A year in review
2020: a snapshot

**January**
- DG Azevêdo attends World Economic Forum in Davos.
- Ethiopia resumes WTO accession negotiations after eight-year pause.

**February**
- United Kingdom notifies WTO members of withdrawal from the European Union.
- WTO mourns the passing of former Director-General Mike Moore.

**March**
- Suspension of on-site meetings at WTO due to COVID-19.
- WTO sets up dedicated area on website for COVID-19 and trade.
- DG Azevêdo welcomes G20 ministers’ commitment to notify WTO of COVID-19 related trade measures.

**April**
- Heads of WTO and WHO cite importance of open trade in ensuring flow of vital medical supplies.
- IMF and WTO heads call for lifting trade restrictions on medical supplies and food.
- WTO forecasts plunge in trade as COVID-19 pandemic upends global economy.
- Kazakhstan offers to host postponed 12th Ministerial Conference in June 2021.

**May**
- DG Azevêdo announces he will step down on 31 August 2020.
- WTO establishes nomination window for DG selection.
- Chancellor Merkel, DG Azevêdo and other agency heads discuss health, economic and social impacts of COVID-19 pandemic.

**June**
- Mexico, Nigeria, Egypt, Moldova and Republic of Korea nominate candidates for post of WTO Director-General.
- Appellate Body issues reports regarding tobacco plain packaging requirements.
**July**

Heads of WTO and six development banks voice support for trade finance amid COVID-19 crisis.

Kenya, Kingdom of Saudi Arabia and United Kingdom nominate candidates for post of WTO Director-General.

WTO report says members are moving to facilitate imports although trade restrictions remain high.

Uzbekistan resumes WTO membership negotiations.

**August**

WTO goods barometer confirms steep drop in trade but hints at nascent recovery.

DG Azevêdo steps down, cutting his second term short by exactly one year.

**September**

WTO data reveal 21% decline in value of world merchandise trade in second quarter of 2020 amid global lockdown.

New WTO working group established to deepen trade and gender discussions.

WTO members start text-based negotiations on fisheries subsidies.

**October**

Timor-Leste formally kick-starts WTO accession process.

WTO sees signs of trade rebound from COVID-19 but recovery still uncertain.

WTO members indicate strong preference for Ngozi Okonjo-Iweala as DG but no overall consensus.

**November**

New initiatives launched to intensify WTO work on trade and the environment.

WTO holds 25th anniversary event.

WTO launches 2020 World Trade Report on government policies to foster digital innovation.

WTO hosts first Trade for Peace Week.

**December**

United Kingdom and Switzerland confirm participation in revised Government Procurement Agreement.

Coordinators of joint initiatives on e-commerce, investment facilitation, services domestic regulation and small business cite substantial progress in discussions.

WTO report shows marked decline in trade restrictions by WTO members amidst COVID-19 pandemic.
The selection process for a new Director-General, launched in May 2020, culminated in February 2021 with the appointment of Dr Ngozi Okonjo-Iweala, the first African and first woman to hold the post.

The WTO undertook comprehensive monitoring of governments’ trade measures relating to COVID-19. The General Council acted as the main forum for WTO members to share information and to highlight concerns about the impact of the pandemic.

WTO members advanced negotiations on fisheries subsidies and agriculture while initiatives on e-commerce, investment facilitation and domestic regulation of services drew interest from an increasing number of participants.

The General Council decided that the 12th WTO Ministerial Conference (MC12), originally due to be held in Kazakhstan in 2020, would take place from 30 November 2021 in Geneva. WTO members agreed that achieving outcomes at, if not before, MC12 was essential to support economic recovery and restore confidence in the WTO system.
Trade negotiations and discussions

- WTO members advanced negotiations on fisheries subsidies although progress was insufficient to secure a deal in 2020.
- A high degree of engagement was seen in the agriculture negotiations.
- The joint initiatives – on e-commerce, investment facilitation, domestic regulation of services trade, and micro, small and medium-sized enterprises (MSMEs) – drew interest from an increasing number of WTO members. In November, two new environmental initiatives were launched.

WTO members sought to conclude negotiations on disciplines for harmful fisheries subsidies by the 12th Ministerial Conference (MC12), originally set for June 2020. Despite restrictions due to COVID-19, and the postponement of MC12, good progress was achieved. A draft text, issued by the chair in June, was used as the basis for the negotiations, with revisions released in November and December. Members said they were committed to maintaining the negotiating momentum in 2021.

In agriculture, the chair named facilitators to help narrow gaps in negotiating positions. The pandemic heightened WTO members’ interest in areas such as domestic subsidies, public stockpiling and export restrictions. Members continued to emphasize the importance of an agricultural outcome at MC12.

Coordinators of the joint initiatives reported good progress on their discussions. Participants in the joint initiative on investment facilitation launched negotiations for a multilateral framework in September, with the aim of achieving a concrete outcome by MC12. The e-commerce co-conveners released a consolidated negotiating text in December reflecting the latest progress made in their negotiations.

The chair of negotiations on services domestic regulation circulated a “far advanced” negotiating text in December while the Informal Working Group on MSMEs issued a set of six recommendations to help small businesses trade more internationally.

Two new initiatives were launched by groups of members in November to intensify discussions on plastics pollution and on trade and environmental sustainability.

WTO members pointed out that efforts towards effective and inclusive reform of the organization had to continue and accelerate. Building a solid economic recovery and restoring confidence in the WTO system required members to achieve outcomes at, if not before, MC12. Only through ongoing trade reform could members build a more resilient trading system, they emphasized.

See pages 36-63.
Implementation of WTO agreements and trade monitoring

The selection process to appoint a new Director-General, launched in June 2020, resulted in Dr Ngozi Okonjo-Iweala being unanimously selected in February 2021, making her the first African and first woman to hold the post.

Global trade in goods and services was severely impacted by COVID-19. The WTO undertook extensive monitoring of the measures taken by WTO members to mitigate the crisis.

Following the decision of Roberto Azevêdo in May 2020 to step down as Director-General, General Council Chair David Walker led the selection process for a new DG. After several rounds of consultations with WTO members, he announced on 15 February 2021 that Dr Ngozi Okonjo-Iweala of Nigeria had been selected from the eight candidates put forward by their respective governments.

The General Council acted as the main forum for WTO members to share information on trade measures related to COVID-19 and to issue statements on questions concerning the pandemic.

The WTO undertook comprehensive monitoring of governments’ measures relating to COVID-19. In its report issued in December 2020, it noted that WTO members had implemented 335 measures directly linked to COVID-19 since the start of the pandemic. These included 195 measures considered as trade-facilitating, covering an estimated US$ 227 billion of goods trade, and 140 considered to be trade-restrictive covering trade worth US$ 180 billion.

Around 39 per cent of the restrictive measures had been repealed by mid-October.

The WTO also produced information notes on the impact of COVID-19 on world trade and published regular trade data updates on a dedicated area of the WTO website.

Originally scheduled for June 2020 in Kazakhstan, the 12th Ministerial Conference (MC12) was postponed due to the pandemic. On 1 March 2021, the General Council decided that MC12 would take place in Geneva in the week of 29 November 2021.

By the end of 2020, over 93 per cent of WTO members had ratified the Trade Facilitation Agreement (TFA), with the rate of implementation of TFA commitments standing at just under 70 per cent for the entire WTO. A number of members highlighted the importance of the TFA in ensuring that essential goods to combat COVID-19 can cross borders and reach their intended recipients quickly.

Merchandise trade declined by 5.3 per cent in 2020, less than foreseen earlier in the year. This can partly be explained by the announcement of new COVID-19 vaccines in November, which contributed to improved business and consumer confidence, and the quick action by many governments to provide fiscal and monetary support to help mitigate the economic effects of the pandemic. Trade in services was particularly hard hit, with travel services down 63 per cent and transport down 19 per cent in 2020.

See pages 64-135.
Dispute settlement

- WTO members initiated five disputes in 2020, down from 20 in 2019. On average, 37 panel and arbitral proceedings were ongoing each month.

- Eleven dispute settlement reports and decisions were circulated, including the Appellate Body report on the tobacco plain packaging dispute.

- WTO members could not reach consensus on launching the selection process for the appointment of new Appellate Body members. As of 30 November 2020, all positions on the Appellate Body were vacant, meaning that no new appeals could be heard in 2020.

The five requests for consultation in 2020 – the first stage in the dispute settlement process – was the lowest number of disputes initiated in a calendar year since the inception of the WTO in 1995. The number of 11 dispute settlement reports and decisions circulated in 2020 was down from 23 in 2019.

In response to the COVID-19 pandemic and in cooperation with the parties involved in the disputes, a number of dispute settlement panels and arbitrators used additional written procedures or remote technology to advance work, including in some cases to substitute for in-person meetings.

The Dispute Settlement Body established panels in seven proceedings. In addition, a so-called “compliance” panel was established to determine whether China had complied with previous recommendations and rulings in “China – Domestic Support for Agricultural Producers”, a case brought by the United States.

Three Appellate Body reports relating to four disputes were circulated in 2020, including the extensive “Australia – Tobacco Plain Packaging” dispute. Five appeal proceedings were initiated in 2020. However, as the Appellate Body had already been reduced to one member as of December 2019, no new appeals could be heard in 2020.

As of 30 November 2020, all seven positions on the Appellate Body were vacant. WTO members could not reach consensus on launching the selection processes for the appointment of new Appellate Body members. As of December 2020, 16 appeals were pending before the Appellate Body.

By the end of the year, a total of 598 disputes had been initiated under the WTO dispute settlement procedures since the entry into force of the WTO agreements in 1995.

See pages 136-143.
Supporting development and building trade capacity

The Committee on Trade and Development discussed the decline in exports for many WTO members due to COVID-19. Developing countries with limited resources were the most affected.

Global disbursements of Aid for Trade rose to US$ 45.1 billion in 2018 compared with US$ 43.4 billion in 2017.

In the first half of 2020, merchandise exports of least-developed countries (LDCs) declined by 16 per cent, steeper than the 13 per cent decline for world exports. LDC exports dropped significantly for fuels and mining products (down 26 per cent) and clothing (down 18 per cent) while their services exports dropped by around 40 per cent, mostly due to a slump in travel exports. LDCs highlighted the need for global cooperation to help them recover from the COVID-19 crisis, including through assistance for healthcare systems and economic recovery.

The total amount of Aid for Trade disbursed to developing countries reached US$ 455.5 billion by the end of 2018. Disbursements to LDCs rose from US$ 12.8 billion in 2017 to US$ 13.5 billion in 2018. However, increasingly, support for LDCs is taking the form of loans rather than grants, which raises debt sustainability concerns.

The 2020-21 Aid for Trade Work Programme, entitled “Empowering Connected, Sustainable Trade” and adopted by the Committee on Trade and Development, was extended until 2022, when the next Aid for Trade Global Review will be held. The programme is focusing on the opportunities that digital connectivity and sustainability offer for economic and export diversification. Members agreed to adapt the programme to reflect the economic impact of COVID-19.

The Enhanced Integrated Framework (EIF), a multi-agency initiative, maintained support to LDCs thanks to a business continuity plan that ensured the delivery of over 90 per cent of its planned projects for 2020. A total of 28 new projects worth US$ 21.3 million were approved in 2020.

Another multi-agency initiative, the Standards and Trade Development Facility (STDF), approved US$ 3.7 million for projects aimed at improving food safety, animal and plant health and helping developing countries meet sanitary and phytosanitary requirements for world trade. Africa continued to be the biggest beneficiary of STDF projects.

In response to the COVID-19 pandemic, the WTO developed remotely-delivered training activities and increased the number of e-learning courses offered to government officials. Approximately 13,500 participants benefited from these activities, including from the new e-learning courses.

See pages 144-165.
Outreach

- The WTO cooperated with other intergovernmental organizations to seek to mitigate the impact of COVID-19.
- The WTO marked its 25th anniversary with a virtual event that looked at the organization’s achievements and current challenges.
- The International Chamber of Commerce (ICC) and the WTO stressed how business can help identify ways to maximize health outcomes and minimize the economic damage from COVID-19.

The WTO worked closely with other intergovernmental organizations to maintain open trade. It issued statements with the UN Food and Agriculture Organization (FAO), the World Health Organization (WHO) and the International Monetary Fund (IMF) calling on governments to minimize export restrictions on trade in food and to ensure a cross-border flow of vital medical products.

Senior WTO officials took part in G20 and G7 summits, where they welcomed a commitment by world leaders to support global trade and investment in the face of COVID-19.

In collaboration with the Interational Chamber of Commerce (ICC) and the B20, the WTO facilitated a Trade Dialogue event for over 70 business representatives on trade’s role in mitigating the economic damage resulting from the pandemic.

In November, the WTO hosted a virtual event, titled “WTO at 25: Past, Present & Future”, to commemorate its 25th anniversary. Participants underlined the importance of the multilateral trading system as well as the need for reform of the WTO to allow it to deal with global challenges, such as COVID-19.

Interest in the WTO continued to increase, with the WTO website attracting over 3.1 million monthly visits, over 13 per cent more than in 2019. The dedicated section on “COVID-19 and world trade” was viewed over 926,000 times. The number of WTO followers on Twitter, LinkedIn, Facebook, Instagram and Weibo grew by 13 per cent to over 2 million.

Non-governmental organizations put forward papers highlighting the impact of the COVID-19 pandemic on people across the world and calling on the WTO to help address the crisis. These papers were published on the WTO website, and the WTO Secretariat organized virtual briefings to keep NGOs abreast of WTO work. Despite COVID-19 constraints, the WTO continued its outreach to parliamentarians, also mainly through virtual contacts.

See pages 166-189.
The nomination period ran from 8 June to 8 July 2020.

The process was led by the General Council Chair, David Walker (New Zealand), and conducted in three phases: phase 1, the nomination period; phase 2, when candidates made themselves known to WTO members, including at a special General Council meeting; and phase 3, the consultation period with members. In phase 3, the General Council Chair was assisted by the Chair of the Dispute Settlement Body, Dacio Castillo (Honduras), and the Chair of the Trade Policy Review Body, Harald Aspelund (Iceland).

**Period of nomination**
The nomination period ran from 8 June to 8 July 2020. The following eight candidates were nominated by their respective governments: Dr Jesús Seade Kuri (Mexico); Dr Ngozi Okonjo-Iweala (Nigeria); Abdel-Hamid Mamdouh (Egypt); Tudor Ulianovschi (Republic of Moldova); Yoo Myung-hee (Republic of Korea); Amina C. Mohamed (Kenya); Mohammad Maziad Al-Tuwajiri (Kingdom of Saudi Arabia); and Dr Liam Fox (United Kingdom).

**Presentation of candidates**
Candidates were given the opportunity to make themselves known to WTO members and to engage in discussion on the issues facing the organization. Due to the global COVID-19 pandemic, the General Council shortened this normally three-month period to two months. A special General Council meeting was held on 15-17 July, at which WTO members met formally with the eight candidates. Each candidate made a presentation with their vision for the WTO and responded to questions.

The DG selection process was overseen by “the Troika” of David Walker (centre), Harald Aspelund (left) and Dacio Castillo (right).
On 15 February 2021, WTO members agreed to select Dr Okonjo-Iweala as the WTO’s 7th Director-General.

Consultations to narrow the field of candidates and ultimately to arrive at the membership’s choice were conducted by Ambassador Walker, assisted by Ambassador Castillo and Ambassador Aspelund. They were often referred to as “the Troika”.

Three rounds of consultations were held, with three candidates withdrawing after the first round and three more after the second round. This left just two candidates – Dr Ngozi Okonjo-Iweala and Yoo Myung-hee – remaining in the third and final round.

The outcome of each round was reported to members at heads of delegation meetings on 18 September, 8 October and 28 October. The General Council Chair praised the membership for remaining fully engaged in and committed to this process. On 28 October, the General Council Chair announced that, based on consultations with all delegations, the candidate best placed to attain consensus and become the next Director-General was Dr Ngozi Okonjo-Iweala. Ambassador Walker continued consulting with delegations. In December, he noted that the situation had not changed. On 5 February 2021, Ms Yoo withdrew her candidacy. The administration of newly elected US President Joseph Biden then declared its “strong support” for the candidacy of Dr Okonjo-Iweala. On 15 February, WTO members made history when the General Council agreed by consensus to select Dr Okonjo-Iweala, a former Nigerian finance minister and senior World Bank official, as the organization’s seventh Director-General. She is the first African and the first woman to hold the post. Dr Okonjo-Iweala began her mandate on 1 March 2021.