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A year in review

The WTO's headquarters
in Geneva.



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2021: A snapshot

April

DG Okonjo-Iweala calls for action to address trade obstacles at vaccine equity event held at the WTO.



January

Nearly 80 WTO members issue joint pledge not to impose export restrictions on food purchased by UN World Food Programme.



February

Dr Ngozi Okonjo-Iweala is chosen as the WTO's seventh Director-General.

March

DG Okonjo-Iweala takes office on 1 March.

Dacio Castillo (Honduras) is elected as Chair of the General Council.



May

DG Okonjo-Iweala appoints four Deputy Directors-General: Angela Ellard (United States), Anabel González (Costa Rica), Jean-Marie Paugam (France), Xiangchen Zhang (China).

DG Okonjo-Iweala calls on G20 leaders at Global Health Summit to tackle vaccine inequity.

June

European Union and United States announce resolution of dispute over subsidies for large civil aircraft.

WHO, WIPO, WTO map out collaboration to tackle COVID-19 pandemic.

World Bank, IMF, WHO, WTO call for urgent action to accelerate global vaccine access.



August

WTO Goods Trade Barometer hits record high, confirming strength of trade recovery.



October

DG Okonjo-Iweala welcomes constructive talks during official visit to India.

New WTO report on G20 shows restraint in new pandemic-related trade restrictions.

IMF, World Bank, WHO, WTO heads meet in Rome to discuss acceleration of supply, deployment of COVID-19 vaccines.

DG attends G20 Leaders Summit in Rome.



December

Lao PDR becomes first least-developed country to join information technology agreements.

Negotiations on services domestic regulation conclude successfully.

Ministerial statements issued on three environmental initiatives.

The 12th Ministerial Conference is postponed until June 2022.



July

DG Okonjo-Iweala gives keynote address at UN High-level Political Forum on Sustainable Development.

WHO-WTO dialogue steps up efforts for increased COVID-19 vaccine production and equitable access.

DG Okonjo-Iweala convenes a meeting of ministers in Geneva to advance negotiations on curbing harmful fisheries subsidies.

IMF, World Bank, WHO, WTO launch joint vaccine information website.

September

Symposium celebrates 25 years of Information Technology Agreement.

DG Okonjo-Iweala calls for rapid global access to vaccines at virtual Global COVID-19 Summit.

WTO holds Public Forum 2021 on the theme of "Trade Beyond COVID-19: Building Resilience".

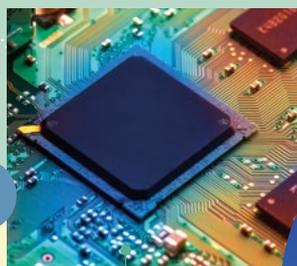
November

DG Okonjo-Iweala highlights trade's role in climate action at COP26.

WTO, IMF launch Vaccine Trade Tracker, a new database of cross-border flows of COVID-19 vaccines.

Draft agreement on fisheries subsidies submitted for ministers' attention ahead of MC12.

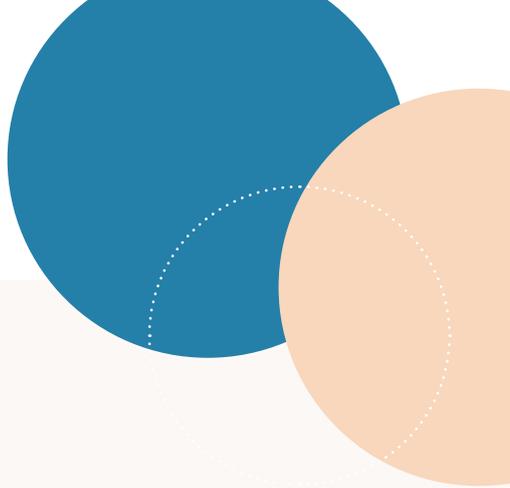
General Council decides to postpone MC12 after outbreak of Omicron COVID-19 variant.



Our year

- The General Council appointed Dr Ngozi Okonjo-Iweala of Nigeria as Director-General, the first woman and first African to be selected for this role.
- WTO members highlighted concerns about the impact of COVID-19 and sought to formulate an effective trade response to the pandemic.
- Members advanced negotiations on key topics such as fisheries subsidies and agriculture in the run-up to the 12th WTO Ministerial Conference (MC12), which was scheduled to take place at the end of 2021, but was then postponed.
- Following the postponement of the Conference due to COVID-19, members continued work to achieve outcomes in the negotiations and agreed MC12 would take place from 12 to 15 June 2022.
- The DG launched an external assessment of the WTO Secretariat to identify areas for efficiency gains. A Transformation Unit was established to take forward the consultants' recommendations.





Trade negotiations and discussions

- Since the outbreak of COVID-19, members have worked hard to formulate an effective trade response to the pandemic.
- DG Okonjo-Iweala told WTO members at her first Trade Negotiations Committee meeting as Chair in March 2021 that they should focus on what the WTO was created to do – improve the living standards of ordinary people.
- WTO members worked to achieve meaningful outcomes at the 12th Ministerial Conference (MC12) – originally scheduled for end-November 2021 – on fisheries subsidies, agriculture and other issues.
- Due to COVID-19, MC12 was postponed but members continued work to achieve outcomes in the negotiations.

Throughout the year, members viewed the WTO's pandemic response as a priority, including addressing inequities in the production and distribution of vaccines, intellectual property rights and enabling a more inclusive global economic recovery. They emphasized the need to reach a comprehensive pandemic response and acknowledged that this demanded a holistic approach.

WTO members devoted much time to discussing two proposals on COVID-19: South Africa's and India's call for a waiver of certain provisions of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and a European Union proposal that included limiting export restrictions on COVID-19 vaccines and therapeutics.

Ambassador David Walker – appointed as a facilitator – worked closely with members to identify points of possible accord on trade in vaccines.



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

DG Okonjo-Iweala also began discussions with a small group of members, known as the Quad, on finding ways of simplifying how governments can override patent rights, under certain conditions, to diversify production of COVID-19 vaccines.

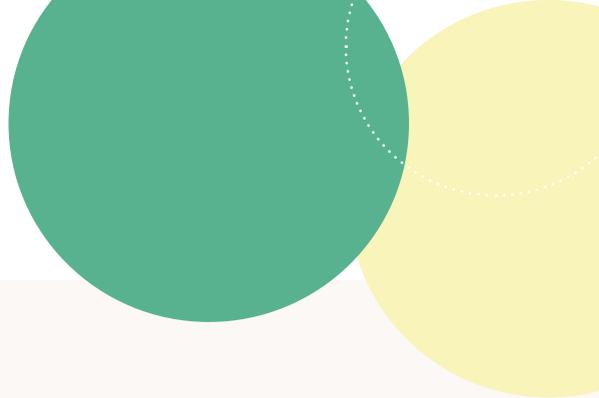
Members worked intensively to develop draft disciplines on curbing harmful fisheries subsidies in line with the mandate in the UN's Sustainable Development Goals. In July, the DG convened a meeting of ministers in Geneva to advance the negotiations. The Chair of the talks, Ambassador Santiago Wills, issued a draft agreement in November as a basis for work by ministers at MC12.

Members also worked hard on agriculture reform, special treatment for developing countries and services, with the objective of reaching convergence on meaningful outcomes at MC12. Members also expressed the desire to work on WTO reform and reiterated the need to resolve the issues surrounding dispute settlement.

Groups of members continued their work on e-commerce, domestic regulation in services – where negotiations were successfully concluded on slashing administrative costs – investment facilitation for development, micro, small and medium-sized enterprises, and trade and gender. Three WTO environmental initiatives – on trade and environmental sustainability, plastics pollution, and fossil fuel subsidies reform – issued ministerial statements in December.

On 26 November, the deterioration in the COVID-19 situation and new travel restrictions led General Council Chair Dacio Castillo and the DG to recommend the postponement of MC12, a suggestion to which members agreed. Despite the postponement, members continued work to achieve outcomes in the negotiations.

See pages 46-75.



Implementation of WTO agreements and trade monitoring

- › On 15 February 2021, the General Council appointed Dr Ngozi Okonjo-Iweala of Nigeria as Director-General, the first woman and first African to be selected for this role.
- › COVID-19 and preparations for the 12th Ministerial Conference (MC12) were central issues at General Council meetings throughout 2021.
- › General Council Chair Dacio Castillo reported on priority issues identified by members for MC12, including the WTO response to the pandemic, fisheries subsidies and agricultural reform.



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Dr Ngozi Okonjo-Iweala is the WTO's seventh Director-General.

WTO members agreed by consensus on 15 February 2021 to select Dr Ngozi Okonjo-Iweala of Nigeria as the organization's seventh Director-General. Dr Okonjo-Iweala became the first woman and the first African to be selected for this role.

In March 2021, the General Council formally agreed that MC12, originally scheduled for Kazakhstan in June 2020, would take place in Geneva from 30 November to 3 December 2021.

The General Council Chair, Dacio Castillo (Honduras), reported on priority issues identified by members for MC12, including the WTO response to the pandemic, WTO reform and key negotiating areas such as curbing fisheries subsidies, agriculture reform, and special treatment for developing countries. The Chair appointed Ambassador

David Walker (New Zealand) to be a facilitator responsible for leading WTO members in the search for agreement on a WTO response to the pandemic.

In September, a process to prepare a possible MC12 outcome document began. However, at the end of November, MC12 was postponed because of the pandemic. Despite the postponement, the DG, General Council Chair and other chairs of WTO bodies urged members to continue work in their respective areas. At a General Council meeting on 23 February 2022, WTO members agreed that MC12 would take place in mid-June in Geneva.

Throughout the year, the WTO continued to monitor governments' measures relating to COVID-19. According to the latest WTO Trade Monitoring Report released in November, WTO members showed restraint in imposing new trade-restrictive measures related to COVID-19 and continued to roll back restrictions adopted earlier in the pandemic. As at mid-October 2021, 205 trade-facilitating measures for goods, with an estimated trade coverage of US\$ 112 billion, were still in force, compared to 56 trade-restrictive measures, with an estimated trade coverage of US\$ 92 billion.

In the TRIPS Council, convergence was sought on how best to use the global IP system to tackle COVID-19. Although all delegations remained committed to the common goal of providing timely and secure access to high-quality and affordable vaccines and medicines for all, disagreement persisted on whether a waiver from certain provisions of the TRIPS Agreement was the most effective way to address the shortage and inequitable distribution of vaccines and other COVID-19-related products.

At an informal General Council meeting in January 2022, DG Okonjo-Iweala urged members to "step up urgently to do our part to reach a multilateral outcome on intellectual property and other issues so as to fully contribute to the global efforts in the fight against COVID-19".

See pages 76-137.

Dispute settlement

- WTO members initiated nine disputes in 2021, up from five in 2020. On average, 41 panel and arbitral proceedings were ongoing each month.
- Seven dispute settlement reports relating to nine separate disputes were circulated in 2021.
- Members were unable to agree on launching a selection process for the Appellate Body; the Appellate Body could hear no appeals.

During 2021, WTO members filed nine requests for consultations, the first stage in the dispute settlement process, up from five in 2020. Seven dispute settlement reports relating to nine separate disputes were circulated in 2021, down from 11 in 2020. The Dispute Settlement Body (DSB) adopted one panel report during this period; the other six reports were appealed.

Due to lockdowns, travel restrictions and limited access to WTO premises due to the COVID-19 pandemic, panels and arbitrators developed procedures which allowed work to continue in most disputes, including additional exchanges of written submissions in place of substantive in-person meetings or substantive meetings conducted virtually. Panels and arbitrators held 23 virtual substantive meetings with parties in 21 separate disputes.

The DSB established panels in 10 proceedings. In addition, a so-called “compliance” panel was established to determine whether China had complied with previous recommendations and rulings in “China – Tariff Rate Quotas for Certain Agricultural Products”, a case brought by the United States.



Notices of appeal were filed in eight disputes in 2021. In the absence of consensus among WTO members to launch the Appellate Body selection process, all seven positions on the Appellate Body remained vacant in 2021 and the Appellate Body was unable to hear appeals. As of 31 December 2021, appeals in 24 disputes were pending before the Appellate Body.

During 2021, the parties in four disputes informed the DSB that they had agreed to use the so-called Multi-party Interim Appeal Arrangement. Under this arrangement, the parties to the disputes in question have agreed to resort to arbitration under Article 25 of the Dispute Settlement Understanding to decide on appeals of any final panel report issued in the dispute. There will be an arbitration only if the Appellate Body is unable to hear an appeal.

In June, the United States and the European Union announced an “understanding” regarding their WTO disputes over subsidies for large civil aircraft, which, among other things, suspended retaliatory tariffs related to this dispute for five years. “I am delighted that the EU and the US have resolved their dispute over the production of large commercial aircraft. This has been one of the longest running and most taxing disputes in the history of the WTO and the two sides have shown that even the most seemingly intractable differences can be resolved,” DG Okonjo-Iweala said.

By the end of 2021, a total of 607 disputes had been initiated under the WTO dispute settlement procedures since the entry into force of the WTO agreements in 1995.

See pages 138-145.



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Seven dispute settlement reports relating to nine separate disputes were circulated in 2021.



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During 2021, WTO members initiated nine disputes.

Supporting development and building trade capacity

- In 2020, the decline in exports due to the COVID-19 pandemic was steeper for least-developed countries (LDCs) than for the rest of the world.
- Aid for Trade disbursements rose to US\$ 45.7 billion in 2019, up from US\$ 45.3 billion in 2018.

In 2020, exports of LDCs declined more than those of the rest of the world, with LDCs' commercial services exports contracting by 35 per cent, compared to 20 per cent worldwide. Travel exports were hardest hit, down 62 per cent. Overall, the share of the 46 LDCs in global exports fell to 0.91 per cent in 2020, from 0.96 per cent in 2019. LDCs highlighted the need for global cooperation to support their recovery from the crisis and promote their socio-economic development.

Addressing the Committee on Trade and Development in November, DG Okonjo-Iweala stressed the key role it plays in the multilateral trading system. She encouraged developing countries, in particular LDCs, to take maximum advantage of the assistance offered by the WTO. "At the end of the day, our work in the WTO must have real impact on people's lives and must produce real benefits, particularly for poorer countries," the DG declared.

The total amount of Aid for Trade disbursed to developing countries reached US\$ 493.4 billion by the end of 2019. Disbursements to LDCs rose from US\$ 13.5 billion in 2018 to US\$ 13.9 billion in 2019.

The Enhanced Integrated Framework (EIF), a multi-agency initiative, continued to support mainstreaming trade and building productive capacity in LDCs. Over 13,000 micro, small and medium-sized enterprises (MSMEs) have



received support, contributing towards the creation of more than 31,000 jobs. A total of 36 new projects with a combined value of over US\$ 10 million was approved in 2021.

Another multi-agency initiative, the Standards and Trade Development Facility (STDF), approved US\$ 1.6 million for projects aimed at improving food safety and animal and plant health and helping developing countries meet sanitary and phytosanitary requirements for world trade.

The WTO Secretariat undertook 211 technical assistance activities, including e-learning courses, to help government officials better understand WTO rules and the multilateral trading system, attracting approximately 11,700 participants. The number of e-learning courses increased by approximately 25 per cent to 132. Africa had the highest percentage of overall technical assistance activities, followed by Asia-Pacific.

A new WTO publication highlighted the high trade costs faced by landlocked developing countries due to their isolation from the world's largest markets. The report stressed the importance of implementing the Trade Facilitation Agreement for easing the flow of goods across borders and the need to improve transport connectivity and digital technology in these countries.

See pages 146-167.



Outreach

- DG Okonjo-Iweala and the heads of the IMF, World Bank Group and WHO announced in June 2021 the creation of a Multilateral Leaders Task Force on COVID-19.
- The fourth WTO Trade Dialogue with business attracted over 80 business representatives to discuss the WTO's response to COVID-19 and its future work.
- The 2021 Public Forum took place under the theme "Trade beyond COVID-19: Building Resilience", attracting nearly 350 in-person and over 2,600 virtual participants.

The heads of the International Monetary Fund (IMF), World Bank Group, World Health Organization (WHO) and WTO announced in June 2021 that they would lead a Multilateral Leaders Task Force on COVID-19. The Task Force met with the top executives of leading vaccine manufacturing companies to discuss improving access to COVID-19 vaccines, especially in low- and lower middle-income countries.

Also in June, the heads of the WHO, the World Intellectual Property Organization (WIPO) and the WTO agreed to collaborate on a series of workshops to increase the flow of information on the pandemic and to launch a platform for tripartite technical assistance to member governments concerning their needs for medical technologies, such as vaccines.

DG Okonjo-Iweala highlighted trade and the WTO's role in a wide range of approaches to climate action, including carbon emission reductions, climate adaptation and trade finance. In meetings with world leaders and stakeholders at the 26th UN Climate Change Conference of the Parties (COP26) in November in Glasgow, she called for ambitious yet fair commitments to ensure a green transition that is just and inclusive to all economies.



3.2

The WTO website attracted a record 3.23 million monthly visits, up from 3.1 million in 2020.



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The WTO and ICC facilitated a Trade Dialogue event for over 80 business representatives to discuss the WTO's response to COVID-19 and its future work.

The fourth Trade Dialogue with business was held in collaboration with the International Chamber of Commerce. Over 80 business representatives discussed the WTO's response to COVID-19, deliverables for the 12th Ministerial Conference (MC12) and the future work programme of the WTO.

Under the theme "Trade beyond COVID-19: Building Resilience", the 2021 Public Forum was held in hybrid format. Nearly 350 participants attended in person and over 2,600 people participated virtually. A total of 105 sessions was organized.

In August, the DG attended a meeting hosted by then German Chancellor Angela Merkel on how to boost a fair economic recovery from the COVID-19 pandemic. The DG also attended the G20 Heads of State and Government Summit in October in Rome, where strategies to accelerate the supply and deployment of COVID-19 vaccines, especially in low- and lower middle-income countries, were discussed.

Interest in the WTO continued to increase, with the WTO website attracting 3.23 million monthly visits, 4 per cent per cent more than in 2020. The dedicated section on "COVID-19 and world trade" was viewed over 862,000 times. The WTO launched a podcast, "Let's Talk Trade". The number of WTO followers on Twitter, LinkedIn, Facebook, Instagram and Weibo grew by 13 per cent to close to 2 million.

See pages 168-197.