



Trade negotiations

- > The WTO's Tenth Ministerial Conference, held in Nairobi from 15 to 19 December, concluded with the adoption of the "Nairobi Package", a series of six ministerial decisions on agriculture, cotton and issues related to least-developed countries.
- > The Nairobi Package includes a historic decision to eliminate agricultural export subsidies, the most important reform of international trade rules in agriculture since the WTO was founded.
- > The Nairobi Ministerial Declaration acknowledges that WTO members "have different views" on the future of the Doha Round negotiations but notes the "strong commitment of all members to advance negotiations on the remaining Doha issues".
- > Over 50 WTO members concluded a landmark deal to expand the WTO's Information Technology Agreement, eliminating tariffs on 201 additional IT products valued at over US\$ 1.3 trillion per year.

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Background on trade negotiations

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through rounds of negotiations.

Trade negotiations in 2015

In 2015, the Trade Negotiations Committee and its subsidiary bodies focused on delivering meaningful outcomes for the Tenth Ministerial Conference in Nairobi in December. In the first half of the year, WTO members focused on preparing a post-Bali work programme. Although members ultimately failed to establish this programme, they redoubled efforts in the second half of the year to deliver substantive outcomes in Nairobi. Negotiations at the Ministerial Conference concluded with 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.

Post-Bali work programme

The Ninth Ministerial Conference in Bali had instructed the Trade Negotiations Committee (TNC) to prepare a clearly defined work programme on the remaining Doha Development Agenda (DDA) issues. Work took place on three tracks: in negotiating groups, consultations by the TNC chair Director-General Roberto Azevêdo in different configurations, and meetings of the full membership at the level of heads of delegation.

Despite much effort and engagement, no substantive progress was made and significant differences remained across many key areas. Consultations continued until 31 July to explore all avenues. At a 31 July TNC meeting, the chair reported that he had not seen the progress necessary to deliver on the ministers’ instructions. The chair asked WTO members to use their summer break to reflect and to return in September fully committed to making the upcoming Ministerial Conference a success.

Background on trade negotiations

At the WTO’s Fourth Ministerial Conference in Doha, Qatar, in November 2001, WTO members agreed to launch a new round of trade negotiations. They also agreed to work on other issues, in particular the implementation of the current WTO agreements. The entire package is called the Doha Development Agenda. The negotiations take place in the Trade Negotiations Committee (TNC) and its subsidiaries, which are regular councils and committees meeting in special session or specially created negotiating bodies. The negotiating bodies report to the TNC, which supervises the overall conduct of their work.

Deliverables for Nairobi

From September, WTO members intensified work on potential outcomes for the Nairobi Ministerial Conference. Reporting on his consultations, the TNC chair told a meeting in September that it was time to start working intensely on those issues where there appeared to be more convergence. He reported that export competition in agriculture, development issues, with a particular focus on least-developed countries (LDCs), and some transparency provisions in various areas had emerged as the areas where consensus seemed most likely. He encouraged the respective chairs of the negotiating groups to intensify work in their groups and also intensified his own consultations on a number of issues.

In the discussions, divergent positions started to emerge about the future of the Doha Round after the Tenth Ministerial Conference (MC10). A parallel negotiating process was launched to discuss a potential outcome document for MC10 that would take stock of decisions taken at the Conference, including on the Doha Development Agenda (DDA), and give guidance on future work.

Work in the negotiating groups continued in various configurations. WTO members submitted textual proposals, and text-based negotiations were carried out in some areas. However, at the 7 December meeting of the General Council – the last before the start of the Ministerial Conference – the chair of the TNC reported that progress on some key issues was difficult, even on export competition, where text-based negotiations had begun. On extending a waiver for preferential access for LDC services, WTO members had agreed that a draft text provided a basis for continuing work. Members were also close to agreeing a draft ministerial decision on preferential rules of origin for LDCs (see page 39).

The TNC chair concluded that, as of 7 December, the only certain deliverables for the Nairobi Conference were three draft decisions in the area of regular work (see page 50). However, he said there



As Chair of the Trade Negotiations Committee, Director-General Roberto Azevêdo regularly reported on the activities of the negotiating groups.

was still a chance of delivering some significant elements for Nairobi and urged WTO members to increase their efforts.

Preparatory process for Ministerial Declaration

At the General Council in October, WTO members discussed a potential Ministerial Declaration in Nairobi. At an informal meeting of heads of delegation, the TNC chair appointed three facilitators to assist him and the chair of the General Council in this process: Ambassador Gabriel Duque of Colombia, Ambassador Harald Neple of Norway and Ambassador Stephen Karau of Kenya.

The facilitators consulted extensively with WTO members and presented a report on the structure, elements and process to lead members to a consensual text. There was rapid convergence on how the declaration should be divided into three parts: an introduction focusing on the importance of the multilateral trading system, the deliverables of the Nairobi Ministerial Conference, and the future work of the WTO after Nairobi. There were clear differences among WTO members about the future of the Doha Round and on the possibility of extending negotiations to other areas not covered in the DDA. These issues were not addressed by the facilitators.

WTO members submitted textual proposals on what they wished to see in the Ministerial Declaration, and the facilitators were requested to produce a compilation of these proposals. They were subsequently asked to produce a draft consolidated text. Text-based negotiations among WTO members continued on the basis of the facilitators' draft.

By the General Council meeting on 7 December – the last before the start of MC10 – WTO members had made substantial progress. However, bracketed texts – indicating areas where agreement could not be reached – remained in some areas. Contentious issues, namely the reaffirmation of

the DDA and how to address new issues, which had not been addressed in the facilitators' consultations, were forwarded to ministers in Nairobi.

Consultations continue in Nairobi

The chair of MC10, Kenya's Cabinet Secretary for Foreign Affairs Amina Mohamed, and DG Azevêdo announced that informal meetings open to all WTO members at the level of heads of delegation would continue throughout the conference in parallel with the formal plenary meetings. These informal meetings would constitute the core forum for facilitating discussion and consensus-building on the various texts that would be put forward for formal consideration and action 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.

The facilitators were Norway's Minister of Foreign Affairs Børge Brende, Mexico's Secretary of the Economy Ildefonso Guajardo Villarreal, Lesotho's Trade Minister Joshua Setipa, Rwanda's Trade Minister François Kanimba, Jamaica's Foreign Affairs Minister Arnold Nicholson and WTO Deputy Director-General Yonov Frederick Agah.

While not all issues could be agreed, draft texts in a number of areas, including agriculture, cotton and LDC issues, as well as a final draft text of the Ministerial Declaration, were presented at an informal heads of delegations meeting on 19 December, the final day of the conference. Late in the afternoon, heads of delegations reached agreement to transmit the texts to the formal plenary session of the Ministerial Conference, held immediately afterwards, for ministers to consider. The result was a final Ministerial Declaration, which listed six decisions on agriculture, including an end to farm export subsidies, cotton and LDC issues (see page 20). The declaration also included a section on the future of the WTO.

Future work

In the Ministerial Declaration, ministers acknowledged that WTO members “have different views” on the future of the Doha Round negotiations but noted the “strong commitment of all members to advance negotiations on the remaining Doha issues”. Some members “wish to identify and discuss other issues for negotiation; others do not. Any decision to launch negotiations multilaterally on such issues would need to be agreed by all members,” ministers stated in the declaration.

Agriculture

The Tenth Ministerial Conference (MC10) took four decisions on agriculture, including a historic decision to end export subsidies. The other decisions were on cotton, the special safeguard mechanism for developing countries and public stockholding for food security. The Nairobi Ministerial Declaration contained a strong commitment to advance work in all areas of the agriculture negotiations.

Intensive negotiations took place throughout the year in various configurations, with a view to identifying what could constitute an agricultural outcome at the Tenth Ministerial Conference in Nairobi. They were complemented by a series of consultations held by Director-General Roberto Azevêdo on various key issues in close cooperation with the chairs of the special session of the Committee on Agriculture, first Ambassador John Adank and then, from September, Ambassador Vangelis Vitalis, both of New Zealand.

Initially attention had focused on all three pillars of the agriculture negotiations – domestic support (subsidies), market access and export competition – together with cotton and the search for agreement on a permanent solution to the issue of

Background on agriculture

The agriculture negotiations began in 2000 under a commitment that WTO members made in the 1986-94 Uruguay Round to continue farm trade reforms. They were brought into the Doha Round when it was launched in 2001. Broadly, the objective is to reduce distortions in agricultural trade caused by high tariffs and other barriers, export subsidies and domestic support. The negotiations take place in the WTO Committee on Agriculture, meeting in special session. They also take into account social and political sensitivities in the sector and the needs of developing countries



Ambassador Vangelis Vitalis chaired the agriculture negotiations in 2015.

public stockholding of food for food security purposes. The latter is on a separate but parallel negotiating track outside the agriculture negotiations in the Doha Round. As for other areas of the Doha Round, the agriculture negotiations were aiming for agreement on a work programme by 31 July 2015, as called for by the General Council. But this proved impossible, with no narrowing of differences on domestic support and market access.

Over the second part of the year, it became clear that export competition (export subsidies and export measures with equivalent effect) offered the best chance of agreement in Nairobi. Another issue mentioned as a possible outcome for the Nairobi Conference was the special safeguard mechanism (SSM) – a mechanism for developing countries to temporarily raise import tariffs in response to import surges or price falls.

It was also clear from the outset, as reiterated by Ambassador Vitalis in November, that “cotton must be part of any outcome from the 10th Ministerial Conference”.

In addition, WTO members were striving for agreement on the public stockpile issue, as instructed by the General Council. The only proposal on the table was one from the G-33 group of developing countries from July 2014. This argued that support given when governments buy food at non-market prices for stockholding should not be considered trade distorting and therefore be allowed without limit.



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As a result of this process, the Chair circulated on 9 December four compilations of proposals received from WTO members concerning the special safeguard mechanism, public stockholding and export competition as well as a draft ministerial text on cotton. The latter resulted from the separate negotiations held with the major cotton players, including the co-sponsors of the Sectoral Initiative in Favour of Cotton – Burkina Faso, Benin, Mali and Chad (the Cotton Four or C-4).

Intensive negotiations continued in Nairobi during the 15-19 December Ministerial Conference and these finally led to the adoption of decisions in these four areas (see page 20).

Special safeguard mechanism

During the year, WTO members discussed the issue of the special safeguard mechanism in a variety of configurations. Despite intensive efforts, including the submission of new proposals by the G-33, no convergence had been achieved with respect to details of the mechanism in the lead up to the Ministerial Conference.

The G-33 introduced a few changes to previous proposals in terms of the products subject to tariff increases, the extent and duration of such increases and flexibilities for poor countries. Many developing countries maintain that the mechanism, as agreed in principle in the 2005 Hong Kong Ministerial Declaration, would help to protect farmers suffering from subsidies by big players. Opponents of the proposal, however, note that distortions in agricultural trade should not be tackled by introducing more distortions.

In Nairobi, ministers reaffirmed that developing countries will have the right to have recourse to a special safeguard mechanism and specified that WTO members should meet in dedicated sessions of the Committee on Agriculture in special session to continue negotiations. The Nairobi decision further specifies that the General Council will regularly review progress on negotiations in this area.

Public stockholding, food security

During the year, WTO members met in various configurations to discuss the issue of public stockholding for food security, including in dedicated sessions as mandated by the General Council.

Despite the efforts and two new proposals – one by the G-33 and the other by Australia, Canada and Paraguay – WTO members could not agree on a permanent solution as the divergences remained too deep. Proponents say stockpiling is needed to ensure food security but others fear that without appropriate disciplines, the procurement of food at government-set prices may lead to an increase of produced quantities and their subsequent release could depress prices, so affecting farm incomes and food security elsewhere. The Ministerial Conference reaffirmed members' commitment to make "all concerted efforts" to agree on

a permanent solution and to continue to negotiate "in an accelerated time-frame".

The Bali Ministerial decision of 2013 had set a deadline of the 11th Ministerial Conference in 2017 for resolving this matter, but in 2014 the General Council decided that agreement should be sought by end-2015. Until a permanent solution is approved, food stockpiling at administered prices will continue to be protected from legal action under domestic support provisions of the Agreement on Agriculture, as long as certain conditions are met.

Export subsidies and related policies

In the second part of the year, WTO members engaged in an in-depth negotiation on the so-called export competition pillar covering export subsidies, export financing support, agricultural exporting state trading enterprises (STEs) and international food aid.

In Nairobi, ministers took the historic decision to eliminate agricultural export subsidies more than 50 years after a similar decision had been made for industrial products. This will be especially beneficial to developing countries, where farmers will not have to face unfair competition from products benefiting from such highly trade-distortive subsidies.

WTO members will eliminate export subsidies according to different timelines. Developed countries will eliminate export subsidies immediately as a general rule, with delayed implementation under certain conditions for a limited number of products. Developing countries have longer implementation periods.

The decision also contains disciplines on maximum repayment terms and self-financing of export credits, export credit guarantees and insurance programmes. WTO members also agreed to ensure that agricultural exporting STEs do not operate in a manner that would circumvent the other provisions of the decision. Finally, the decision includes disciplines on food aid aimed at minimizing the risk of it distorting trade and, more specifically, ensuring that food aid does not negatively affect domestic producers and local or regional markets.

The decision also includes various flexibilities to take on board the specific concerns of least-developed countries (LDCs) and net food-importing developing countries.



The abolition of agricultural export subsidies, agreed at MC10, is fulfilling a key target of the second UN Sustainable Development Goal.

Cotton

The decision on cotton taken in Nairobi covers market access, domestic support and export competition plus a development-related component. Developed countries and developing countries in a position to do so agreed to grant, to the extent provided for in their respective preferential trade arrangements, duty free and quota free (DFQF) market access for exports by LDCs of cotton and cotton-related agricultural products (listed in the annex to the decision).

WTO members also agreed that developed countries would immediately eliminate export subsidies for cotton, with developing countries doing so by not later than 1 January 2017. Finally, on domestic support, ministers acknowledged the efforts made by some members to reform their domestic cotton policies, but emphasized that more efforts were needed.

In 2015, the cotton transparency and monitoring process put in place following the Bali Ministerial Conference continued and two dedicated discussions of relevant trade-related developments for cotton were held, in June and November. As in 2014, the dedicated discussions were aided by a WTO Secretariat background paper with information and data from members' notifications and other submissions on export subsidies, domestic support and market access.

Members also benefitted from presentations by the International Cotton Advisory Committee (ICAC) on the global cotton market and trade trends as well as on recent developments relating to government measures in favour of cotton. Members agreed in Nairobi to extend this transparency and monitoring process.

Ministerial Declaration

In Nairobi, ministers declared that “there remains a strong commitment of all members to advance negotiations on the remaining Doha issues. This includes advancing work in all three pillars of agriculture, namely domestic support, market access and export competition”.

Market access for non-agricultural products

The Negotiating Group on Non-Agricultural Market Access (NAMA) met regularly in 2015 with the aim of drawing up a work programme and presenting some progress in the negotiations to the Tenth Ministerial Conference in Nairobi. However, “very limited progress” was made. Ministers in Nairobi acknowledged that views differed among WTO members on how best to proceed with the Doha Round but declared that WTO members maintained a “strong commitment” to advance on the remaining Doha issues, including NAMA.

In the first half of 2015, the objective of the Negotiating Group on Market Access was to reach a work programme by end July 2015, as mandated at the Ninth Ministerial Conference and subsequently extended by the General Council. During this time, the Negotiating Group discussed how they could move forward the NAMA negotiations and resolve a stalemate in the talks. This stalemate partly stemmed from the difficulty some WTO members had with the draft 2008 negotiating text (commonly referred to as Rev. 3), and in particular the “Swiss Formula” which was envisaged as the main means of tariff cutting. The Swiss formula is a “non-linear” formula, under which the higher the initial tariff, the higher the cut.

Discussions took place in various formats, including meetings open to the entire membership, small-group consultations and bilaterals. WTO members explored alternative tariff-cutting modalities to the Swiss Formula, such as averaging. In terms of concrete proposals, only one proposal on a request/offer approach was submitted by Argentina. Regarding non-formula applying members, there was some understanding that these members – including small, vulnerable economies and least-developed countries – would not have to do more than what was envisaged in the draft text. In spite of these exchanges, the gap between members could not be bridged.

Background on market access for non-agricultural products

Non-agricultural products are products not covered by the Agreement on Agriculture. These range from manufactured goods to fuels and fisheries. Collectively, they represent more than 90 per cent of world merchandise trade. The negotiations aim to reduce or, as appropriate, eliminate tariffs as well as non-tariff barriers, particularly on goods of export interest to developing countries. The negotiations are conducted in the Negotiating Group on Market Access for Non-Agricultural Products.



Ambassador Remigi Winzap chaired the NAMA negotiations in 2015.

Services

In the run-up to the Tenth Ministerial Conference (MC10), WTO members made a number of proposals in the special session of the Council for Trade in Services on transparency issues as potential deliverables for MC10. But there proved to be insufficient time to reach consensus on the proposed texts. However, ministers adopted one decision on services at MC10, extending the current waiver period under which WTO members may grant preferential treatment to service suppliers from least-developed countries (LDCs).

The Chair of the Negotiating Group, Ambassador Remigi Winzap (Switzerland), reported to the General Council on 31 July that “members have only made very limited progress on NAMA”. It was not possible to “identify much convergence as of today,” the Chair added.

Further meetings took place early in the second half of the year in smaller formats convened by Director-General Roberto Azevêdo, the Chair and individual WTO members, with a view to presenting some progress to the Tenth Ministerial Conference to be held in Nairobi in December. But in September 2015, it became clear that a broad result in agriculture, including on domestic support (subsidies) and market access, would be extremely difficult to achieve in time. Under these circumstances, many members’ interest and engagement in NAMA diminished strongly because it has long been understood that progress in NAMA depends on parallel advances in the agriculture negotiations.

In Nairobi, ministers acknowledged that views differed among WTO members on how best to proceed with the Doha Round. “Nevertheless, there remains a strong commitment of all members to advance negotiations on the remaining Doha issues. This includes ... non-agricultural market access...”, they stated in their Ministerial Declaration.

In respect of non-tariff barriers (NTBs), while some WTO members believed that it would be useful to begin a conversation on NTBs, others felt that a tariff outcome was required before a discussion on non-tariff barriers could commence. As a result, no discussions were pursued on NTBs.

During the first half of the year, the special session continued to consider possible services elements of a post-Bali work programme, in the hope of meeting a July 2015 deadline set for all aspects of the Doha Round negotiations. WTO members recognized that services must form an essential part of any Doha Round outcome and highlighted the crucial importance of services for the growth and development of their national economies and for world trade. It was understood that the services negotiations need to be “calibrated” in some way with those in agriculture and non-agricultural market access (NAMA), yet there remained a wide range of views on the nature of such calibration.

Several WTO members suggested that there should be a discussion on what members want from the negotiations and what they are willing to contribute. As a first step, this could mean that members would provide a list of sectors and modes of supply they are willing to include or improve upon before entering into “request and offer” negotiations. This would help to determine the level of ambition for the services negotiations, they argued.

Background on services

Services are the most important economic activity in most countries when measured as a share of overall production, and are the single largest source of employment. The General Agreement on Trade in Services (GATS) mandates WTO members to progressively open up trade in services through rounds of negotiations. At the Doha Ministerial Conference in November 2001, the services negotiations became part of the “single undertaking” under the Doha Development Agenda. They are overseen by the Council for Trade in Services, meeting in special session, and its subsidiary bodies, in particular the Working Party on Domestic Regulation and the Working Party on GATS Rules.

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A number of WTO members indicated sectors and modes of service supply where they would like to see new or improved commitments from members. These include express delivery, transport and logistics, telecommunications, computer services, distribution, financial services, construction and energy-related services as well as the temporary movement of contract suppliers and independent professionals (mode 4, i.e. movement of persons). The General Agreement on Trade in Services (GATS) distinguishes between four modes of supplying services: cross-border trade, consumption abroad, commercial presence, and presence of natural persons.

In addition, the ACP (Africa, Caribbean and Pacific) group of developing countries called attention to a paper submitted to the Trade Negotiations Committee, recalling the GATS provisions that allow developing countries to provide market access in fewer services sectors than in developed countries, in line with their development situation, and the importance of achieving liberalization in sectors and modes of supply of interest to developing countries.

Members generally recognized that a result on services market access was essential for any services outcome, yet expressed varying views on the desirable levels of improved coverage or depth of commitments. Most members recalled that the market access part of the services negotiations would need to fully take account of the need to promote development and the importance of LDC interests.

Despite the various ideas put forward, WTO members were unable to produce a text of clearly defined work for services for the post-Bali programme.

Potential deliverables for Nairobi

From July 2015, the special session held two informal meetings predominantly focused on the possibility of deliverables for the Tenth Ministerial Conference in Nairobi in December. One potential deliverable, based on proposals by the European Union, Canada, Australia and Russia, related to transparency in domestic regulation in services.

Two distinct positions emerged on whether to start discussions on a potential services outcome in transparency, such as disciplines for the publishing of regulatory measures, the establishing of mechanisms to respond to requests for information by service suppliers and publishing of draft regulation to facilitate comments of service suppliers. Proponents expressed readiness to explore appropriate development components. However, several developing countries said they would not take on new obligations on their domestic regulations.

Other proposals were made by India, regarding transparency in the question of movement of natural persons, and by the ACP group concerning the maintaining of flexibility for developing countries in all areas of WTO negotiations, including services. In the end, there was not sufficient time to reach consensus among WTO members on texts related to these proposals prior to the Nairobi Ministerial Conference.



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Ambassador Gabriel Duque chaired the special session of the Council for Trade in Services in 2015.

In Nairobi, therefore, the only services-related decision adopted by ministers was a proposal that had emerged from discussions in the regular sessions of the Council for Trade in Services. The decision (see page 74) extends the current waiver period under which WTO members may grant preferential treatment to LDC services and service suppliers. The waiver, adopted in December 2011, runs 15 years. The ministerial decision extends this an additional four years, or until 31 December 2030.

Domestic regulation

The Working Party on Domestic Regulation has explored a variety of technical issues in recent years, including the clarification of concepts and terms as they relate to regulatory frameworks and practices as well as experience-sharing of regulatory provisions in regional trade agreements. One additional contribution was received on the latter issue, but no further technical work took place.

During the first half of 2015, the Working Party on Domestic Regulation considered the relationship of the domestic regulation work programme and the post-Bali work programme. This work complemented discussions in the special session of the Services Council focused on the market access aspects of a possible services outcome. Several delegations provided substantive views on their domestic regulation priorities in the context of a post-Bali work programme, which included provisions to discipline licensing and qualification requirements and procedures. Other delegations reiterated that other areas of the negotiations needed to progress before the issue of domestic regulation could be considered in the same context.

During the second half of 2015, the special session discussed whether transparency in domestic regulation could be an element of a "Nairobi package". While the proposal received support from some delegations, various developing countries expressed concern that cherry-picking "transparency" in the services negotiations would undermine the focus on development, particularly given the uncertainty on what the Nairobi package would deliver for development.

GATS rules

Given the overall context of the Doha Round negotiations and the focus on possible deliverables for the Nairobi Ministerial Conference, 2015 saw little progress in the Working Party on GATS Rules in its technical discussions on emergency safeguard measures, government procurement and subsidies (discussions conducted in accordance with the negotiating mandates contained in Articles X, XIII and XV of the WTO General Agreement on Trade in Services).

On emergency safeguard measures (ESM), the Working Party continued its dedicated discussion on emergency safeguard provisions in regional trade agreements, as proposed by the "Friends of ESM" (comprising Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Thailand and Viet Nam) in October 2013. On substance, however, WTO members brought no new elements to the negotiating table.

On government procurement, the Working Party discussed a WTO Working Paper entitled "The Relationship between Services Trade and Government Procurement Commitments: Insights from Relevant WTO Agreements and Recent RTAs". The paper discusses the relationship between commitments on trade in services and government procurement in services, with reference to relevant WTO agreements and a number of recent regional trade agreements.

Concerning subsidies, the WTO Secretariat issued a revised version of its background note on "Subsidies for Services Sectors – Information contained in WTO Trade Policy Reviews". More conceptual work would be needed to better understand how subsidies are provided and what trade effects they might have.

Rules of origin

At the Tenth Ministerial Conference in Nairobi, ministers adopted a new decision on preferential rules of origin that builds on their decision of 2013 to make it easier for exports from least-developed countries (LDCs) to qualify for preferential market access. The Nairobi ministerial decision provides more detailed directions on specific issues, such as methods for determining when a product qualifies as "made in an LDC".

The 2015 ministerial decision on preferential rules of origin for LDCs constitutes another step to ensuring that preferential trade arrangements for LDCs have simple and transparent rules of origin. It expands on the agreement on preferential rules of origin reached at the 2013 Bali Ministerial Conference by providing more detailed directions on specific issues, such as methods for determining when a product qualifies as "made in an LDC" and when inputs from other sources can be "cumulated" — or combined together — into the consideration of origin. It also calls on preference-granting members to consider allowing the use of non-LDC originating materials for up to 75 per cent of the final value of the product. Key beneficiaries will be sub-Saharan African countries, which make up the majority of the LDC Group.

When a good is manufactured using imported inputs, preferential rules of origin set minimum requirements to ensure that these inputs have been "substantially transformed" into a new final product which can qualify for preferences. When such requirements are complex or overly strict, LDC producers may find it difficult to comply with them and not be able to utilize the preferences.

The Bali decision sought to ensure that these requirements were not strict or overly complex. It set out, for the first time, multilaterally agreed guidelines to help make it easier for LDC exports to qualify for preferential market access. It recognized that each country granting trade preferences to LDCs had its own method of determining rules of origin, and it invited members to draw upon the elements contained in the decision when they developed or built on their individual rules of origin arrangements applicable for LDCs. The decision also required

Background on rules of origin

Rules of origin are the criteria used to determine the country in which a product was made. They are used in the implementation of many trade measures, including trade statistics, the determination of customs duties, labelling of country of origin, and the application of trade policy instruments, such as anti-dumping and countervailing duties, origin marking, and safeguard measures.

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members to notify their preferential rules of origin for LDCs to the WTO to enhance transparency.

The decision by the Tenth Ministerial Conference in Nairobi drew on proposals made by the LDC Group in negotiations during the year in the Committee on Rules of Origin. LDCs had sought to go beyond the Bali ministerial decision, which they said had remained largely “non-operationalized”.

Speaking on behalf of the LDC Group, Bangladesh put forward proposals at the October meeting that it said were “based on existing best practices and drafted to reflect the real-world problems LDCs were facing in benefitting from such schemes”. The proposals included adopting a maximum percentage of non-originating materials of “at least” 75 per cent in the total value of the final qualifying good and recognizing self-certification of rules of origin. In his report as Chair of the Trade Negotiations Committee, DG Azevêdo announced at a meeting of the General Council in October that he had appointed Ambassador Steffen Smidt of Denmark, in his role as LDC Facilitator, to take forward the proposals of the LDC Group on his behalf and to act as “Friend of the Chair”.

Ministers in Nairobi instructed the Committee on Rules of Origin to review annually the developments in preferential rules of origin applicable to imports from LDCs, in accordance with their guidelines, and to report to the General Council. The Secretariat was to provide the Sub-Committee on LDCs with an annual report on the outcome of such a review.

Trade-related aspects of intellectual property rights (TRIPS)

The TRIPS Council special session held a comprehensive review of work on geographical indications (GIs) but made no significant progress in 2015 on outstanding questions. WTO members did not see GIs as a priority for the Tenth Ministerial Conference in December. The Council, in regular session, undertook its 13th annual review of the incentives given to companies by developed countries to transfer technology to least-developed countries (LDCs). After detailed discussions about the application of so-called non-violation and situation complaints to the TRIPS Agreement, the Council recommended a further extension of the moratorium on such complaints, which the Ministerial Conference subsequently adopted.



Ambassador Dacio Castillo chaired the special session of the Council for TRIPS in 2015.

Negotiations on a GI register

Work on GIs was not a priority for WTO members in their preparations for the Nairobi Ministerial Conference, and the TRIPS Council special session made no progress on the issue. Throughout 2015, the Chair, Ambassador Dacio Castillo (Honduras), sought to revitalize the work of the special session. In February, after a series of consultations, the special session held an information meeting that included a comprehensive overview of past work on GIs. But members showed little appetite for work on this mandate in the short term.

Members have long disagreed over the legal effects a GI register should have and whether the effects would apply to all WTO members, or only to those who chose to participate in the register. Positions also remained divided on product coverage and whether, as the negotiating mandate says, the register should be confined to GIs for wines and spirits or whether it could also apply to other products, such as food and agricultural goods. The register is intended to facilitate the protection of GIs for wines and spirits. These are indications (including place names, or other terms or signs associated with a place) used to identify products whose place of origin gives them particular qualities, reputation or other characteristics.

Background on TRIPS

The Doha Development Agenda mandates negotiations on a multilateral system for notifying and registering geographical indications for wines and spirits. The Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) carries out the negotiations in special session. In its regular sessions, the TRIPS Council implements other relevant ministerial decisions, notably those relating to technology transfer and dispute settlement. The Hong Kong Ministerial Declaration mandates the Director-General to consult on certain TRIPS-related implementation issues identified in the Doha Declaration.

Outstanding implementation issues

During 2015, there was no work on the question of whether the TRIPS obligation to give a “higher” or “enhanced” level of protection for wine and spirit GIs should be extended to GIs for other products. Members differ on whether extending such higher protection would help trade in such products or would create an unnecessary legal and commercial burden. This question of possible “GI extension” is the first of the two so-called “outstanding implementation issues” in the TRIPS area on which the 2005 Hong Kong Ministerial Declaration had called for consultations by the Director-General.

The second of these issues concerns the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD): whether – and, if so, how – TRIPS should do more to promote the CBD objective of equitably sharing the benefits that arise when genetic resources are used in research and industry. The main focus has been on proposals to amend the TRIPS Agreement to require patent applicants to disclose the source or the country providing genetic resources and associated traditional knowledge that form the basis for an invention. No further consultations on the outstanding implementation issues have been held since the last written report by the Director-General in April 2011. A number of members raised this matter in the TRIPS Council’s regular meetings during 2015 but no advances were made.

Incentives for technology transfer

In October 2015, the TRIPS Council, in regular session, undertook its 13th annual review of the reports provided by developed countries on the incentives they give to transfer technology to LDCs. The TRIPS Agreement requires developed countries to provide such incentives, and in 2003 the Council, fulfilling a directive of the 2001 Doha Ministerial Conference, established a review mechanism to monitor this obligation.

The WTO Secretariat organized an eighth annual workshop for LDC and developed-country delegations to discuss in more depth the operation of these incentives. The discussions also covered harmonization of reporting formats based on an LDC proposal and the Secretariat’s efforts to improve the accessibility of the vast amounts of useful information available. A representative from the United Nations Conference on Trade and Development (UNCTAD) presented plans for a UN Technology Bank that would aim to address science, technology and innovation gaps in LDCs.

TRIPS non-violation and situation disputes

WTO members made new submissions and had detailed exchanges on the merits of applying so-called non-violation and situation complaints in the context of trade disputes concerning intellectual property rights. In general, WTO disputes can be brought not only if an agreement or commitment has been violated but also if an expected benefit under an agreement has been nullified even without any violation of the letter of the agreement. However, for disputes over intellectual property protection, the TRIPS Agreement prescribed a five-year moratorium on initiating “non-violation and situation complaints” and this moratorium has been repeatedly extended by decisions made by ministerial conferences.

Debate in 2015 focused on possible consequences of applying such complaints under the TRIPS Agreement, and whether the existing framework of WTO rules provided sufficient guidance to allay concerns over possible lack of legal clarity in this area. Members continued to disagree over whether such disputes should be permitted under the TRIPS Agreement, and over the grounds on which such disputes could be based. Hence, the Council recommended that the moratorium be extended, and the Tenth Ministerial Conference subsequently maintained the extension while recommending that the TRIPS Council continue examining the scope and modalities for these disputes and make recommendations to the next ministerial conference.

Trade and development

WTO members worked hard in special session of the Committee on Trade and Development during 2015 to close gaps on a series of proposals on special and differential treatment (S&D) for developing countries to submit to the Tenth Ministerial Conference, held in Nairobi in December 2015. But differences remained too great and no agreed text could be presented to ministers. In Nairobi, ministers took decisions, however, on rules of origin and a services waiver that benefit least-developed countries (LDCs).

In February the special session of the Committee on Trade and Development received a list of 14 proposed agreement-specific S&D provisions from the African group and the African Caribbean and Pacific (ACP) group, together with another list of 25 provisions from the LDCs. S&D refers to the special treatment, or flexibility, granted to developing countries in WTO agreements, such as longer implementation periods and easier obligations. As part of the Doha Round, the Committee is seeking to make these provisions more precise, effective and operational.

After much coordination work, the G90 group of developing countries presented consolidated proposals covering 25 provisions in July. The submission, which proponents said was based on a thorough review of S&D provisions in WTO agreements, covered areas such as infant industry protection, sanitary and phytosanitary measures, technical barriers to trade, and trade-related aspects of intellectual property rights (TRIPS).

The Chair, Ambassador Tan Yee Woan (Singapore), held a number of meetings in various formats, including text-based consultations in small groups. This intensive work led proponents to prioritize a list of 19 proposals as potential deliverables for the Nairobi Conference. Consideration of these proposals continued throughout November, with the special session convening almost every day in the run-up to the Ministerial Conference.

Background on trade and development

Many WTO agreements contain provisions that give developing countries special rights and that allow developed countries to treat them more favourably than other WTO members. As part of the Doha Round of negotiations, the special session of the Committee on Trade and Development is reviewing these “special and differential treatment” provisions with a view to making them more precise, effective and operational.



Ambassador Tan Yee Woan chaired the special session of the Committee on Trade and Development in 2015.

But positions remained widely divergent. Sticky issues impeding progress included defining exactly who should benefit from the flexibilities sought, together with some systemic concerns. Just before leaving for Nairobi, the Chair circulated text on nine proposals identified as potential areas of convergence among members. But these also failed to gain traction. Last-ditch efforts in Nairobi could not bridge the gaps and there was no tangible outcome in this area of work.

In Nairobi, however, ministers took two important decisions that benefit LDCs. They agreed to extend a current waiver for preferential treatment for LDC services and service suppliers until 31 December 2030. On rules of origin, they gave more detailed directions on how to make it easier for LDC exports to qualify for preferential market access (see pages 39).



Trade and environment

The Committee on Trade and Environment in special session (CTESS) held an information session in March on the state of play in the negotiations and discussed the way forward on the environment chapter of the Doha mandate, including priorities for the Tenth Ministerial Conference (MC10) in Nairobi. Consultations continued during the year. At a meeting in November, however, there was general consensus among WTO members that there was not sufficient time for an outcome on the Doha trade and environment mandate to be reached at MC10.

The CTESS held an information session in March to review the state of play in all three aspects of the environment chapter of the Doha Round negotiations. The negotiations cover the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs), procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.

Regarding barriers to environmental goods and services, the CTESS chair Ambassador Wiboonlasana Ruamraksa (Thailand) said it was clear that the trade opening efforts on environmental goods being pursued by a group of WTO members (see page 81) had affected the level of priority that delegations were giving to the topic in the CTESS.

In September, Ambassador Syed Tauqir Shah (Pakistan) took over as chair of the CTESS. Consultations continued during the rest of the year on ways to advance the work of the CTESS.

Background on trade and environment

The negotiations on trade and environment, part of the Doha Development Agenda, address the relationship between the WTO and multilateral environmental agreements, and the elimination of barriers to trade in environmental goods and services. The negotiations take place in special session of the Committee on Trade and Environment. The negotiations aim to ensure that trade and environment policies are mutually supportive.



Ambassador Syed Tauqir Shah chaired the special session of the Committee on Trade and Environment in 2015.

At an informal meeting of the CTESS in November, some WTO members stressed the importance of sending an appropriate signal on trade and environment in view of the other international developments in 2015, notably the adoption by the United Nations of the 2030 Agenda for Sustainable Development and the UN climate change negotiations in Paris. Other members, while recognizing the importance of the Doha Round trade and environment mandate, stressed the need to first address other core issues on the Doha agenda – agriculture, non-agriculture market access and trade in services.

There was general consensus that, while there was an interest to remain engaged, there was not sufficient time for an outcome on the Doha trade and environment mandate at the Tenth Ministerial Conference in Nairobi.

Ministerial Declaration

The Ministerial Declaration issued at the end of the Ministerial Conference referred to the Agenda for Sustainable Development and the future work of the WTO on trade and



“We recognise the role the WTO can play in contributing towards achievement of the 2030 Sustainable Development Goals.”

Nairobi Ministerial Declaration

environment. It stated: "We recognize the role the WTO can play in contributing towards achievement of the 2030 Sustainable Development Goals [see page 119], in so far as they relate to the WTO mandate, and bearing in mind the authority of the WTO Ministerial Conference".

The Declaration acknowledged that "international trade can play a role towards achieving sustainable, robust and balanced growth for all". Furthermore, it stated that there is a strong commitment of all WTO members to advance negotiations on the remaining Doha Round issues. It also acknowledges that members have different views on how to address the negotiations.

Trade and transfer of technology

The Working Group on Trade and Transfer of Technology was briefed by various WTO members on workshops, initiatives and projects in the area of technology transfer undertaken in 2015. This was part of ongoing work on the relationship between trade and transfer of technology and steps that could be taken to increase flows of technology to developing countries.

At one of the three meetings held during the year, Ecuador briefed the Working Group on a workshop entitled "Contribution of Intellectual Property to Facilitating the Transfer of Environmentally Rational Technology", held in May 2015 in Crozet, France.

Organized by the Permanent Mission of Ecuador in collaboration with German foundation Friedrich Ebert Stiftung, the workshop gathered experts from the International Centre for Trade and Sustainable Development, South Centre, an intergovernmental organization of developing countries, the United Nations Conference on Trade and Development (UNCTAD), the WTO and academia to discuss a proposal that Ecuador had earlier presented in the TRIPS Council on the

Background on trade and transfer of technology

The Working Group on Trade and Transfer was established at the Doha Ministerial Conference in 2001 "to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the mandate of the WTO, to increase flows of technology to developing countries".



Ambassador Luc-Joseph Okio chaired the Working Group on Trade and Transfer of Technology in 2015.

issue of technology transfer and climate change. The proposal states that the issue of technology and its transfer is a fundamental aspect of the fight against climate change and adapting to, and mitigating, its harmful effects. According to the proposal, the timely dissemination and transfer of technology are therefore essential for achieving that objective.

The Philippines briefed WTO members on some of the recent initiatives taken by its government to encourage and generate technology transfer. It shared information on specific legislative measures, including the setting up of technology-focused institutions to implement development-oriented programmes promoting international cooperation and public sector involvement.

Chinese Taipei briefed the Working Group on its e-Customs information and communications technology project on trade facilitation for Central American countries. The project streamlines customs procedures by using high-tech integration processes to reduce delays and transaction and trade costs.

The discussions of the Working Group underscored the significance of sharing experiences and lessons learnt in innovation and technology generation, particularly by countries that have undergone rapid technological advancement. It was felt that such experiencesharing exercises not only enriched and advanced the work of the Group but also facilitated the finding of technology solutions and helped technology-deficient countries make more informed choices about protechnology policies and measures.

India, Pakistan and the Philippines told the Working Group that they were refining an earlier presentation, "Facilitating Access to Information on Appropriate Technology Sourcing – A Step to Increase Flows of Technology to Developing Countries". They said that they intended to present the new version in the near future. During the discussion, the proponents also suggested that the WTO Secretariat host a webpage on transfer of technology issues for the benefit of producers in developing countries. Other members expressed interest and asked for more detail on the contents of such a website.

WTO rules

The Negotiating Group on Rules continued its consideration of WTO rules on anti-dumping, subsidies and countervailing measures, and regional trade agreements (RTAs). It examined possible rules outcomes for the Tenth Ministerial Conference (MC10) in Nairobi but differences remained in all areas of the negotiation. At MC10, no further progress was made beyond the area of RTAs. In the Nairobi Ministerial Declaration, the Committee on RTAs was instructed to discuss the systemic implications of regional trade agreements for the multilateral trading system. Ministers also agreed to work towards making the provisional “Transparency Mechanism” for RTAs into a permanent mechanism.

In line with the instruction issued by ministers in Bali in December 2013, the Negotiating Group on Rules held a series of informal consultations and meetings to consider what, if any, role WTO rules on anti-dumping, subsidies, countervailing measures and regional trade agreements – the four pillars – should play in the post-Bali work programme.

Members remained divided between those pressing for progress in specific aspects, such as anti-dumping or fisheries subsidies, and those who argued that progress in rules was not possible until it became clearer what could be achieved in agriculture, industrial goods and services, the core pillars of the Doha Development Agenda.

In May, the Secretariat held an information session on the rules negotiations. Thereafter, during the course of the summer, a number of delegations or groups of delegations submitted proposals related to the post-Bali work programme, including in relation to anti-dumping, fisheries subsidies disciplines

Background on WTO rules

WTO members agreed at the Doha Ministerial Conference in 2001 to launch negotiations to clarify and improve WTO rules on anti-dumping, subsidies and countervailing measures, and regional trade agreements. In the context of the subsidies negotiations, there was specific mention of disciplines on fisheries subsidies, and at the Hong Kong Ministerial Conference in 2005 there was broad agreement on strengthening those disciplines, including through a prohibition of certain forms of fisheries subsidy that contribute to over-capacity and over-fishing. With regard to regional trade agreements, the General Council established a transparency mechanism on a provisional basis in December 2006.



Ambassador Wayne McCook chaired the Negotiating Group on Rules in 2015.

and transparency across the different pillars of the rules negotiations. While some delegations welcomed these proposals, others said that elements in the proposals were still far too ambitious and/or not properly calibrated to the current state of play in the overall Doha Round negotiations.

Beginning in September, the focus turned to the upcoming Tenth Ministerial Conference (MC10) in Nairobi. A number of delegations submitted proposals for MC10 outcomes in one or more of the four pillars of the rules negotiations, which were considered in a variety of formats up to and including at MC10. The negotiating group considered proposals for an outcome on fisheries subsidies in an eventual “Nairobi Package”, focusing variously on transparency alone, or on transparency plus certain disciplines and special and differential treatment for least-developed countries. The group also considered a number of proposals on anti-dumping as well as on transparency across the different pillars of the rules negotiations.

But the differences remained in all areas of the negotiation and, despite intensive work right up to the end of MC10, no further progress was made beyond the area of RTAs. Here, the Ministerial Declaration reaffirmed the need to ensure that RTAs do not become a substitute for progress in multilateral talks and instructed the Committee on Regional Trade Agreements to discuss the systemic implications of RTAs for the multilateral trading system and their relationship with WTO rules. It also agreed that WTO members would work towards making the Transparency Mechanism for RTAs, which is currently provisional, into a permanent mechanism (see page 86).

During the year, work continued in the Technical Group. While the Technical Group was created by the Negotiating Group, it is not a negotiating forum. It is a forum in which delegations exchange information about their anti-dumping practices. The Technical Group met in April and October 2015 and exchanged information about WTO members’ practices in regard to the so-called “lesser” duty rule, under which authorities impose duties at a level lower than the margin of dumping. They also discussed public interest clauses (evidence for safeguard measures must include arguments on whether a measure is in the public interest) and the treatment of confidential information in anti-dumping investigations.

Dispute Settlement Understanding

Negotiations to improve the Dispute Settlement Understanding (DSU) achieved further convergence among WTO members in a number of areas in 2015 but more conceptual work is needed in others. Despite the progress, it was not possible to agree any outcomes for the Tenth Ministerial Conference in Nairobi.

In December 2015, the Chair of the DSU negotiations, Ambassador Ronald Saborío Soto (Costa Rica), reported that convergence among WTO members had been achieved in certain areas and significant progress made in a number of others. In some areas, however, further work at the conceptual level would be needed to clarify the basis on which convergence might be found.

Although it had not been possible to reach specific agreements in time for the December Ministerial Conference, participants remained strongly committed to continuing to work towards agreement on improvements and clarifications of the DSU. They recognized the systemic importance of this negotiation and its potential to lead to practical and meaningful outcomes for the benefit of all members, the Chair added.

Work during 2015 explored the potential for further convergence across all 12 issues under discussion, building on the elements of a potential solution identified in the “horizontal process” in which all areas were covered. The process was completed in 2014.

The 12 issues include third-party rights, panel composition, remand (i.e. referral of cases by the Appellate Body to panels for further action), mutually agreed solutions (including the suspension of appellate proceedings on the joint request of parties), strictly confidential information, sequencing and post-retaliation (i.e. the procedure to be followed when the parties disagree whether compliance with dispute settlement rulings has been achieved, either before retaliation has been granted

Background on the Dispute Settlement Understanding

In November 2001, at the Doha Ministerial Conference, WTO members agreed to negotiate to improve and clarify the DSU – the rules and procedures governing the settlement of WTO disputes. These negotiations, which take place in special sessions of the Dispute Settlement Body, are part of the Doha Development Agenda but are not formally part of the “single undertaking”. This means they are not legally tied to the success or failure of the other Doha Round negotiations.



Ambassador Ronald Saborío Soto chaired the special session of the Dispute Settlement Body in 2015.

– sequencing – or afterwards – post-retaliation). Other issues under discussion include transparency (e.g. opening hearings to the public) and *amicus curiae* briefs (when someone not party to a case provides an unsolicited brief), timeframes for consultations, specific developing country concerns (including special and differential treatment for least-developed countries), flexibility and member control (involving issues such as whether to allow the parties to jointly seek deletion of parts of a panel or Appellate Body report), and ways to ensure prompt and effective compliance with WTO rulings by WTO members found to have breached them.

The Chair further highlighted that the increase in dispute settlement activity (see page 102) made the work more urgent and relevant. The negotiation and the work conducted to date provided an important avenue for WTO members to address current challenges and improve the overall efficiency and effectiveness of the dispute settlement system.

In Nairobi, ministers noted that the DSU continued to offer a means for the settlement of disputes “that is unique in international agreements”. The large and growing number of disputes demonstrated WTO members’ continuing confidence in the system. “We recognize that the increasing number and growing complexity of disputes present challenges to the system. We therefore commit to pursue and renew efforts to address current challenges and to further strengthen the system, including through effective implementation of the rulings and recommendations of the Dispute Settlement Body (DSB),” the Ministerial Declaration said.

Information Technology Agreement

On 16 December 2015, at the Tenth Ministerial Conference in Nairobi, participants in negotiations to expand the Information Technology Agreement (ITA) concluded a landmark deal to liberalize trade in an additional 201 high-tech products, whose annual value is estimated at US\$ 1.3 trillion, accounting for nearly 10 per cent of world trade in goods. It is the first major tariff-cutting deal at the WTO since 1996.

Negotiations were conducted by 53 WTO members, including both developed and developing countries, accounting for approximately 90 per cent of world trade in these products. The new tariff commitments will be recorded in each participant's WTO schedule of commitments and applied on a most-favoured nation (MFN) basis, which means that all 162 WTO members will benefit from duty-free access in those markets.

Participants in the ITA expansion negotiations had agreed in July 2015 on a list of 201 additional products that will benefit from duty-free treatment. They then engaged in "staging" negotiations on how and over what period of time they would eliminate duties on these products. During November and December 2015, with the assistance of the WTO Secretariat, 24 draft schedules were reviewed and approved, paving the way for the conclusion of negotiations in Nairobi.

Approximately 65 per cent of tariff lines will be fully eliminated by 1 July 2016. Most of the remaining lines will be phased out in four stages over three years, which means that by 2019 almost all imports of the relevant products will be duty-free.

The ITA expansion declaration also contains a commitment to work to tackle non-tariff barriers in the IT sector (see page 71) and to keep the list of products covered under review to determine whether further expansion may be needed to reflect future technological developments.

According to preliminary estimates by the WTO Secretariat, approximately 95 per cent of participants' import duties on these products will be fully eliminated by 2019. Products covered by the ITA expansion include new generation multi-component integrated circuits, touch screens, GPS navigation equipment, portable interactive electronic education devices, video game consoles and medical equipment, such as magnetic resonance imaging products and ultra-sonic scanning apparatus.

Director-General Roberto Azevêdo said that the products covered by the agreement amounted to more than global trade in automotive products or global trade in textiles, clothing, iron and steel combined. "In fact, this deal will eliminate tariffs on approximately 10 per cent of global trade," he said in Nairobi following the announcement of the deal. He noted that some of the IT products currently faced very high tariffs. For example, in some markets, the import tariff for video cameras is 35 per cent. "With this agreement, tariffs will be reduced to zero — and legally locked-in at zero. So today marks a very significant achievement. Eliminating tariffs on trade of this magnitude will have a huge impact," he said.

The lower prices will help many other sectors that use IT products as inputs. The agreement will create jobs and help to boost growth around the world. It will improve productivity and market access, and enhance predictability for traders and investors, the DG declared.

Background on the Information Technology Agreement

The agreement is an expansion of the 1996 Information Technology Agreement. In 2012, WTO members recognized that technological innovation had advanced to such an extent that many new categories of IT products were not covered by the existing agreement. Negotiations began in June 2012 to expand the coverage of the accord. The ITA expansion is open to any WTO member wishing to join it.



201

201 IT products worth US\$ 1.3 trillion a year have been added to the goods covered by the Information Technology Agreement.