

Final GC Statement

Dr. Ngozi Okonjo Iweala

Thank you, Chair, for the opportunity to meet with delegations to talk about my candidacy for the post of WTO Director-General. I am here because trade is vital for a prosperous 21st century and the WTO is needed more than ever before. Mais Monsieur le Président de Conseil, avant de prononcer mon discours, j'aimerais présenter mes sincères condoléances à quiconque qui aurait perdu un membre de la famille à cause du COVID-19 et pour ceux qui sont malades, je leur souhaite un bon rétablissement. In my statement, I will be focusing on my motivations for becoming a candidate, as well as my vision for this organization.

Since the creation of the GATT in 1948, the growth of trade has gone hand in hand with the large expansion of the global economy that has resulted in increased living standards around the world and lifted hundreds of millions of people out of poverty in the developing world.

The WTO plays an essential role in world trade through mechanisms designed to foster transparency, predictability and stability in the MTS, monitor trade developments, promote exchanges and build trust. It also assists developing countries, especially the least developed and small economies, to boost trade through technical assistance and capacity building. Trade and trade policy have rightly become central to national development strategies.

In recent years, the multilateral trading system (MTS) has been going through difficult and challenging times. But, in my view, the world now needs, more than ever, a reinvigorated WTO.

The challenges facing the WTO did not start with the current pandemic. Since 1995, the negotiating function of the WTO has not produced many results and although there have been some successful agreements, key areas like agriculture remain stuck. The WTO appears paralysed at a time when its rule book would greatly benefit from an update to 21st century issues such as e-commerce and the digital economy, the green and circular economies. Issues of women and trade and Micro Small and

Medium Enterprises (MSMEs) are important to ensure greater inclusion. Bridging the digital divide to enable Least Developed Countries and other developing countries to participate will be key.

Transparency and notification are critically important for a stable, predictable, and fair MTS. Businesses, large or small, eschew uncertainty as this increases transaction costs. Improving compliance in transparency and notification may require Technical Assistance and capacity building for Members who lack resources to comply.

There will be a need to improve the functioning of the regular bodies by standardizing best practices. The Secretariat must be strengthened to enable it better support Members in negotiations, implementation, monitoring and dispute settlement.

Members' views differ on a number of fundamental issues, such as special and differential treatment or the need for the WTO to tackle new issues and develop new or enhanced rules to deal

with SOEs and agricultural subsidies, for example. Trade tensions among the membership have flared up, threatening the fundamental architecture of the MTS. With all these, the WTO, unfortunately, is now perceived by some as an inefficient organization that has failed to keep abreast of developments in the global economy.

These challenges are unprecedented and have been exacerbated by the COVID crisis. As Chair of Gavi, I have the privilege of being in the frontlines of those working on accelerating tools to fight COVID-19. No one knows the trajectory of this pandemic. But one thing is clear, the negative externalities on the world's economy and society are profound and could linger on until the appropriate vaccines or therapeutics are found. Some policy responses, such as export restrictions to guarantee domestic access to food or medical supplies – can complicate, in the short run, efforts to re-invigorate the WTO. Similarly, there is need to ensure that stimulus packages granted by some Members do not undermine their WTO commitments by distorting production and trade.

If all these challenges are to be overcome, it will require strong engagement and commitment from all WTO Members. This is the only way the WTO can produce concrete results, and better respond to the needs of Members of all sizes and levels of economic development. If selected, I consider that I am well placed to work with Members to address these challenges.

First, I am a strong believer in the role of trade and of the MTS to bring shared prosperity. I can bring a fresh pair of eyes to the WTO's challenges. Renewing and improving the organization will require recalling the core objectives and principles on which the MTS was built – the value of open trade, competition and non-discrimination, security and predictability of market access, and transparency. These principles have contributed to economic growth and development and will continue to do so if Members renew their commitment to them.

Second, confronting the challenges the WTO faces will necessarily require building trust among the membership. Current problems are not solely of a technical nature. If they were, they would have been solved long ago, given the technical

expertise available among Members and in the WTO Secretariat. A number of these problems require political solutions, and deep experience in multilateral organizations, skills I would bring to the job.

Throughout my career, I have been involved in difficult negotiations with high political stakes, such as tough economic reform programs, including trade policy reforms in a variety of middle and low income countries, and debt relief negotiations with both the Paris and London clubs. I have brokered numerous agreements that have produced win-win outcomes. I have the skills to effectively engage governments and other stakeholders and build consensus around areas of common interest.

For me, trade is a passion and a mission. As a development economist, I have worked on trade policy issues during my 25-year career at the World Bank. As Finance Minister, the Nigerian Customs Service reported to me, which meant work on trade facilitation. Together with my colleague, the Minister of Trade, I worked on the ECOWAS Common External Tariffs. If selected as WTO DG, I would spare no effort supporting Members to build

bridges and foster trust, diffuse political tensions, and encourage convergence. I would work hard to earn the confidence of all Members to help steer the organization towards increased relevance and efficiency.

Third, managing an international organization, including designing and implementing reforms, is a complex matter. I have a proven track record in carrying out successful reforms both at the World Bank and as Finance Minister in Nigeria.

My vision is of a WTO with Purpose where Members coalesce around the capacity of trade to help foster economic growth and sustainable development. A WTO with Trust where Members work in concert to solve problems. While a key objective of the WTO is the liberalization of trade for the mutual benefit of its Members, it appears that this very concept is now a divisive issue as a result of the perceived imbalances in the rights and obligations of Members and the perceived uneven distribution of the gains from trade. I would constantly remind Members about the value of the MTS and help energize them to work harder to

overcome the challenges that have paralyzed the WTO over the years.

My vision is also of a rejuvenated and strengthened WTO that will be confident to tackle effectively ongoing issues such as the fisheries negotiations. With political will, outstanding issues of subsidies that lead to overfishing and unsustainable fishing can be concluded. Agriculture has complex moving parts on which substantial progress will need to be made, be it on domestic support, Public Stockholding for Food Security (PSH), Special Safeguard Mechanism (SSM), Cotton or market access. A rejuvenated WTO must also take on fresh challenges, such as ensuring optimal complementarity between trade and the environment and ensuring that WTO rules best respond to the realities of e-commerce and the opportunities and challenges of the digital economy. A refreshed WTO must find solutions to the stalemate over dispute settlement. It is clear that a rules-based system without a forum in which a breach of the rules can be effectively arbitrated loses credibility over time.

We must have a WTO that works for the benefit of all Members regardless of size or level of economic development. LDCs and Small Vulnerable Economies (SVEs) should have opportunities to participate in regional and global supply chains to enhance their presence in the trading system. We must be sensitive to the particular policy challenges that those countries face. A revamped trading system should offer opportunities for MSMEs to increase and diversify their market access, enabling them to generate employment and contribute to economic growth and sustainable development. It should also be responsive to the challenge of facilitating the greater participation of women in international trade, particularly in developing countries, where greater efforts should be made to include women owned enterprises in the formal sector.

Considering the plethora of challenges facing the global economy, including COVID-19 there is need for coherence in the policy responses of relevant international organisations, including the FAO, World Bank, IMF, IFC, the regional development banks and WHO and UN System. As noted by the G20 Eminent Persons Group, institutions sometimes work at

cross purposes. If selected, I will deepen the working relationships with all relevant institutions to create synergies and coordinate support to Members.

The stalemate in multilateral trade negotiations has led many Members in recent years to embark on plurilateral negotiations to advance particular issues. The energy associated with those discussions has helped refocus attention on the WTO and would be best if these negotiations could produce outcomes that reinforce the multilateral trading system. Members have also entered into regional trade agreements to secure access to markets, tackle issues that are not sufficiently addressed in the WTO or that are not part of the multilateral rulebook. RTAs can complement multilateral efforts, and their success in tackling new and traditional issues should inspire WTO Members to do likewise. But despite their benefits, RTAs cannot be a perfect substitute for the MTS. In our times, countries cannot solely rely on trade agreements with selected partners. Technology and other innovations have reduced the impact of distance and the world is too connected. Companies, including MSMEs, are increasingly able to offer their products to consumers all around

the world. By linking economies of the world through basic common rules, the WTO has a unique value added. The MTS also has unique challenges, but it merits our greatest efforts.

Let me conclude by reiterating the importance of the WTO at this critical and uncertain period. The WTO is needed to ensure that trade and global markets remain open and are further extended. Its convening power and ability to provide a unique forum where countries can come together around shared interests is still vital and, in fact, indispensable. If the WTO did not exist, we would have to invent it. Given the interconnectedness of the world's economies, a collective response to current and emerging challenges will always be stronger than individual responses. As we put it in my igbo language, Aka nni Kwo aka ekpe, aka ekepe akwo akanni wancha adi ocha (If the right washes the left hand, and the left hand washes the right hand, then both become clean). This is a call for collective action. The rules-based MTS is a public good that underpins peace, security, stability and a chance for prosperity in the world. Every effort should therefore be made to safeguard, improve and renew it to enable it effectively address the challenges of the 21st century.

Excellencies, dear friends, I believe I bring exactly the right combination of skills and experience (public sector, private sector, international civil society, multilateral organizations and a worldwide network of contacts) needed to lead this organization in the future. Should I be elected, I would work with Members to prioritize delivering a successful MC12 with good outcomes on fisheries, agriculture and other areas. I would also prioritize updating the rulebook, unlocking the dispute settlement system, working on transparency and notification, enhancing the work of regular bodies, and strengthen the Secretariat. For me, it would be an honour and privilege to serve.

Muchos gracias.

Syeh syeh.

Arigato Gozaimashta.

Shukran.

Spaciba.

Thank you.