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H.E. Mr Uhuru Kenyatta, President, Republic of Kenya
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Joint foreword

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(© Department of Foreign Affairs and Trade website – www.dfat.gov.au)

Inside photo plates

Forecourt of the Kenyatta International Convention Centre, Nairobi,
Kenya, venue for the Tenth WTO Ministerial Conference from 15 to
18 December 2015.

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WTO Director-General Roberto Azevêdo and H. E. Mr Shouwen Wang,
Vice Minister of Commerce of the People's Republic of China, open
the Fourth China Round Table, which took place on 13–14 December
2015. The Government of China pledged at the Round Table to con-
tribute a further USD 500,000 (CHF 494,636) to the China Programme
for 2016.

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H.E. Mr Wang Shouwen, Vice Minister of Commerce of the People's Republic of China, delivering one of the opening addresses during the Fourth China Round Table on 14 December 2015.

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H.E. Mr Uhuru Kenyatta, President of Kenya, gives a keynote speech at the Opening Ceremony of the High Level Session of the Fourth China Round Table on 14 December 2015.

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Mr Roberto Azevêdo, WTO Director-General, at the Opening Ceremony of the High Level Session of the Nairobi Fourth China Round Table on 14 December 2015.

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H.E. Mrs Amina Mohamed, Cabinet Secretary for Foreign Affairs and International Trade of Kenya, speaking at the High Level Session of the Fourth China Round Table on 14 December 2015.

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Mr Chiedu Osakwe, Director of the Accessions Division of the WTO, speaking at the High Level Session of the Fourth China Round Table on 14 December 2015.

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H.E. Ms Fatima Haram Acyl, Commissioner for Trade and Industry, African Union Commission, speaks at the Nairobi Fourth China Round Table on 14 December 2015.

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H.E. Mr Okechukwu E. Enelamah, Minister of Industry, Trade and Investment of Nigeria, speaks at the Nairobi Fourth China Round Table on 14 December 2015.

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H.E. Mr Rob Davies, Minister of Trade and Industry of South Africa, speaking at the High Level Session of the Fourth China Round Table on 14 December 2015.

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H.E. Mr Joshua Setipa, Minister of Trade and Industry of Lesotho, speaking at the High Level Session of the Fourth China Round Table on 14 December 2015.

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Ms Arancha González, Executive Director of the International Trade Centre, speaking at the High Level Session of the Fourth China Round Table on 14 December 2015.

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Mr Joakim Reiter, Deputy Secretary-General at the United Nations Conference on Trade and Development, speaking at the High Level Session of the Fourth China Round Table on 14 December 2015.

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Ms Anabel González, Senior Director of the Global Practice on Trade and Competitiveness of the World Bank Group, during the High Level Session of the Fourth China Round Table on 14 December 2015.

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H.E. Mrs Ellen Johnson Sirleaf, President of Liberia, meeting with H.E. Mr Uhuru Kenyatta, President of Kenya, during the Tenth WTO Ministerial Conference in Nairobi, Kenya, on 15 December 2015.

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H.E. Mr Uhuru Kenyatta, President of Kenya, and WTO Director-General Roberto Azevêdo, accompanied by other participants in the High Level Session of the Fourth China Round Table on 14 December 2015.

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MESSAGE

UHURU KENYATTA

President of Kenya



H.E. Mr Uhuru Kenyatta, President, Republic of Kenya

This volume celebrates two important events that took place in Nairobi in December 2015. The World Trade Organization held its Tenth Ministerial Conference in Kenya, and we took advantage of that occasion to host the Fourth China Round Table back-to-back with the Conference. The people and Government of Kenya are honoured to have been accorded the opportunity to provide the location for these meetings.

The choice of an African venue conveys a message I cherish as much as the events themselves and their substantive outcomes. The WTO was established in Marrakesh some two decades ago with a sense of novelty and optimism that marked a deepening of multilateral, non-discriminatory trade cooperation across the globe.

Twenty years on from the entry into force of the WTO in 1995, the WTO came back to Africa, holding its first ministerial conference on the continent. This time Africa was hosting not a birth, but an institution that has made a valuable contribution over the years to open trade, policy predictability, the rule of law and enhanced economic welfare. Yet the WTO that came to Nairobi also confronts serious challenges, having struggled with an unfinished negotiating agenda since the turn of the century.

The Nairobi meeting confronted these challenges with determination, tenacity and political will that yielded as positive an outcome as anyone could have hoped for. In addition to specific gains in such areas as agriculture, better trade opportunities for least-developed countries, and a new deal on trade in information technology products, the Nairobi Package has potentially broken a logjam that has frustrated progress in the Doha Round. It has also created an opportunity to address other issues that many believe are ripe for multilateral negotiation. E-commerce could be one such issue of interest for Africa, considering the growing role of the digital economy across the continent. Even more, in Nairobi, decisions were taken to enlarge the WTO with the membership of Afghanistan and Liberia, hence advancing ever closer to the strategic objective of universality of membership.

The WTO success complements a good year for multilateral cooperation. In July 2015, in Addis Ababa, Ethiopia, we had a successful Third International Conference for Financing for Development, arising from the Monterrey Consensus. This was followed by the adoption of the 2030 Agenda for Sustainable Development Goals in September 2015, in New York, by world leaders. Subsequently, at a meeting of the United Nations Framework Convention on Climate Change, in Paris, France, we reached an historic agreement to combat climate change.

In Nairobi, we also spent a couple of days before the WTO Conference thinking about trade as a motor for growth and development especially for the least-developed countries (LDCs). Of the forty-eight economies bearing this designation, thirty-four are in Africa.

The China Round Table was instituted by China in 2011 as part of a mechanism to assist LDCs to participate more effectively in the WTO and support those seeking accession to the WTO in negotiating their membership. The Fourth meeting of the Round Table provided a valuable opportunity to discuss the challenges facing LDCs and identify the role of trade and the multilateral trading system in underwriting their

economic progress. A number of valuable reflections delivered and discussed at the Round Table can be found in this volume.

Returning to the WTO Ministerial Conference, this was not only an occasion to advance the work of the institution, but also a chance to reflect on the place of Africa in the global community of nations. No more than a decade or two ago, Africa was often referred to by the Western press and other commentators as a bleak continent of basket-case economies. That negative image has been laid to rest.

For the last two decades, Africa's growth rate has exceeded that of the global economy. Africa's share of world production has expanded by 30 per cent and that of trade by more than one-third. Africa's share of foreign direct investment has doubled. In 2014, six of the ten fastest growing economies were African.

All this speaks of a continent on the move. Yet we must not delude ourselves. Our continent faces manifold challenges. Our growth performance is too narrowly based on primary commodities. Trade opportunities within the continent have only started to be tapped. We face an urgent task in tackling poverty, enhancing inclusiveness and fitting the continent into a rapidly evolving global digital economy. We have huge investment needs in terms both of physical infrastructure and human capital. We need to improve our governance.

We know well that trade can be a vital support to the continent's growth and development, as well as a buttress against social and political instability. We also know that the WTO can make a critical contribution to our success. This is why the Nairobi outcome is so welcome. But Nairobi is only a beginning, a harbinger of opportunity – a platform.

Much remains to be done. The progress on export subsidies in agriculture was a very welcome development. But trade rules in agriculture must be made fairer still. Trade-distorting domestic support is damaging African agriculture and industry. If we are to industrialize, tariff escalation and peak tariffs need to be eliminated. African economies producing competitively should not be frustrated by defensive trade remedies. Standards should not be the next frontier of protectionism.

The Trade Facilitation Agreement (TFA) struck at the Ninth Ministerial Conference in Bali in 2013 was a welcome development. Now we need more governments to ratify the TFA, as Kenya did in the run-up to the Nairobi Conference. The TFA will permit goods and services to flow more freely amongst countries with all the benefits that brings in terms of jobs, growth and development.

What does Africa itself need to do in order to take maximum advantage of opportunities offered by intensified engagement in the world economy? I believe we face four major tasks.

First, we must build on recent growth successes in Africa to undertake a profound structural transformation. This is a multifaceted undertaking, with industrial development, diversification, and high-quality job creation at the core of our efforts.

Second, we must address poverty and enhance opportunities for the millions of individuals and families presently on the periphery of African development.

Third, as individual states and as a continent, we must integrate better into the global economy in order to benefit more from international trade and investment. The first step is to develop the enormous untapped opportunities for intensified intra-African integration. This will provide a natural springboard for deeper engagement in the global economy.

Fourth, we must improve the quality of governance across the continent.

WTO Director-General Roberto Azevêdo and Kenya's Cabinet Secretary for Foreign Affairs and International Trade Amina Mohamed demonstrated exemplary leadership in working with ministers.

In closing, I have no hesitation in recommending this volume for what it tells us about how international trade and the WTO mesh with Africa's development priorities and aspirations.

JOINT FOREWORD



Mr Roberto Azevêdo



H.E. Mrs Amina Mohamed



H.E. Mr Gao Hucheng

The Tenth WTO Ministerial Conference in Nairobi in December 2015 achieved successful outcomes of historic proportions. This success built on the foundations laid at the Ninth Ministerial Conference in Bali in December 2013. A WTO that regularly delivers will be a more robust institution that responds to the growth and development requirements of its members. Now, collectively, we must forge ahead to consolidate our successes, build on them and advance the organization to respond to the trade and economic challenges that members face.

Bali culminated in the landmark Trade Facilitation Agreement (TFA), which will lower trade costs and support trade expansion, and resulted in decisions on agriculture, food security and development. The welfare effects for individual economies, when fully implemented and with appropriate companion policies, are very significant indeed.

The contributions from Nairobi were also extremely significant. In agriculture, the Ministerial Conference ended decades of struggle over the issue of export subsidies on agricultural products. These have been banned once and for all. This is an historic achievement that further levels the agricultural playing field at a stroke. This was overdue and was an indispensable step for development in the right direction. Moreover, it

means that the WTO is delivering on a key target of the UN's Sustainable Development Goals, which were set just three months before.

Other achievements in agriculture dealt with food aid and addressed aspects of food security, including public stockholding and a special safeguard mechanism. A long-standing issue regarding the negative effects of cotton subsidies on poorer cotton producers was also addressed, through the elimination of export subsidies and the provision of duty-free, quota-free market access in major markets. In addition, a package for least-developed countries (LDCs) included revised rules of origin requirements for those suppliers under preferential trade agreements. Further work was done on securing preferential access for services traded by LDCs.

The Ministerial Conference also concluded negotiations aimed at removing tariffs on a range of information technology products, amounting to the removal of tariffs on 10 per cent of global merchandise trade, building on an early agreement reached in 1996.

During the Nairobi Ministerial Conference, the terms of WTO entry for Afghanistan and Liberia were approved and the WTO welcomed the accessions of Yemen, Seychelles and Kazakhstan, all of which had become WTO members since the Bali Ministerial Conference. The WTO now covers 98 per cent of world trade and is well on its way to attaining universal membership.

Nairobi opened a window on the future of the WTO. It opened up the possibility of adopting new and creative ways of carrying issues forward. Moreover, it confirmed the collective understanding that trade plays a vital role in sustaining economies, promoting jobs, facilitating growth and fostering development.

The WTO's Tenth Ministerial Conference was made more substantive and symbolically significant because it was held in Africa, home to more than one quarter of the entire WTO membership. Africa is a continent on the move, with tremendous promise and a prominent future in global affairs. But because there are many emerging economies in Africa, the continent faces multi-dimensional challenges on its road to development. Millions need to be lifted out of poverty. Much must be done to diversify sources of income and trade and to enhance value-added across a broad range of activities involving both goods and services. Huge infrastructure deficits must be met. By working more closely together, governments can achieve more than when they work alone. Full participation in the multilateral trading system will be an essential ingredient for moving forward.

Of course the Nairobi Ministerial Conference did not solve all the WTO's difficulties or address all its challenges. It highlighted differences that exist among WTO members regarding the Doha Round. However, in Nairobi, members underlined their commitment to delivering on the remaining Doha Round issues, and they recognized that some members are keen to discuss other issues as well. Conversations are now underway about how we can take all of this work forward – and there is a clear desire among the membership to deliver more, and to do it more quickly.

2015 was a successful year for multilateralism, marked by the Third International Conference on Financing for Development, the adoption of the Sustainable Development Goals by the United Nations and the finalization of the Paris Agreement on climate change (COP21) just before the WTO's Ministerial Conference in Nairobi. Nairobi formed part of the success of multilateralism in 2015 – and it was particularly satisfying to do so on the occasion of the WTO's 20th anniversary.

Ultimately, decision-makers are well aware that all economies need trade and that trade needs a framework of global rules. The WTO provides the core underpinning for trade relations. Its role shall remain critical for stability, certainty and order in trade relations. The GATT/WTO has made significant contributions to growth and development over the decades. It has written and enforced rules, contributed to greater trade openness, increased market access opportunities, and resolved hundreds of disputes over the years. We have no doubt that the organization will go from strength to strength in the years to come.

The contributions in this collection reflect on all of these elements. It will be a lasting record of the Nairobi Ministerial Conference and the Fourth China Round Table, which was held in Nairobi, back-to-back with the Ministerial Conference. The China Round Table is a joint activity of the WTO Secretariat, the Government of China and the WTO member that hosts the Round Table – in this case, Kenya. The Round Table is one of the four pillars of 'China's LDCs and Accessions Programme' – usually known as 'The China Programme'. This initiative was established in 2011 by a Memorandum of Understanding between the WTO Secretariat and the Government of China. The Round Table promotes a process to deliver technical assistance and capacity-building to LDCs, share experiences based on accession-related domestic reforms and support a policy dialogue to deepen the integration of LDCs and other developing economies into the rules-based multilateral trading system. We jointly opened the Fourth China Round Table and are very pleased that this volume

reflects the valuable contribution that this initiative made to a very memorable week in Nairobi.

The book contains important discussions and analyses of a range of issues facing the WTO – specifically its African members – and the numerous challenges facing all members as they struggle to make things better for their populations. We congratulate the editors and all the contributors and recommend this book not only as a valuable record of the WTO’s success in Nairobi but also as a timely and important contribution to the literature on sound policy-making at the international level.

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