

# A year in review

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# 2



# 2019: a snapshot

## January

General Council appoints facilitator to try to help WTO members resolve differences on functioning of Appellate Body.

DG Azevêdo attends World Economic Forum in Davos.



## February

DG Azevêdo attends first International Food Safety Conference in Addis Ababa, Ethiopia.

Ambassador Sunanta Kangvalkij (Thailand) appointed as Chair of General Council.

## August

At G7 Summit in Biarritz, DG Azevêdo discusses "fighting inequalities" with world leaders.



## July

WTO hosts Global Review of Aid for Trade.



## October

Chancellor Merkel, DG Azevêdo and other agency heads discuss challenges of multilateralism in Berlin.

WTO hosts World Cotton Day.

WTO's Public Forum welcomes over 2,500 participants to talk about "Trading Forward: Adapting to a Changing World".

WTO-WHO-WIPO Symposium looks at challenges and opportunities of cutting-edge health technologies.



## September

DG Azevêdo attends event in Montevideo to mark 25<sup>th</sup> anniversary of conclusion of Uruguay Round.





### March

South Sudan starts WTO membership negotiations.

### April

WTO hosts International Forum on Food Safety and Trade.



### June

WTO welcomes close to 3,000 visitors to its Open Day.

DG Azevêdo welcomes G20 leaders' renewed call for WTO reform at summit in Osaka, Japan.



### May

Australia becomes newest member of WTO Agreement on Government Procurement.

DG Azevêdo announces new fund to help LDCs participate in fisheries subsidies talks.

UN Secretary-General António Guterres addresses WTO General Council.

WTO hosts Trade Dialogues event with consumer groups.



### November

DG Azevêdo and President Xi participate in opening ceremony of China International Import Expo in Shanghai.

Conference marks 30 years of the WTO's Trade Policy Review Mechanism.

### December

Kazakhstan submits application to join Government Procurement Agreement.

WTO members agree to extend e-commerce, non-violation moratoriums.

DG Azevêdo pledges to launch high-level consultations on resolving Appellate Body impasse.



# Our year

- **WTO members sought to move trade negotiations forward in advance of the 12<sup>th</sup> Ministerial Conference, originally scheduled for June 2020 in Nur-Sultan, Kazakhstan. Fisheries subsidies and agriculture were the most active areas of negotiation. A number of members declared WTO reform a priority for the organization.**
- **Discussions on reform focused on strengthening the work of WTO committees and increasing transparency, improving the dispute settlement system and addressing the functioning of the Appellate Body, and improving negotiating work so that the WTO can continue to deliver new agreements with economic impact.**
- **The General Council appointed Ambassador David Walker (New Zealand) as a facilitator charged with helping WTO members find a solution on improving the functioning of the Appellate Body. However, there was no consensus on the resulting set of proposals, and in December, DG Azevêdo announced he would launch high-level consultations to find a way forward on maintaining a two-step review process for the settlement of trade disputes.**

## Trade negotiations and discussions

**In 2019, WTO members engaged actively in negotiations on fisheries subsidies and in a number of other areas, such as agriculture and services. They committed to concluding negotiations on fisheries subsidies by the 12<sup>th</sup> Ministerial Conference (MC12). Many underlined that WTO reform was a priority and submitted proposals for modernizing the organization.**

WTO members worked intensively to meet an end-of-2019 deadline for an agreement on fisheries subsidies. Although they made substantial progress, meeting the deadline proved out of reach, and they agreed to a new work programme for 2020, committing to conclude the negotiations by MC12.



**14**

**Prohibiting fisheries subsidies that contribute to overfishing is a key component of Sustainable Development Goal 14.**

A high level of engagement was seen in all areas of the agriculture negotiations during 2019, with the aim of identifying potential meaningful outcomes for MC12. There was also negotiating activity in services, special and differential treatment for developing countries and Dispute Settlement Understanding reform.



**164**

**Trade negotiations are conducted among the WTO's 164 member governments.**

Alongside these multilateral negotiations, groups of WTO members continued to engage with each other under joint statement initiatives (JSIs) on e-commerce, investment facilitation for development, services domestic regulation

and micro, small and medium-sized enterprises. Coordinators of each initiative provided regular updates on these discussions to the wider WTO membership. The initiatives drew increasing numbers of participants, with meetings kept open to all members. Members also received updates on the initiative on trade and women's economic empowerment.



**100**

**A total of 100 WTO members are participating in the joint statement initiative on investment facilitation for development.**

Many members declared WTO reform a priority for the organization. Several put forward ideas, papers and initiatives. DG Azevêdo said that while it was clear that the WTO had to be more responsive to members' needs, the goals of reform – and the process of getting there – was for members to define.

Discussions fell into three broad areas: how to strengthen the work of WTO regular bodies and committees and improve areas such as notifications and transparency; how to improve the dispute settlement system and address the impasse in appointments to the Appellate Body (see page 122); and how to improve negotiating work so as to keep delivering new agreements with real economic impact.

See pages 32-55.



## ■ Implementation of WTO agreements and decisions

**Work in the WTO's councils and committees continued to focus on the effective implementation of WTO agreements and decisions, with issues such as transparency and the fulfilment of members' notification requirements receiving increasing attention.**



WTO members brought up a range of issues in the General Council, including on increasing the transparency of members' trade measures and strengthening the committee work of the WTO. In the Committee on Agriculture, members agreed on recommendations to enhance transparency and improve notifications. The issue of transparency was also raised in a number of other committees, including those dealing with the Agreement on Sanitary and Phytosanitary Measures and the Technical Barriers to Trade Agreement.

Members continued discussions on the Work Programme on Electronic Commerce, with a particular focus on the issue of not imposing customs duties on electronic transmissions – the e-commerce moratorium – which was due to expire in December 2019. While members continued to differ on the moratorium and its scope, they agreed at the December session of the General Council to renew it up to the 12<sup>th</sup> Ministerial Conference (MC12).

The General Council also agreed to extend the moratorium on the initiation of “non-violation” complaints under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) until MC12. This issue concerns whether members should have the right to bring a dispute to the WTO if they consider that another member's action or a specific situation has deprived them of an expected benefit under the TRIPS Agreement, even if no specific TRIPS obligation has been violated.



**149**

**The Trade Facilitation Agreement had been ratified by 149 WTO members by the end of 2019.**

Eight more WTO members ratified the Trade Facilitation Agreement, bringing the rate of ratification to 90 per cent by the end of the year. An increasing number of members also provided notifications on how they would implement the Agreement, which is expected to reduce trade costs globally by speeding up the movement of goods across borders.



**48**

**Australia became the 48<sup>th</sup> member of the Government Procurement Agreement, significantly expanding the markets covered by the Agreement.**

Australia became the latest member to join the Agreement on Government Procurement (GPA), bringing membership of the GPA to 48 and adding significantly to the procurement market covered by the Agreement.



**30**

**The WTO marked the 30<sup>th</sup> anniversary of the Trade Policy Review Mechanism in 2019.**

The WTO commemorated 30 years of the Trade Policy Review Mechanism in November 2019 with a one-day conference which highlighted the crucial role the mechanism has played in helping members to better understand each other's trade policies and in providing a more predictable international trading environment.

See pages 56-113.





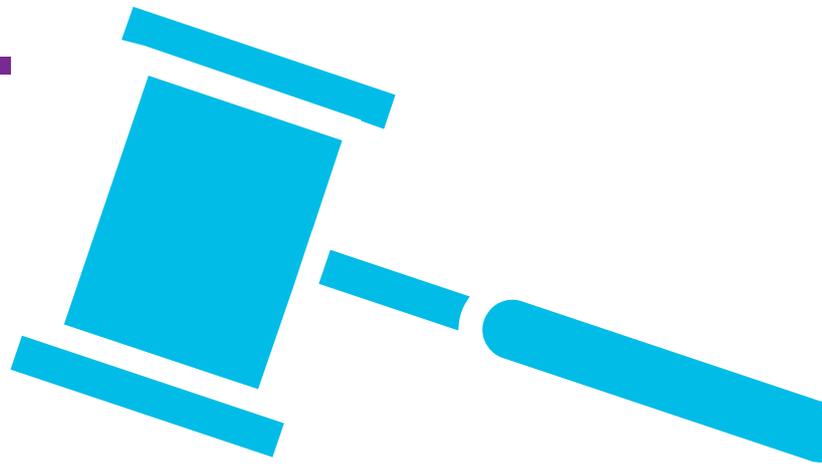
**19**

**WTO members initiated 19 disputes in 2019.**



**23**

**Twenty-three dispute settlement reports and decisions were circulated in 2019.**



## ■ Dispute settlement

**The overall level of dispute settlement activity remained high in 2019, with 19 new disputes initiated and 23 dispute settlement reports and decisions circulated. As of December 2019, the Appellate Body was reduced to one member and, as a result, could not hear new appeals.**

The number of new disputes brought to the WTO – 19 – was down on 2018 but above the levels of 2016 and 2017.

The overall level of dispute settlement activity remained significant, with a monthly average of 54 ongoing proceedings (comprising panel, arbitral or appellate proceedings), the highest ever level.



**54**

**On average, 54 dispute settlement proceedings were ongoing each month, the highest figure on record.**

Of the 23 dispute settlement reports and decisions circulated in 2019, 11 were “original” panel reports, three compliance panel reports, five Appellate Body reports, one Appellate Body compliance report and three arbitration decisions on permissible levels of retaliation.

In December, the terms of office of two of the remaining three Appellate Body members, Ujal Singh Bhatia and Thomas R. Graham, expired. Deprived of the quorum of three members needed to hear an appeal, the Appellate Body suspended its work on all but three pending appeals in which the oral hearings had already taken place in 2019.

Earlier in the year, the General Council had appointed Ambassador David Walker (New Zealand) as a facilitator to help WTO members improve the Appellate Body’s functioning and resume the appointment of AB members. However, consensus could not be reached on the draft set of proposed reforms that emerged from his consultations.

At the end of the year, DG Azevêdo announced he would launch high-level consultations in search of a solution to the impasse.

See pages 114-125.

■ Supporting developing countries and building trade capacity

**Support for developing countries and building trade capacity continued to be a central focus of the WTO’s activities in 2019, with the Committee on Trade and Development acting as the main forum for these discussions.**

The Committee on Trade and Development continued discussions on e-commerce and on duty-free and quota-free (DFQF) market access for least-developed countries (LDCs), and considered a report by the WTO Secretariat on the implementation of special and differential treatment provisions for developing countries in WTO agreements and decisions. Such provisions range from increasing trade opportunities for developing countries and LDCs to granting longer transition periods for the implementation of WTO agreements and providing technical assistance.

LDCs’ exports of goods and services increased by 12 per cent in 2018, continuing the positive trend from 2017. Their share of world exports increased slightly from 0.92 per cent to 0.94 per cent. However, as this is lower than in 2011, the LDCs are unlikely to achieve the 2011 Istanbul Programme of Action target to double their export share by 2020. LDCs called on WTO members to continue to make progress in the implementation of ministerial decisions on DFQF market access, preferential rules of origin and the LDC services waiver to further facilitate LDCs’ market access.

 **43.1 billion**  
**Global disbursements of Aid for Trade rose to US\$ 43.1 billion in 2017 (the latest year on record), up from US\$ 38.9 billion in 2016.**

Global disbursements of trade-related development assistance were US\$ 43.1 billion in 2017 according to the WTO-led Aid for Trade initiative. In July, the WTO hosted the 2019 Aid for Trade Global Review, which focused on supporting economic diversification and the empowerment of women and youth. The event drew some 1,500 participants.



**1,500**

**The Aid for Trade Global Review drew some 1,500 participants to the three-day event in July.**

The Enhanced Integrated Framework (EIF), a multi-agency initiative, officially launched its 2019-22 strategic plan, which aims to better position LDCs in the global economy. New projects totalling US\$ 35 million were submitted to the EIF Board for approval in 2019.

Another multi-agency initiative, the Standards and Trade Development Facility, approved US\$ 4.2 million for projects aimed at improving food safety, animal and plant health and helping developing countries meet sanitary and phytosanitary requirements for trade.



**18,600**

**The WTO undertook just under 300 training activities in 2019, involving over 18,600 government officials.**

The WTO Secretariat undertook just under 300 technical assistance activities in 2019 to help government officials gain a better understanding of WTO rules and the multilateral trading system. More than 18,600 participants benefited. The number of online courses rose by 10 per cent, showing a continuing shift towards online learning.

See pages 126-143.





## ■ Outreach

### In 2019, the WTO continued to reach out to the business community, civil society, academia and the general public through a range of initiatives.

Under the theme “Trading Forward: Adapting to a Changing World”, the Public Forum – the WTO’s biggest annual outreach event – attracted over 2,500 participants from 126 countries and featured 140 sessions. Keynote speakers at the opening plenary addressed the importance of a rules-based multilateral trading system in uncertain times and how to ensure that trade contributes positively to sustainable development. A high-level panel of millennials and Generation Z looked at what they expect from global trade. The business community held 25 sessions during the event.



**2,500**

**The Public Forum attracted over 2,500 participants from 126 countries, who took part in a record 140 sessions.**

At a “Trade Dialogues” session organized by the International Chamber of Commerce and the B20, business representatives put forward ideas on changes they would like to see to the functioning of the WTO. The session was attended by DG Azevêdo, who welcomed the business community’s support for strengthening the trading system.

In May, the WTO organized its first “Trade Dialogue” for consumer organizations, bringing together consumer groups and private sector representatives. Participants focused on the challenges and opportunities provided by e-commerce and how the WTO can help address consumers’ concerns. The “Trade Dialogues” initiative, launched in 2016, aims to bring together a wide range of stakeholders, including labour organizations, consumer bodies, business and academics, to discuss trade concerns.

The WTO continued to work closely with other international organizations. DG Azevêdo attended the G20 and G7 summits and took part in events organized by the UN, the World Bank, the IMF, the OECD and others. At the G20 summit in Osaka in June 2019, world leaders recognized the contribution of the multilateral trading system to economic growth and called for reform to improve its functioning. DG Azevêdo participated in a side event organized by Japan where leaders from over 20 governments issued the Osaka Declaration on the Digital Economy, launching a track of intergovernmental discussions on e-commerce rules.

At the G7 summit in Biarritz in August, he said that reform of the WTO provides an opportunity to focus the agenda of work on issues that make trade rules more responsive to the demands of today’s economy in an inclusive way.



**2.7 million**

**The WTO website attracted a record 2.7 million visits a month, over 17 per cent more than in 2018.**

The WTO saw increasing interest in its activities, with the WTO website attracting 2.7 million visits a month, 17 per cent more than in 2018. By the end of the year, the WTO had close to 400,000 followers on Twitter, over 300,000 on Facebook and over 600,000 on Weibo, a Chinese social media platform.

See pages 144-169.



**3,000**

**The WTO welcomed close to 3,000 visitors to its headquarters for the fifth WTO Open Day in June 2019.**

