them from developing countries. It adopted 11 panel reports, compared with nine in 2014. The DSB also adopted eight Appellate Body reports against seven the year before. There has been a recent increase in WTO members requesting that an arbitrator determine how long a "losing" member can have to implement the panel and Appellate Body recommendations as adopted by the DSB. During 2015, WTO members made three such requests.

There has also been an increase in compliance panel proceedings. A compliance panel is established when there is disagreement between the parties as to whether the losing party has brought its measure into line with WTO rules

following an adjudication process. Four compliance panel reports were adopted in 2015. Compliance panel proceedings in the disputes concerning Boeing and Airbus are still ongoing.

WTO members continue to litigate in many different trade areas. Current disputes include Australia's plain packaging requirements for tobacco products, certain measures imposed by Argentina that affect trade in goods and services, a ban imposed by Russia on the importing of European pork products because of concerns related to African swine fever, and EU modifications to its tariff concessions on poultry meat.

In October 2015, DG Azevêdo addressed the DSB on the challenges faced by the dispute settlement system. He said the increased breadth and complexity of disputes have changed the face of WTO dispute settlement completely. He acknowledged that the dispute settlement system is highly efficient and faster than other international adjudicatory systems but WTO members face some delays as their disputes progress through the system. To deal with the increasing workload, he has nearly doubled the number of lawyer posts in the three legal divisions since he has taken office, from 30 to 57. He said that the Secretariat is focused on recruiting and developing expertise in key areas, and is looking into other ways of reducing the waiting time for dispute settlement.

The DSB reappointed two Appellate Body members, Ujal Singh Bhatia of India and Thomas Graham of the United States, for second four-year terms.



500

Over 500 trade disputes have been submitted to the WTO for settlement since 1995.

See pages 100-115.



321

The WTO undertook 321 technical assistance activities for government officials in 2015.

Supporting development and 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.

At the Tenth Ministerial Conference in December 2015, ministers took decisions of specific benefit to least-developed countries (LDCs). These include a decision on “rules of origin” to help make it easier for LDC exports to qualify for preferential market access. Ministers also decided to extend the waiver allowing WTO members to grant preferential treatment to LDC suppliers of services.

On cotton, ministers adopted a decision prohibiting export subsidies and calling for a further reduction in domestic support. They also called for improvements to market access for LDCs. The decision aims to level the playing field for cotton exporters in the poorest countries, where the cotton sector is of vital importance.

As part of the WTO’s 20th anniversary activities in 2015, the WTO organized an event to review the progress made in integrating LDCs into the multilateral trading system and discussed how the WTO could help LDCs overcome the remaining challenges.


The WTO’s Fifth Global Review of Aid for Trade, held in July, examined how high trade costs impede LDC efforts to fully benefit from the multilateral trading system. The three-day meeting, which attracted over 1,500 delegates, highlighted the importance of implementing the WTO’s Trade Facilitation Agreement as one means of reducing trade costs.

The Aid for Trade initiative aims to enhance growth and reduce poverty in developing countries, particularly LDCs, so that they can better integrate into the multilateral trading system. Financing for the initiative has continued to grow, despite the fiscal challenges faced by many donor countries. The latest available figures – for 2013 – show an increase in commitments of US\$ 1.8 billion compared with the previous year.

Phase Two of the Enhanced Integrated Framework (EIF), a multi-donor programme that aims to help LDCs use trade as a tool for growth, was launched at the Fifth Global Review of Aid for Trade. At an EIF pledging conference in December, approximately US\$ 90 million was promised to support the new phase, which runs from 2016 to 2022.

The Sustainable Development Goals (SDGs), launched by the United Nations in September 2015, put significant emphasis on the role that trade can play in boosting growth, tackling poverty and promoting sustainable development. The WTO is already fulfilling a key target of the second SDG, entitled “Zero Hunger”, by its decision to abolish agricultural export subsidies, as agreed at the Tenth Ministerial Conference.

In 2015, the WTO organized 321 training activities to help government officials improve their understanding of the multilateral trading system. The number of participants benefiting from training reached 14,900 in 2015, with nearly half of these accessing training resources through the WTO’s e-learning platform.

 See pages 116-135.



85

The Public Forum attracted participants from 85 countries.

Outreach

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

The WTO's major outreach event – the Public Forum – attracted 1,300 participants from 85 countries. Its 90 sessions were organized by a wide range of participants, including business representatives, NGOs, academia, law firms, international organizations and WTO members.

On 14 June 2015, the WTO held its fifth Open Day, entitled “Merci Genève”. The event brought over 3,000 people to the WTO's headquarters in Geneva, and provided the opportunity to thank the people of Geneva for hosting the organization over the past 20 years.

In the run-up to the Tenth Ministerial Conference, the WTO organized workshops for NGOs in Kenya, South Africa and Senegal. About 30 side events were organized by NGOs during the conference, which was attended by over 300 NGO representatives. The WTO organized two regional workshops for members of parliament from Asia and from the Indian Ocean Commission.

During the year, the WTO increased its cooperation with other intergovernmental organizations. In June, the World Bank and the WTO jointly launched a new co-publication, “The Role of Trade in Ending Poverty”, which looks at the complex relationships between economic growth, poverty reduction and

trade. In September, DG Azevêdo attended the UN General Assembly which adopted the Sustainable Development Goals. In October, the WTO and the United Nations Conference on Trade and Development signed a declaration to strengthen their collaboration, committing them to work together to harness trade as a tool for development and poverty alleviation.

Also in October, the WTO held a joint symposium with the World Health Organization and the World Intellectual Property Organization, which looked at access to medical innovation and technologies.

Some 350 journalists attended the Tenth Ministerial Conference, including 12 from least-developed countries (LDCs) invited by the WTO. During the year, the WTO held seminars in Geneva for journalists from Russia and from francophone African countries.

The WTO continued to build its relations with business. Over 170 business representatives attended the Public Forum, up from the previous year's total of 150, and 23 business organizations attended the Ministerial Conference.

In 2015, the WTO website received just over 20 million visits. The site was merged with the WTO members' website to bring all WTO material into one self-contained area. The WTO expanded its use of social media, almost doubling its number of Twitter followers.

 See pages 136-165.

Nairobi Ministerial Conference

The WTO's Tenth Ministerial Conference, held in Nairobi from 15 to 19 December 2015, adopted a range of decisions on agriculture, cotton and issues related to least-developed countries. The decisions include a commitment to abolish export subsidies for farm exports, which Director-General Roberto Azevêdo hailed as the “most significant outcome on agriculture” in the organization's 20-year history. In their Nairobi Declaration, ministers acknowledged that WTO members “have different views” on how to address the future of the Doha Round negotiations. The Conference also approved the accessions of Liberia and Afghanistan. A landmark information technology deal was concluded.

Nairobi Package

The Tenth Ministerial Conference, the first to be held in Africa, was attended by over 3,000 participants. At the end of the five-day meeting, ministers adopted the “Nairobi Package”, including six ministerial decisions on agriculture, cotton and issues of particular interest to least-developed countries (LDCs).

Agriculture

On **export competition**, developed countries committed to remove export subsidies immediately, except for a handful of agriculture products, which were given extra but limited time. Developing countries will do so by 2018, although net food-importing developing countries will have more time. The decision also contains new rules on export financing support, international food aid and exporting state-trading enterprises.

A ministerial decision on **public stockholding for food security** commits WTO members to engage constructively in finding a permanent solution to the issue of countries stockpiling staple food crops for food security purposes. The Bali ministerial decision of 2013 set a deadline of the 11th Ministerial Conference in 2017 for resolving this matter. Until a permanent solution is approved,

Background on the Ministerial Conference

The Ministerial Conference of the WTO consists of representatives of all WTO members. It is the highest decision-making body of the organization and usually meets every two years. Ministerial conferences review ongoing work, give political guidance and direction to that work, and set the agenda for further work.

food stockpiling at administered prices will continue to be protected from legal action by WTO members as long as certain conditions are met (see page 35).

Ministers decided that negotiations to establish a **special safeguard mechanism** – which would allow developing countries to raise tariffs temporarily to deal with import surges or price falls – will take place in dedicated sessions of the Committee on Agriculture and progress in these negotiations will be regularly reviewed by the General Council.

Cotton

Ministers stressed the vital importance of **cotton** to LDCs. Their decision mandates developed countries to prohibit cotton export subsidies immediately while developing countries are required to do so no later than 1 January 2017. It also includes a commitment by developed countries – and those developing countries declaring they are able to do so – to grant duty-free and quota-free market access to cotton exports from LDCs from 1 January 2016, to the extent provided for in their respective preferential trade arrangements.

LDC issues

Ministers built on the 2013 Bali Ministerial Decision on **preferential rules of origin** for LDCs, which set out, for the first time, guidelines to help make it easier for LDC exports to qualify for preferential market access. The latest decision (see page 39) provides more detailed directions on issues such as methods for determining when a product qualifies as “made in an LDC”.

Ministers also extended a current waiver under which WTO members may grant preferential treatment to **LDC services**. The waiver, adopted in December 2011, runs 15 years. Ministers extended it an additional four years until 31 December 2030 (see page 74).





◀ (Left) President Uhuru Kenyatta at the Opening Session of the Tenth Ministerial Conference.

◀ (Right) DG Azevêdo greets Kenya's President, Uhuru Kenyatta.

Other decisions

Ministers took three decisions regarding the regular work of WTO committees. On **small economies**, they reaffirmed their commitment to the work programme (see page 122). They extended a current moratorium on so-called **non-violation and situation complaints** in intellectual property (see page 41). On **e-commerce**, ministers extended a moratorium on imposing customs duties on electronic transmission (see page 50).

Landmark information technology deal

WTO members representing major exporters of IT products concluded a landmark deal to eliminate tariffs on 201 information technology products valued at over U\$ 1.3 trillion per year. DG Azevêdo called it the "first major tariff-cutting deal at the WTO since 1996".

Negotiations on the expanded Information Technology Agreement (see page 47) were conducted by 53 WTO members but all members will benefit from duty-free market access to the markets of members eliminating tariffs on these products. Under the agreement, approximately 65 per cent of tariff lines will be fully eliminated by 1 July 2016 and by 2019 almost all of the relevant products will be duty free.

Accessions

WTO members adopted the accession packages of Liberia and Afghanistan. The two countries will become WTO members 30 days after they notify the WTO of their acceptance of their accession terms and conditions.

Future work of the WTO

In the Ministerial Declaration issued at the end of the conference, ministers acknowledged that, while many WTO members reaffirmed their full commitment to conclude the Doha Development Agenda on the basis of the existing mandate, others "do not reaffirm the Doha mandates, as they believe new approaches are necessary to achieve meaningful outcomes in multilateral negotiations. Nevertheless, there remains a strong commitment of all members to advance negotiations on the remaining Doha issues." Ministers agreed that officials should work to find ways to advance negotiations and they requested the Director-General to report regularly to the General Council on these efforts.



3,000

Over 3,000 participants attended the WTO's Tenth Ministerial Conference.

◀ DG Azevêdo welcomes Liberia's President, Ellen Johnson Sirleaf.

