

Message from

Director-General Roberto Azevêdo



As I write these words, international trade faces unprecedented uncertainty amid the coronavirus pandemic and its immense economic fallout.

The global economy is in its worst downturn since the 1930s. WTO economists foresee a bumpy year ahead. Their forecast for 2020 estimates that the volume of global merchandise trade will tumble by between 13 and 32 per cent compared to the previous year. The depth of the fall will depend on two main factors: one, how long it takes to bring the pandemic under control; and two, the policies governments implement – domestically and at the international level – to mitigate its economic consequences.

This underscores why international cooperation to keep global markets open for goods and services is more important than ever. As the world fights the COVID-19 pandemic, maintaining open supply lines will facilitate access to medical products and food. Restricting trade and disrupting established supply chains will make it harder to ramp up the manufacture of much-needed protective equipment, testing kits, ventilators and other essentials. In the longer run, a turn towards protectionism will slow down the global economic recovery, to the detriment of all countries, most damagingly for the poorest.

Whether to safeguard public health or to revive economic activity, it is only through collective action that we can respond effectively to the COVID-19

crisis. It is essential that governments and international organizations work together. The WTO is committed to doing its part to foster such cooperation. One key aspect of this is transparency – we have stepped up monitoring and information-sharing to allow all participants in world trade to keep track of COVID-related measures governments have introduced to facilitate or restrict trade. The WTO will also serve as a forum for members to share views and coordinate action on trade policies as economies emerge from the crisis.

Prior to the pandemic, the year 2019 had been marked by strong activity at the WTO in terms of trade negotiations. Talks on reducing fisheries subsidies registered further progress, and members continued discussions on a range of issues in agriculture. In parallel with these multilateral negotiations, groups of WTO members took substantial steps forward in initiatives seeking to write new rules for e-commerce, facilitating investment for development, domestic regulation of trade in services, and micro, small and medium-sized enterprises. The initiatives, which remain open to the entire membership, drew interest from a growing number of members.

Members will determine how and when to take these negotiating processes forward in light of the public health



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and economic situation. In a similar vein, they are already deliberating on options for holding our 12th Ministerial Conference, which could not be held as originally scheduled in Nur-Sultan, Kazakhstan, in June 2020 because of the pandemic.

Discussions on the ongoing process of WTO reform also gained momentum over the course of the year. Further progress will now also have to take account of the evolving health and economic situation. The reform process has nevertheless always been aimed at strengthening and improving the functioning of the system to make the WTO more effective and more responsive to members' needs. Amid the social and economic distress shared by billions of people, some of these needs have become painfully clear. A key goal of WTO reform must be to ensure that the organization is properly equipped to contribute to the economic recovery of all members.

A key concern is the proper functioning of the WTO's dispute settlement system, given the impasse in the appointment of Appellate Body members. The importance WTO members attach to the institution's dispute settlement function was underscored by the highest-ever level of activity seen in 2019, with 23 dispute settlement reports and decisions issued during the course of the year. At the same time, late in the year, members could not reach consensus on a set of proposals put forward by the then-chair of the Dispute Settlement Body in an attempt to address concerns about the functioning of the Appellate Body. I encourage members to consider the compromises they would be willing to make to maintain a vital two-step review process for the settlement of trade disputes and to avoid the prospect of blocked rulings and unilateral retaliation.

Another important function of the WTO is our work to assist developing countries to gain a better understanding of how best to make the multilateral trading system and the WTO rulebook work for them. In 2019, the WTO organized training courses for over 18,000 government officials, enhancing their know-how and skills to help their respective countries play a more active role in world trade. The WTO

also hosted the Global Review of Aid for Trade, a WTO-led initiative aimed at improving the trading capacity of developing and least-developed countries. The three-day event brought over 1,500 participants to our headquarters to share ideas and look at examples of how targeted technical and financial support has helped countries use trade to bolster economic diversification and empowerment.

Other events held at the WTO in 2019 included our annual Public Forum, which attracted a record number of participants – over 2,500 from 126 countries – to discuss how trade should adapt to a changing world. The first-ever World Cotton Day brought ministers and key players in the cotton industry to WTO headquarters to address the challenges faced by cotton farmers and the importance of the sector in contributing to poverty reduction in developing countries. The WTO also hosted an International Forum on Food Safety and Trade alongside the UN Food and Agriculture Organization and the World Health Organization.

Cooperation and solidarity among governments and international organizations will be essential for the world to unite to tackle the coronavirus pandemic and prepare the foundations for economic revival. Trade will have a vital role to play in making a strong, sustainable and socially inclusive recovery. We at the WTO are committed to doing our part.



Roberto Azevêdo

Director-General

