



WORLD TRADE
ORGANIZATION

Annual Report

2018



Who we are

The World Trade Organization deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

Using this report

The 2018 Annual Report begins with a message from the WTO Director-General and an overview of the past year. This is followed by more in-depth accounts of the WTO's areas of activity over the past 12 months.

Find out more

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Annual Report

2018

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Trade negotiations 42

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through negotiations.

7

Supporting development and building trade capacity 144

The WTO aims to help developing countries build their trade capacity and allows them a longer time to implement trade agreements. Hundreds of training courses are organized each year for officials from developing countries.

5

Implementation and monitoring 60

Various WTO councils and committees seek to ensure that WTO agreements are being properly implemented. All WTO members undergo periodic scrutiny of their trade policies and practices.

8

Outreach 164

The WTO maintains regular dialogue with the business community, non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance cooperation and raise awareness of trade issues.

6

Dispute settlement 126

WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body.

9

Secretariat and budget 190

The WTO Secretariat has over 600 regular staff and coordinates the activities of the WTO. Most of the WTO's annual budget consists of contributions by its members.

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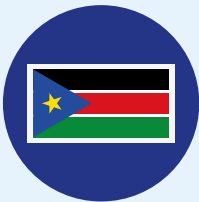
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Spotlight:

2017

in numbers



22

At the 11th Ministerial Conference, WTO members agreed to start WTO membership talks for South Sudan, taking the number of countries seeking to join the WTO to 22.



350

The WTO undertook 350 technical assistance activities in 2017, helping over 18,000 government officials gain a better understanding of WTO agreements.



4.7

World merchandise trade volume grew by 4.7 per cent in 2017 after just 1.8 per cent growth in 2016.



2/3

An amendment to the TRIPS Agreement easing access to medicines entered into force in January 2017 following acceptance by two-thirds of WTO members.



11

The WTO's 11th Ministerial Conference (MC11), held in Buenos Aires in December 2017, was attended by about 4,500 participants.



14.3

The Trade Facilitation Agreement entered into force in February 2017. Its implementation could cut trade costs by an average of 14.3 per cent.



4

At MC11, ministers adopted four decisions, including on fisheries subsidies, and agreed to set up a working party for the accession of South Sudan.



20

In 2017, the WTO marked the 20th anniversary of the Information Technology Agreement, a landmark deal eliminating tariffs on IT products for its participants.



23

In 2017, the WTO undertook trade policy reviews of 23 WTO members.



38.5

Dispute settlement activity intensified in 2017, with the monthly average of panel, appellate and arbitration proceedings increasing to 38.5 compared with 32.3 in 2017.



WORLD TRADE ORGANIZATION

164

The WTO currently has 164 members, representing 98 per cent of world trade.



1.9

The WTO website attracted almost 1.9 million visits a month in 2017.



112

The WTO's major outreach event, the Public Forum, attracted over 1,200 participants from 112 countries, who took part in over 100 sessions.



38.8

Disbursements of Aid for Trade totalled USD 38.8 billion in 2016, taking the 2006-16 total to over USD 342 billion.

Message from

Director-General Roberto Azevêdo



There is great value in the multilateral trading system. It has secured a foundation on which WTO members can base their economic planning with confidence. Imagine, however, if we were suddenly presented with a scenario where the system started to falter. If tariffs were no longer bound at the historically low levels we see today, if we could not rely on members honouring their services commitments, or if the system of settling trade disputes was to erode, the consequences would be dramatic. It is therefore in the interests of all WTO members – developed, developing and least-developed – that we should remember the importance of the system for our economies and recognise the need to preserve and strengthen it for future generations. This is particularly important at a time of rising trade tensions among some major trading partners.

Trade growth in 2017 was the strongest since 2011. With continued robust growth forecast for this year and next, we are seeing trade playing its part in supporting the global economic recovery – supporting GDP growth, development and job creation around the world. If we are to avoid this strong performance being compromised by a further escalation in tensions, we must seek to further enhance global cooperation. The WTO, which was created as a forum for members to find ways to cooperate and hold each other to account, will play its proper role in this process. Indeed, we have done so before. It can be argued that without the WTO, a wave of protectionist measures would have been stirred up by the 2008 crisis, significantly worsening the economic effects of that downturn. We will continue working to ease tensions and to promote cooperation and restraint.

For the trading system to keep playing its essential role, it must also be continually strengthened and improved so that it can meet the demands of a rapidly changing and evolving global economy. WTO members took a number of historic steps in this direction in early 2017 with the implementation of two important reforms to global trade rules: the Trade Facilitation Agreement, which will speed

the flow of goods across borders and potentially reduce trade costs by over 14 per cent, and an amendment to the WTO's intellectual property agreement, which will expedite poorer countries' access to affordable medicines which they lack the capacity to produce themselves.

Implementation of these changes to the global trade rulebook will be closely monitored by the WTO's relevant committees, which provide an important forum for WTO members to raise trade concerns and propose solutions. The WTO's committees were extremely active in 2017, discussing issues ranging from the use of subsidies to members' latest anti-dumping actions.

One of the main aims of the committees is to resolve trade concerns in a consensual way, thus avoiding the need to pursue these concerns more formally through the WTO's dispute settlement system. We strongly encourage amicable settlement among WTO members where possible. Since its establishment, more than half of all disputes lodged with the WTO have been settled in this way without the need for creating a dispute panel. Where it proves impossible for members to resolve trade differences, our dispute settlement system provides the legal framework for finding a solution.



The system is one of the most active adjudicatory systems in the world and operates at a faster rate than other international bodies.

The number of active disputes increased significantly in 2017. Members' regular use of the system is a clear indication of its effectiveness. To deal with the growing demand, we have reallocated resources to the divisions dealing with these cases and we continue to consult with members on ways of improving the efficiency of dispute proceedings. A properly functioning system requires full capacity in all areas, including the Appellate Body. However, there is currently an impasse in the process of appointing new Appellate Body members. Finding a solution here is a systemic priority.

2017 culminated with our Ministerial Conference in Buenos Aires, which attracted over 4,000 participants. Members actively discussed a wide range of issues, continuing the negotiations pursued in Geneva in the months leading up to the conference. Agreement could not be reached in many of the areas under discussion but a number of important steps were taken, including the ministerial decision on fisheries subsidies which commits members to establishing new disciplines in this area by the next Ministerial Conference in 2019.

In addition, the conference concluded with over 120 WTO members endorsing the Buenos Aires Declaration on Trade and Women's Economic Empowerment, which sends an important message about the WTO's efforts to make trade more inclusive. The conference also witnessed the signing of joint statements by groups of like-minded members to pursue discussions on e-commerce, investment facilitation for development and micro, small and medium-sized enterprises. It is very positive that members are seeking to use the WTO to tackle matters that they consider to be of pressing economic importance. As they move ahead, I have urged the proponents of these issues to engage with the full membership and to keep their discussions as open, transparent and inclusive as possible.

I also endorse the closing remarks of the Chair of the Ministerial Conference, Susana Malcorra, who noted the commitment of WTO members to advance negotiations in all remaining

issues, from agriculture to development, to the linkages between trade and the environment. This work is continuing in Geneva in 2018.

The needs of the poorest members remain central to the work of the WTO – in our negotiations and beyond. We provide regular training opportunities for government officials from developing and least-developed members, reaching around 18,500 people in 2017. In addition, the WTO's Aid for Trade initiative makes a real difference in supporting countries to benefit from the trading system. Over \$340 billion has been disbursed under the Aid for Trade umbrella during its first ten years. This includes targeted programmes, such as the Enhanced Integrated Framework, which provides technical and financial support to least-developed countries to help them use trade as a tool for economic growth and poverty reduction.

This essential work will play a key role in delivering the Sustainable Development Goals (SDGs). Indeed, many of the topics under discussion at the WTO will be important here, and we have already made real progress. For example, the decision taken by WTO members in 2015 to abolish agricultural export subsidies delivered a key target of SDG 2 on "zero hunger". In addition, by agreeing to act on harmful fisheries subsidies by 2019, members have also committed to meet an important target of SDG 14. In these, and many other ways, trade has the power to make a real, lasting, positive impact on people's lives.

I believe that the multilateral trading system can continue to be a force for good in the world – promoting stability, creating opportunities, and boosting growth and development, as it has done for many years. But we can take nothing for granted. For all of this to happen, we need to continue strengthening the WTO, fostering cooperation on global economic issues and making the case for the rules-based system. I will continue working together with all WTO members to that end.



Roberto Azevêdo
Director-General



We need to continue strengthening the WTO, fostering cooperation on global economic issues and making the case for the rules-based system. I will continue working together with all WTO members to that end.



Understanding the WTO

There are a number of ways of looking at the World Trade Organization. It is an organization for trade-opening. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates the global system of trade rules. It helps developing countries build their trade capacity. Essentially, the WTO is a place where member governments try to sort out the trade problems they face with each other.

Who we are



The WTO was born out of negotiations aimed at progressively reducing obstacles to trade. Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. But the WTO is not just about opening markets, and in some circumstances its rules support maintaining trade barriers – for example, to protect consumers and the environment or prevent the spread of disease.



The system's overriding purpose is to help trade flow as freely as possible – so long as there are no undesirable side effects – because this is important for stimulating economic growth and employment and supporting the integration of developing countries into the international trading system. That partly means removing obstacles. It also means ensuring that individuals, companies and governments know what the trade rules are around the world, and giving them the confidence that there will be no sudden changes of policy. In other words, the rules have to be “transparent” and predictable.



At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. These documents provide the rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives.



Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO system, often need interpreting. The most harmonious way to settle these differences is through a neutral procedure based on an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements.



What we stand for

The WTO agreements are lengthy and complex because they are legal texts covering a wide range of activities. But a number of simple, fundamental principles run throughout all of these documents. These principles are the foundation of the multilateral trading system.



- 1 Non-discrimination**

A country should not discriminate between its trading partners and it should not discriminate between its own and foreign products, services or nationals.
- 2 More open**

Lowering trade barriers is one of the most obvious ways of encouraging trade; these barriers include customs duties (or tariffs) and measures such as import bans or quotas that restrict quantities selectively.
- 3 Predictable and transparent**

Foreign companies, investors and governments should be confident that trade barriers should not be raised arbitrarily. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition – such as increased choice and lower prices.
- 4 More competitive**

Discouraging “unfair” practices, such as export subsidies and dumping products at below normal value to gain market share; the issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade.
- 5 More beneficial for less developed countries**

Giving them more time to adjust, greater flexibility and special privileges; over three-quarters of WTO members are developing countries and countries in transition to market economies. The WTO agreements give them transition periods to adjust to WTO provisions and, in the case of the Trade Facilitation Agreement, provide for practical support for implementation of the Agreement.
- 6 Protect the environment**

The WTO’s agreements permit members to take measures to protect not only the environment but also public health, animal health and plant health. However, these measures must be applied in the same way to both national and foreign businesses. In other words, members must not use environmental protection measures as a means of introducing a trade barrier.

What we do

- **Trade negotiations**
- **Implementation and monitoring**
- **Dispute settlement**
- **Supporting development and building trade capacity**
- **Outreach**

164

The WTO is run by its 164 member governments.

- **The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva).**
- **While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities.**
- **The Secretariat employs over 600 staff, and its experts – lawyers, economists, statisticians and communications experts – assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced.**





Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open services markets. They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added, as was the case at the Bali and Nairobi ministerial conferences of 2013 and 2015.

Although at the end of the 2017 Ministerial Conference held in Buenos Aires the Conference Chair, Minister Susana Malcorra of Argentina, acknowledged that differences remain regarding the Doha Round and the Doha Development Agenda, she also highlighted the decisions taken by ministers and noted that "members agreed to advance negotiations on all remaining issues, including on the three pillars of agriculture – namely domestic support, market access and export competition – as well as non-agricultural market access, services, development, TRIPS, rules, and trade and environment".



Implementation and monitoring

WTO agreements require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted. Various WTO councils and committees seek to ensure that these requirements are being followed and that WTO agreements are being properly implemented. All WTO members must undergo periodic scrutiny of their trade policies and practices, each review containing reports by the country concerned and the WTO Secretariat.



Dispute settlement

The WTO's procedure for resolving trade disputes under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the agreements are being infringed. Judgements by specially appointed independent experts are based on interpretations of the agreements and individual countries' commitments.



Supporting development and building trade capacity

WTO agreements contain special provision for developing countries, including longer time periods to implement agreements and commitments, measures to increase their trading opportunities, and support to help them build their trade capacity, to handle disputes and to implement technical standards. The WTO organizes hundreds of technical cooperation missions to developing countries annually. It also holds numerous courses each year in Geneva for government officials. The Aid for Trade initiative aims to help developing countries develop the skills and infrastructure needed to expand their trade.



Outreach

The WTO maintains regular dialogue with the business community, non-governmental organizations, parliamentarians, other international organizations, the media and the general public on various aspects of the WTO and its negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities.

A brief history

The WTO began life on 1 January 1995, succeeding the General Agreement on Tariffs and Trade which had regulated world trade since 1948. Over the past 20 years or so, the WTO has made a major contribution to the strength and stability of the global economy, helping to boost trade growth, resolve numerous trade disputes and support the integration of developing countries into the trading system.

1995

1994

April
Marrakesh Agreement establishing the WTO is signed.



1995

January
The WTO is born on 1 January.
May
Renato Ruggiero (Italy) takes office as WTO Director-General.



1996

December
First Ministerial Conference takes place in Singapore. Information Technology Agreement concluded.

1997

December
Seventy WTO members reach a multilateral agreement to open their financial services sector.



1998

May
Second Ministerial Conference takes place in Geneva.

1999

September
Mike Moore (New Zealand) becomes WTO Director-General.

November
Third Ministerial Conference takes place in Seattle, US.

2000



2000

January
Negotiations begin on services.
March
Negotiations begin on agriculture.



2001

November
Fourth Ministerial Conference in Doha, Qatar. Doha Development Agenda is launched. China becomes the WTO's 143rd member.



2002

September
Supachai Panitchpakdi (Thailand) is elected WTO Director-General.



2003

September
Fifth Ministerial Conference takes place in Cancún, Mexico.

2004

July
General Council approves "July 2004 Framework" for advancing Doha Round negotiations.



2005



2005

September

Pascal Lamy (France) becomes WTO Director-General.

December

Sixth Ministerial Conference takes place in Hong Kong, China. Aid for Trade initiative is launched. Hong Kong Declaration is approved.

2006

September

First WTO Public Forum takes place in Geneva.



2007

November

First Global Review of Aid for Trade takes place in Geneva.

2008

July

Ministerial meeting in Geneva attempts to take big step towards conclusion of Doha Round.



2009

April

DG Pascal Lamy reappointed for second term of four years.

September

First WTO Open Day in Geneva.

November

Seventh Ministerial Conference takes place in Geneva.

2010



2010

January

"Chairs Programme" launched to support developing country universities.



2011

December

Eighth Ministerial Conference takes place in Geneva.



2012

August

Russia becomes the WTO's 156th member.



2013

September

Roberto Azevêdo (Brazil) takes office as WTO Director-General.

December

Ninth Ministerial Conference takes place in Bali, Indonesia. "Bali Package" adopted, including the Trade Facilitation Agreement.

2014

April

Revised WTO Agreement on Government Procurement comes into force.

2015



2015

December

Tenth Ministerial Conference takes place in Nairobi, Kenya. "Nairobi Package" adopted, including abolition of agricultural export subsidies. Expansion of Information Technology Agreement concluded.



2016

July

Afghanistan and Liberia become the WTO's newest members.



2017

January

Amendment to the TRIPS Agreement enters into force, easing access to medicines.

February

Trade Facilitation Agreement enters into force.

September

Roberto Azevêdo begins second term as WTO Director-General.

December

Eleventh Ministerial Conference takes place in Buenos Aires, Argentina.



A year in review

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2017: a snapshot

January

DG Azevêdo attends World Economic Forum in Davos.

WTO members welcome entry into force of amendment to ease access to medicines.



February

Xavier Carim of South Africa appointed as Chair of General Council.

WTO's Trade Facilitation Agreement enters into force.

August

International Chamber of Commerce and WTO launch "Small Business Champions" initiative.



July

Global Review of Aid for Trade takes place at WTO.

General Council approves first ever amendment to Trade Policy Review Mechanism.

DG Azevêdo addresses the summit of G20 leaders in Hamburg.

September

Roberto Azevêdo begins second term as WTO Director-General.

WTO's Public Forum focuses on "Trade: Behind the Headlines".



October

WTO marks 70th anniversary of General Agreement on Tariffs and Trade.

Informal ministerial meeting takes place in Marrakesh in preparation for Ministerial Conference.





March

Roberto Azevêdo reappointed WTO Director-General; second term begins in September.

DG Azevêdo inaugurates WTO's Young Professionals Programme.

President Bachelet of Chile visits the WTO and addresses WTO members.

April

German Chancellor Angela Merkel meets leaders of five multilateral agencies to discuss globalization challenges.



June

WTO marks 20 years of the Information Technology Agreement.



May

DG Azevêdo meets with apprentices at Rolls-Royce Deutschland facility.

General Council elects Argentina's Foreign Minister Susana Malcorra as Chair of 11th Ministerial Conference.

November

DG Azevêdo addresses meeting of APEC trade ministers in Viet Nam.

DG Azevêdo and Prime Minister Löfven of Sweden host seminar on making globalization work for everyone.



December

11th Ministerial Conference takes place in Buenos Aires.



Our year

The WTO held its 11th Ministerial Conference in Buenos Aires in 2017, the first time such a meeting has been held in South America. The Conference ended with the adoption of a number of decisions, including on fisheries subsidies.

The year saw the entry into force of the WTO's Trade Facilitation Agreement, the first multilateral trade deal concluded in the history of the WTO, and an amendment to the WTO's intellectual property agreement to ease developing countries' access to medicines.

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Trade negotiations and discussions

Trade negotiations in 2017 culminated at the 11th Ministerial Conference (MC11) in Buenos Aires in December with a decision on fisheries subsidies and decisions in a number of other areas.

MC11 Chair Susana Malcorra noted that WTO members were committed to advancing WTO work in all negotiating areas.

During the year, WTO members worked hard to advance trade negotiations ahead of MC11, with discussions focusing on agriculture, fisheries subsidies, services and special and differential treatment for developing countries. A number of papers and submissions were presented, which helped focus and advance the negotiations. However, despite a high level of engagement, WTO members' positions did not converge sufficiently. The Chair of the Trade Negotiations Committee, Director-General Roberto Azevêdo, said in late November that at that stage he did not see agreed negotiated outcomes for members to present to ministers at MC11.

At MC11, five "minister facilitators" worked with the negotiating group chairs to try to narrow differences in the areas under discussion, including agriculture, fisheries subsidies, development, e-commerce, domestic regulation in services, and transparency in non-agricultural market access. The facilitators reported regularly to the full membership, following the principles of transparency and inclusiveness.

In the end, agreement could not be reached in many of the areas under discussion. However, the conference

ended with a ministerial decision to continue with negotiations on fisheries subsidies, with the aim of reaching an agreement by the Ministerial Conference in 2019. Ministers also took decisions regarding e-commerce, the Work Programme on Small Economies, and "non-violation and situation" complaints in intellectual property. In addition, the MC11 Chair, Susana Malcorra, noted that WTO members were committed to advancing WTO work in all negotiating areas.

At the end of the Conference, four joint statements by like-minded groups of members were signed on advancing discussions on e-commerce, investment facilitation for development, micro, small and medium-sized enterprises (MSMEs), and trade and women's economic empowerment. In addition, a group of WTO members issued a joint statement reaffirming their commitment to advancing the ongoing talks on domestic regulation in services.

See pages 42-59.





WTO members worked hard to advance trade negotiations before and during MC11.

Implementation of WTO agreements and decisions

The WTO's landmark Trade Facilitation Agreement entered into force in early 2017, as did an amendment to the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), easing developing countries' access to medicines. Director-General Roberto Azevêdo began a second term of office.

The Trade Facilitation Agreement entered into force on 22 February 2017.

The Agreement is expected to reduce trade costs globally by an average of over

14%

WTO members agreed by consensus to appoint Roberto Azevêdo for a second four-year term as Director-General, beginning on 1 September 2017. He was the only candidate nominated for the post when the process closed on 31 December 2016.

Xavier Carim (South Africa), Chair of the General Council – the WTO's highest-level decision-making body in Geneva – oversaw preparations for the 11th Ministerial Conference (MC11), held in Buenos Aires in December.

The Conference ended with ministers adopting decisions on fisheries subsidies, e-commerce, small economies and intellectual property and establishing a working party on the accession of South Sudan. Substantive progress was not possible in other areas under discussion but the MC11 Chair noted that WTO members agreed to advance negotiations on all remaining issues.

During the year, the General Council regularly reviewed progress in implementing decisions taken at the two previous ministerial conferences, in 2013 and in 2015. In particular, the Chair regularly reported on the implementation of the Nairobi Decision on Export Competition, which commits WTO members to eliminating agricultural export subsidies.

The protocol amending the TRIPS Agreement entered into force on 23 January 2017 upon its acceptance by two-thirds of the WTO membership. The protocol eases poorer WTO members' access to medicines by allowing generic versions of patented medicines to be produced under compulsory licences for export to countries that cannot manufacture the medicines for themselves.

The Trade Facilitation Agreement (TFA) entered into force on 22 February 2017 after acceptances of the required two-thirds of WTO members were received. By speeding up the movement of goods across borders, the Agreement is expected to reduce trade costs globally by an average of over 14 per cent. The TFA Committee started work under its first chair.

[See pages 60-125.](#)





An amendment to the TRIPS Agreement entered into force in January 2017. It will ease poorer countries' access to medicines.

Dispute settlement

Dispute settlement activity intensified in 2017, as the monthly average of panels, appellate and arbitration proceedings dealt with rose by 20 per cent.

The number of active disputes increased significantly compared with 2016, extending the trend of recent years. Due to the increase in dispute settlement activity, 29 WTO posts have been redeployed to the legal divisions over the past two to three years.

WTO members continue to be very active in dispute settlement, and the subject matter of disputes brought to the WTO continues to span a wide range of agreements. As in previous years, both developed and developing country members have been involved in the dispute settlement mechanism, both as complainants and as respondents. During 2017, WTO members filed 17 requests for consultations, the first step in the dispute settlement system, compared with 16 in 2016 and 13 in 2015. Canada, Qatar and the United States filed the most disputes in 2017, with three each, followed by Russia and Ukraine with two.

WTO members remained divided at the end of 2017 on the selection process for choosing three new members of the seven-strong Appellate Body to replace Ricardo Ramírez Hernández of Mexico and Peter Van den Bossche of Belgium, who completed their second terms of office in 2017, and Hyun Chong Kim of Korea, who resigned from the Appellate

Body on 1 August 2017. The remaining members of the Appellate Body are Ujal Singh Bhatia (India), Thomas R. Graham (United States), Shree Baboo Chekitan Servansing (Mauritius) and Hong Zhao (China).

Appellate Body Chair Ujal Singh Bhatia alerted WTO members in June 2017 that the Appellate Body faces challenges as it deals with increasing demand for its services and increasingly complex disputes. He highlighted that the increasing number of appeals means the Appellate Body is facing difficulty in meeting the requirement of “prompt” resolution of disputes, a feature that distinguishes the WTO dispute settlement system from other international adjudicative systems. He reminded WTO members that the WTO’s dispute settlement system should not be taken for granted and that it required “nurturing through timely interventions when problem areas emerge”.

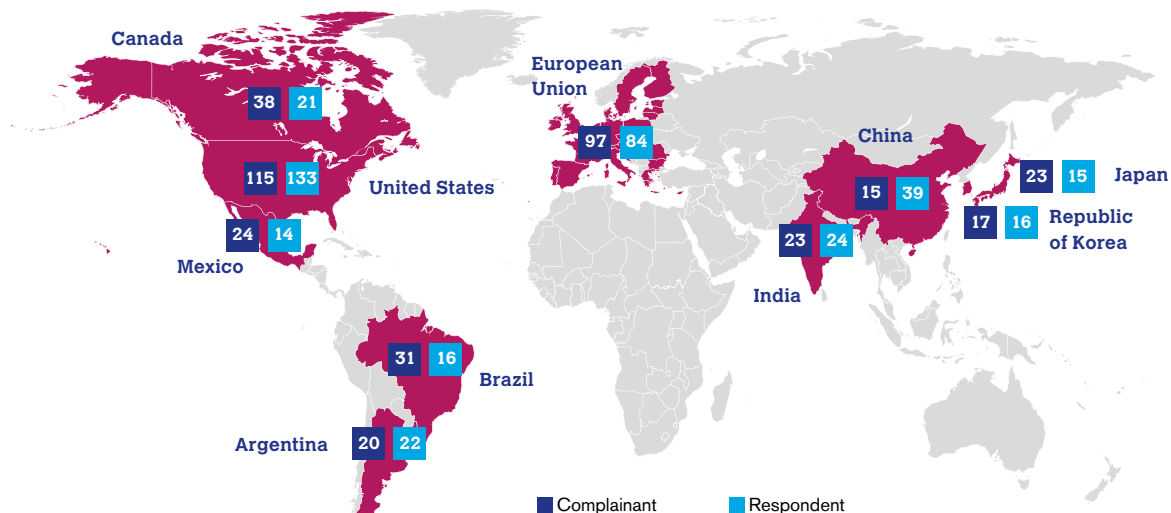
Eight appeal proceedings were initiated by WTO members in 2017, the same number as in 2015 and 2016. Six Appellate Body reports were circulated during the year, the same total as the previous year.

See pages 126-143.

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Due to the increase in dispute settlement activity, 29 WTO posts have been redeployed to the legal divisions over the past two to three years.

WTO members most involved in disputes, 1995 to 2017



**Appellate Body Chair
Ujal Singh Bhatia
highlighted the
challenges facing
the appeal body.**

2



Supporting developing countries and building trade capacity

Support for developing countries and building trade capacity continued to be a central focus of the WTO's activities in 2017, with the Committee on Trade and Development acting as the main forum for discussions.

At a meeting of the Committee on Trade and Development in November, the WTO Secretariat reported that the share of developing economies and least-developed countries (LDCs) in world merchandise trade contracted in 2016. The LDCs expressed concern that they were far from achieving the target of doubling their share in world exports by 2020 as envisaged under the United Nations Sustainable Development Goals (SDGs). They called on WTO members to increase their efforts in implementing ministerial decisions taken in favour of LDCs.

In July 2017, the WTO hosted the Global Review of Aid for Trade on the theme "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development". Some 1,500 trade and development professionals attended the conference, which underlined the important part played by trade – and the key role of Aid for Trade – in delivering growth, reducing poverty and achieving the SDGs. Aid for Trade disbursements amounted to US\$ 38.8 billion in 2016, taking the 2006-16 total to over US\$ 342 billion.

Trade's role in promoting sustainable development was an important topic at the WTO's annual Public Forum in Geneva. Both governments and the private sector need to be more active in ensuring trade's full potential in contributing to SDGs, the Forum heard.

The Enhanced Integrated Framework, a multi-agency initiative, accelerated its activities, approving 23 new projects to help LDCs use trade as a tool for growth. In 2017, the Standards and Trade Development Facility, a global partnership, allocated USD 4.2 million to help developing countries meet international standards for food safety, plant and animal health and to access global markets.

In 2017, the WTO undertook 350 technical assistance activities, including e-learning, global and regional training courses, academic programmes and national and regional workshops, aimed at giving government officials from developing countries a better understanding of WTO agreements. Approximately 18,500 participants undertook technical assistance activities during the year.

The Young Professionals Programme, aimed at increasing the representation of professionals from developing countries under-represented at the WTO, was launched in 2017 with five participants, expanding to 15 in 2018.

[See pages 144-163.](#)



In July 2017, the WTO hosted the Global Review of Aid for Trade, attracting some 1,500 attendees.





18,500

Some 18,500 participants benefited from WTO training on trade issues in 2017.

Outreach

The WTO's outreach programme in 2017 included a number of initiatives aimed at the business community, civil society, academia and the general public.

WTO interaction with the business sector increased in 2017. In July, two focus groups of business leaders, established under the WTO's Trade Dialogues initiative, issued recommendations on business priorities for the WTO. In August, the WTO and the International Chamber of Commerce (ICC) launched the Small Business Champions initiative, which aims to help micro, small and medium-sized enterprises participate more fully in global trade.

In December, a business forum took place for the first time on the sidelines of the 11th Ministerial Conference (MC11) in Buenos Aires. At the end of the Forum, the ICC issued a statement with recommendations on the direction of the world trade agenda.

The WTO continued to collaborate with other international organizations, participating in high-level meetings and producing co-publications. In July, Director-General Roberto Azevêdo attended the G20 summit in Hamburg, Germany. In a joint statement issued ahead of the summit, DG Azevêdo and the heads of the International Monetary Fund and the World Bank stressed that the economic well-being of billions

depends on trade and that deeper trade integration coupled with supportive domestic policies can help boost incomes and economic growth.

The WTO's major outreach event of the year was the Public Forum. Held in September, it attracted over 1,200 participants from 112 countries. Under the theme "Trade: Behind the Headlines", the Forum hosted 105 sessions.

The Parliamentary Conference on the WTO, which met in Buenos Aires, just before MC11, urged WTO members to make every effort to strengthen the multilateral trading system, with the WTO as its cornerstone.

In 2017, the WTO website was redesigned to give it a fresh look and to make it more accessible to a variety of devices. The website attracted almost 1.9 million visits a month while ever greater numbers followed the WTO's Twitter, Facebook and Weibo accounts. WTO videos were watched over 700,000 times on social media and the WTO's publications programme produced over 60 publications, many in collaboration with other international organizations.

See pages 164-189.



In August, the WTO and the ICC launched the Small Business Champions initiative to help SMEs participate more fully in global trade.





1,200

Over 1,200 participants from 112 countries attended the Public Forum.

Spotlight:

Buenos Aires Ministerial Conference



At the 11th WTO Ministerial Conference (MC11), held in Buenos Aires on 10-13 December 2017, ministers adopted decisions on fisheries subsidies, e-commerce, small economies and intellectual property and established a working party on the accession of South Sudan. Substantive progress was not possible in other areas under discussion. The MC11 Chair noted that WTO members agreed to advance negotiations on all remaining issues.

The opening ceremony saw a strong show of political support for the WTO and the multilateral trading system. The presidents of Argentina, Brazil, Paraguay and Uruguay emphasized the role of trade in growth and development and the importance of promoting a more inclusive multilateral trading system. The President of Chile addressed the conference in a video message.

The four presidents, together with representatives of Chile, Colombia, Guyana, Mexico, Peru and Suriname, signed a presidential declaration reaffirming their support for multilateralism and the importance of preserving and strengthening the multilateral trading system. They invited other members wishing to join the declaration to do so.

In Buenos Aires, informal meetings open to all WTO members were held in a number of areas in parallel to the formal plenary sessions. Members, with the help of five ministerial facilitators (see page 45), worked hard to try to narrow their differences. In the end, agreement could not be reached in many of the areas under discussion but the conference ended with a decision on fisheries subsidies and on a number of other areas (see box).

Ministerial decisions

Fisheries subsidies

Ministers agreed on a work programme, with a view to adopting an agreement on fisheries subsidies disciplines by the next Ministerial Conference in 2019 (see page 57).

E-commerce

Ministers agreed to seek to “reinvigorate” work under the 1998 E-commerce Work Programme and extended the moratorium on customs duties on electronic transmissions until the next Ministerial Conference (see page 63).

TRIPS non-violation and situation complaints

Ministers agreed to extend the moratorium on “non-violation and situation” complaints in intellectual property until the next Ministerial Conference. They directed the TRIPS Council to continue its examination of the scope and modalities for these complaints and to make recommendations to the next Conference (see page 102).

Work Programme on Small Economies

Ministers reaffirmed their commitment to the Work Programme and instructed the WTO Secretariat to continue its work on the challenges that small economies experience in their efforts to reduce trade costs (see page 150).

South Sudan

Ministers agreed to start WTO membership talks for South Sudan and established a working party to examine the country’s application (see page 36).





Next steps

At the closing session, the MC11 Chair, Minister Susana Malcorra of Argentina, noted the strong commitment to “advance negotiations on all remaining issues, including on the three pillars of agriculture – namely domestic support, market access and export competition – as well as non-agricultural market access, services, development, TRIPS, rules, and trade and environment”.

Director-General Azevêdo said that in Buenos Aires, members had sowed the seed of an organization which could work better – an organization that could be vibrant, flexible and nimble. But for that to happen, all of them had to believe in that vision.

Joint statements by groups of members

At the end of the Conference, four joint statements were signed by like-minded groups of members on advancing discussions on e-commerce, investment facilitation for development, micro, small and medium-sized enterprises (MSMEs), and trade and women's economic empowerment. These members encouraged all WTO members to join them.

Seventy-one members agreed to initiate exploratory work together towards future negotiations on trade-related aspects of e-commerce. Participation would be open to all WTO members and would be without prejudice to participants' positions on future negotiations. A first meeting was held in the first quarter of 2018.

Recognizing the links between investment, trade and development, 70 WTO members agreed to pursue structured discussions aimed at developing a multilateral framework on investment facilitation. The proponents met in early 2018.

On MSMEs, 87 WTO members declared their intention to create an Informal Working Group on MSMEs at the WTO that is open to all members. They agreed to continue striving for a multilateral outcome aimed at establishing a formal work programme for MSMEs at the next Ministerial Conference. The discussions will address the obstacles MSMEs face in participating in international trade.

A total of 118 WTO members and observers supported the Buenos Aires Declaration on Trade and Women's Economic Empowerment aimed at increasing the participation of women in trade (see page 108).

In addition, a group of 60 WTO members issued a joint statement reaffirming their commitment to advancing the ongoing talks on domestic regulation in services and calling on all members to intensify work, with the aim of concluding the negotiations before the next Ministerial Conference.

Side events

A Business Forum organized on the sidelines of MC11 ended with the International Chamber of Commerce issuing a statement with recommendations on the direction of the world trade agenda (see page 174). To drive dialogue on e-commerce, a new initiative was launched by the WTO, the World Economic Forum and the Electronic World Trade Platform (see page 175).

Attendance

The Ministerial Conference, the first to be held in South America, was attended by about 4,500 participants.

Membership

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| Joining the WTO | 36 |
| A global membership | 40 |

3



Joining the WTO

- **Members agreed to start WTO membership talks for South Sudan, taking the number of ongoing accession negotiations to 22.**
- **Accession negotiations for Belarus, Iraq and Sudan resumed after lengthy pauses. Negotiations for Bosnia and Herzegovina and for Comoros neared conclusion.**
- **Technical assistance continued to play an integral part in the accessions process, particularly for least-developed countries (LDCs).**
- **A group of post-conflict LDCs launched the g7+ WTO Accessions Group, which pledges to use the accession process as a means of fostering peace and stability.**

22

A total of 22 countries are currently seeking to join the WTO.

Background on joining the WTO

The WTO is open to states or customs territories with full autonomy over their external commercial relations. To join the WTO, a government has to bring its economic and trade policies into line with WTO rules and principles and negotiate with the WTO membership on guaranteed minimum levels of access to their domestic markets for goods and services. The WTO accession process promotes the integration of new members into the global economy. In return, acceding economies undertake to liberalize their trade regimes.

An accession process begins when the WTO membership accepts an application from a government and establishes a working party. The process concludes when the WTO membership and the acceding government both accept a negotiated accession package (see background below). The length of accession processes varies depending on the negotiating commitment of the acceding economy, the degree to which its trade rules are already WTO-consistent and the complexity of the negotiations.

Since the WTO was launched in 1995, 36 members have joined the organization. Twenty-two states or separate customs territories are currently seeking to join.

South Sudan

On 13 December 2017, the 11th Ministerial Conference (MC11) in Buenos Aires approved South Sudan's request to accede to the WTO and established the Working Party on the Accession of South Sudan to examine the application.

Speaking at the close of MC11, Ambassador Akech Chol Ahou Ayok, Deputy Permanent Representative of South Sudan in Geneva, said acceptance of South Sudan's application marked a "historical moment". South Sudan is fully committed to undertaking

the reforms required by WTO accession in accordance with the principles of the rule of law, transparency, good governance and respect for human rights, he said.

South Sudan is a least-developed country (LDC) and the world's newest nation, gaining independence in 2011. It has a population of approximately 13 million, the great majority of which live in rural areas and engage in subsistence agriculture. Since independence, it has embarked on new trade, monetary and fiscal policies aimed at accelerating its economic recovery and growth after a civil war lasting almost 22 years.

The country is young, with approximately two-thirds of the population under 30. South Sudan has been a member of the East African Community since 2016.

Comoros

The accession process of the Union of the Comoros accelerated in 2017. The Indian Ocean state is now approaching the final stages prior to WTO membership. The working party met twice, with members welcoming the substantive work done. But they noted that some issues will require further work to bring the country's foreign trade regime and its legislative framework into full conformity with WTO rules and requirements.





South Sudan is the latest country to start WTO membership talks.



Only a few negotiating issues remain for Bosnia and Herzegovina's WTO membership talks.

Bosnia and Herzegovina

The government of Bosnia and Herzegovina has completed outstanding accession-related legislative reforms and only a few negotiating issues remain. At a meeting of the Working Party on the Accession of Bosnia and Herzegovina, held on 7 February 2018, Chair Atanas Paporizov of Bulgaria said: "This accession has reached technical maturity and it is ready for conclusion in the coming months."

If agreement can be reached on the remaining issues, the next working party meeting could be the last one, paving the way for the adoption of the accession package by the General Council before the summer break, he said. The working party was established on 15 July 1999.

Belarus

The working party met twice in 2017, resuming formal activity after a 12-year pause. WTO members welcomed the active engagement of Belarus in its efforts to become a member of the organization and expressed readiness to maintain the positive momentum.

Iraq

Iraq held its first working party meeting since 2008 and declared its intention to resume substantive accession negotiations with members in the near term. The chair of the working party, Ambassador Omar Hilale of Morocco, said he was encouraged by the political commitment demonstrated by the Government of Iraq to resume its

accession process and the technical progress being made.

Sudan

Sudan's working party met twice during the year – its first meetings since 2004. Members commended the positive momentum for Sudan's WTO membership negotiations and reiterated their readiness to support the process. Negotiations resumed in January 2017 after 13 years of impasse. The working party has acknowledged the considerable advance in Sudan's technical work. Sudan urged members to provide the necessary technical assistance to expedite negotiations.

Somalia and Timor-Leste

Somalia and Timor-Leste activated their accession processes following the establishment of their accession working parties in December 2016. Timor-Leste circulated its first multilateral negotiating inputs to members and Somalia is expected to do so shortly.

The Lebanese Republic and Azerbaijan

The Lebanese Republic circulated a comprehensive set of multilateral documentation to its working party after eight years of inactivity. Azerbaijan was urged to step up bilateral talks with WTO members on market access commitments for goods and services to accelerate its efforts to secure membership, which it originally applied for in 1997.



China has renewed funding of the programme it has established to help the poorest countries join the WTO.

Technical assistance and outreach

Technical assistance and capacity building continue to play an integral part of any accession process, especially for LDCs which account for over one-third of the ongoing accession processes.

The China Programme (or the China LDCs and Accessions Programme) has been instrumental in responding to the specific needs of acceding governments, especially those of LDCs. On 9 December, China announced that it was renewing its funding for a further year. The programme offers a range of tools, including the China Round Table, which aims to assist acceding LDCs and strengthen LDC members' participation in the WTO.

In 2017, two China round tables were held. One focused on the example of Cambodia's accession to the WTO. The other, held on the margins of MC11, reaffirmed support for LDCs seeking to join the WTO. It also saw the establishment of the Accession Negotiators' Network. The objective is to create a platform for interaction between accession negotiators to help countries before and after WTO membership. Over 80 former negotiators and accession experts have agreed to join the network.

The Government of Kenya hosted a regional dialogue between LDC acceding governments from the Greater Horn of Africa which focused on synergies between WTO accessions and regional integration.

The WTO Secretariat organized a first specialized training course for accession negotiators focusing on bilateral market access negotiations on goods.

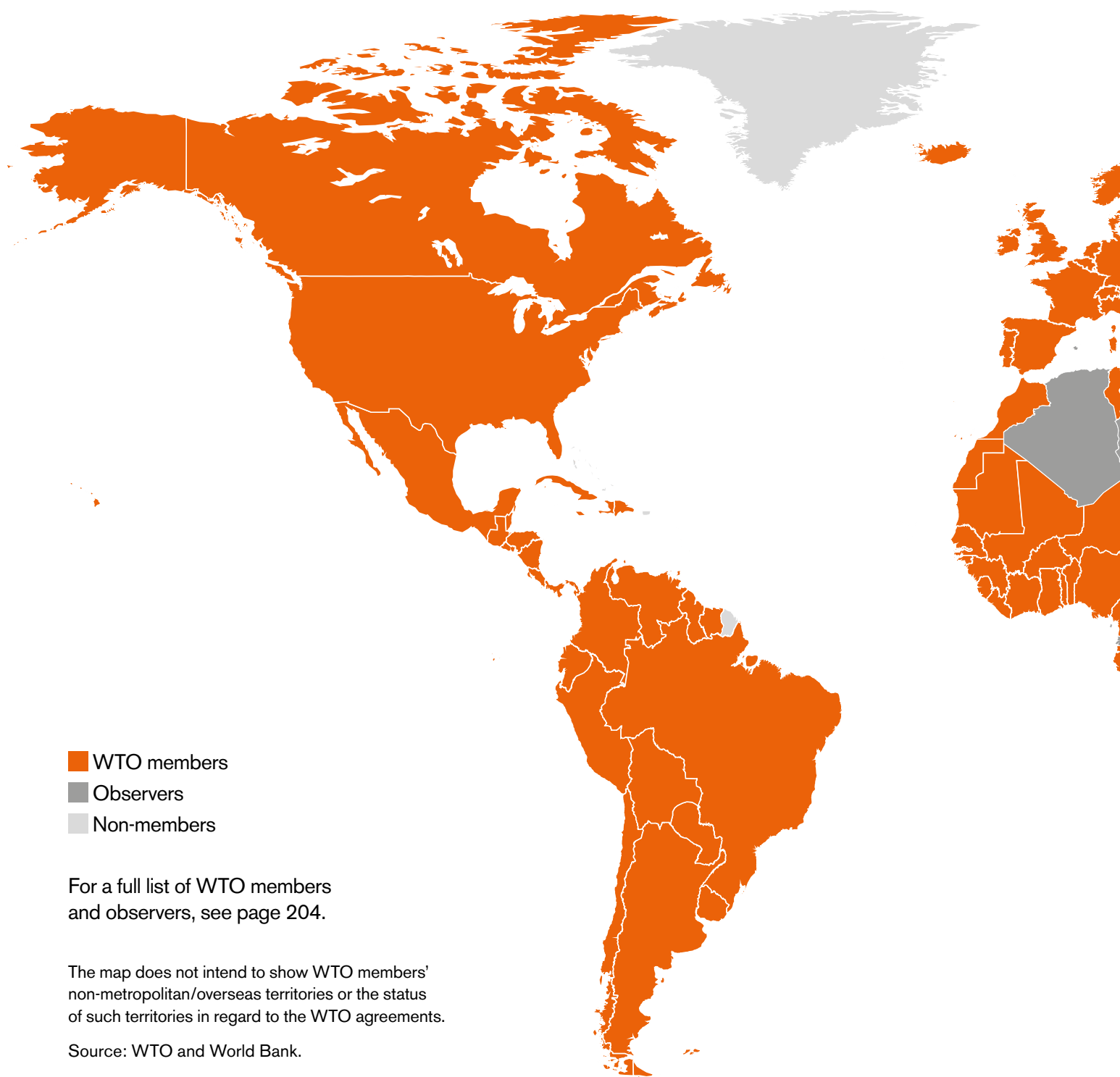
On the margins of MC11, eight post-conflict LDCs launched the g7+ WTO Accessions Group, which has pledged to use the accession process to foster peace and stability. The group comprises three recently acceded LDCs (Afghanistan, Liberia and Yemen), four acceding LDCs (Comoros, São Tomé and Príncipe, Somalia and Timor-Leste) and South Sudan.

The WTO launched a new publication entitled *Trade Multilateralism in the 21st Century: Building the Upper Floors of the Trading System through WTO Accessions* on the margins of MC11. The book draws on recent accessions experiences and examines how an updated and robust rules-based multilateral framework, anchored in the WTO, can maximize the benefits of global economic integration and help revive world trade (see page 181).



A global membership

The WTO's 164 members represent 98 per cent of world trade.



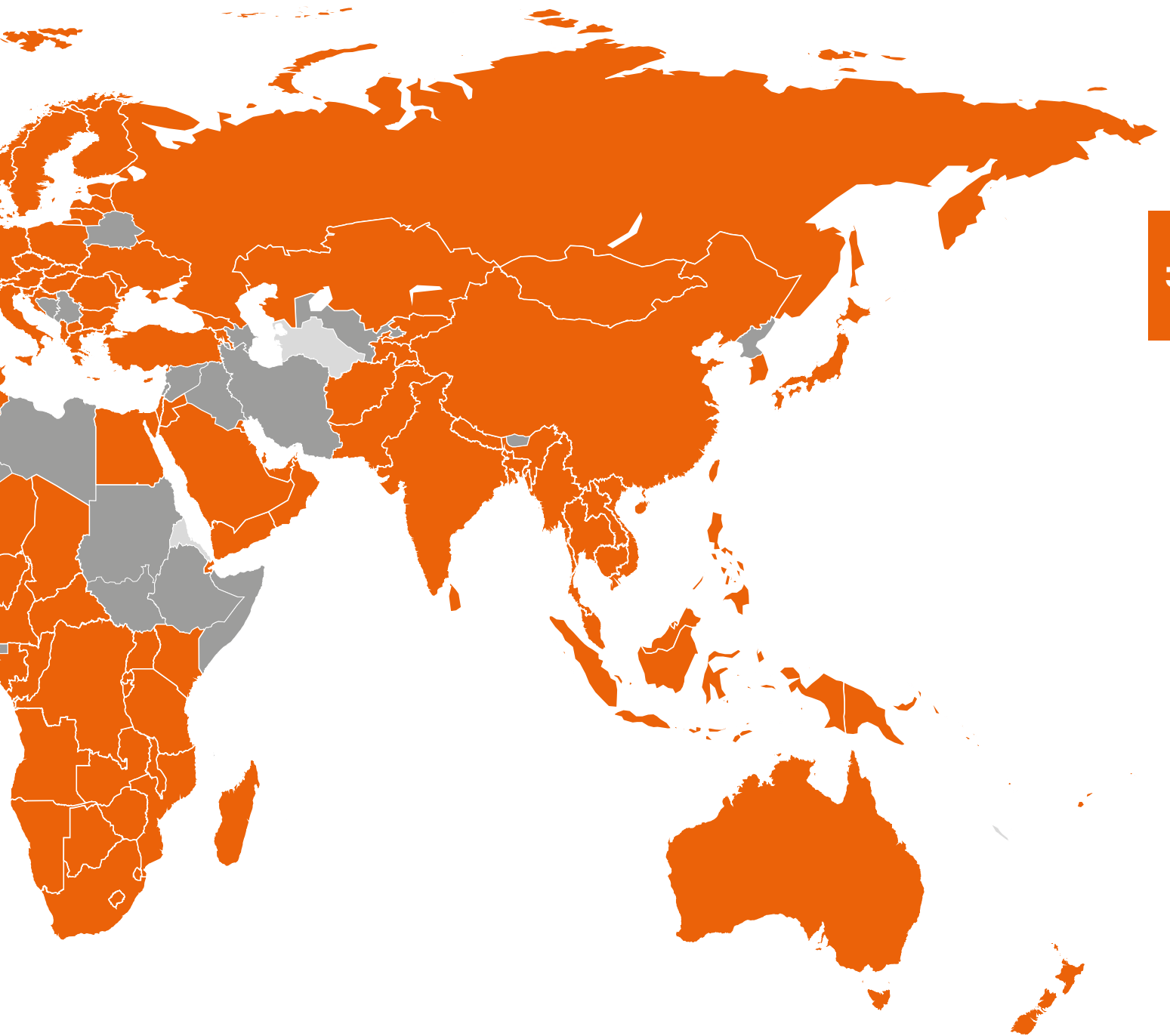
- WTO members
- Observers
- Non-members

For a full list of WTO members and observers, see page 204.

The map does not intend to show WTO members' non-metropolitan/overseas territories or the status of such territories in regard to the WTO agreements.

Source: WTO and World Bank.





Trade negotiations

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Background on trade negotiations

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through negotiations.

4



Trade negotiations in 2017

- **WTO members worked hard to advance trade negotiations ahead of the 11th Ministerial Conference (MC11) held on 10-13 December 2017 in Buenos Aires.**
- **Discussions focused on agriculture, fisheries subsidies, services and special and differential treatment for developing countries.**
- **Despite a high level of engagement, positions remained far apart in key areas. The Chair of the Trade Negotiations Committee said in late November that he did not see agreed negotiated outcomes for members to take to MC11.**
- **MC11 ended with a decision on fisheries subsidies and decisions in a number of other areas.**

Background on trade negotiations

Trade negotiations take place in the Trade Negotiations Committee (TNC) and its subsidiaries, which are regular councils and committees meeting in special session or specially created negotiating bodies. The negotiating bodies report to the TNC, which supervises the overall conduct of their work.

Entry into force of the amendment to the WTO's intellectual property agreement regarding affordable medicines in January 2017 (see page 100) and the Trade Facilitation Agreement in February (see page 94) as well as steps taken to implement the Nairobi Decision ending farm export subsidies (see page 72) provided a positive backdrop to WTO members' efforts early in the year to make progress in the negotiations and achieve substantive results in Buenos Aires.

In February, Director-General Azevêdo, as Trade Negotiations Committee (TNC) Chair, convened consultations to facilitate exchanges among delegations. In reporting on his consultations, he encouraged members to intensify their engagement and to become more specific in their discussions. Negotiations continued throughout the year under the leadership of the negotiating group chairs and the TNC Chair. Members tried to find ways to narrow their differences. A number of papers and submissions were presented, which helped focus and advance the negotiations.

Members paid special attention to agriculture, notably the issues of public stockholding for food security and domestic support (subsidies), but also to fisheries subsidies, domestic regulation in services trade and special and differential treatment for developing countries.

Aside from these areas, there was growing interest expressed by a group of members in deepening discussions in areas such as e-commerce, investment facilitation and strengthening the participation of micro, small and medium-sized enterprises (MSMEs) in international trade. Several seminars and informal dialogue sessions took place and many submissions were tabled.

Looking to Buenos Aires

Work intensified in the lead-up to the summer and the TNC Chair welcomed the more detailed text-based submissions and discussions. However, he noted that the approaches and ambition varied widely and that a lot of work remained to be done before Buenos Aires. He called for greater urgency and encouraged delegations, especially those putting forward negotiating proposals, to direct their efforts towards building momentum behind their ideas.





DG Azevêdo is Chair of the Trade Negotiations Committee.

Argentine minister Susana Malcorra, Chair of MC11, addressed members in July. She noted that the WTO was facing challenging times, with globalization and open markets often blamed for job disruption and inequality, breeding protectionist tendencies and insularity. The challenges should push members to act with even more conviction to ensure that the role and function of the WTO are preserved and strengthened. Echoing the Director-General, she encouraged members to use the Buenos Aires Ministerial Conference to recommit to the multilateral trading system.

As the Ministerial Conference drew closer, the TNC Chair urged members to prioritize their work and focus on the most promising areas. This meant categorizing the issues into two broad groups. First would be the issues that were not advancing fast enough. Here, members could focus on developing a post-Buenos-Aires work programme to be adopted at MC11. Second were the issues that had the potential to be finalized in Buenos Aires. On these, members should further intensify their work and aim to go as far as possible in Geneva, leaving only a few final political calls for ministers. He asked members to balance ambition and realism in their quest to deliver at MC11.

With regard to the issues not covered by negotiating groups or WTO subsidiary bodies, such as investment facilitation and MSMEs, he said that the responsibility to advance rested with the proponents. They needed to decide clearly what they wished to achieve.

The TNC Chair's calls for maximizing the time and prioritizing work were reinforced by the MC11 Chair. In October, she asked members to decide very soon which issues could be resolved at the conference and which required further work. "There is life after Buenos Aires," she said. It was equally important to clearly demonstrate that trade could be inclusive and bring benefits to people around the world.

Gaps remain wide

Nevertheless, members' positions remained far apart. At the meeting of the TNC and informal heads of delegations on 28 November, the Chair said that, given members' positions, he did not think there would be agreed negotiated outcomes in Geneva. He announced

that he and the MC11 Chair were considering appointing five "minister facilitators" to work with the negotiating group chairs in Buenos Aires. This would allow time to be better managed during the conference. The facilitators would hold open-ended meetings and consultations and report back to the membership. Every effort would be made to ensure those meetings were open, transparent and inclusive.

The TNC Chair said that MC11 was an opportunity to take stock of the significant progress made, to deliver where possible and to set the direction for future work. At the final General Council meeting before MC11, members took note of the fact that work would continue in some negotiating groups in an effort to make as much progress as possible on the matters that ministers might take up in Buenos Aires.

Buenos Aires

In Buenos Aires, discussions continued with the assistance of five minister facilitators. They were: Kenya's Cabinet Secretary for Foreign Affairs Amina Mohamed for agriculture, Jamaica's Foreign Affairs and Foreign Trade Minister Kamina Johnson Smith for fisheries subsidies, Norway's Foreign Minister Ine Eriksen Søreide for development, Senegal's Trade Minister Alioune Sarr for e-commerce and Paraguay's Foreign Minister Eladio Loizaga Caballero for domestic regulation in services and transparency in regulatory measures in non-agriculture market access (NAMA).

The facilitators reported regularly to the full membership. These meetings followed the principles of transparency and inclusiveness – which many delegations had emphasized in the preparatory process for MC11. Members worked hard to try to narrow their differences in the six areas under the facilitators' process.

In the end, agreement could not be reached in many of the areas under discussion. However, the conference ended with a ministerial decision to continue with negotiations on fisheries subsidies, with the aim of sealing a deal by the Ministerial Conference in 2019. A number of other ministerial decisions were taken regarding e-commerce, the Work Programme on Small Economies, and "non-violation and situation" complaints in intellectual property.



Agriculture

- **The Committee on Agriculture meeting in special session carried out intense negotiations during the year. The Committee Chair held more than 100 meetings.**
- **WTO members made a number of proposals in key areas, such as public stockholding for food security and domestic support.**
- **Despite sustained efforts at the Ministerial Conference, no agreements were reached in Buenos Aires.**

Background on agriculture

The broad objective of the agriculture negotiations is to reduce distortions in agricultural trade caused by high tariffs and other barriers, export subsidies and domestic support measures. The negotiations take place in the WTO Committee on Agriculture, meeting in special session. They are also to take into account the needs of developing countries.

Intense negotiations took place throughout 2017 to identify a potential agricultural outcome for the 11th WTO Ministerial Conference (MC11) in Buenos Aires. Ambassador Stephen Karau from Kenya, who took over as Chair of the special session of the Committee on Agriculture and the Sub-Committee on Cotton in April, held more than 100 meetings in various formats.

On 4 December, the Chair circulated his final report summarizing the state of play in the negotiations and recommending that members work towards a limited outcome potentially comprising decisions on some key negotiating issues and a work programme to guide the negotiations post-MC11.

Despite sustained efforts in Buenos Aires, where negotiations were conducted with the assistance of the ministerial facilitator for agriculture, Kenya's Foreign Minister Amina Mohamed, members were not able to agree on a substantive outcome or on a work programme. Nevertheless, the MC11 Chair noted at the closing session members' commitment to advancing negotiations on all remaining issues, including the three pillars of the agricultural negotiations.

Public stockholding for food security purposes

Public stockholding for food security purposes was a priority issue for MC11 and intensive discussions took place throughout the year. Members sought to meet the ministerial mandates from

Bali and Nairobi to find a permanent solution to the stockpile question by the end of 2017.

At issue are public stockpiles of food procured at administered prices to ensure food availability. Some believe that without effective controls, these programmes will lead to over-production and depressed prices that could affect farmers worldwide. Until a permanent solution is found, the ministerial decisions permit support to farmers under stockpiling programmes under a so-called "peace clause", provided certain conditions are met.

Four proposals were submitted during the year. A proposal from Brazil, the European Union, Colombia, Peru and Uruguay and a proposal from the G-33 (a group of developing countries pressing for flexibility for developing countries to undertake limited market opening in agriculture) suggested exempting public stockholding programmes from WTO limits on farm subsidies, known as the aggregate measurement of support (AMS), and placing different conditions on them.

The two other proposals – one from Russia and Paraguay and the other from Norway and Singapore – sought to build on the Bali Ministerial Decision and provide a legal shield against challenges under the Agreement on Agriculture.

The latter two proposals gained broader support during the year, owing to the fact that the Bali decision was accepted by all members in December 2013.





Numerous proposals were submitted by WTO members on how to limit domestic subsidies.

Members discussed issues such as country and programme coverage, product coverage, safeguards and anti-circumvention provisions and transparency provisions. However, they could not bridge the gaps in their positions.

Domestic support

Domestic support (subsidies) was considered a priority by many members. The importance attached to this pillar of the negotiations (the other two are market access and export competition) by members was demonstrated by the numerous submissions and proposals submitted by a broad range of members, representing diverse views.

While members broadly agreed on further limiting trade-distorting domestic support, which can lead to overproduction of agricultural products and affect world market prices, their views on how to reach this objective varied significantly.

The introduction of an overall limit on trade-distorting domestic support was suggested in several submissions. While there was broad support for the introduction of such a limit, some

members remained opposed. There were also differences over how the limit should be set: should it be a fixed ceiling, for example, or a percentage of production?

Some developing countries called for developed countries to remove all of their most trade-distorting support but other members saw this as unrealistic. A related issue was the type of support to which the limit should apply and whether it should cover only the most trade-distorting or also include other, less distorting subsidies.

While there was recognition that so-called green box farm support, which includes direct income support to farmers and environmental protection programmes, is non-trade distorting or minimally distorting, several members argued for further disciplines because of doubts about whether certain programmes meet the prescribed criteria.

Despite significant efforts, members' negotiating positions on the key issues in domestic support remained too wide apart for a successful outcome at MC11.



All members recognize the need to address cotton within the agriculture negotiations, including reductions in trade-distorting subsidies and improving market access.

Cotton

All members recognize the need to address cotton within the agriculture negotiations, including reductions in trade-distorting subsidies and improvements in market access for cotton exports from least-developed countries. However, members have divergent positions regarding cotton subsidies and domestic support generally.

The Cotton Four countries – Mali, Chad, Benin and Burkina Faso – circulated a draft ministerial decision on cotton in October, calling for sharp reductions in domestic support for cotton. However, some members said the proposal was too ambitious. Other proposals, notably one from Brazil, the European Union, Colombia, Peru and Uruguay, one from the Least-Developed Countries (LDCs) Group and one from Argentina also included elements aimed at making progress on cotton domestic support.

The cotton discussions also covered how to further improve cotton development assistance as part of an MC11 outcome. These discussions took place under the Director-General's Consultative Framework Mechanism on Cotton dedicated to the development aspects of cotton. The cotton transparency and monitoring process resulting from the Bali Ministerial Decision and extended by the Nairobi

Ministerial Decision continued in 2017 and two dedicated discussions of the relevant trade-related developments for cotton were held.

A Cotton Portal was jointly launched by the WTO and the International Trade Centre (ITC) in December at MC11. This online platform for market intelligence provides a single entry point for all cotton-specific information available in WTO and ITC databases on market access, trade statistics, country-specific business contacts and development assistance-related information as well as links to relevant documents, webpages and other organizations active in the cotton sector.

Market access

Members generally acknowledged that a substantive outcome in market access was not feasible for MC11 but many hoped at least for an agreement on a programme for post-MC11 work.

During the year, some members sought to pursue reform of trade barriers in an incremental manner as part of the agriculture negotiations and presented a number of papers. In one paper, Paraguay and Peru addressed high trade barriers in agriculture, including complex tariff structures, relatively high tariffs ("tariff peaks") and higher import duties on finished or semi-processed products than on raw materials ("tariff escalation").



Many members said improved transparency was critical to ensuring food security.

Special safeguard mechanism

Discussions continued regarding the Nairobi Ministerial Decision on a special safeguard mechanism (SSM). This decision stated that talks to create an SSM – mandated in July 2004 – would continue in a dedicated session. The creation of an SSM would allow developing countries to raise tariffs temporarily to address import surges or price declines.

The debates continued to reveal divergent positions on the issue of the linkage between the SSM and the overall market access negotiations. The G-33 suggested that members agree at MC11 on a first operational outcome that would take the form of either a price-based SSM to address price depressions or a volume-based one for import surges. The Philippines subsequently proposed that members adopt a price-based SSM at MC11. However, a number of members argued that such an outcome was unrealistic in the absence of a broader outcome in market access.

Export prohibitions and restrictions

Building on earlier submissions, Singapore introduced a paper advocating enhanced transparency in export restrictions. A key element of the proposal was that as a general rule, a notification should be submitted at least 30 days prior to the implementation of an export restriction measure. The proposal

also sought to exempt food purchases for non-commercial humanitarian purposes by the World Food Programme from such export-limiting measures.

Many members said improved transparency was critical to ensuring food security while some cautioned against making these requirements too burdensome for developing countries.

Some members expressed an interest in broadening the discussions to cover elements not included in the proposal by Singapore. Israel, Japan, Korea, Switzerland and Chinese Taipei tabled a proposal aimed at clarifying and strengthening the rules when a member applies export prohibitions and restrictions. However, there was broad agreement that an outcome on these issues could not be envisaged at MC11 in the absence of a broader package.

Export competition

Some members supported continuing negotiations on export finance, agricultural exporting state trading enterprises and international food aid to build on the Nairobi Ministerial Decision on export competition. Under this decision, developed countries were to eliminate export subsidies immediately with some exceptions while developing countries were given a longer time to remove their subsidies (see page 72).



Market access for non-agricultural products

- **The Negotiating Group discussed a proposal to facilitate participation of small and medium-sized enterprises in global trade.**
- **The proposal called for greater transparency and access to information about government regulations on food and product safety. The proposal attracted support and opposition.**
- **At the Ministerial Conference in Buenos Aires, no agreement was reached on this issue.**

Background on market access for non-agricultural products

Non-agricultural products are products not covered by the Agreement on Agriculture. These range from manufactured goods to fuels and fisheries. Collectively, they represent more than 90 per cent of world merchandise trade. The negotiations aim to reduce or, as appropriate, eliminate tariffs as well as non-tariff barriers, particularly on goods of export interest to developing countries. The negotiations are conducted in the Negotiating Group on Market Access.

The Negotiating Group held two meetings in 2017, at which a proposal aimed at helping small and medium-sized enterprises (SMEs) was discussed. The proponents of the proposal said it would facilitate the participation of SMEs in global trade by bringing about greater transparency and access to information about government regulations on food and product safety.

The transparency proposal was initially put forward by the European Union, Hong Kong (China), Singapore and Chinese Taipei and subsequently also co-sponsored by Australia, Canada, Japan and Korea.

The proposal called for ministers to agree at the Ministerial Conference in Buenos Aires on a series of actions, including the development of a public internet portal for regulatory measures, consultation with

stakeholders during the development of a regulatory measure, notification of the final text of regulatory measures, and making available regulatory measures via the internet. It also called for the adoption of a work programme in order to develop additional provisions relating to transparency covered in the WTO's Agreement on Sanitary and Phytosanitary Measures and the Technical Barriers to Trade Agreement.

During discussions at two meetings of the Negotiating Group, the proposal received support from a number of quarters but also opposition from several others. Concerns included the possible increase of administrative burdens for developing countries and the curtailing of regulatory policy space.

In his report to the Trade Negotiations Committee, Chair Didier Chambovey of Switzerland noted the advantages suggested by proponents and the concerns raised by others. The proposal was taken up at the Ministerial Conference and after his consultations with ministers, the facilitator, Paraguay's Trade Minister Eladio Loizaga Caballero, concluded that positions were too far apart to take the proposal forward.

In her concluding remarks, the Ministerial Conference Chair noted that WTO members agreed to advance negotiations on all remaining issues, including on non-agricultural market access.



Services

- **Discussions on services focused on domestic regulation in the lead-up to the Ministerial Conference.**
- **Other areas discussed during the year included services trade facilitation, services related to e-commerce and market access.**
- **Discussions on domestic regulation continued at the Ministerial Conference but the minister facilitator concluded it was not possible to achieve consensus on a way forward.**

Background on services

The General Agreement on Trade in Services (GATS) mandates WTO members to progressively open up trade in services through rounds of negotiations. The negotiations are overseen by the Council for Trade in Services, meeting in special session, and its subsidiary bodies, in particular the Working Party on Domestic Regulation and the Working Party on GATS Rules.

Various WTO members presented proposals on domestic regulation of services trade.

Negotiations on services focused on domestic regulation, trade facilitation for services, online services transactions and market access.

Domestic regulation

In the first half of 2017, various WTO members jointly presented text proposals under negotiations on domestic regulatory aspects of services trade being carried out in the Working Party on Domestic Regulation. The working party's mandate is to develop any necessary disciplines to ensure that licensing and qualification requirements and procedures do not constitute unnecessary barriers to trade in services.

The proposals were consolidated into a single text covering general provisions, administration of measures, independence, transparency, technical standards, development of measures on gender equality, necessity and development. The text was updated in November and December 2017. It is supported by 29 co-sponsors (57 if counting EU member states individually).

The proposed disciplines, which cut across services sectors in which members have commitments, revealed differences among members. The co-sponsors consider that the proposed rules on licensing and qualification requirements and procedures and on technical standards would yield greater transparency and predictability and provide important value added to existing market access commitments. They also consider that their proposal is flexible

as it would allow implementation by members at different levels of development and regulatory capacity as well as by means of diverse regulatory approaches.

Some members expressed general support for the proposal while pointing to a limited number of drafting and technical issues that they wished to see addressed. Others had more significant reservations. The latter included: language on the right to regulate; development provisions; the absence of specific provisions on qualification requirements and procedures; proposed disciplines on gender equality and necessity; and the application of the proposed disciplines to varied levels of sector-specific commitments across the membership.

Other members questioned the need for the proposed disciplines and the benefits these might bring to developing countries and least developed countries (LDCs). This group maintained that the proposed text would be incompatible with their development aspirations and limit policy space.

Further discussions on domestic regulation of services took place at the Ministerial Conference in Buenos Aires, with Paraguay's Trade Minister Eladio Loizaga Caballero serving as facilitator (see page 33). However, delegations' positions remained entrenched and the facilitator concluded it was not possible to achieve consensus at the Conference on a way forward.





60

A group of 60 WTO members issued a joint ministerial statement in Buenos Aires reaffirming their commitment to advancing the talks on domestic regulation of services.

A group of 60 WTO members issued a joint ministerial statement in Buenos Aires reaffirming their commitment to advancing the talks and calling on all members to intensify work, with the aim of successfully concluding negotiations on domestic regulation disciplines in advance of the next Ministerial Conference in 2019.

Trade facilitation for services and online services transactions

India circulated a draft text on a proposal for a trade facilitation agreement on services aimed at reducing the bottlenecks that services and services' suppliers face. The proposal focuses on issues such as publication and availability of information, administration of measures, fees and charges, administration of economic needs tests, recognition, cross-border flows of information and the facilitation of the movement of persons and of consumption abroad.

The proposal was discussed at a dedicated meeting of the special session of the Council for Trade in Services in May 2017, where views

expressed by WTO members differed in various areas. In July, India circulated a revised proposal.

In May, the European Union proposed a draft text for rules to facilitate online service transactions. The proposal focuses on electronic contracts, electronic authentication and trust services, consumer protection and unsolicited commercial electronic messages. It was discussed at a dedicated meeting of the special session in June.

In view of the limited time left before the Ministerial Conference, these two proposals were not further discussed in the lead-up to the Conference. However, India and the European Union signalled their interest in resuming discussions of their respective proposals in 2018.

Outcome of Ministerial Conference

No decisions on services were taken at the Ministerial Conference. However, at the end of the Conference, the Chair noted that WTO members agreed to advance negotiations on all remaining issues, including on services.

Trade-related aspects of intellectual property rights (TRIPS)

- The special session of the TRIPS Council held its first meeting since 2014.
- Negotiations on geographical indications for wines and spirits were not seen as a priority in the run-up to the Ministerial Conference in Buenos Aires.

Background on trade-related aspects of intellectual property rights

Negotiations on a multilateral system for notifying and registering geographical indications for wines and spirits are carried out in the TRIPS Council in special session.

Members remained divided on product coverage of a GI register and whether the register should be confined to wines and spirits.

Register for geographical indications

In 2017, the special session of the Council for Trade-related Aspects of Intellectual Property Rights (TRIPS) held its first formal meeting since 2014 to record WTO members' views on negotiations for a multilateral register for geographical indications (GIs) for wines and spirits and to reflect on how to continue the work in this area. WTO members did not consider the negotiations a priority for the Ministerial Conference.

The register is intended to facilitate the protection of GIs for wines and spirits. These are indications (including place names or other terms or signs associated with a place) used to identify products whose place of origin contributes to their special qualities, reputation or other characteristics.

Members have long disagreed on the legal effects the GI register should have and whether it should create obligations for all WTO members or only those choosing to participate in the register. They remained divided on product coverage and on whether, as the negotiating mandate says, the register should be confined to GIs for

wines and spirits or whether it could also apply to other products, such as food and agricultural products. Differences also remained over whether linkages should be made between the GI register negotiations and the other TRIPS-related implementation issues.

Given that the GI register was not a priority for the Ministerial Conference, no specific outcomes were expected in Buenos Aires. However, the Conference Chair noted at the end of the meeting that WTO members agreed to advance negotiations on all remaining issues, including on TRIPS.



Trade and development

- **Discussions in the special sessions of the Committee on Trade and Development focused on ten Agreement-specific proposals from a group of countries, including the African, Caribbean and Pacific Group, the African Union and the least-developed countries.**
- **The group said the aim of their revised proposals was to foster industrialization, promote diversification and facilitate structural transformation in their economies.**
- **The group presented a draft ministerial decision on special and differential treatment for developing countries for the Ministerial Conference in Buenos Aires.**
- **No agreement was reached but a constructive ministerial dialogue on trade and development was held in Buenos Aires.**

Background on trade and development

Special and differential treatment (S&D) refers to the special treatment, or flexibility, granted to developing countries in WTO agreements, such as longer implementation periods. Many WTO agreements contain provisions that give developing countries special rights and that allow developed countries to treat them more favourably than other WTO members. Differences among WTO members include the definition of who exactly should benefit from S&D. The special session of the Committee on Trade and Development is mandated to review all S&D provisions, with a view to making them more precise, effective and operational.

Discussions in the Committee on Trade and Development in special session focused on ten agreement-specific special and differential treatment (S&D) proposals presented by a group of countries including the African, Caribbean and Pacific Group, the African Union and the least-developed countries (LDCs).

Following a presentation of the proposals in July, Chair of the special session, Ambassador Tan Yee Woan (Singapore), held a series of formal and informal discussions and met with delegations, with a view to developing elements of an S&D package for the Ministerial Conference in Buenos Aires.

The proponents explained that the flexibilities requested in the proposals are needed to foster industrialization, promote diversification and facilitate structural transformation in their economies. While they maintained all the agreement-specific proposals were equal in importance and in addressing the challenges their constituencies face, the proponents said they attached greatest priority to the industrialization cluster. They argued that these measures

would enable developing countries to alter some of their existing obligations, with the objective of promoting domestic industries.

Other WTO members continued to express concerns with the scope of the proposals, both in terms of coverage as well as the nature of flexibilities, and the lack of differentiation – the idea that members at different levels of development should not be granted the same flexibilities, exemptions and concessions. They reiterated that the revised proposals have hardly evolved from the ones tabled in 2015, when there were 25, and did not take account of concerns expressed by members before the Nairobi Ministerial Conference.

They contended that agreeing to the flexibilities would imply that existing multilateral trade rules are not conducive to development, which they believed was not the right message to send. They said that solutions to the issues raised in the proposals must be realistic, based on facts, and that deviations from existing rules should only be considered in exceptional circumstances on the basis of needs.





During trade negotiations at MC11, ministers highlighted that development is central to WTO work.

Most WTO members are sensitive to the challenges and difficulties faced by LDCs and have expressed their willingness to give favourable consideration to proposals that address the specific needs of LDCs, provided that these needs are real and demonstrable. Some have suggested possible alternative approaches, such as waivers from WTO rules, subject to certain conditions.

The discussions on the proposals remained polarized and it was not possible to bridge the gaps in positions in Geneva. The proponents submitted a draft Ministerial Decision on Special and Differential Treatment to Buenos Aires. Proponents said that the Conference had to reaffirm the commitment to development and S&D treatment and to harvest concrete results in this area to promote a more stable and prosperous global trading system. They urged all members to constructively engage in the discussions in order to find solutions acceptable to all and to resolve this long-standing issue.

In discussions in Geneva, prior to the Ministerial Conference, members agreed to have a broader ministerial dialogue on trade and development at MC11. During this dialogue, which was facilitated by Norway's Foreign Minister, Ine Eriksen Søreide, ministers highlighted that development is central to WTO work. They also shared a number of ideas to help make progress, including exploration of fresh approaches, such as engaging in evidence-based dialogue and the sharing of best practices. However, views differed on how to take forward these ideas, including on their ability to facilitate progress on the S&D proposals.

In her concluding remarks, the Chair of the Ministerial Conference noted that WTO members agreed to advance negotiations on all remaining issues, including on development.

Trade and environment

- **The Chair of the Committee on Trade and Environment in special session held an informal information session on past work.**
- **No new proposals were submitted.**
- **The Ministerial Conference Chair noted that WTO members are committed to advancing negotiations in all remaining issues, including on trade and the environment.**

Background on trade and environment

The negotiations cover the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs), procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.

The Chair of the special session of the Committee on Trade and Environment, Ambassador Syed Tauqir Shah (Pakistan), hosted an informal, information session in October covering past work. The WTO Secretariat presented a factual overview of the discussions that had taken place so far. The meeting was an opportunity for delegations to seek clarification and share thoughts.

Several delegations reiterated the importance of environmental issues and of discussing trade and environment issues in the WTO. A number of delegations said trade and environment

should feature in any ministerial declaration or text issued at the Ministerial Conference in Buenos Aires but no new proposals were submitted in 2017.

In Buenos Aires, the Conference Chair said in her closing statement that WTO members agreed to advance negotiations on all remaining issues, including on trade and environment.

In 2017, there were no further discussions on a possible Environmental Goods Agreement. Forty-six WTO members had been taking part in the negotiations, which were launched in 2014.



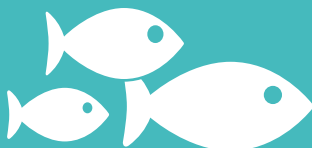
WTO rules

- **Fisheries subsidies were the focus of work as the Negotiating Group on Rules considered a broad range of proposals for new disciplines to be agreed at the Ministerial Conference in Buenos Aires.**
- **The Group submitted to Buenos Aires a draft ministerial decision containing a range of options for interim commitments on subsidies contributing to illegal, unreported and unregulated fishing.**
- **In Buenos Aires, ministers agreed on a work programme with a view to adopting an agreement on fisheries subsidies disciplines by the next Ministerial Conference in 2019.**
- **The Negotiating Group also debated proposals on transparency and due process in anti-dumping and countervailing proceedings, and on subsidy notifications.**

Background on WTO rules

In 2001, ministers launched WTO negotiations to clarify and improve WTO rules on anti-dumping, subsidies and countervailing measures, fisheries subsidies and regional trade agreements (RTAs). In 2005, ministers elaborated the negotiating mandates, including for fisheries subsidies.

WTO members submitted a range of proposals on establishing new disciplines on fisheries subsidies.



In 2017, fisheries subsidies continued to be the principal focus of work in the Negotiating Group on Rules, chaired by Ambassador Wayne McCook of Jamaica.

Over the course of the year, a broad and diverse set of members and groups (the African, Caribbean and Pacific Group; Argentina, Colombia, Costa Rica, Panama, Peru, and Uruguay; China; the European Union; Indonesia; the Group of Least-developed Countries; New Zealand, Iceland and Pakistan; Norway; and the Philippines) submitted a total of nine textual proposals for decisions to establish new disciplines on fisheries subsidies at the WTO's 11th Ministerial Conference (MC11) in Buenos Aires in December 2017.

All of the proposals aimed to meet the United Nations' Sustainable Development Goal target 14.6, which sets a deadline of 2020 for prohibiting certain forms of fisheries subsidies that contribute to overcapacity and overfishing, for eliminating subsidies that contribute to illegal, unreported and unregulated (IUU) fishing, and for refraining from introducing new such subsidies, with appropriate and effective special and differential treatment

for developing and least-developed countries as an integral part of the WTO negotiations.

Through a progressive process of compilation and consolidation of the proposals – undertaken in the Negotiating Group in the lead-up to MC11 – a series of streamlined negotiating texts was produced on some of the issues. In spite of the intensive work to produce them, the Negotiating Group recognized that these texts were not ready for action by ministers.

The Group then turned its attention to preparing a draft Ministerial Decision, which it agreed to forward to MC11 for consideration. This draft text contained, among other things, a range of options for interim commitments on subsidies contributing to IUU fishing (see page 32). In spite of the intensive work to produce this draft, and further intensive work in Buenos Aires led by ministerial facilitator Jamaican Minister of Foreign Affairs and Foreign Trade, Kamina Johnson Smith, members' views remained too divided for any substantive agreement in Buenos Aires. However, there was scope for some important progress to be made.

At MC11, ministers agreed on a work programme with a view to adopting an agreement on fisheries subsidies by the next Ministerial Conference in 2019.



Ministers decided on a work programme, with a view to adopting by the 12th Ministerial Conference (2019) an agreement to prohibit fisheries subsidies that contribute to IUU fishing and to overcapacity and overfishing, with appropriate and effective special and differential treatment for developing countries as an integral part of the negotiations. Ministers also re-committed to implementation of existing notification obligations in respect of fisheries subsidies.

During 2017, the Negotiating Group on Rules also considered proposals on due process and transparency, and certain other issues, in respect of anti-dumping and countervailing duty investigations, and a proposal on subsidies disciplines. No specific proposals in these areas were forwarded to MC11 for consideration by ministers.

During the year, work also continued in the Technical Group, a forum in which delegations exchange information about their anti-dumping practices.



Dispute Settlement Understanding

- **WTO members signalled willingness to continue working through the 12 issues under discussion.**
- **Some members expressed disappointment at the lack of concrete negotiating results so far.**

Background on the Dispute Settlement Understanding

In November 2001, at the Doha Ministerial Conference, WTO members agreed to negotiate to improve and clarify the Dispute Settlement Understanding – the rules and procedures governing the settlement of WTO disputes. These negotiations take place in special sessions of the Dispute Settlement Body.

Ambassador Coly Seck of Senegal took over as Chair of the special session of the Dispute Settlement Body in May 2017, replacing Ambassador Stephen Karau of Kenya.

Ambassador Seck continued his predecessor's approach of working through the issues in a sequential and focused manner. Earlier in 2017, Ambassador Karau conducted work on mutually agreed solutions and third-party rights, two of the 12 issues under discussion. In July 2017, the Chair reported that work on two additional issues – strictly confidential information and sequencing – had been completed. Sequencing refers to the question of whether, in a dispute, compliance proceedings or the retaliation proceedings take precedence.

Among the 12 issues that have been under discussion for several years are developing country concerns, including special and differential treatment, and remand (referral of cases by the Appellate Body to panels for further action).

After the summer, the Dispute Settlement Body in special session conducted a stock-taking exercise covering the period November 2016 to July 2017. The Chair reported that members generally agreed that no outcomes could be prepared for the Ministerial Conference in Buenos Aires. Some members expressed disappointment at the continued lack of results. Nevertheless, members generally recognized the value of the work. They signalled their willingness to work through the remaining issues.



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Background on implementation and monitoring

Various WTO councils and committees seek to ensure that WTO agreements are being properly implemented. All WTO members undergo periodic scrutiny of their trade policies and practices.

5



General Council

- **The General Council reappointed Director-General Roberto Azevêdo to second four-year term.**
- **The General Council Chair conducted extensive consultations throughout the year in preparation for the 11th Ministerial Conference (MC11) in Buenos Aires.**
- **The Chair regularly reported to the Council on implementation of the Bali and Nairobi decisions, including on export competition.**
- **The General Council submitted its report and the reports of its subsidiary bodies to MC11; the Chair reported that a number of WTO members' individual proposals would be put before ministers.**

Background on the General Council

The General Council is entrusted with carrying out the functions of the WTO and taking actions necessary to this effect between ministerial conferences in addition to carrying out the specific tasks assigned to it by the Agreement establishing the WTO.

Appointment of the WTO Director-General

On 28 February 2017, WTO members agreed by consensus to appoint Roberto Azevêdo for a second four-year term as Director-General. The second term began on 1 September. He was the only candidate nominated for the post when the process closed on 31 December 2016.

Prior to the decision on his re-appointment, on 27 February, DG Azevêdo had made a presentation to the General Council outlining the achievements during his first term and challenges for the organization. He took questions on the management of the WTO and the challenges facing the multilateral trading system, among other issues.

In thanking members for his re-election and support, DG Azevêdo said he believed the WTO "is on the right path. We have achieved a great deal over the last few years. The WTO is stronger today than it was in 2013." He went on to say: "But we can do much more – particularly for the smaller players and those who feel cut off from the economic benefits of trade. We must build a more inclusive trading system. I look forward to working with you all to that end."

Ministerial Conference

General Council Chair Xavier Carim (South Africa) conducted a preparatory

process on both the substantive and the organizational aspects of MC11. Delegations were consulted regularly on issues such as the appointment of officers for the conference, the participation of observers and of non-governmental organizations (NGOs).

On the substantive aspects, work took place in negotiating and regular bodies to finalize possible deliverables. The Chair undertook extensive consultations on a possible outcome document for MC11. In addition, a representative drafting group was established to begin work on a draft Ministerial Declaration, with regular reports by the GC Chair to the whole membership. While consensus could not be achieved on a text, this work constituted the basis for further discussions at MC11. But in the end, no final Ministerial Declaration could be agreed in Buenos Aires (see page 32).

Implementation of Bali and Nairobi outcomes

The General Council regularly reviewed progress in the implementation of decisions that ministers had taken in Bali, at MC9, and in Nairobi, at MC10. In particular, the Chair regularly reported on the implementation of the Nairobi Decision on Export Competition, including the steps taken by members with scheduled export subsidy reduction commitments to eliminate their entitlements (see page 72).





WTO members agreed by consensus to appoint Roberto Azevêdo for a second four-year term as Director-General.

The General Council forwarded eight proposals on e-commerce to ministers at MC11.

Regular reports and discussions also took place on efforts to implement decisions aimed at benefiting least-developed countries (LDCs), such as the decision on preferential rules of origin (see page 86), implementation of the services waiver (see page 97) and duty-free quota-free market access.

Furthermore, at its meeting in February 2017, the Council formally took note of the entry into force, on 22 February, of the Agreement on Trade Facilitation (see page 95).

Amendment of Trade Policy Review Mechanism

In July, the General Council adopted an amendment to the Trade Policy Review Mechanism (see page 114) to extend the period between reviews from two, four or six years to three, five or seven years respectively, effective as of 1 January 2019.

Other reports

The General Council considered regular reports on the work programme on small economies (see page 150) as well as on the development assistance aspects of cotton (see page 48) and WTO accessions (see page 36).

On small economies, the General Council submitted a recommendation for a decision to the Ministerial Conference. The decision, which was subsequently adopted by ministers in Buenos Aires, called, among other things, on the Committee on Trade and Development to continue work on challenges faced by small economies (see page 150).

The Prime Minister of Mali, Abdoulaye Idrissa Maïga, addressed the November General Council meeting on the importance of strengthening the multilateral trading system to ensure sustainable development. He said that achieving concrete, fair and balanced outcomes on cotton (see page 48) would be an important signal in that respect.

E-commerce

The chairs of the Council for Trade in Services, the Council for Trade in Goods, the Council for Trade-related Aspects of Intellectual Property Rights (TRIPS) and the Committee on Trade and Development – which implement the 1998 e-commerce work programme – reported what was being done in their respective areas.

The Chair of the General Council announced he would, after the summer break, begin consultations in preparation for MC11. The consultations, in various configurations, were based on four questions posed by the Chair: the future of the work programme; the moratorium on electronic transmissions; the setting up of a working group or other institutional structure, as suggested by some members; and a possible mandate for negotiations on e-commerce (see page 97).

At the last General Council meeting of 2017, the Chair reported there were eight submitted proposals containing draft ministerial decision language. It was clear that members' positions had not changed in any substantial manner and the General Council had no option but to forward all eight to ministers. The proposals covered a range of positions, from maintaining the work programme to establishing a working party with a mandate for future negotiations.

At MC11, discussions on e-commerce were facilitated by Senegal Trade Minister Alioune Sarr, working in close cooperation with the General Council Chair. The consultations resulted in the adoption of a Ministerial Decision on the Work Programme on Electronic Commerce. Ministers agreed to seek to “reinvigorate” work under the Work Programme.



The General Council was chaired by Xavier Carim in 2017.

They instructed the General Council to hold periodic reviews based on the reports submitted by the relevant WTO bodies and to report to the next Ministerial Conference. They also agreed to maintain the current practice of not imposing customs duties on electronic transmissions until the next Conference.

In Buenos Aires, 71 members agreed to initiate exploratory work together towards future negotiations on trade-related aspects of e-commerce, with participation open to all WTO members.

TRIPS-related matters

The protocol amending the TRIPS Agreement, which grants developing countries the right to import affordable medicines through compulsory licences, entered into force on 23 January 2017 upon its acceptance by two-thirds of the WTO membership. In November, the General Council agreed to extend the period of acceptance of the protocol for those members who had not yet done so, to 31 December 2019 (see page 100).

Reports by members on informal dialogues and initiatives

A number of members reported to the General Council on workshops, informal dialogues and other member-led initiatives undertaken in a variety of subjects, including micro, small and medium-sized enterprises (MSMEs) (see page 176), investment facilitation (see page 90) and e-commerce.

Waivers under Article IX of the WTO Agreement

In 2017, the General Council considered and granted four waivers from obligations under the WTO Agreement, as set out in Table 1.

It also reviewed the following multi-year waivers:

- United States – African Growth and Opportunity Act
- LDC members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to pharmaceutical products, granted on 30 November 2015 until 1 January 2033
- Preferential treatment for LDCs, granted on 27 May 2009 until 30 June 2019
- Canada – CARIBCAN, granted on 28 July 2015 until 31 December 2023
- United States – Caribbean Basin Economic Recovery Act, granted on 5 May 2015 until 31 December 2019
- Preferential treatment in favour of services and service suppliers of LDCs, granted on 17 December 2011 until 31 December 2030
- Kimberly Process Certification Scheme for Rough Diamonds, granted on 12 December 2012 until 31 December 2018



Table 1: Waivers under Article IX (decision-making) of the WTO Agreement

In 2017, the General Council granted the following waivers from obligations under the WTO agreements.

| Member | Obligation | Date of adoption | Expiry date | Decision |
|---|---|------------------|-------------|-----------|
| Argentina and China. | Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions | 30 Nov 2017 | 31 Dec 2018 | WT/L/1026 |
| Argentina; Brazil; China; Dominican Republic; European Union; Malaysia; Philippines; Switzerland; and Thailand. | Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions | 30 Nov 2017 | 31 Dec 2018 | WT/L/1027 |
| Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Kazakhstan; Republic of Korea; Macao, China; Malaysia; Mexico; New Zealand; Norway; Pakistan; Philippines; Russian Federation; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and United States. | Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions | 30 Nov 2017 | 31 Dec 2018 | WT/L/1028 |
| Members which have requested to be covered under this waiver are: Argentina; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Kazakhstan; Republic of Korea; Macao, China; Montenegro; New Zealand; Norway; Pakistan; Paraguay; Russian Federation; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; United States; and Uruguay. | Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions | 30 Nov 2017 | 31 Dec 2018 | WT/L/1029 |

- Cuba – Article XV:6 – Extension of waiver, granted on 7 December 2016 until 31 December 2021
- European Union – Application of autonomous preferential treatment to the Western Balkans, granted on 7 December 2016 until 31 December 2021
- United States – Former Trust Territory of the Pacific Islands, granted on 7 December 2016 until 31 December 2026
- United States – Trade preferences granted to Nepal, granted on 7 December 2016 until 31 December 2025.

Other issues

A number of trade and implementation concerns were brought to the General Council. As part of its oversight function, it conducted a year-end review of the work of its subsidiary bodies. All annual reports from the General Council and its subsidiary bodies were forwarded to the Ministerial Conference.

The General Council also conducted its review of the exemption provided under Paragraph 3 of the GATT 1994 granted to the US legislation – the Jones Act – which prohibits the use, sale or lease of foreign-built or foreign-reconstructed ships in US national waters. This review takes place in the Council every two years.

In addition, the General Council approved the WTO biennial budget.

Trade in goods

- **The Council for Trade in Goods addressed many trade concerns, including 12 new ones.**
- **WTO members highlighted the importance of transparency and the need to submit timely and complete notifications.**
- **The Council considered proposals submitted by various members on e-commerce.**
- **The Council approved four collective waiver requests.**

Background on trade in goods

The Council for Trade in Goods is responsible for the workings of WTO agreements on trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The Goods Council has 12 subsidiary committees dealing with specific subjects, such as agriculture, market access, subsidies, technical barriers to trade, sanitary and phytosanitary measures, import licensing, customs valuation, and the new WTO committee on trade facilitation. These committees also comprise all WTO members. Working parties on state trading enterprises and the Information Technology Agreement also report to the Goods Council.

WTO members raised a number of new trade concerns, including certain measures adopted by Brazil, China, Egypt, India, Kazakhstan, Pakistan, Russia and Ukraine.

Five members, including the United States, the European Union and Japan, complained about Egypt's decision to allow imports in 25 product categories (apparel, toys, chocolate, cosmetics, milk and dairy products, motorcycles and washing machines) only if these items were produced by manufacturing facilities, or imported from companies, registered in the Ministry of Trade's General Organization for Export and Import Control.

Other issues raised by members included China's lack of timely and complete notifications on subsidies and state-trading enterprises, Brazil's sanitary and phytosanitary measures on imports of shrimps and bananas from Ecuador, India's import duties on certain telecommunications products covered by the Information Technology Agreement and China's application of tariffs on multi-component semiconductors.

Members also raised Ukraine's practices in determining the normal values and levels of final anti-dumping duties on imports of nitrogen fertilizers, Russia's mandatory certification for cement and "good manufacturing practice" certificates for pharmaceuticals, as well as its repeated extension of a temporary ban on exports of skins and hides, Kazakhstan's restrictions on transit of goods with the Kyrgyz Republic, and Pakistan's closure of the entry points at the Durand line with Afghanistan for all

trade and transit from 17 February to 21 March, resulting in a US\$ 6 million loss for Afghan exporters and carriers.

The Council for Trade in Goods also heard concerns regarding the decision by Saudi Arabia, the United Arab Emirates and Bahrain to ban the import and export of all goods to and from Qatar. Bahrain, speaking on behalf of the group, invoked General Agreement on Tariffs and Trade (GATT) Article XXI to justify these measures, which were intended to protect essential security interests. According to Qatar, the measures constitute violations of the GATT and the WTO's Trade Facilitation Agreement.

Members also discussed two investigations initiated by the United States under Section 232 of the 1962 Trade Expansion Act into the effects of imports of steel and aluminium products on US national security. Russia, the European Union, China, Brazil and Australia expressed concerns about possible remedy measures that the United States could adopt and their consistency with GATT 1994, the Anti-Dumping Agreement and the Safeguards Agreement. They stressed that national security should not be used to achieve trade policy objectives and that over-capacity was a global challenge where international trade rules should be upheld.

The United States said the investigations would consider a number of factors, including domestic production needs, domestic industries' capacity, the close relationship between economic welfare and national security, the impact





Many delegations pointed to the benefits that e-commerce could provide to developing countries and SMEs.

of foreign competition on domestic suppliers, unemployment, government revenue and loss of skills or investment.

China also raised more generic concerns about the current trajectory of US trade policies and their potential impact on the global economy and international trade. The US President's Trade Policy Agenda submitted to the US Congress had sent "troubling" signals regarding US international commitments and obligations for safeguarding the authority of the WTO's dispute settlement mechanism and US adherence to progress on multilateralism, it said.

Three specific issues were addressed by China: the US Seafood Import Monitoring Programme; US abuse of trade remedy measures; and US failure to implement the obligation under Article 15 of China's Accession Protocol to stop using the "surrogate country" – third-party prices or costs – in calculating anti-dumping margins in investigations. These concerns had already been raised by China in the Council and other WTO bodies but had not been addressed by the United States.

The United States said WTO agreements permit members to treat China as a non-market economy for as long as facts on the ground show this to be so. Japan was also of the view that WTO members are allowed to continue disregarding Chinese prices as a basis for anti-dumping calculations.

Waiver requests

The Council approved four collective waiver requests extending deadlines for updating WTO goods schedules to

take account of the harmonized system changes (2002, 2007, 2012 and 2017). It took note of Jordan's new export subsidy programme for domestic producers, in particular small and medium-sized enterprises (SMEs).

The Council also considered a draft decision to derestrict additional GATT negotiating material from tariff negotiations which took place between 1947 and 1956. The derestricted material includes records kept by the WTO Secretariat on bilateral requests, offers and agreements negotiated. The decision contributes to the WTO's efforts to enhance transparency.

E-commerce

A significant number of delegations pointed to the benefits and opportunities that e-commerce could provide to developing countries, least-developed countries (LDCs) and SMEs by making it easier for them to take part in global trade. However, they also noted that while the digital economy has developed remarkably in recent years, there has been only limited progress at the WTO on the e-commerce work programme, launched in 1998. E-commerce is also discussed in the Council on Trade in Services, the Trade-Related Intellectual Property Rights Council and the Committee on Trade and Development.

Other members reiterated that trade facilitation and transparency in e-commerce regulations could be a good start for negotiations and identified e-signatures, e-certification, e-authentications and paperless trade as areas where progress could be made and where an outcome could be achieved. In Buenos Aires, the 11th Ministerial Conference called on members to "reinvigorate" discussions on e-commerce and agreed to further extend a moratorium on customs duties on e-transmissions (see page 97).

Some members emphasized the importance of maintaining discussions on other aspects of e-commerce, such as online trade in services, as well as commitments for consumer protection, data privacy and intellectual property rights. Other members reiterated the need to work on a "mapping" paper identifying elements of substance and position.



11th

The 11th Ministerial Conference called on members to “reinvigorate” discussions on e-commerce.

Delegations from the African Group and LDCs, as well as India, Cuba, Ecuador and Bolivia, focused on the digital divide or the stark differences in capacities and supporting infrastructure among members, which they said could lead to uneven participation in e-commerce or nullify any benefit to their micro, small and medium-sized enterprises (MSMEs). Some delegations said it is premature to discuss multilateral rule-making in e-commerce while many poorer members are not able to participate in digital trade.

The Goods Council Chair, Ambassador Choi Kyonglim (Korea), said there is strong interest in e-commerce among members and lauded the “very strong” exchange of experiences, practices and views. But he noted that differences remain.

Transparency

At the request of New Zealand, the Council discussed transparency issues and considered at its session on 10 November a proposal from the United States on procedures to enhance transparency and strengthen notification requirements.

Delegations stressed that transparency is not only crucial for the work of the WTO but is also a fundamental principle of the multilateral trading system.

Some members suggested that the Council hold discussions to identify more accurately the reasons behind the variable notification performance. It was pointed out that notifications of subsidies, import licensing and quantitative restrictions are very low. Members reaffirmed their readiness to discuss how to enhance transparency and help members, especially developing countries and LDCs, comply with their notification obligations.

Other issues

Australia invited members to an information session on an initiative to establish binding international rules ensuring the duty-free temporary admission of containers, pallets and packing materials. Australia said this initiative would reduce trade costs and assist MSMEs.



Market access

- **WTO members raised eight trade concerns at the two formal meetings of the Committee.**
- **The Committee made progress in updating members' schedules of commitments to reflect the latest international tariff classification standards.**
- **Members agreed to derestrict a large number of negotiating materials from the General Agreement on Tariffs and Trade (GATT) era.**
- **The Committee received 11 notifications of quantitative restrictions, down from 15 in 2016; it agreed to hold a capacity-building workshop in spring 2018.**

Background on market access

The Committee on Market Access supervises the implementation of tariff and non-tariff commitments not covered by any other WTO body. In addition, it seeks to ensure that members' schedules of concessions are up to date, including changes required to reflect amendments to the harmonized system (HS). Without this, it would be difficult to compare members' commitments with the measures they apply in practice. The HS, which is administered by the World Customs Organization, allows countries to classify traded goods on a common basis. It has been updated five times since 1996.

Trade concerns

WTO members raised eight trade concerns. The European Union considered that Angola's consumption tax discriminated against imports. Similarly, Mexico and the European Union saw Argentina's law to promote its auto-parts industry as discriminatory. The European Union, Japan, Chinese Taipei and the United States considered that China's tariffs on certain integrated circuits exceed its bound duties. Japan expressed concern over China's import tax on personal effects at the border.

Canada, the European Union, Japan, Korea, Chinese Taipei and the United States considered that India's duties on telecommunication products exceed its bound duties and commitments undertaken under the Information Technology Agreement. Switzerland expressed concern over the excise tax levied by the Kingdom of Saudi Arabia on energy drinks and carbonated soft drink products and over duties applied by Oman on cigarettes. The European Union considered that Russia's tax on wine is discriminatory because it treats wines with a geographical indication (GI) differently, and only some GIs are recognized.

Harmonized System

The Committee continued its work to ensure that WTO members' schedules of concessions reflect amendments made by the World Customs Organization to the Harmonized System nomenclature, which take place every four to five years.

The amendments are typically referred to by the year in which they enter into force. They include HS96, HS2002, HS2007, HS2012 and HS2017. These "transposition" exercises help guarantee that members' schedules are up to date and that tariff obligations are transparent, allowing applied tariffs to be compared with members' WTO obligations.

The HS96, HS2002 and HS2007 exercises have been nearly concluded for all members and the Committee made good progress on HS2012 by circulating for certification 52 files. Work to update schedules to HS2017 has not yet begun. The Committee agreed to extend four collective waivers for the introduction of different versions of the Harmonized System.





The WTO Secretariat issued an update of its “Situation of schedules of WTO members”, which lists all the legal instruments relating to each member’s schedule of commitments. It also prepared a report on renegotiations under GATT Article XXVIII on the modification of members’ schedules, which seeks to enhance transparency and facilitate monitoring of the status of such negotiations.

Databases

The WTO Secretariat reported on the Integrated Data Base (IDB), which provides information on applied tariffs and import data as notified by WTO members, and the Consolidated Tariff Schedules (CTS) database, which compiles information on the legal obligations reflected in members’ schedules of commitments.

IDB data coverage has significantly improved in recent years, but important gaps remain. At present, insufficient notifications mean that IDB data has to be complemented with data coming from other sources. The Secretariat encouraged WTO members to notify the relevant data and to reduce the gaps.

Quantitative restrictions

The Committee received 11 notifications of quantitative restrictions (QRs), down from 15 in 2016, from Australia, Canada, the European Union, Japan, Kazakhstan, Mauritius, Nicaragua, Singapore, Switzerland, the United States and Uruguay.

Quantitative restrictions, a term that refers to prohibitions and other restrictions that do not take the form of a tariff or a tax, are allowed in some defined circumstances. Under the QR notification decision, WTO members must provide detailed information on the prohibitions and restrictions they maintain, including their justification under WTO rules. The Secretariat issued a report summarizing factual information on notifications received.

WTO members discussed how best to improve the low number and quality of these notifications and instructed the Secretariat to update the practical guide on quantitative restrictions, to review the WTO webpage and the QR database, and to organize a capacity-building workshop on QR notifications in spring 2018.



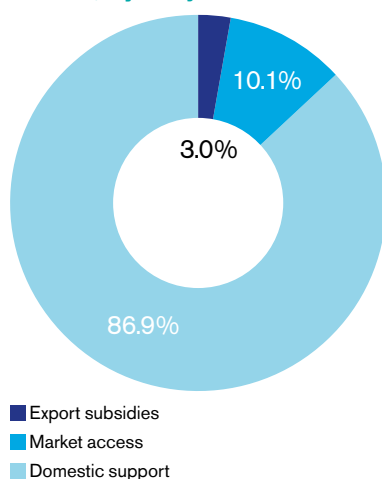
Agriculture

- **The Committee continued to express concern over WTO members' slow pace of notifications of trade measures.**
- **Members raised 199 questions about notifications, the highest number in ten years.**
- **Australia became the first WTO member with export subsidy entitlements to eliminate them following the Nairobi decision.**
- **The WTO Secretariat organized two Geneva workshops – one to strengthen the participation of least-developed countries in Committee work and the other on notification requirements.**

Background on agriculture

The Agreement on Agriculture aims to reform trade and make WTO members' policies more market-oriented. The rules and commitments apply to market access, domestic support and export competition as well as export restrictions and prohibitions. The Committee on Agriculture, meeting in regular session, oversees the implementation of the Agreement. The Committee also monitors follow up to the Marrakesh ministerial decision regarding net food-importing developing countries, which sets out objectives on the provision of food aid and other assistance.

Figure 1: Questions on notifications raised in the Committee on Agriculture in 2017, by subject area



The Committee on Agriculture reviewed 45 notifications of WTO members' agricultural trade measures, and members raised 199 questions, the highest number for ten years. As in previous years, the majority of these questions were on members' notified domestic support (subsidy) measures. Figure 1 gives a snapshot of the proportion of questions on notifications raised by subject area.

Members raised questions about the latest domestic support measures notified by the United States and the European Union for 2013 and 2014. India responded to questions from Australia on its minimum support price for wheat. Once again, Canada's milk ingredients policy received much attention from members.

For the first time, the question of Brexit – Britain's planned exit from the European Union – was discussed in the Committee. Indonesia asked the European Union to clarify how the United Kingdom intends to allocate its tariff rate quotas for agriculture products, and what would be the procedure to grant the generalized scheme of preferences to developing countries. The United States, Argentina, China and Russia signalled their interest in this matter.

Other issues raised by members included the Philippines' plan to convert import restrictions into tariffs while the European Union sought information from Argentina on its tax refund programme, which aims to promote the export of

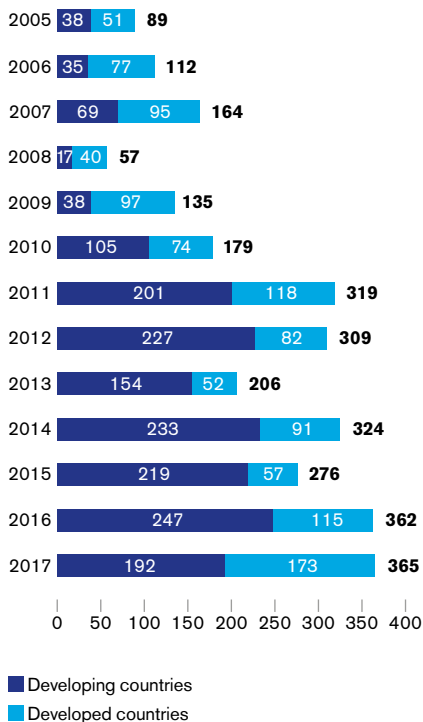
agricultural goods. The United States asked Indonesia about a new regulation that requires local milk processors to procure local milk.

The review of WTO members' progress in implementing their subsidy and market access commitments under the Agriculture Agreement is largely based on notified information. Article 18.6 of the Agreement also allows members to raise other matters relevant to the implementation of commitments at any time. In 2017, members posed 123 such questions in the Committee, the second-highest number in one year to date.

Figure 2 shows the annual proportion of questions addressed to developed and developing countries. Out of the 365 questions raised in 2017 (including questions on individual notifications, overdue notifications, Article 18.6 and questions raised under the "other" category), 192 were directed to developing countries. Developing countries continued to be less active than developed countries in posing questions, asking just 25 in 2017.

Members again voiced specific concerns about compliance with regular (annual) notification obligations, particularly in domestic support and export subsidies. For the period 1995-2015, 35 per cent of domestic support notifications (765 notifications) and 33 per cent of export subsidies notifications (816 notifications) remained outstanding as of October 2017.

Figure 2: Questions addressed to developed and developing countries, 2005-2017



Committee Chair Alf Vederhus (Norway) echoed calls for increased efforts to get up to date with notification obligations. He also commended efforts made by a few members, notably in submitting agriculture notifications covering multiple years. Figure 3 shows the number of regular agriculture notifications submitted to the Committee compared to the total number of years covered by those notifications. Since 2009, the average number of years reported per notification has fluctuated between two and three.

Export competition

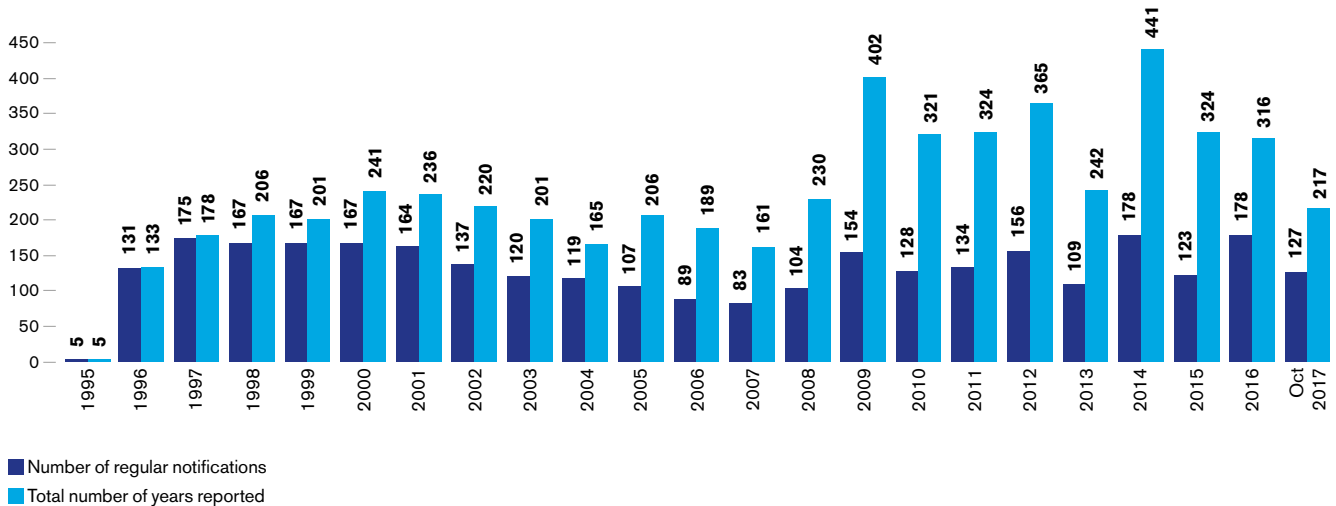
Australia became the first WTO member with export subsidies entitlements to eliminate them from its WTO schedule of commitments. In October, the European Union became the second WTO member to formally initiate the process of implementing the landmark 2015 Nairobi Ministerial Decision to eliminate export subsidies for developed countries. Elimination takes effect three months after the document outlining the changes is circulated to members.

The Committee held its annual dedicated discussion on export competition, which aims to enhance transparency and improve monitoring. Export competition covers export subsidies, export credits, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises.

The discussions were based on a WTO Secretariat background document compiling information provided by WTO members on their export competition policies. As an input to the discussions, the Cairns Group of farm goods exporters and Russia circulated a paper considering the alignment of members' reported policies with the disciplines agreed in the Nairobi decision. During the meeting, members exchanged questions and answers on specific measures in relation to the implementation of the decision.



Figure 3: Number of regular notifications and total years reported (1995 to October 2017)



Information exchange

A number of side events were organized in the margins of Committee meetings. An Organisation for Economic Co-operation and Development (OECD) seminar explored the policy influences of participation in agricultural global value chains. The International Food Policy Research Institute launched a book – *Agriculture, Development and the Global Trading System: 2000-2015* – and the UN Food and Agriculture Organization organized an information session on its food price monitoring and analysis tool.

Workshops on agriculture

The WTO Secretariat organized two Geneva-based workshops in 2017. One was aimed at deepening least-developed country (LDC) participants' understanding of the rules of the Agreement on Agriculture and enhancing LDC members' participation in the Committee on Agriculture. A total of 28 government officials from 23 LDC members attended.

The annual agriculture notification workshop was held in March, providing training to 25 capital-based officials from developing countries. The training covered the notification requirements and formats of the Agreement on Agriculture and the work of the Committee. Participants were also introduced to the new system for the online submission of notifications, which will improve both the efficiency of processing the information and the accuracy and consistency of data reported. In addition, the system will capture the data contained in the notifications in a searchable format.

Transparency tools

The Committee's work on monitoring and transparency benefits from a comprehensive database system – the Agriculture Information Management System. This system provides public access to: (a) agriculture-related information notified by members; and (b) questions raised and responses provided in the context of the Committee's review process.

Balance of payments

- **The Committee concluded its consultations with Ecuador following the country's lifting of import surcharges imposed for balance of payment reasons.**

Background on balance of payments

The Committee on Balance-of-Payments Restrictions is responsible for the review of all import restrictions applied by WTO members for balance-of-payments purposes. Under WTO rules, measures can be taken to safeguard a member's external financial position and (in the case of developing countries) to ensure a level of reserves adequate for the implementation of programmes of economic development. When adopting balance-of-payments measures, members must give preference to those with the least disruptive effect on trade.

On 16 June, Ecuador notified the WTO that, as of 1 June 2017, it had removed all the import surcharge measures imposed in March 2015. In July, WTO members welcomed the announcement and agreed to conclude consultations with Ecuador.

Ecuador imposed the surcharges in March 2015, for 15 months, in response to a sharp drop in oil prices starting in late 2014, which led to a deterioration in the country's balance of payments. The tariff surcharges were initially fixed at between 5 per cent and 45 per cent and were applied to nearly 3,000 tariff lines, or 38 per cent of the country's

total. Following an earthquake in April 2016, Ecuador extended the surcharge for one year, until June 2017.

WTO members facing balance-of-payment difficulties may apply import restrictions under provisions in the General Agreement on Tariffs and Trade 1994 and under the General Agreement on Trade in Services. A member applying new restrictions or substantially intensifying existing ones is obliged to consult with the Committee on Balance-of-Payments Restrictions. Members were divided on whether Ecuador's application of the import surcharge complied with WTO rules.



Sanitary and phytosanitary measures

- **The Committee considered a proposal to enhance international standards on maximum pesticide residue levels in food trade.**
- **Pesticides restrictions, which agri-exporters say can be too stringent, featured prominently among trade concerns raised.**
- **The Committee adopted the Fourth Review of the working of the Sanitary and Phytosanitary (SPS) Measures Agreement after a long delay.**
- **WTO members' notifications of SPS measures reached nearly 1,500 in 2017, with developing countries accounting for 71 per cent.**

Background on sanitary and phytosanitary measures

The Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures establishes the rights and obligations of WTO members regarding measures taken to ensure food safety, protect human health from plant or animal-spread diseases, protect plant and animal health from pests and diseases, or prevent other damage from pests. Governments must ensure that their SPS measures are necessary for health protection and based on scientific principles.

Pesticide residues

The Sanitary and Phytosanitary (SPS) Committee considered a proposal submitted by Kenya, Uganda and the United States to enhance international standards on maximum pesticide residue levels (MRLs) in food trade, with greater transparency and cooperation on the development and application of MRLs. Complying with different norms on MRLs in different markets, or sometimes the absence of such norms, for what is permitted in or on food products to ensure no risk to human health can be a costly obstacle to trade, especially for small enterprises and exporters in developing countries.

The proponents urged members to share information and experiences on the development of MRLs on a voluntary basis. The proposal was submitted as a follow-up to a Committee-organized workshop in October 2016 on MRLs. It called, among other things, for regular reports to the SPS Committee about relevant international and regional activities and discussion on the role of the Committee in coordination and harmonization of standards.

Seventeen trade ministers issued a statement at the 11th Ministerial Conference in Buenos Aires highlighting the importance of this work and discussions are expected to continue in the Committee.

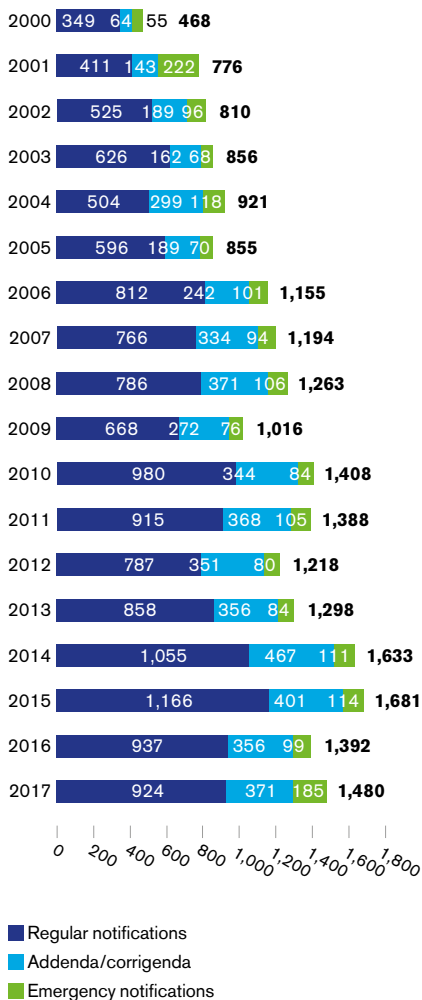
Specific trade concerns

WTO members raised a range of specific trade concerns on pesticides in food products, which many agri-exporters say are too stringent and impede trade, especially to the detriment of farmers from developing countries, at a Committee meeting on 2-3 November which drew a very high number of WTO members and observers.

Among issues raised, Peru voiced concerns, shared by others, over the European Union's MRLs for three pesticides, one of which is commonly used to control fungal infection in mangoes. Argentina and the United States took issue with delays in renewed EU authorization for glyphosate, an herbicide widely used for weed control.



Figure 4: Number of SPS notifications per year, 2000-17



Other new concerns raised over the year included Viet Nam's import suspension of groundnut imports, a proposed US rule to revoke pesticide residue tolerances for chlorpyrifos, a common insecticide used on many agricultural crops, and India's fumigation requirements for cashew nuts, teak wood and other products. Concerns were also raised about a Gulf Cooperation Council guide for control of imported food and Brazilian measures on bananas.

Previously raised concerns included EU proposed criteria to define chemicals that can interfere with hormone systems – endocrine disruptors, the US seafood monitoring programme and the transparency of China's food safety measures.

In all, 17 new concerns were raised, and many other previously raised concerns were discussed again. Members informed the Committee about the full or partial resolution of 29 specific trade concerns, compared with just two in 2016.

Of the 434 trade concerns raised since 1995, WTO members have reported solutions for 166. A partial solution has been reported for another 41, meaning that not all members raising the concern

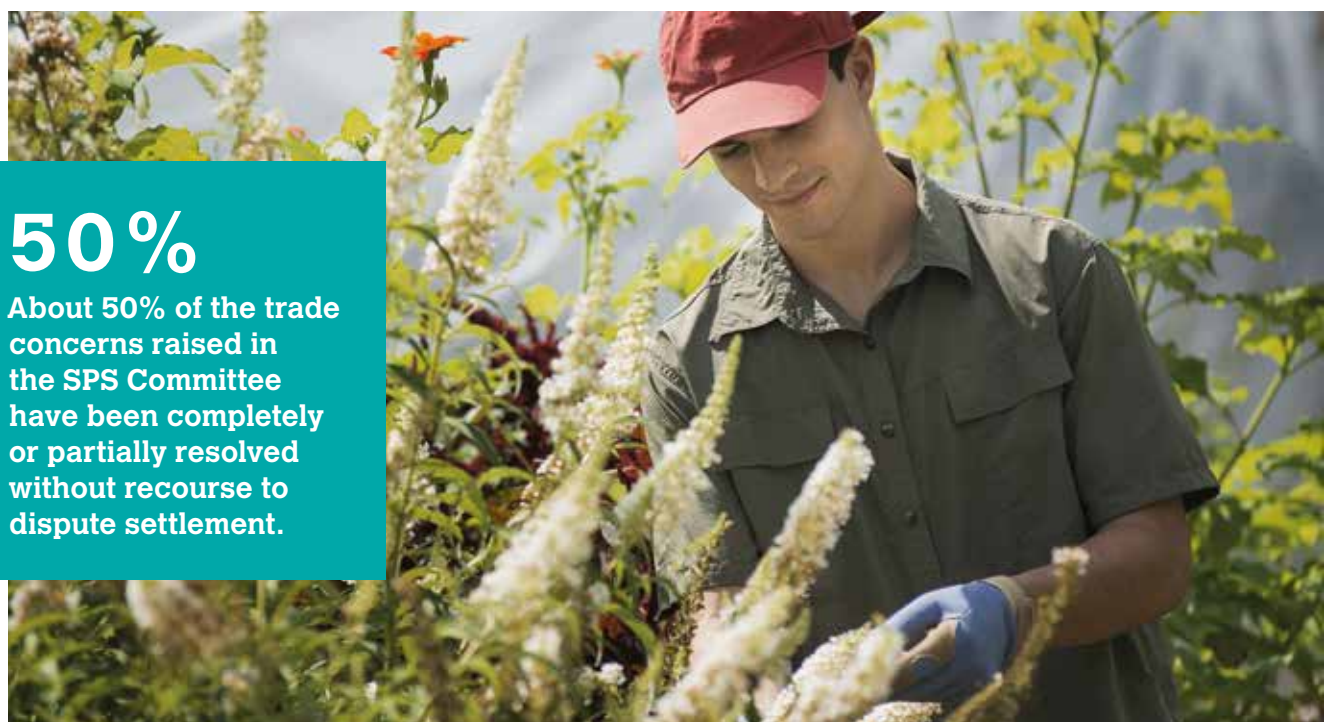
accepted the solution or that a solution was found for only some of the products at issue.

Altogether, about 50 per cent of the specific trade concerns raised in the SPS Committee since 1995 have been either completely or partially resolved. For the remaining half, WTO members have not reported any solution.

Regionalization

Outbreaks of animal diseases lead to many trade restrictions, and often these restrictions are difficult to remove even when the disease has been successfully eradicated. Regionalization, or the establishment of pest- or disease-free areas, is a way to reduce the trade impact of animal diseases.

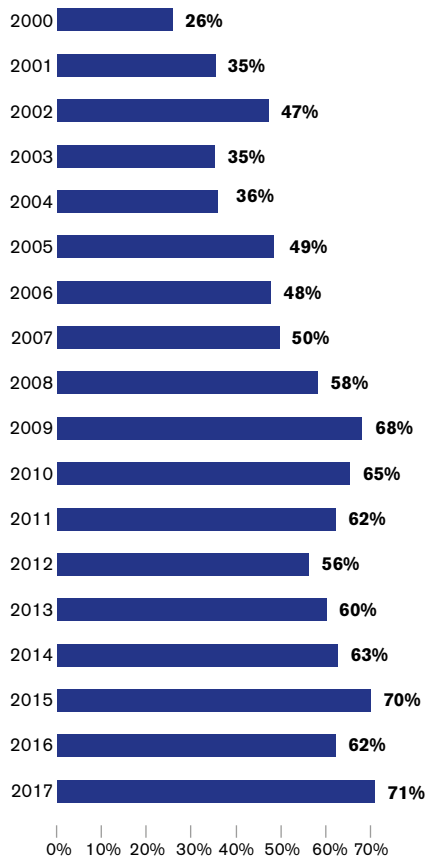
The Committee held a thematic session on regionalization in the animal health area in July 2017, covering relevant provisions of the SPS Agreement, Committee guidelines and jurisprudence. The Deputy Director-General of the World Organisation for Animal Health (OIE), Dr Matthew Stone, presented OIE standards on regionalization and WTO members shared experiences. The Committee decided to hold a further session, on pest-free areas for plants, in early 2018.



50%
 About 50% of the trade concerns raised in the SPS Committee have been completely or partially resolved without recourse to dispute settlement.



Figure 5: Share of SPS notifications submitted by developing countries, 2000-17



Review of the SPS Agreement

The SPS Committee adopted the report of the Fourth Review of the Operation and Implementation of the SPS Agreement in July. Adoption has taken over three years due to disagreement over a recommendation that the Committee continue to consider problems relating to private standards on food safety, animal and plant health. Members finally reached a compromise, with wording suggesting they are unable to agree on that recommendation.

The SPS Agreement requires the Committee to carry out a review at least once every four years. The report of the third review had been adopted in March 2010. Members requested that the WTO Secretariat begin preparations for the Fifth Review.

Transparency

Advance notice of changing SPS requirements is crucial to avoid unnecessary trade disruptions. The Committee continued discussing a joint proposal by Chile and the European Union, which contains suggestions on the notification of trade-facilitating SPS measures, sharing of unofficial translations of notified measures and creating a central platform with online access to WTO members' final SPS regulations.

The SPS Committee also held a workshop on transparency in October. The workshop included training on the use of the improved SPS Information Management System and the online

Notification Submission System as well as the ePing SPS/TBT notification alert system. The workshop also provided a forum for discussion and experience-sharing on national consultation mechanisms for SPS regulations and on other developments, challenges and practices in the area of SPS transparency.

Notifications by developing countries

As Figure 4 shows, the total number of SPS notifications has grown steadily, contributing to improved transparency. In 2017, members submitted 1,480 notifications. Of these, 924 were regular notifications (down from 937 in 2016) and 185 were emergency notifications (up from 99 in 2016).

Notifications inform trading partners of coming changes in the importing member's requirements and – unless there is an urgent health protection issue – provide a period during which partners can comment before they enter into force. When there is an urgent health problem, members submit an emergency notification immediately upon the regulation's entry into force.

In 2017, developing countries accounted for 71 per cent of all SPS notifications (up from 62 per cent in 2016, see Figure 5). Since 2008, developing countries have submitted more than 50 per cent of all notifications of new or changed food safety, animal or plant health regulations with an effect on international trade. Two developing countries submitted notifications for the first time – Rwanda and Seychelles.

Technical barriers to trade

- **The Committee held “thematic” sessions on conformity assessment, good regulatory practice and risk assessment.**
- **Specific trade concerns hit a record 177 but only 27 were new, substantially fewer than in recent years.**
- **In a sign of greater transparency, notifications reached a record level. Uganda presented the most, the first time an African and least-developed country has been the most prolific in notifications.**
- **The Committee began preparations for the 8th Triennial Review.**

Background on technical barriers to trade

The Technical Barriers to Trade (TBT) Agreement aims to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade. The number of regulations adopted by WTO members has continued to grow in response to consumers' demands for safe, high-quality products, the protection of health and the need to curb pollution and environmental degradation.

Thematic sessions

The Technical Barriers to Trade (TBT) Committee held three “thematic” sessions to exchange information and expertise on topics covered by the TBT Agreement. The sessions focused on conformity assessment procedures, good regulatory practice and risk assessment.

The TBT Agreement allows WTO members to assess whether products conform with their consumer safety, health and environmental requirements but these requirements must not restrict trade unnecessarily and or discriminate against other members. The International Trade Centre (ITC) presented a survey on non-tariff measures and conformity assessment procedures, showing that certification and testing are some of the main barriers facing exporters worldwide.

Australia's presentation explored whether global conformity assessment systems are fit for purpose, given the complexity of global value chains. International bodies, such as the International Electrotechnical Commission, the International Standards Organization and the Organisation for Economic Co-operation and Development, stressed the importance of common international standards, guidelines and recommendations.

The session on good regulatory practice featured presentations by the Philippines, Canada, Korea and the European Union. The Philippines outlined various national and regional initiatives and suggested that a capacity-building facility be established to help institutionalize good regulatory practice in developing countries.

On risk assessment, WTO members highlighted the importance of aligning certification practices with the nature and level of risk posed by products.

Specific trade concerns

WTO members raised a record 177 specific trade concerns (see Figure 6). Only 27 were new concerns, however, substantially fewer than in recent years. Concerns covered a wide range of product regulations, including those dealing with the consumption of alcohol, food labelling (nutrition information, origin information, etc.), toy safety, medical devices, pharmaceutical products, trade in solid waste, safety of chemicals, the energy efficiency of vehicles and, increasingly, information technology (IT) products as well as cybersecurity-related concerns.

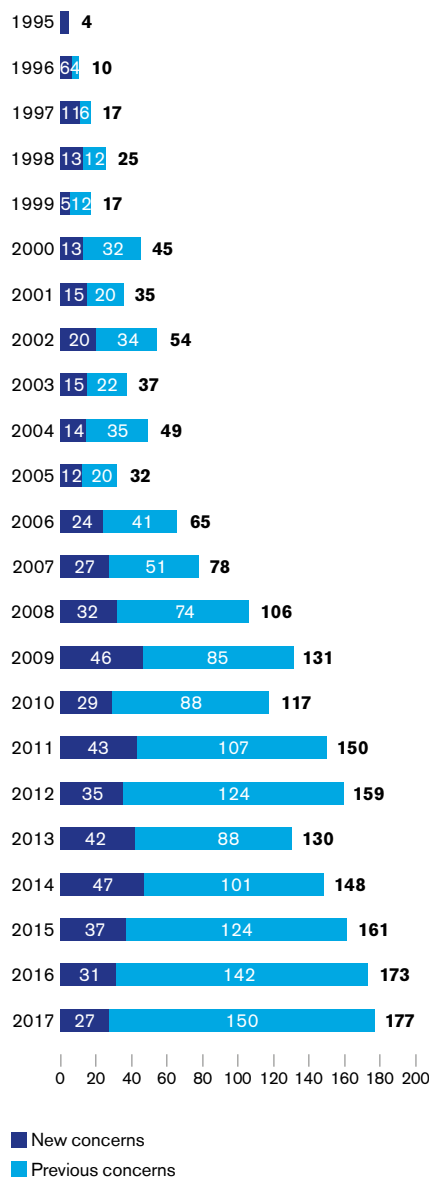


WTO members raised a record 177 specific trade concerns in 2017.



Regulations on food labelling were among the concerns raised by WTO members.

Figure 6: Specific trade concerns raised in the TBT Committee, 1995 to 2016



Notifications

In 2017, WTO members submitted a record 2,587 notifications of new (or changed) draft measures. Most of these were submitted through the WTO's online portal, a system which enables the WTO Secretariat to publish notifications within two days of receipt.

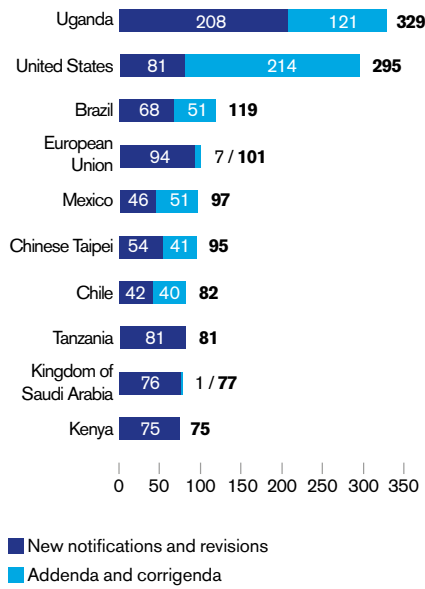
The portal allows members to track the status of submitted notifications through a user interface and facilitates the preparation of similar notifications through the use of templates. For the first time, an African and LDC member (Uganda) was the most prolific notifying member (see Figure 7).

ePing

The notification alert system ePing (www.epingalert.com) has seen a steady rise in subscribers. By the end of 2017, it had more than 3,000 registered users.

Sanitary and phytosanitary (SPS) (see page 75) and TBT notifications reached more than 4,000 in 2017, creating a challenge for stakeholders to keep track of evolving product requirements. By registering on ePing, users can receive daily or weekly email alerts containing SPS/TBT notifications covering products/markets of particular interest to them. The overall aim of ePing is to help public and private sector stakeholders avoid unnecessary trade disruptions.

Figure 7: TBT notifications, top notifying members 2017



The WTO, ITC and the UN Department of Social Affairs have continued their collaboration in enhancing the system. In addition, ePing’s web-based platform helps national Enquiry Points reach out to domestic users to discuss notifications and/or provide complementary information.

Capacity building

Demand for TBT-related technical assistance has increased in recent years. In 2017, the WTO Secretariat organized 31 training activities, including two regional workshops and ten national workshops. The activities were designed to help participants expand their understanding of the TBT Agreement, discuss challenges in implementing the Agreement and to learn more about the work of the TBT Committee.

Observers

The TBT Committee received updates from representatives of various observer organizations on their latest activities, including on technical assistance.

These included the African Organisation for Standardisation, the Bureau International des Poids et Mesures, the FAO/WHO Codex Alimentarius Commission, the International Electrotechnical Commission, the International Organization of Legal Metrology, the International Organization for Standardization, the UN Economic Commission for Europe, the UN Industrial Development Organization and the World Health Organization.

Preparations for the 8th Triennial Review

Members agreed on a roadmap and timeline for the 8th Triennial Review. Every three years, members use the triennial review process to evaluate how they are applying the TBT Agreement. The aim of the 8th Review is to improve implementation of the TBT Agreement based on members’ experiences and to set a plan for future work of the Committee in 2019-21. The review process is scheduled to be completed in November 2018.



Subsidies and countervailing measures

- **The Committee reviewed WTO members' notifications of subsidies and countervailing duty legislation.**
- **Chairs alerted members to “chronic” low compliance with notification obligation on subsidies.**
- **The Committee continued consideration of US proposal on subsidy programmes not included in members' notifications.**

Background on subsidies and countervailing measures

The Subsidies and Countervailing Measures (SCM) Agreement regulates WTO members' use of subsidies and countervailing measures on subsidized imports of a product found to be injuring domestic producers of that product. The SCM Committee serves as a forum for members to discuss the implementation of the SCM Agreement and any matters arising from this.

In 2017, the Subsidies and Countervailing Measures (SCM) Committee reviewed WTO members' notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing actions and *ad hoc* notifications of preliminary and final countervailing measures taken.

At the spring meeting, Chair Jin-dong Kim of Korea spoke of the “discouraging” low compliance with the fundamental transparency obligation to notify subsidies, saying it constitutes a serious problem for the proper functioning of the SCM Agreement. His successor, Ieva Baršauskaitė of Lithuania, returned to the theme in the autumn, referring to the “chronic low compliance”.

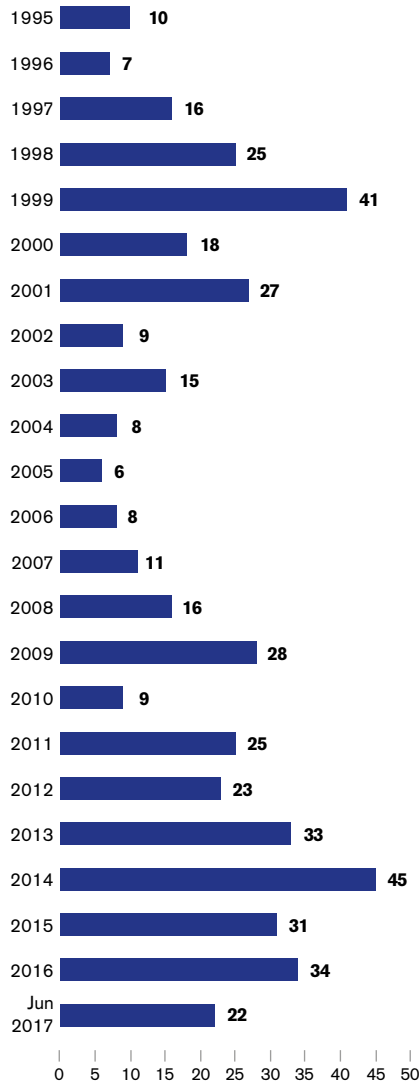
The Committee began its consideration of 2017 new and full notifications and continued reviewing previous ones. It continued to discuss ways to improve the timeliness and completeness of notifications and other information flows on trade measures. The Committee again considered a proposal by the United States on procedures for questions and answers for subsidy programmes not included in members' notifications. It also discussed Australia's proposal regarding additional information to be included in a WTO Secretariat compendium on subsidy notifications.

Both chairs urged developing countries that had not yet made final notifications of the elimination of their export subsidy programmes to do so. Nineteen developing countries had been given a final two-year extension, to the end of 2015, for the elimination of such programmes, with final notifications of removal due by end-June 2016. The Committee reviewed four notifications in 2017, which left eight notifications outstanding.

Least-developed countries (LDCs) and developing countries with a per capita gross national income below US\$ 1,000 a year, calculated in constant 1990 dollars, are exempt from the export subsidy prohibition. Based on World Bank calculations, 12 WTO members, down from 14 the previous year, were still in the latter category in 2017.

The Committee reviewed notifications of countervailing actions taken (see Figure 8). As of 30 June 2017, there were 154 notified measures (definitive duties and undertakings) in force, up from 126 the year before.

Figure 8: Countervailing initiations by reporting member, 1 January 1995 to end-June 2017



The Committee returned to the issue of whether subsidies contribute to overcapacity in sectors such as steel and aluminium.

The Committee returned to US requests to China about its support programmes for fisheries as well as its “Internationally Well-Known Brand” programme for exporters, which the United States says is a subsidy. It also considered requests from China to the United States and from the European Union and the United States to China regarding steel subsidies. In addition, the Committee returned to the issue raised by the United States of the elimination by India of export subsidies for textile and clothing products.

The Committee continued to discuss a US proposal to enhance notifications on fisheries subsidies. Several members expressed support but no consensus was reached.

The Committee returned to the issue of whether subsidies contribute to overcapacity in sectors such as steel and aluminium. Members continued to discuss the potential role the Committee could play. China said the Committee was not the proper forum to discuss the issue of overcapacity.

*Figure 8 covers initiations up to the end of June 2017. Data for the second half of 2017 are not yet available.



Anti-dumping practices

- **WTO members initiated 139 new anti-dumping investigations from January to June 2017, slightly down from 145 in the same period in 2016.**
- **India and the United States were the leading initiators, accounting for nearly half of the total.**
- **Investigations involving steel products continued to dominate discussions in the Committee on Anti-Dumping Practices.**

Background on anti-dumping practices

WTO members can apply “anti-dumping” measures on imports of a product where the exporting company exports the product at a price lower than the price it normally charges in its home market and the dumped imports cause or threaten to cause injury to the domestic industry. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement.

Steel products accounted for more than

35%

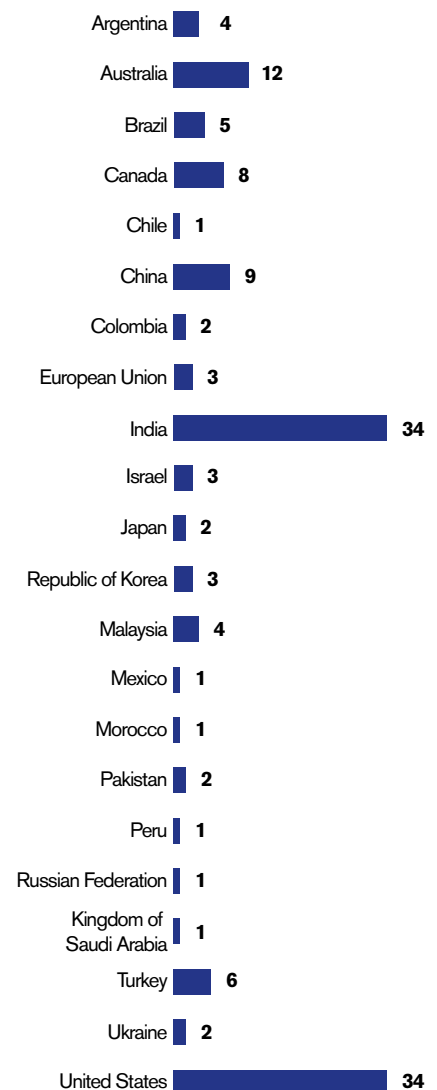
of all new anti-dumping investigations.

India and the United States each initiated 34 anti-dumping investigations in the first six months of 2017. India’s total was down from 48 in the previous year, while US investigations increased from 24. Australia, Brazil, Canada, China, Turkey and Ukraine also initiated more investigations than in 2016. Other frequent users of anti-dumping investigations, including Argentina, the European Union, Chinese Taipei and Pakistan, initiated fewer investigations. After India and the United States, the top initiators in 2017 were Australia (12), China (9) and Canada (8) (see Figure 9).

Investigations involving steel products continued to dominate discussions in the Committee on Anti-Dumping Practices. Steel products accounted for more than 35 per cent of all new investigations. Several members asserted a link between overcapacity and high anti-dumping activity.

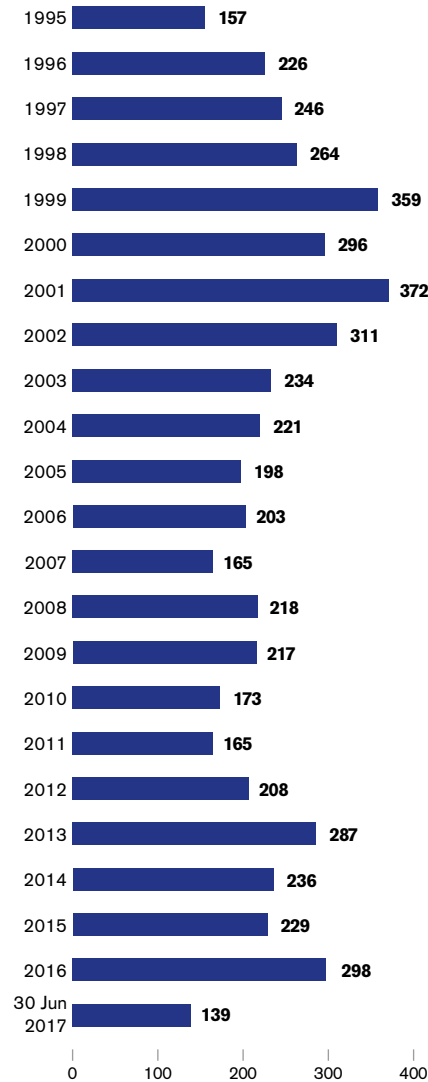
At its spring and autumn meetings, the Committee reviewed semi-annual reports for the second half of 2016 submitted by 44 WTO members and semi-annual reports for the first half of 2017 submitted by 45 members. At the October meeting, Committee Chair, Faisal Saud Sulaiman Al-Nabhani of Oman, noted that a “significant number” of WTO members failed to submit semi-annual reports for the first half of 2017.

Figure 9: Anti-dumping investigations by reporting member, 1 January 2017 to end-June 2017*



* Figure 9 covers initiations up to the end of June 2017. Data for the second half of 2017 are not yet available.

Figure 10: Anti-dumping investigations by year, 1 January 1995 to end-June 2017*



The Committee also reviewed *ad hoc* notifications of preliminary and final actions taken by 31 and 30 WTO members at the spring and autumn meetings, respectively. As of 30 June 2017, 46 members had notified the WTO of 1,675 anti-dumping measures (definitive duties and undertakings) in force, up from 1,598 the previous year.

The Committee reviewed new notifications of legislation submitted by Armenia, Brazil, El Salvador, the European Union, India, Japan, Kyrgyz Republic and New Zealand.

The Working Group on Implementation, which serves as a forum for the exchange of information on member practices, held two meetings in 2017. Among the issues discussed were: standards for initiation of anti-dumping investigations; ensuring effective participation in investigations; analysis of price effects of imports; and the methodology for analysing imports made by firms in the domestic industry. Some WTO members made presentations or provided papers describing their practices while other members contributed to the discussions with questions or comments.

Steel products dominated discussions in the Anti-Dumping Committee.

* Figure 10 covers initiations up to the end of June 2017. Data for the second half of 2017 are not yet available.



Customs valuation

- **Four WTO members notified the Committee of national legislation but the overall record of notifications remained poor.**
- **Despite broad support, the Committee did not agree on Uruguay's proposal on customs valuation of software and data carriers.**

Background on customs valuation

The value of a good plays a critical role in the calculation of import duties and it is indispensable for the calculation of *ad valorem* duties, which are the most common type of duties applied. The WTO's Agreement on Customs Valuation seeks to establish a fair, uniform and neutral system for the valuation of goods for customs purposes, precluding the use of arbitrary or fictitious values. The Committee on Customs Valuation manages this agreement as well as the Agreement on Pre-shipment Inspection.

In 2017, the Committee on Customs Valuation continued reviewing the implementation and administration of the Customs Valuation Agreement. But the low level of notifications of WTO members' national legislation continues to hamper this work.

Notifications on customs valuation were received from four members during 2017. As of the end of 2017, 98 WTO members had notified their national legislation, giving a compliance rate of 72 per cent, and 66 members had provided responses to the checklist of issues related to their legislation, a compliance rate of 49 per cent.

The Committee removed from its agenda a long-standing item underlining the importance of customs cooperation in dealing with customs fraud. Members agreed that the Trade Facilitation Agreement, with its provisions on customs cooperation, covered the issue.

Despite broad support, the Committee did not reach consensus on Uruguay's long-standing proposal to amend the Committee's 30-year-old "Decision

on the Valuation of Carrier Media Bearing Software for Data Processing Equipment" to ensure that software on newer types of media carriers, such as USB keys, is not treated differently in customs valuations from software imported using older types, such as CDs or DVDs.

At the meeting of November 2017, Canada raised a new concern regarding Colombia's use of reference pricing for apparel.

The Committee concluded the review of the national legislation of five members – Cabo Verde, Colombia, Ecuador, Montenegro and Nicaragua. It continued its review of 13 others.

Pre-shipment inspection

In 2017, the Committee carried out the fourth triennial review of the Pre-shipment Inspection (PSI) Agreement. The key issues continued to be the status of notifications of PSI measures and the concern of some members that not all measures are being notified. There were no notifications received on pre-shipment inspections.



Rules of origin

- **The Committee examined how non-preferential rules of origin affect trade.**
- **The Committee adopted new template for notifying origin requirements in non-reciprocal trade preferences for least-developed countries (LDCs).**
- **Several members submitted new notifications about trade with LDCs, allowing the WTO Secretariat to study preference utilization.**
- **The WTO launched a revised rules of origin website.**

Background on rules of origin

Rules of origin are the criteria used to determine the country in which a product is made. They are used in the implementation of many trade measures, including trade statistics, the determination of customs duties, labelling of country of origin and the application of anti-dumping measures. The main objective of the Agreement on Rules of Origin is to harmonize the rules that all WTO members use to determine origin in their non-preferential trade. This work is conducted by the Committee on Rules of Origin and is referred to as the harmonization work programme.

Several members informed the Committee about efforts to simplify origin-related requirements for products from least-developed countries.

Non-preferential rules of origin

In 2017, the Committee on Rules of Origin continued to examine the impact that non-preferential rules of origin have on international trade and businesses. During an information session in March, WTO members heard presentations by the British Chamber of Commerce and the United Nations Conference on Trade and Development (UNCTAD) on the importance of simplifying and, if possible, harmonizing non-preferential origin requirements.

Negotiations on rules of origin have been stalled since 2007 and the Committee has been holding so-called information sessions as part of a transparency and educational exercise that members agreed to initiate in 2014. Building on the various presentations made during these information sessions, Switzerland proposed the initiation of discussions on possible “principles and guidelines” on non-preferential rules of origin. Consultations on this were conducted throughout 2017.

Non-preferential rules of origin are those which apply in the absence of any trade preference – that is, when trade is conducted on a most-favoured-nation (MFN) basis. Some trade policy measures, such as quotas, anti-dumping or “made in” labels, may require a determination of the country of origin and, therefore, the application of non-preferential rules. Almost 50 WTO members currently apply national rules of origin for non-preferential purposes.

A mandate for the negotiations was included in the WTO’s Agreement on Rules of Origin but talks were halted by divergences on a number of “core policy” issues.

The Chair of the Committee, Gerald Pajuelo (Peru), acknowledged the difficulties related to the harmonization work programme but asked members to identify other areas where technical work would be useful. He invited members to draw conclusions from presentations made in the information sessions so that concrete proposals could be considered.

Preferential rules of origin

The Committee moved forward with implementing the 2013 Bali and 2015 Nairobi ministerial decisions on preferential rules of origin for least-developed countries (LDCs). Ministers set out guidelines to make it easier for LDC exports to qualify for preferential market access.

In 2017, the Committee adopted a new template for the notification of rules of origin applying in non-reciprocal trade preferences for LDCs. Several members notified their requirements using the template, which allowed for greater comparability and a more focused discussion by members. These notifications will be gradually made available through the WTO Preferential Trade Agreements (PTA) database, making such requirements easier to access and understand. In addition, Australia, Canada, China and Norway informed the Committee about specific efforts being made to simplify their origin-related requirements.





Least-developed countries benefit from guidelines designed to make it easier for their products to qualify for preferential market access.

Several members made new notifications regarding their trade with LDCs, strengthening the WTO tariff and trade databases and allowing the WTO Secretariat to prepare preliminary studies on the utilization of trade preferences. The objective of this work is to identify preferential schemes or sectors where utilization rates are low in order to assess whether origin requirements could be acting as a trade barrier. The Committee agreed to continue working in this area and instructed the Secretariat to update its report and prepare other disaggregated reports.

Revised webpage

In June, the WTO launched a revised version of its rules of origin webpages. WTO members and the general public can now directly access members' legislation and practices related to rules of origin. The revised webpage also contains updated information on the current work of the WTO's Committee on Rules of Origin.

Notifications received by the WTO Secretariat regarding members' preferential and non-preferential rules of origin are now directly accessible via the revised webpage (www.wto.org/origin). The revised webpages also contain new features, such as documents for meetings, links to relevant disputes and information on technical assistance.

Import licensing

- **The Committee reviewed 66 notifications from WTO members under the Agreement on Import Licensing Procedures, down from 87 in 2016.**
- **Six members submitted their first notifications; Committee continued its work on improving transparency and notification compliance.**
- **The Committee heard a number of specific trade concerns about import licensing rules and procedures.**
- **The WTO Secretariat held first workshop in Geneva on import licensing.**

Background on import licensing

The Agreement on Import Licensing Procedures establishes disciplines on WTO members' import licensing systems, with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. The Agreement says import licensing should be simple, transparent and predictable, and administered in a neutral and non-discriminatory way.

30

30 WTO members participated in a workshop on import licensing procedures.

The Committee on Import Licensing reviewed 13 notifications from 11 WTO members regarding publications and/or legislation on import licensing procedures and 22 notifications from 11 members relating to new import licensing procedures or changes in these procedures. It also reviewed 31 notifications from 26 members regarding responses to a questionnaire on import licensing procedures.

As of October 2017, 16 WTO members had not submitted any notification under the Agreement. In addition, 24 members had never submitted responses to the annual questionnaire on licensing procedures. WTO trade monitoring reports have identified import licensing as one of the main trade-restricting measures introduced by governments.

In 2017, six members submitted notifications for the first time under various provisions of the Agreement – Brunei Darussalam, Kazakhstan, South Africa, the Philippines, Togo and Gabon. The Chair, Fawaz Almuballi (Kingdom of Saudi Arabia), welcomed revised notifications presented by Mauritius and the Republic of Moldova, containing comprehensive lists of domestic regulations.

The low level of compliance with transparency obligations has been the main preoccupation of the Committee. One informal meeting was held in 2017 on improving transparency and streamlining notification procedures and templates. Most members expressed support for continuing the work on this.

The Committee provides a forum for exchanging views on specific trade issues. The United States reiterated concerns about Indonesia's import licensing regime for cell phones, handheld computers and tablets, about India's import licensing requirements for boric acid and about Mexico's steel import licensing programme. Thailand repeated its concerns about Indonesia's import licensing regime for tyres. The European Union expressed continued concerns about Brazil's regulatory requirements for nitrocellulose imports and Russia expressed disappointment about the European Union's import licensing system on steel.

Some members also expressed concerns regarding China's new import restrictions for certain recoverable materials and Indonesia's import requirements related to milk supply and circulation.

A first Geneva-based workshop on import licensing was organized by the WTO Secretariat in May 2017. Representatives from 30 members participated in the workshop.



Safeguards

- **New safeguard investigations fell to eight from 11 in 2016.**
- **WTO members imposed ten new measures, twice the 2016 number. More than half of the measures involved steel or aluminium.**
- **Members urged caution in use of safeguards.**

Background on safeguards

WTO members may take safeguard actions (temporarily restrict imports of a product) to protect a specific domestic industry from an increase in imports of any product that is causing, or threatening to cause, serious injury to the industry. In these circumstances, they have the right to restrict imports of the product from all sources (but not from a specific member or group of members). The Agreement on Safeguards provides rules concerning the investigation that must be conducted and the application of safeguard measures. During an investigation, importers, exporters and other interested parties may present evidence, give their views and respond to the presentations of other parties.

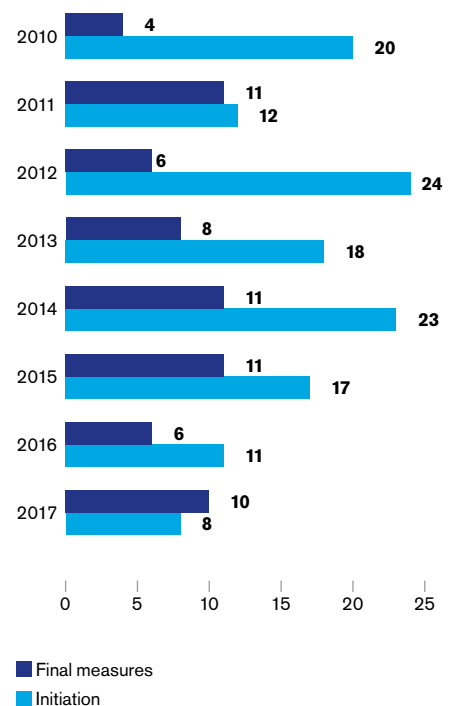
The number of new investigations initiated during 2017 fell for the third year running to eight from 11 in 2016 (see Figure 11). Investigations were initiated by India, the Cooperation Council for the Arab States of the Gulf (GCC) member countries, Turkey (two), Ukraine, the United States (two) and Viet Nam. The last time the United States initiated an investigation was in 2001.

WTO members imposed ten new safeguard measures, twice as many as in 2016. The countries that imposed final measures were China, GCC member countries, Jordan, Malaysia (two), Morocco, South Africa, Thailand, Turkey and Viet Nam.

Seven of the ten measures imposed in 2017 involved metals, specifically steel and aluminium, but none of the new investigations did.

Many members called for caution in the use of safeguard measures. They reminded the Committee that safeguards, unlike anti-dumping and countervailing duties, target exports that are not violating any WTO rules.

Figure 11: Safeguard investigations by year (for all WTO members)



Trade-related investment measures

- **The TRIMs Committee heard three new concerns covering local content requirements in Nigeria, Indonesia and Turkey.**
- **The Committee continued to discuss a number of concerns raised in previous years.**

Background on trade-related investment measures

The TRIMs Agreement recognizes that certain investment measures can restrict and distort trade. It states that WTO members may not apply any trade-related investment measure that discriminates against foreign products or that leads to quantitative restrictions, both of which violate basic WTO principles. A list of prohibited TRIMs, such as local content requirements, is part of the Agreement. The TRIMs Committee monitors the implementation of the Agreement and allows members to consult on any relevant matters.

The TRIMs Committee heard concerns about three new investment measures at its two meetings in 2017, all concerning alleged local content requirements, which stipulate that at least part of a good or service should be locally produced.

The first measure, discussed at the request of Canada and the United States, concerns guidelines on domestic content in information communications technologies adopted by Nigeria. The second, discussed at the request of the United States, refers to requirements adopted by Indonesia for dairy importation and distribution. The third, discussed at the request of the European Union and the United States, relates to Turkey's policy in the pharmaceutical sector.

The Committee continued to discuss measures that were raised in previous

years. These included measures adopted by Argentina in its auto parts industry and by China covering the use of technology by companies in the insurance industry. A number of Indonesian measures have been questioned, including the Industry Law and Trade Law, as well as requirements in the telecommunications sector, the energy sector and the retail sector. Members again raised concerns about the implementation of Russia's import substitution policy.

The Committee took note of one new notification submitted by Malawi under Article 6.2 of the TRIMs Agreement, which requires WTO members to notify the Committee of all publications in which TRIMs may be found, including those applied by regional and local governments and authorities within their territory.



Information Technology Agreement

- **The WTO marked 20th anniversary of the Information Technology Agreement (ITA) with symposium and publication highlighting its achievements.**
- **DG Azevêdo said ITA shows how WTO members can work together in different formats to overcome obstacles to trade.**
- **Georgia joined the ITA expansion agreement, taking participants to 26.**

Background on the Information Technology Agreement

The ITA was agreed in December 1996 in Singapore. The plurilateral agreement requires participants to eliminate duties on IT products on a most-favoured nation basis. The ITA covers a large number of high-technology products, including computers, telecommunications equipment, semiconductors, software and scientific instruments. The Committee of the Participants on the Expansion of Trade in Information Technology Products oversees the Agreement.

To mark the 20th anniversary of the ITA, the WTO organized a symposium and launched a publication. The symposium took place in June with the participation of the private sector, industry representatives and academic experts.

The symposium provided an overview of trade opening under the ITA and the evolution of global trade in information and communication technology (ICT) products over the past 20 years. It examined how ICT, as a development tool, can help developing countries and small and medium-sized enterprises in improving connectivity and can enable diversification, technology upgrading and innovation.

The publication *20 Years of the Information Technology Agreement: Boosting trade, innovation and digital connectivity* describes the evolution of the ITA and the significant impact it has had on trade in IT products. "In addition to the significant economic impact, the success of the ITA is notable because of what it says about the WTO. It shows that members can work together – in different formats – to tackle the obstacles that they face and bring solutions to the table. I think there are important lessons to learn from this deal," said Director-General Roberto Azevêdo.

“
The ITA shows members can work together – in different formats – to bring solutions to the table.
”

DG Azevêdo





WTO marks 20 years of the Information Technology Agreement.

ITA exports have more than tripled in value over the past 20 years.

The publication charts how ITA exports have more than tripled in value over the past 20 years and now represent 15 per cent of total merchandise products, exceeding the shares of automotive products, textiles and clothing and pharmaceuticals. The publication underlines how the lower cost and greater availability of computers and mobile phones has resulted in increased access to the internet and the growth of the digital economy, creating new opportunities for trade.

Product classification divergences

The Committee continued its work on divergences in classification of “Attachment B” products, in an effort to further reduce the number of ITA products without an agreed HS2007 customs classification code (see page 69). Attachment B products refers to a list of items attached to the 1996 Ministerial Declaration and for which there was no agreed tariff classification.

Non-tariff measures

An informal group of members, led by Switzerland, has been looking at issues such as conformity assessment, transparency and electronic labelling. On conformity assessment, the group discussed a mapping exercise

covering the areas of electromagnetic compatibility, electrical safety, radio equipment and environmental standards. On transparency, exploratory discussions have begun on ways to improve notifications. On electronic labelling, members exchanged information regarding their current practices and regulations.

Expansion of the ITA

Reporting on behalf of the ITA expansion group, Canada said that participants continued to implement tariff reduction commitments with respect to the 201 IT products covered by the landmark expansion deal, reached in 2015. The expansion of the ITA, to include more products, such as integrated circuits and touch screens, was the first major tariff-cutting agreement at the WTO since 1996.

All ITA expansion participants, except Albania, have submitted modified tariff schedules of commitments. The cuts will be applied on a most-favoured-nation basis, which means that all WTO members benefit from duty-free access in these markets. Georgia joined the group, bringing the number of participants to 26, representing 55 WTO members, including developed and developing countries, and accounting for approximately 90 per cent of world trade in these products.



State trading enterprises

- **The Working Party reviewed new and full notifications by 16 WTO members.**
- **Compliance with notification obligations remained poor.**

Background on state trading enterprises

State trading enterprises are defined as governmental or non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges to deal with goods for export and/or import. They are required to act in a manner consistent with the WTO principle of non-discriminatory treatment. The Working Party on State Trading Enterprises reviews notifications by WTO members of their state trading activities.

At its May and November meetings, the Working Party on State Trading Enterprises (STEs) reviewed the 2016 new and full notifications by 16 members regarding the activities of their STEs and asked questions about specific aspects of notifications made at previous meetings.

Compliance with notification obligations remained poor. For the 2016 notification period (covering 2014 and 2015), only 45 new and full notifications were received out of a total of 136 WTO members subject to this obligation. Members were encouraged by the working party to continue to work with their respective capitals and the WTO Secretariat to improve their notification record.

Trade in civil aircraft

Background on trade in civil aircraft

The Agreement on Trade in Civil Aircraft aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment – such as engines, radar, flight recorders and ground flight simulators – by eliminating tariffs on goods listed in its product annex, by promoting fair and equal competitive opportunities for civil aircraft manufacturers, and by regulating government support for civil aircraft development, production and marketing. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.

- **The European Union accepted the 2015 protocol amending the Civil Aircraft Agreement.**

In April 2017, the European Union submitted its letter of acceptance of the protocol amending the product annex of the Civil Aircraft Agreement. The protocol, which the Committee adopted in November 2015, brings the tariff classifications of covered products into line with the 2007 update of the Harmonized System, the system used for classifying goods for customs purposes. It enters into force for each signatory on the 30th day following the date of its acceptance.

The Committee continued the discussion of a proposal, tabled in November 2016, for another round of discussions to further update the products list to align it with the 2012 version of the Harmonized System.



Trade facilitation

- **The landmark Trade Facilitation Agreement (TFA) entered into force in February 2017.**
- **Implementation of the Agreement is making good headway and TFA acceptances reached almost 80 per cent of the WTO membership.**
- **The Trade Facilitation Committee started work under its first Chair.**
- **Effective trade facilitation is seen as requiring good cooperation between government agencies and the private sector.**

Background on trade facilitation

Negotiations on the Trade Facilitation Agreement were successfully concluded in December 2013 at the WTO's Ninth Ministerial Conference. The Agreement entered into force in February 2017 after two-thirds of members had ratified it. The Agreement aims to expedite the movement, release and clearance of goods, including goods in transit. It establishes measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. The Agreement also contains provisions for technical assistance and capacity building. The Committee on Trade Facilitation oversees the Agreement.

The landmark Trade Facilitation Agreement (TFA) entered into force on 22 February 2017 after acceptances of the required two-thirds of WTO members were received. Acceptances had risen to 128 by the end of January 2018, meaning that more than three-quarters (77 per cent) of all WTO members had completed their domestic ratification processes.

By expediting the movement, release and clearance of goods across borders, the TFA will have a significant economic impact, potentially reducing trade costs globally by an average of 14.3 per cent. These economic gains would be bigger than the elimination of all existing tariffs around the world, with the poorest countries benefiting most. Furthermore, and for the first time at the WTO, the requirement to implement an agreement is directly linked to a member's capacity to do so.

Good progress has been made on notifications, with a total of 62 related submissions received in 2017. The majority consisted of category notifications, a key element of the flexibilities granted to developing and least-developed countries. Many submissions specified when members will be able to implement the Agreement and shared information on required capacity-building support.

Members will implement the TFA provisions in accordance with the categories (A, B or C) in which they have designated their commitments. Category A covers TFA commitments members promised to implement on entry into force; Category B covers those that a developing or least-developed country will implement after a transitional period; and Category C covers commitments requiring technical assistance and capacity building to implement.



Trade Facilitation Agreement: Entry into force

Implementation of the Trade Facilitation Agreement (TFA) is expected to reduce trade costs significantly. The TFA entered into force on 22 February 2017.



14.3%

Full implementation of the TFA is expected to reduce trade costs by an average 14.3%, with least-developed countries forecast to enjoy an even bigger reduction.

2 days

The TFA is likely to reduce the time needed to import goods by over a day and a half and to export goods by almost two days.

By 2030, implementation of the TFA could add up to:

2.7%

2.7 percentage points per year to world trade growth.

0.5%

more than half a percentage point per year to world GDP growth.

The Trade Facilitation Committee held its inaugural session in May 2017.

Developed countries had to implement all provisions immediately.

Donor members provided information on their assistance for capacity-building activities, beneficiaries and implementing agencies. Information was also provided on contact points in responsible agencies as well as on the process for requesting support. Members also provided a series of transparency notifications mandated by the TFA. These submissions cover publication aspects, single-window operations, use of customs brokers and customs cooperation. All notifications can be accessed via the TFA database (www.tfadatabase.org).

Inaugural session

The Trade Facilitation Committee, which oversees the TFA, held its inaugural session in May 2017 and elected Ambassador Daniel Blockert of Sweden as its first Chair. The Committee conducted additional sessions in July and November, discussing matters such as rules of procedure, notifications, ratifications and technical assistance. Members also shared experiences with respect to the implementation of the TFA Agreement.

“Having the committee now in session marks an important milestone in our longstanding efforts to foster the facilitation of trade around the globe,” Ambassador Blockert told the first meeting. “We have finally reached the stage where our collective engagement over the past years is bearing fruit.

In doing so, we are testimony of what can be achieved – even under challenging circumstances – when working in coalitions of a common cause.”

Related events

A special event was held at the WTO in June to celebrate the Agreement's entry into force and to look at the road ahead. In a video message, Director-General Roberto Azevêdo described the TFA as a “ground-breaking” deal which represented “the greatest trade reform for a generation”. DG Azevêdo declared: “As the first multilateral deal since the WTO was created in 1995, the TFA demonstrated beyond doubt that the WTO can deliver.”

The one-day event – “The WTO Agreement on Trade Facilitation: from vision to reality – and to the future” – brought together negotiators involved in reaching the historic deal and trade experts to reflect on how the accord was forged and what it means for the future.

Also in June, the WTO issued a publication – National Committees on Trade Facilitation: Current Practices and Challenges – providing information on national experiences, best practices and recommendations with respect to the establishment and functioning of national committees. It reported that many WTO members have set up these national bodies for coordinating the implementation of the Agreement and would like assistance to ensure their effective functioning.





A special event at the WTO celebrated the TFA's entry into force and looked at the road ahead.

Trade facilitation can be a key contributor to sustainable development as speedier border crossings for goods and services help address poverty alleviation and even humanitarian crises, speakers at various sessions told the Aid for Trade Global Review in July. Coordination among customs authorities and other government agencies in a country is important, as are partnerships with the private sector, speakers said. "The difficult part is not necessarily technology. It's the coordination between many government agencies so we can realize coordinated border management," World Customs Organization Secretary-General Kunio Mikuriya said.

On the margins of the 11th Ministerial Conference in Buenos Aires, public and private sector leaders exchanged insights on implementing the TFA to fully reap the benefits of swifter and less costly trade at the border. Speakers at the event, entitled "Trade Facilitation on Track", highlighted the importance of local ownership of reform plans, multi-stakeholder cooperation and capacity building.

Trade Facilitation Agreement Facility

Through national and regional workshops, the Trade Facilitation Agreement Facility (TFAF) continued

in 2017 to help WTO members prepare for ratification of the TFA and submit notifications to allow them to benefit from flexibilities in implementing the Agreement.

While funding is an important element of the Facility, its core purpose is to help WTO members access the support they need through existing projects offered by bilateral donors as well as by international and regional organizations and the private sector. It is funded by WTO members on a voluntary basis.

Launched in 2014, the TFAF provides an information-sharing platform to provide resources, identify possible donors and undertake donor and recipient match-making activities. It will also provide project preparation and project implementation grants in cases where efforts to attract funding from other sources have failed.

The TFAF organized two courses aimed at helping the chairs of national trade facilitation committees to better understand the role of the committees and to increase their understanding of the Agreement. The Facility held meetings with partner organizations/donors to enhance coordination of support for implementation of the Agreement.



Trade in services

- **Notifications under services waiver for least-developed countries (LDCs) rose to 24.**
- **LDCs called for capacity building to maximize impact of the waiver.**
- **E-commerce discussions generated high level of engagement.**
- **China urged continued discussion of “new services” – those not specifically covered by the classification system of the General Agreement on Trade in Services.**

Background on trade in services

The General Agreement on Trade in Services (GATS) defines trade in services in terms of four types of transactions: mode 1 – cross-border supply (a supplier in one WTO member provides services to a consumer in another member’s territory); mode 2 – consumption abroad (a consumer from one member consumes services in another member’s territory); mode 3 – commercial presence (a foreign company provides services through establishment in another member’s territory); and mode 4 – presence of natural persons (individuals move to supply services in another member’s territory). The Council for Trade in Services oversees the operation of the GATS.

51st

In 2017, Panama became the 51st WTO member to submit a notification under the services waiver for LDCs.

LDC services waiver

In 2017, Panama became the 51st WTO member to submit a notification under the services waiver for LDCs. The waiver, agreed in 2011, enables WTO members to grant more favourable treatment to LDC services and service suppliers.

The 24 notifications of preferential treatment to LDC services and service suppliers (counting EU member states as one) are from: Canada, Australia, Norway, Korea, China, Hong Kong (China), Chinese Taipei, Singapore, New Zealand, Switzerland, Japan, Mexico, Turkey, the United States, India, Chile, Iceland, Brazil, the European Union, Liechtenstein, South Africa, Uruguay, Thailand and Panama.

LDCs provided detailed assessments of the preferences granted to them. Declaring the waiver a success, LDCs called for targeted capacity-building measures to enable their suppliers to utilize the preferences. They urged members to raise awareness of the waiver among their respective constituencies. They also called on the Services Council to explore ways to enhance the functioning of the waiver.

Exemptions to the MFN obligation

The Council concluded its fourth review of the exemptions that many WTO members took from the most-favoured nation (MFN) obligation on joining the WTO. The review examines whether the conditions that gave rise to the exemptions still existed. The Council agreed to set the date of the next review at its first meeting of 2022.

E-commerce

WTO members submitted various communications on e-commerce, generating a high level of engagement. Numerous delegations emphasized the transformative role of e-commerce, its positive impact on growth and development and its potential to reduce transaction costs, especially for the smallest enterprises. A number of members also shared information about their e-commerce domestic legal frameworks, the commercial and regulatory evolution of relevant sectors, such as e-payment and courier services, and their experience with negotiating related provisions in regional trade agreements.

Numerous members signalled their readiness to work towards an outcome on e-commerce at the 11th Ministerial Conference (MC11) in Buenos Aires. Various delegations called for a gradual approach focused initially on areas that enhance consumer and business confidence with electronic transactions.

Several members, however, argued against any WTO rule-making on e-commerce. They stated that some of the communications tabled went beyond the purely exploratory mandate for the work and that a number of the issues raised did not belong in the WTO. These delegations also underscored the need to put developing and least-developed countries (LDCs) at the centre of the debate.

MC11 extended a moratorium on customs duties on electronic transmissions for a further two years until the next ministerial session. Ministers also issued a call to “reinvigorate” work on e-commerce (see page 32).

Numerous delegations emphasized the positive impact of e-commerce on growth and development.

Other Services Council issues

WTO members could not agree on the organizing of a seminar on the movement of natural persons (mode 4), which covers the temporary movement of people (rather than companies) across borders to supply services, initially proposed by India in 2016. Nevertheless, India underscored its intention to have the Council continue discussing the seminar proposal.

In October, Japan and the United States expressed concerns about cybersecurity measures China recently adopted or is developing, and about measures that Viet Nam is developing. The European Union, New Zealand, Australia and Chinese Taipei echoed many of the concerns, and India and Brazil also intervened. Both China and Viet Nam provided a number of clarifications and stressed their right to regulate in pursuit of relevant public policy objectives. Russia again raised the reform of the Unified Gas Transportation System of Ukraine.

In accordance with the transparency provisions of the General Agreement on Trade in Services (GATS), the Council received 18 notifications of new or revised measures that could significantly affect trade in sectors where the notifying WTO members have commitments. Another seven notifications dealt with new economic integration agreements covering services trade.

Financial services

The Committee on Trade in Financial Services addressed electronic payments in discussions on the contribution of trade in financial services to financial inclusion. China provided an overview of recent developments in its electronic payments sector. The Friends of E-commerce for Development (Argentina, Chile, Colombia, Costa Rica, Kenya, Mexico, Nigeria, Pakistan, Sri Lanka and Uruguay) organized a seminar on digital payments and financial inclusion, held at the WTO in March 2017.

Under the Committee's ongoing review of global financial regulatory reform, the Committee on Payments and Market Infrastructures, the Financial Stability Board and the International Association of Insurance Supervisors made presentations on recent developments and discussed with members the potential implications for trade in financial services.

Jamaica, on behalf of the members of the Caribbean Community, submitted a draft proposal for a seminar on "de-risking and correspondent banking". Consultations on this proposal are continuing.

Specific commitments

China raised two issues at the sole meeting of the Committee on Specific Commitments. It challenged the view that discussion on "new services" – those that appear not to be specifically mentioned in the GATS classification system – has been exhausted.



According to China, the complexity of the subject and its direct relevance to the implementation of specific commitments by members warrant further in-depth examination on related issues in the Committee.

China also drew attention to a distinction between the terms “e-commerce” and “digital trade”. In China’s view, the interchangeable use of those two terms might cause misunderstanding and confusion in future work on e-commerce in the WTO.

Members differed on whether to continue the discussion on “new services” and on the need to draw a distinction between “e-commerce” and “digital trade”.

With regard to discussion of economic needs tests (ENTs), Turkey said that the problems that it had sought to address with its proposals, i.e. lack of clarity, transparency and predictability, are covered in the Trade Facilitation in Services Agreement proposed by India (see page 52). Turkey suggested that future work on ENTs, which condition market access to fulfilment of certain economic criteria pursuant to GATS Article XVI, focus on the acceptability and formulation of Article 5 of the proposed agreement.

Turkey’s suggestion was supported by India and Brazil. The Committee did not decide whether and how it should continue with its work on ENTs. A major problem with ENTs is that most relevant entries in members’ schedules of commitments provide no or minimal indication as to the criteria applied.

Trade-related aspects of intellectual property rights (TRIPS)

- **TRIPS amendment on affordable medicines came into force in January 2017.**
- **WTO members called for action to ensure the amendment can be used effectively.**
- **Twelve members notified the TRIPS Council of new or revised IP legislation.**
- **The Secretariat focused technical assistance on effective use of the amendment and its implementation in domestic legislation.**

Background on TRIPS

The intellectual property system has become central to debate about economic development and broader public policy questions, such as innovation policy and public health. The TRIPS Agreement is the most comprehensive international treaty governing the protection, administration and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members and to certain observers, administers the TRIPS Agreement, provides a forum for debate on policy issues and reviews the intellectual property legislation of individual WTO members.

Public health

On 23 January 2017, an amendment to the TRIPS Agreement came into force ensuring developing countries legal access to affordable medicines under WTO rules. It is the first time a multilateral WTO accord has been amended. The amendment became part of the WTO rule book after it was formally accepted by the necessary two-thirds of WTO members. It makes a special compulsory licensing system for affordable medicines a permanent part of the TRIPS Agreement.

“The amendment provides a secure legal pathway to access affordable medicines and puts this new procurement tool on a par with other TRIPS flexibilities directly relevant to public health,” said the Chair of the TRIPS Council, Ambassador Modest Jonathan Mero of Tanzania.

WTO members called for action to ensure that the system can be used effectively to deliver affordable medicines to countries in need. Possible actions proposed include awareness-raising among procurement and intellectual property (IP) officials on how to use the

system as a practical procurement tool, providing legislative and other assistance to countries to implement it in domestic law, and sharing of national experiences.

In response, the WTO Secretariat made a presentation on notification requirements and increased its existing focus on practical use of the system in its long-running series of capacity-building activities focusing on TRIPS and public health. For the first time, it organized a training activity tailored for a particular region – Latin America – on trade and public health with a particular focus on the use of the system across that region.

The General Council extended the period for acceptance of the amendment from the end of 2017 to December 2019 as 43 members had not yet provided acceptances. Those members will continue to benefit from a 2003 waiver granting access to affordable medicines from third-country sources.

TRIPS and public health continued to be addressed in various technical cooperation activities organized by the WTO Secretariat in collaboration with the World Health Organization,



Amendment to the TRIPS Agreement – Entry into force

The amendment eases poorer WTO members' access to medicines by allowing generic versions of patented medicines to be produced under compulsory licences (i.e. without the consent of the patent owner) exclusively for export to countries that cannot manufacture the needed medicines themselves. The amendment entered into force on 23 January 2017.



Four things you need to know about the TRIPS amendment:

1. Public health concerns

The amendment is entirely driven by public health concerns. African countries played a major role in bringing about this change.

2. Patience pays off

Law-making can sometimes be slow but patience pays off. WTO members first agreed to ease access to generic medicines for countries lacking production capacity in 2003. Two years later, this decision was transformed into a permanent amendment to the WTO's IP rules. The amendment finally entered into force in 2017 after two-thirds of WTO members had accepted it.

3. Compulsory licence system

The compulsory licence system for the export of medicines has been used once so far. A Canadian company exported HIV/AIDS medicine to Rwanda in 2008 and 2009. Efforts to ensure that the amendment can work effectively and deliver concrete results are under way.

4. Acceptance threshold

The amendment came into force once Burkina Faso, Liechtenstein, Nigeria, the United Arab Emirates and Viet Nam submitted their instruments of acceptance in January 2017, bringing the total number of acceptances over the required threshold of two-thirds of the WTO membership; this follows a recent sharp increase in the rate of acceptances filed.

The amendment provides a secure legal pathway to access affordable medicines.

the World Intellectual Property Organization (WIPO) and with other multilateral partners. The annual WTO workshop on trade and public health was held in Geneva in November and covered a wide range of trade and IP issues as they relate to public health, along with other perspectives, such as procurement strategies and the human rights dimension.

Promoting transparency

TRIPS notifications provide a unique body of information and are an important transparency mechanism on how members have adapted and applied general TRIPS standards in distinct ways that correspond to the domestic needs and circumstances.

In 2017, 12 members notified the Council of new or revised IP legislation. To date, 134 WTO members have notified their TRIPS implementing legislation, 110 have provided responses to a checklist notifying the essential elements of their systems for enforcement of IP rights and 141 members have notified contact points for cooperating with each other on eliminating trade in IP-infringing goods.

At the Council's meetings, several delegations provided additional explanations about the significance of the notified legislation. The Council was also briefed on the wide range of IP policy matters members had raised in other members' trade policy reviews.

In the Council's meeting of October 2017, India posed questions to the European Union concerning its legislation on customs enforcement for goods in transit. The European Union indicated its willingness to engage in talks with members concerned.

Based on the notifications received, the Council completed reviews of TRIPS implementing legislation of Saint Kitts and Nevis, Seychelles and Kazakhstan.

The Council was regularly updated on the WTO Secretariat's work on the e-TRIPS project. This project aims to streamline arrangements for submitting and managing notifications and for developing an on-line information service to improve the accessibility of materials relating to the TRIPS Council's work.



Plants, animals, biodiversity and traditional knowledge

The Council continued its discussion on the patentability of plant and animal inventions, the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD) and the protection of traditional knowledge and folklore.

Members' positions remained unchanged on two substantive questions: whether the TRIPS Agreement should be amended to prohibit the patentability of life forms; and whether – and, if so, how – TRIPS should do more to promote the CBD objectives of authorized access and equitable sharing of the benefits from the use of genetic resources and associated traditional knowledge in other WTO members' jurisdictions.

Views diverge on whether to amend the TRIPS Agreement to oblige WTO members to require patent applicants to disclose the source or the country providing genetic resources and associated traditional knowledge where the invention is based on such resources or knowledge.

Incentives for technology transfer

In October 2017, the Council undertook the 15th annual review of reports provided by developed countries on the incentives they give to promote and encourage the transfer of technology to least-developed countries (LDCs). The TRIPS Agreement, in Article 66.2, requires developed countries to provide such incentives.

The WTO Secretariat organized the 10th annual workshop aimed at strengthening dialogue on and understanding of the incentives and on the process of reporting them. The LDC Group indicated that LDCs still trail developed and developing countries in technology and that transfer of technology, as required by Article 66.2, would increase LDCs' prospects of developing local research institutions and the appropriate technology to bridge the gap and to meet UN Sustainable Development Goals (SDGs).

TRIPS non-violation and situation complaints

In 2017, the TRIPS Council continued its discussion on the application of so-called non-violation and situation complaints under the TRIPS Agreement, in particular on whether such disputes should be permitted, whether there is a need to establish the scope and ground rules (modalities) for such complaints and whose task it would be to propose possible elements for the scope and modalities.

In general, WTO disputes can be brought not only if an agreement or commitment has been violated but also if an expected benefit under an agreement has been nullified, even without any violation of the letter of the agreement. However, the TRIPS Agreement contained a five-year moratorium on initiating such "non-violation and situation complaints".

This moratorium has been repeatedly extended by ministerial conferences. At the 11th Ministerial Conference in Buenos Aires, in the absence of a final agreement on this question, ministers directed the Council to continue its examination of the scope and modalities for these complaints and make recommendations to the next Ministerial Conference in 2019.

WTO members welcomed the entry into force of the TRIPS amendment to ease access to medicines.



The WTO Secretariat focused its technical assistance on effective use of the TRIPS amendment on affordable medicines.

Technical cooperation and capacity building

The Council was updated on technical cooperation by developed countries, other intergovernmental organizations and the WTO Secretariat. The Secretariat focused its technical assistance on effective use of the TRIPS amendment on affordable medicines and its implementation in domestic legislation.

The WTO and WIPO again jointly delivered two advanced technical assistance courses for government officials and university teachers, in March and June in Geneva. The aim is to strengthen the capacity of developing-country participants to monitor and participate in international IP developments and to make informed assessments of IP policy issues.

In December, the Secretariat organized the first WTO specialized programme on the TRIPS Agreement and national judiciaries, which aimed to enhance the capacity of the judiciary on the policy and practice of disputes and other litigation on IP matters, particularly those elements covered by the TRIPS Agreement. It was attended by some 30 judges from developing countries and economies in transition who are currently dealing with IP matters.

IP and innovation

The Council continued its discussion and information exchange on IP and innovation, focusing on how IP protection can play a critical role in boosting collaboration-based innovation and competitiveness in small business; how IP frameworks and innovation policy assist micro, small and medium-sized enterprises (MSMEs) to successfully grow and help them integrate into global value chains.

Some delegations argued that the evidence does not support the assumption that strong intellectual property rights (IPRs) foster innovation. IPRs are only one among many factors contributing to innovation and innovation needs to be driven by what is in the public interest.

IP and the public interest

WTO members discussed the relationship between IP and the public interest, with a focus on compulsory licensing. Sponsors indicated a need to broaden understanding of how IP systems can be responsive to public interest considerations. While recognizing the need for balanced IP systems, some other members indicated that IPRs do not contradict the public interest. In their view, IP systems contribute to innovation, which is in the public interest.

E-commerce

Discussion on e-commerce was based on five submissions: Canada's submission on its national experience of an enforcement initiative against the sale of counterfeit products over the Internet; a joint paper by Argentina and Brazil on e-commerce and copyright; a paper by Argentina, Brazil and Paraguay on digital solutions for ensuring authenticity, integrity and privacy of online transactions within MERCOSUR (the Southern Common Market); the European Union's submission on regulatory frameworks, policies to ensure open markets, government initiatives facilitating the development of e-commerce and information sharing on e-commerce policies and their impact on e-commerce; and Singapore's paper on the potential of e-commerce to help small enterprises expand and the challenge of digital connectivity in many developing countries.



Trade and environment

- **International organizations briefed the Committee on efforts to restrict illegal, unreported and unregulated fishing.**
- **The Committee discussed international action on climate change and the role of the WTO.**
- **The Committee was briefed on various international treaties on hazardous chemicals and waste; it heard that trade has an important part to play in the management of these threats.**

Background on trade and environment

Sustainable development and protection and preservation of the environment are fundamental goals of the WTO. The Committee on Trade and Environment is responsible for examining the relationship between trade and the environment.

Sustainable Development Goal 14 aims to conserve and sustainably use the oceans, seas and marine resources.



Sustainable fisheries

In 2017, the Committee on Trade and Environment was briefed on global and national efforts to address illegal, unreported and unregulated (IUU) fishing, to which some US\$ 10-23 billion is estimated to be lost annually. The UN's Food and Agriculture Organization (FAO) outlined its legal instruments and tools to combat IUU fishing, including the global record of fishing and other vessels, voluntary guidelines for catch documentation schemes, and the Port State Measures Agreement, which entered into force in 2016.

The United Nations Conference on Trade and Development (UNCTAD) briefed WTO members on its 2016 Trade and Environment Review publication on fish trade, which describes the main trends and the likely impact of climate change on fish. The Organisation for Economic Co-operation and Development provided an overview of its Fisheries Support Estimate database, currently covering 31 countries.

Fiji presented the outcome of the UN Ocean Conference held in June 2017 to support the implementation of UN Sustainable Development Goal (SDG) 14, which aims to conserve and sustainably use the oceans, seas and marine resources. The call for action adopted at the conference includes

supporting sustainable ocean-based economies and accelerating WTO negotiations to tackle fisheries subsidies.

The WTO Secretariat reported on the fisheries subsidies negotiations in the WTO Negotiating Group on Rules. The 11th Ministerial Conference (MC11) in Buenos Aires in December called for agreement by the next conference in 2019 on comprehensive and effective disciplines on fisheries subsidies (see page 57).

Canada updated members on the plurilateral negotiations on fisheries subsidies launched in September 2016. These negotiations are open to all WTO members and are complementary to the ongoing multilateral negotiations.

Climate change and trade

The United Nations Framework Convention on Climate Change (UNFCCC) briefed the Committee on climate change discussions, notably meetings of parties of the Paris Agreement, which entered into force in November 2016, setting out a global action plan to limit global warming. Korea, New Zealand and Peru updated WTO members on their respective pledges under the agreement.

China outlined its renewable energy policy and projects. It said it had obtained almost 13 per cent of its





A workshop was held at the WTO in June 2017 to improve understanding of the relationship between trade and climate change.

energy from renewables in 2015, up from 6 per cent in 2005. New Zealand shared information on the Global Research Alliance on Agricultural GHGs, a partnership launched among 49 countries to increase food production without generating more greenhouse gases (GHGs).

A workshop, co-sponsored by Korea, Canada, Costa Rica, Mexico, Norway, Switzerland and Chinese Taipei, was held at the WTO in June 2017 to improve understanding of the relationship between trade and climate change. Director-General Roberto Azevêdo noted that “for the WTO to play its full part, members must continue to deepen their dialogue, identify where the challenges lie, what current practices are, and of course – what the WTO can bring to the table”. Several delegations expressed support for discussions in the WTO but others suggested that climate change is better left to other fora.

Reform of fossil fuel subsidies

On behalf of the Friends of Fossil Fuel Subsidy Reform (FFSR) – an informal group of non-G20 countries – New Zealand told the Committee that the FFSR Communiqué of 2015 continues to attract signatories. It calls for increased efforts to eliminate inefficient fossil fuel subsidies.

New Zealand considered the WTO to be uniquely placed to address the relationship between the reform of fossil fuel subsidies and trade. Jointly with Finland, it organized a high-level event at MC11 on “Fossil Fuel Subsidies Reform and Trade: Understanding the Linkages”. However, not all members see the WTO as the appropriate forum to discuss the issue.

Chemicals and waste management

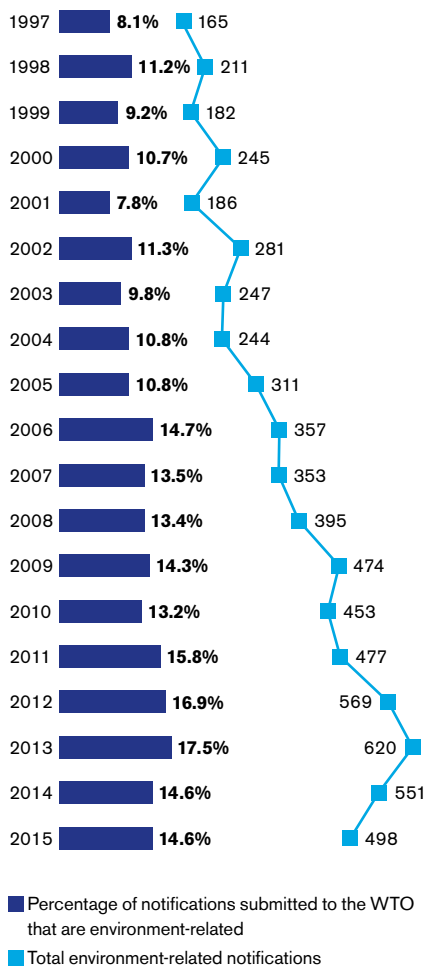
The Secretariat of the Basel, Rotterdam and Stockholm (BRS) conventions, which aim to protect human health and the environment from the harmful effects of chemicals and hazardous waste, briefed delegations on their “Conference of Parties” (CoP) meetings held in 2017. On the margins of the CoP meetings, the WTO and BRS secretariats organized an event which noted that trade has an important role to play in supporting global efforts to strengthen the management of hazardous chemicals and waste. The Committee was also briefed on the Minamata Convention on Mercury, which aims to protect against the harmful effects of mercury.

The United Nations Industrial Development Organization briefed the Committee on assisting countries in complying with obligations regarding polychlorinated biphenyls (PCBs) under the Stockholm Convention and in implementing the Minamata Convention. PCB, a man-made chemical the manufacture of which is banned, was widely used in the mining industry and its residual presence can be an environmental danger. Peru presented its experience with environmentally sound management of PCBs in the mining sector.

MEAs and other international organizations

In 2017, the WTO Secretariat introduced updates to the multilateral environmental agreements (MEA) matrix to include sections on the Port State Measures Agreement, the Paris Agreement and the Kigali amendment to the Montreal Protocol for the phase-down of the production and consumption of hydrofluorocarbons.

Figure 12: Environment-related notifications (1997-2015)



UN Environment Executive Director Erik Solheim and DG Azevêdo launched a new dialogue on using trade to strengthen both the economy and the environment.



The Ozone Secretariat of UN Environment briefed delegations on the Kigali amendment, adopted in October 2016, and urged WTO members to ratify it. The Committee was also updated by the International Organization for Standardization on its work to develop a standard on the carbon footprint of products. Some concerns were raised on the impact and WTO-consistency of such requirements, which could create trade barriers for developing countries.

WTO and UN Environment dialogue

Following on from UN Environment Executive Director Erik Solheim’s visit to the 2017 WTO Public Forum, the WTO and UN Environment will join forces to provide a platform for interested stakeholders from all sectors of society to exchange ideas, showcase successful experiences and improve understanding of how trade can more effectively help bring about inclusive and sustainable development, in line with the SDGs.

A high-level event is planned for Geneva in 2018 to bring together leaders from the public and private sectors to kick-start the work. The collaboration was announced at the World Economic Forum in Davos in January 2018.

“While trade has brought prosperity to many, we must ensure that it also works for our natural resources, for our climate and for all people,” UN Environment Executive Director Solheim said. Director-General Azevêdo said that the initiative was rooted in the very same notion that “inspired the creation of the

WTO more than 20 years ago: that trade can serve as a powerful tool to improve human well-being in all its dimensions – economic, social and environmental”.

WTO environmental database

The WTO Secretariat presented the 2014 and 2015 updates to the environmental database. The database covers all environment-related notifications submitted by WTO members (see Figure 12) as well as environmental measures and policies mentioned in trade policy reviews. Members called for improvements to the database interface and search functions.

Technical assistance and outreach

In 2017, the WTO held workshops on trade and the environment in Madagascar, Montenegro and Argentina. A joint WTO-United Nations Economic and Social Commission for Asia (UNESCAP) workshop for the Asia-Pacific was organized in Sri Lanka. Trade and environment training was also delivered as part of the WTO’s Geneva-based and regional trade policy courses and through the e-learning platform.

Outreach activities included a session on trade and the SDGs during the WTO Public Forum (see page 166) and an event to mark World Environment Day 2017, which explored the role of trade in helping reduce, reuse and recycle waste. At the Global Review of Aid for Trade, the WTO and the European Bank for Reconstruction and Development organized a side event on small and medium-sized enterprises (SMEs) and green value chains.

The WTO participated at the UN Ocean Conference and in activities organized by FAO and UNCTAD, among others, on sustainable fisheries and the implementation of SDG 14. The WTO also participated at the UN Environment Assembly and collaborated in side events held at the conference of parties meeting of the UNFCCC.



Trade and transfer of technology

- **The Working Group continued to analyse the relationship between technology transfer and trade.**
- **Discussions underscored that economies need to pursue policies that attract foreign direct investment.**
- **WTO members underlined the importance of experience-sharing by economies that have made rapid technological advances.**

Background on trade and transfer of technology

The Working Group on Trade and Transfer of Technology was established at the Doha Ministerial Conference in 2001 “to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the mandate of the WTO, to increase flows of technology to developing countries”.

WTO members continued their discussion on the relationship between trade and transfer of technology, but with a low level of engagement. Members recognized that technology and technical know-how play an important role in improving productivity, promoting export growth and supporting economic growth in developing and least-developed countries.

The discussions underscored the importance of effective transfer of skills and intangible know-how, successful learning and the effective application of such knowledge in the technology

transfer process and in enhancing production capability, securing economies of scale and achieving improvements in product quality. Economies, in their efforts to harness development, need to pursue policies that attract foreign direct investment and technology.

Members felt that rapid technological advances and an increasingly information-driven global economy are impacting on the competitiveness and market opportunities of specific groups and regions – a problem which a number of countries are struggling to address.

Pakistan told the July meeting of the Working Party that the fundamental goal of technology transfer is to help build technological capacities in countries which are at the lower rung of innovation and technical know-how. Transfer of technology is a long-term dynamic process and not a one-off transaction. It requires constant adaptation by all actors in the process, Pakistan said.

There was broad recognition that the path to innovation and technology could lead to development and industrialization creating wealth, jobs and improving standards of living. In this regard, the need for focused and meaningful work in the Working Group that could help address these challenges was repeatedly underscored. Members also laid emphasis on the importance of sharing experiences and concrete examples of how members which had made rapid advances on the technology frontier had overcome similar difficulties.



Spotlight:

Increasing women's role in trade

At the 11th Ministerial Conference in December 2017, WTO members joined for the first time a collective initiative to increase the participation of women in trade. By supporting the Buenos Aires Declaration on Trade and Women's Economic Empowerment, 120 WTO members and observers have demonstrated their commitment to helping women reach their full potential in the world economy and to removing barriers to women's advancement.

Supporters of the declaration have committed themselves, among other things, to sharing experiences and best practices on inclusive policies and data collection. They have also committed to working together in the WTO to ensure that Aid for Trade (see page 151) supports the development and implementation of more gender-responsive trade policies.

Director-General Roberto Azevêdo stated that the declaration "provides guidance from the members to the WTO for the way forward and the WTO will play its full part. It will be a vital element in the WTO's work to make trade more inclusive."

Three-quarters of men are in the labour force compared with only 50 per cent

of women. Close to 40 per cent of small and medium-sized enterprises (SMEs) worldwide are women-owned businesses but only 15 per cent of exporting firms are led by women. Globally, it is estimated that the elimination of all forms of discrimination against women would raise per capita productivity by 40 per cent.

Gender issues are being raised with increasing frequency at the WTO. For example, a group of members, led by Canada, proposed including gender equality in negotiations on domestic regulations in services. Other members, notably the European Union and Iceland, have used their trade policy reviews (see page 114) to highlight policy developments that contribute to gender equality. The gender perspective was also discussed at the WTO's Public Forum (see page 166).

At the WTO's Aid for Trade Global Review in July 2017 (see page 154), speakers at a high-level session on gender and trade said that removing barriers to women fully participating in trade is critical not only for the empowerment of women but also for economic growth and development in general. A number of other sessions at the Review were dedicated to gender issues, with donors and other partners discussing how to increase their focus on women's empowerment and how Aid





The Buenos Aires Declaration on Trade and Women's Economic Empowerment will be a vital element in the WTO's work to make trade more inclusive.



DG Azevêdo

for Trade impacts on women. Gender was also a cross-cutting issue in the Aid for Trade Work Programme for 2016-17.

The WTO marked International Women's Day on 8 March 2017 with a programme of events and discussions looking at women's economic empowerment and how more can be done to promote gender equality within the organization. The Director-General launched a report, "Women and the WTO", showing that the participation of women in the WTO Secretariat has increased steadily over the years while also highlighting areas where more progress can be made, including in chairing WTO bodies. In June 2017, for the first time, the WTO nominated a gender focal point to coordinate work among divisions.

The WTO's technical assistance plan for 2018-19, adopted in November 2017, gives the WTO Secretariat a mandate to develop a training module to "raise awareness and enhance the aptitude of policy makers to incorporate gender considerations in their analysis and trade policy development or negotiations".

In addition, the WTO has launched a partnership with the World Bank to

generate new data and promote better understanding of the impact of trade on women. It has also launched a research project with the Organisation for Economic Co-operation and Development looking at how Aid for Trade can help women's empowerment.

In October, the WTO launched an Action Plan on Trade and Gender, with four objectives: raising awareness on the link between trade and gender; facilitating WTO members' actions on trade and gender; generating new data on the impact of trade on women; and providing training to government officials and to women entrepreneurs.

The WTO also released a brochure, "Gender-Aware Trade Policy: A Springboard for Women's Economic Empowerment", on how trade can be a driving force for women's economic empowerment. It highlights that women play a vital role in the economy and if given equal opportunities, they could contribute to economic growth and social inclusion at all levels. The brochure underlines that trade can play a key role in delivering opportunities for women and can be a driving force for their economic empowerment.



Regional trade agreements

- In 2017, the WTO received 25 notifications of regional trade agreements (RTAs) currently in force, up from 22 in 2016.
- The notifications involved 15 new RTAs. The Americas notified the highest number – seven.
- The Committee continued to examine the impact of RTAs on the multilateral trading system.
- The RTA database was further improved, adding information and facilitating searches and comparisons.

Background on regional trade agreements

The Committee on Regional Trade Agreements (CRTA) monitors all regional trade agreements (RTAs) notified to the WTO, except those notified under special provisions for agreements between developing countries (the Enabling Clause), which are considered by the Committee on Trade and Development. The CRTA examines RTAs individually and considers their systemic implications for the multilateral trading system.

284

A total of 284 of the RTAs notified to the WTO were in force at the end of 2017.

Notifications

WTO members submitted 25 notifications concerning regional trade agreements (RTAs) in 2017. These notifications (submitted separately for trade in goods, services and accessions to existing RTAs) correspond to 15 new RTAs.

Of the 15 RTAs, six included goods and services provisions while nine included goods provisions only. In addition, one of these concerns an RTA that is not yet in force. As in 2016, only three of the RTAs were between developed and developing partners, while eight were between developing partners only and four RTAs were between developed partners only.

Members from the Americas were involved in the highest number of RTAs – seven – followed by the Asia Pacific region and Europe – five each. Other RTAs involved members from the Commonwealth of Independent States (four) and Africa (three). Nine of the agreements covered members from two different regions and six covered members from one region.

The notifications took the number of RTAs notified to the WTO by 31 December 2017 to 669, of which 455 were in force (see Figure 13). RTAs include free trade agreements and customs unions. Under WTO rules, the goods and services aspects of RTAs, as well as accessions to existing RTAs,

must be notified separately and thus are counted separately. However, if all three elements are counted together, the 669 notifications involved 479 individual RTAs, of which 284 were in force.

Some 69 RTAs had not been notified to the WTO as of 27 October 2017. Since 2011, the WTO Secretariat has been issuing a list of RTAs in force but not notified. In 2017, nine RTAs included in the list of non-notified RTAs were notified to the WTO.

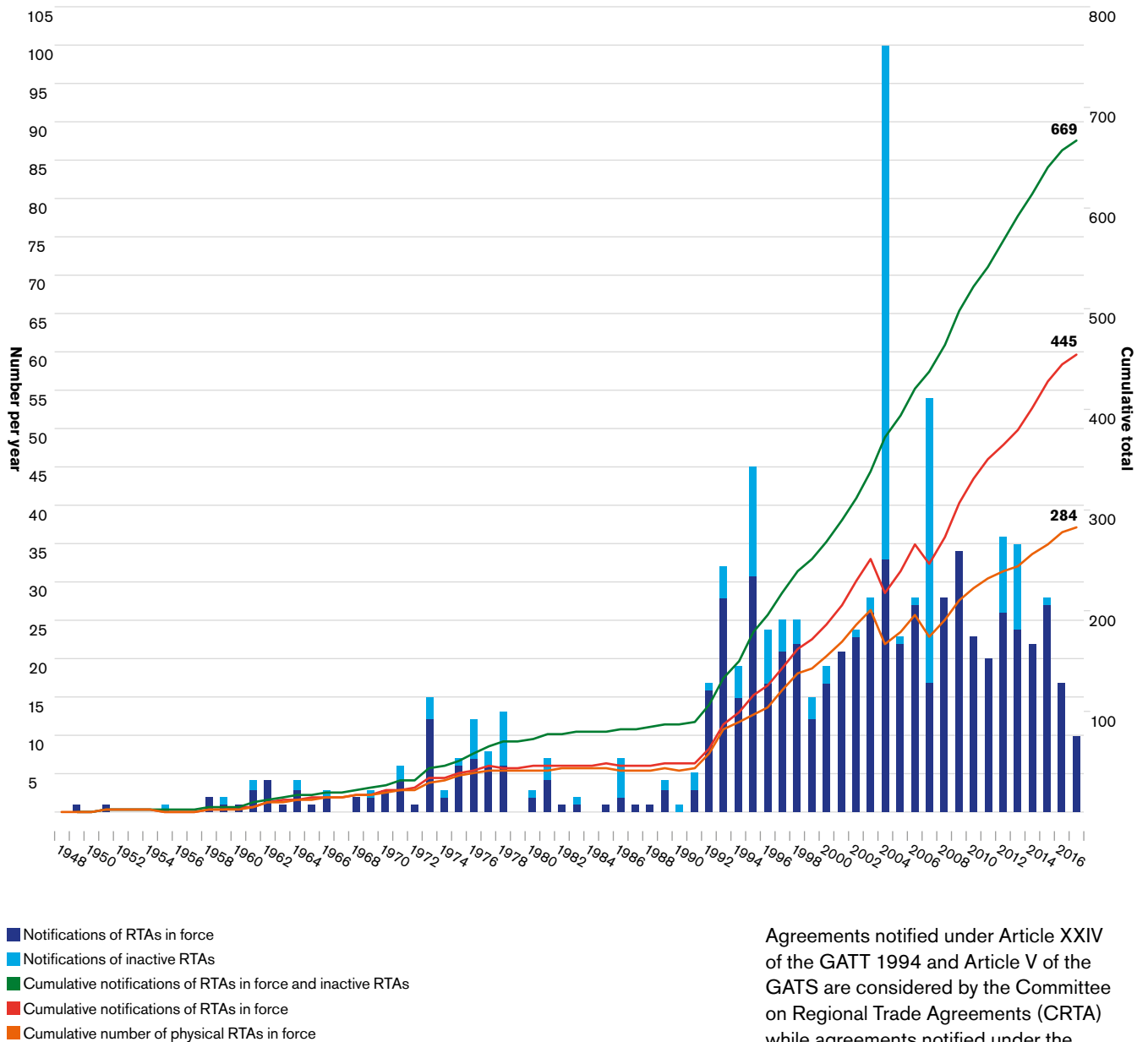
Monitoring RTAs

All RTAs, regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, the Enabling Clause between developing countries (for trade in goods), or Article V of the General Agreement on Trade in Services (GATS – for trade in services), are subject to the provisions and procedures of the transparency mechanism.

The mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat and the related information and data to be provided. It also requires the Secretariat to prepare a factual presentation on each RTA, and that each RTA be reviewed by WTO members. By the end of 2017, 159 RTAs involving 107 WTO members had been reviewed, up from 143 agreements involving 106 members at the end of 2016.



Figure 13: All RTAs notified to the GATT/WTO (1948 to 2017) by year of entry into force



Note: Notifications of RTAs: goods, services and accessions to an RTA are counted separately.
 Physical RTAs: goods, services and accessions to an RTA are counted together. The cumulative lines show the number of notifications/physical RTAs that were in force for a given year.
 Source: WTO Secretariat.

Agreements notified under Article XXIV of the GATT 1994 and Article V of the GATS are considered by the Committee on Regional Trade Agreements (CRTA) while agreements notified under the Enabling Clause (see page 110) are considered by a dedicated session of the Committee on Trade and Development (CTD), using the Secretariat's factual presentation as the basis for consideration (see Table 2).

Under the transparency mechanism, WTO members are encouraged to inform the Secretariat of any agreements currently being negotiated or those that have been signed but are yet to enter into force (so-called early announcements). They are required to inform the Secretariat of any changes to a notified agreement and to provide a report once an agreement is fully implemented.

Table 2: Regional trade agreements considered in 2017

| 1. Considered in the Committee on Regional Trade Agreements: |
|--|
| Iceland – The Faroe Islands (goods and services) |
| Russian Federation – Azerbaijan (goods) |
| Republic of Korea – Viet Nam (goods and services) |
| European Union – Ukraine (goods and services) |
| Georgia – Russian Federation (goods) |
| Republic of Korea – Colombia (goods and services) |
| Republic of Korea – India (services) |
| China – Republic of Korea (goods and services) |
| Mexico – Panama (goods and services) |
| European Union – the ESA States (Madagascar, Mauritius, Seychelles and Zimbabwe) (goods) |
| 2. Considered in the Committee on Trade and Development: |
| Association of Southeast Asian Nations (ASEAN) – India (goods) |
| <i>Note:</i> The table refers to 11 agreements, six of which covered both goods and services, four covered only goods and one only services. |

In 2017, the CRTA considered 16 notifications of RTAs, counting goods, services and accessions separately, compared with 29 in 2016 and 19 in 2015. The CTD held one dedicated session on RTAs and considered one RTA notified under the Enabling Clause.

The transparency mechanism also requires the Secretariat to prepare “factual abstracts” on RTAs examined by the CRTA prior to their entry into force. By the end of 2017, 72 factual abstracts of agreements currently in force had been prepared in consultation with the relevant RTA parties and posted in the RTA database.

In addition, three “early announcements” of RTAs were received from WTO members in 2017, one for a newly signed RTA not yet in force and two for RTAs under negotiation. As of December 2017, the WTO had received 106 early announcements. Sixty-seven of these had subsequently been notified to the WTO following entry into force of the agreements.

The CRTA also discusses end-of-implementation reports for RTAs. Most RTAs are implemented over a transition period and the transparency mechanism requires RTA parties to submit a short written report on how the liberalization commitments are put into effect. Two such reports were submitted in 2017. The reports are important for understanding whether RTAs accomplish what they set out to do. The Chair of the CRTA, Walid Doudech (Tunisia), noted that implementation reports had been due for 136 RTAs as of 13 February 2017 but only two were received during the year.

The General Council established the transparency mechanism on a provisional basis in 2006. Members are required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. The Negotiating Group on Rules started the review in 2011. In Nairobi in December 2015, ministers called on WTO members to work towards making the mechanism permanent.



The Committee discussed the relationship between trade facilitation provisions in RTAs and the WTO's Trade Facilitation Agreement.

Impact of RTAs on the multilateral trading system

With RTAs becoming increasingly comprehensive, the Nairobi Ministerial Declaration of December 2015 reaffirmed the need to ensure they remain complementary to, and not a substitute for, the multilateral trading system. It instructed the CRTA to discuss the systemic implications of RTAs for the multilateral trading system and their relationship with WTO rules.

In April, the Committee discussed the relationship between trade facilitation provisions in RTAs and the WTO's Trade Facilitation Agreement (see page 94). The discussion looked at how certain RTAs converge with or diverge from the provisions of the TFA. Members also heard how trade facilitation provisions in RTAs have evolved and shaped TFA negotiations and how, in turn, the TFA could set the basis for customs and trade facilitation chapters in future RTAs.

RTA database

The WTO's RTA database (<http://rtais.wto.org>), where details of RTAs notified to the WTO are stored, was further strengthened in 2017 with the addition of new features and more information. The new additions became available to the public on 14 December 2017. The principal changes involve:

- an expanded list of topics and provisions which can be searched across all notified RTAs currently in force (previously only a subset of RTAs was covered)
- interactive graphs on the evolution of RTA notifications to the GATT and the WTO
- an analysis of preferential tariffs (on a tariff line basis) as they are expected to be implemented by the RTA.

An expanded list of topics covered in RTAs

The number of topics covered has been expanded to 41 and the topics further sub-divided into 72 provisions.

This permits users to search the database for RTAs that contain one or several of these topics or provisions.

Interactive graphs

A series of interactive graphs allows the user to produce graphs showing the evolution of RTAs by country or region, or by date of entry into force, signature or notification. The underlying data used to produce the graphs can be exported to an Excel spreadsheet.

Preferential tariff search

The third new feature allows the user to search the preferential tariff offered by individual members of the WTO under their RTAs, compared to their latest most-favoured-nation tariff. The search function is provided at the tariff line level. Thus, an exporter in a given country could analyse preferential tariffs in distinct export markets for certain products and compare them to the MFN tariff.

The information generated by the database now permits users not only to identify RTAs with the provisions they are interested in, it also provides a clearer picture of any common features of RTAs and the evolution of emerging trends in RTAs.

Trade Policy Reviews

- **In 2017, the Trade Policy Review Body reviewed 23 WTO members.**
- **The eight West African Economic and Monetary Union members were reviewed together for the first time.**
- **Bolivia and Sierra Leone were reviewed after a 12-year gap.**
- **Six follow-up workshops and a regional roundtable trade policy workshop were held during the year.**

Background on Trade Policy Reviews

The Trade Policy Review Mechanism aims at encouraging all WTO members to adhere to WTO rules. Through its regular Trade Policy Reviews, the mechanism enables members to collectively examine the trade policies and practices of individual members in all trade-related areas. The four largest trading entities (currently the European Union, the United States, China and Japan) are reviewed every two years (three starting in 2019), the next 16 largest every four years (five starting in 2019), and other members every six years (seven starting in 2019). Reviews are not intended to serve as a basis for the enforcement of obligations or for dispute settlement procedures.

In 2017, the Trade Policy Review Body (TPRB) reviewed the trade policies and practices of 23 WTO members, the same number as in 2016. By the end of 2017, the TPRB had conducted 467 reviews since 1989, covering 153 of the 164 WTO members.

The eight West African Economic and Monetary Union member countries – Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo – were reviewed together for the first time. The Plurinational State of Bolivia and Sierra Leone were reviewed for the first time since 2005. The other members reviewed were Japan, Mexico, Belize, Mozambique, Switzerland, Liechtenstein, Nigeria, the European Union, Brazil, Jamaica, Paraguay, Iceland and Cambodia. The dates of the trade policy reviews and the members covered are shown in the map on pages 116-117.

The European Union, Japan and the United States are the most reviewed members, having been reviewed 13 times each. They are followed by: Canada – 10 times; Australia, Brazil, Hong Kong (China), the Republic of Korea, Singapore, Switzerland and Thailand – seven times; China, India, Indonesia, Malaysia, Mexico, Norway and Turkey – six times; and Chile,

Iceland, Liechtenstein, Morocco, New Zealand, Nigeria and South Africa – five times. Thirty-one members have been reviewed four times and 30 members three times.

Five members opted for the alternative timeline for the submission of written questions and replies for their TPR meetings in 2017. The alternative timeline was introduced at the fourth appraisal of the Trade Policy Review Mechanism (TPRM) in 2011. It requires members to submit questions four weeks before a meeting and requires the reviewed member to submit written responses one week in advance.

Digital audio files (podcasting) were discontinued as of 2017 in line with the sixth TPRM appraisal in 2016. The seven-minute rule for members' interventions continued to work satisfactorily.

Printed versions of each trade policy review are available as WTO publications. These include the report by the WTO Secretariat, the report by the member under review, the concluding remarks by the Chair of the TPRB and a key trade policy facts section.



467

By the end of 2017, the WTO had conducted 467 Trade Policy Reviews since 1989.

TPR follow-up workshops

After a trade policy review, the reviewed member can ask the Secretariat to organize a follow-up workshop with domestic stakeholders to further disseminate the outcome of the review and to discuss technical assistance and capacity-building needs.

In 2017, six follow-up workshops – for Chad, Congo, Guatemala, Honduras, the Solomon Islands and the United Arab Emirates – were conducted. In addition, a regional trade policy roundtable workshop for five Asian least-developed countries (LDCs) was organized in Myanmar to facilitate dialogue among the participants about TPR best practices and how the TPR process can help these countries undertake trade-related reforms and mainstream trade into their wider economic and development policies.

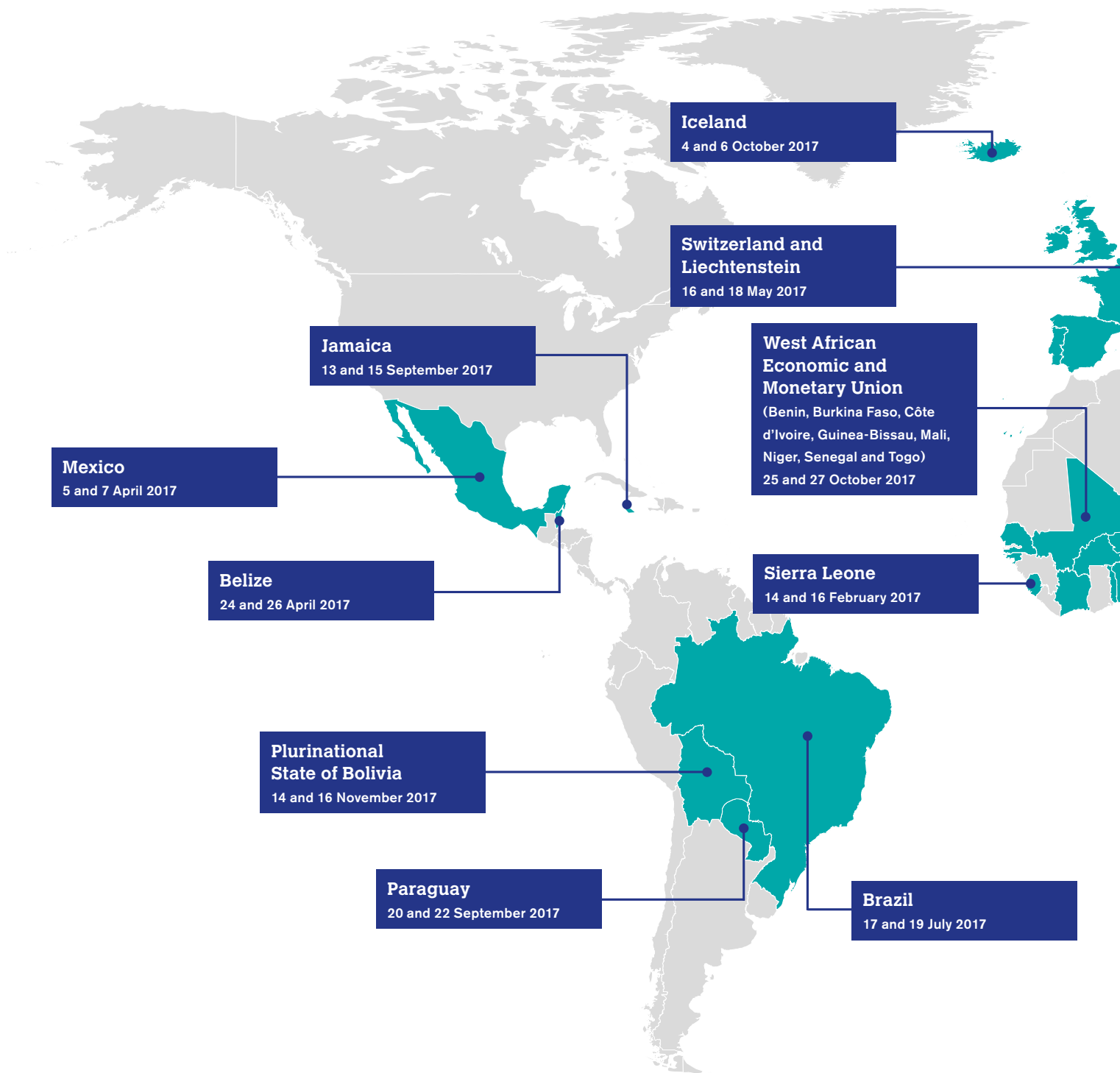
Trade Policy Review programme for 2018

Eighteen TPR meetings are scheduled to be held in 2018 for 23 members. They are: The Gambia; Malaysia; Egypt; the Philippines; Montenegro; Guinea; Mauritania; Colombia; Norway; Uruguay; China; Israel; Chinese Taipei; Armenia; Vanuatu; Hong Kong, China; East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda); Nepal; and the United States.

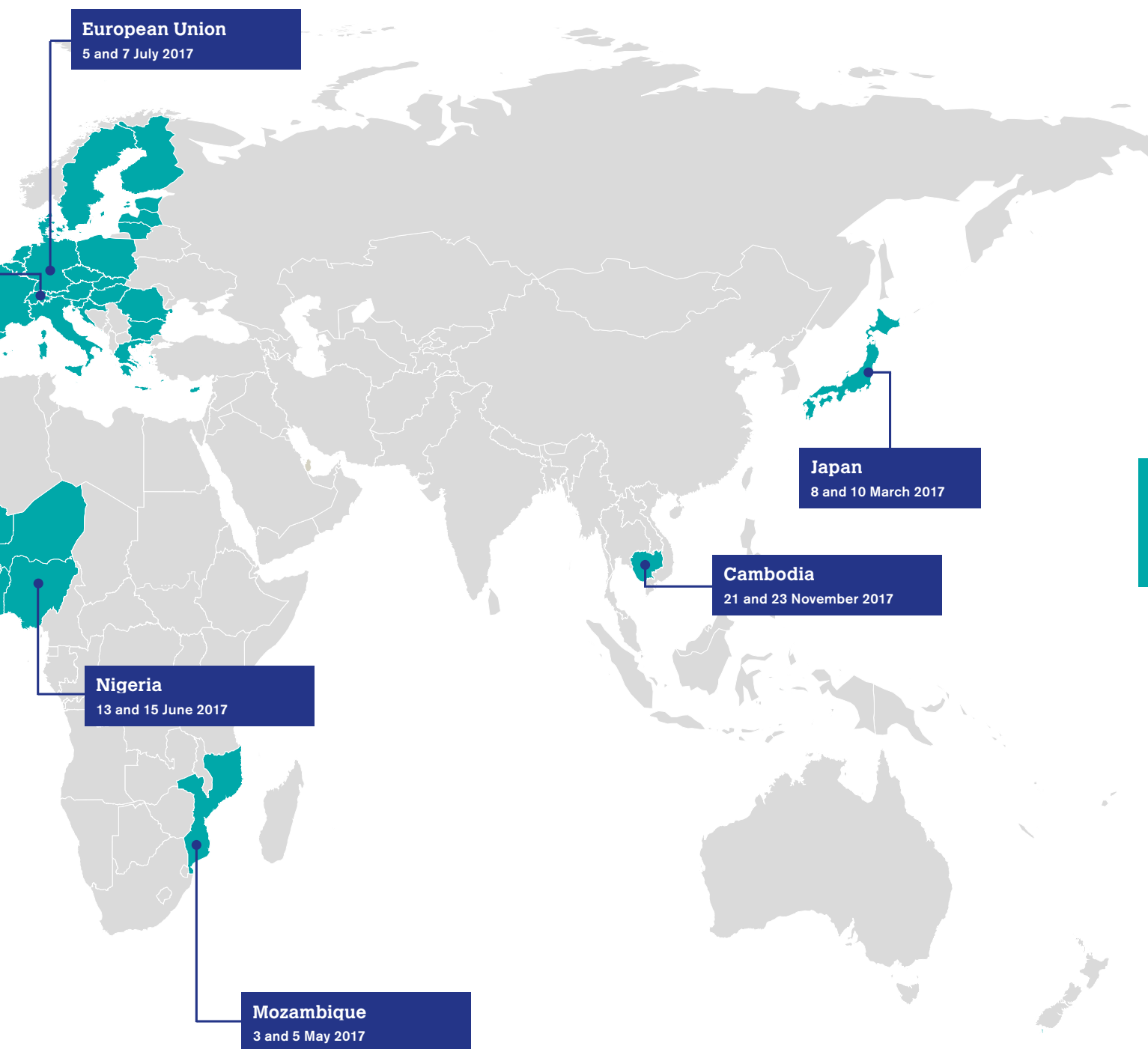
Sierra Leone was one of 23 WTO members to undergo a Trade Policy Review in 2017.



Trade Policy Reviews in 2017



The WTO conducted 15 trade policy review meetings in 2017, covering the trade policies and practices of 23 WTO members. The dates of the reviews and the WTO members covered are shown on the map. Further information, including the Chair's concluding remarks for each review, can be found on the WTO website.



5

Trade monitoring reports

- **WTO members introduced fewer trade-restricting measures in year to October 2017.**
- **Members implemented more trade-facilitating than trade-restricting measures.**
- **World merchandise trade volume grew by 4.7 per cent in 2017 after just 1.8 per cent in 2016.**
- **Despite the improved trade outlook, substantial risks remain, said DG Azevêdo.**

Background on trade monitoring reports

The WTO began regular monitoring of global trade developments in early 2009, covering all trade-related measures implemented by WTO members and observers. Initially launched in the context of the global financial and economic crisis, the trade monitoring exercise has become a regular function in the WTO that further strengthens the transparency aims of the Trade Policy Review Mechanism by shedding light on the latest trends in the implementation of a broad range of policy measures that facilitate as well as restrict the flow of trade. The trade monitoring is overseen by the Trade Policy Review Body.

The trade monitoring reports showed that WTO members introduced fewer trade-restrictive measures from mid-October 2016 to mid-October 2017 compared with the previous year. It was the second successive year-on-year decline. WTO members continued to implement more trade-facilitating than trade-restrictive measures.

The WTO Secretariat prepared four reports on global trade policy developments during 2017. The reports pointed out the need for WTO members to show leadership in reiterating their commitment to open and mutually beneficial trade as a key driver of economic growth and a major engine for prosperity.

The trade monitoring reports are intended to be purely factual and have no legal effect on the rights and obligations of WTO members. The reports neither seek to pronounce themselves on whether a trade measure is protectionist nor do they question the explicit right of members to take certain trade measures.

Almost all restrictive trade measures appear to have been taken within the flexibilities provided for in the multilateral trading system. The overwhelming majority of tariff increases are taken within bound ceilings and do not appear to break WTO rules.

Regarding trade remedy actions, these measures are often taken to address what is perceived by some as a market distortion resulting from the practices of another trading partner. The WTO's Anti-dumping Agreement and Subsidies and Countervailing Measures Agreement permit WTO members to impose anti-dumping or countervailing duties to offset what is perceived to be injurious dumping or subsidization of products exported from one member to another. The reports are not in a position to establish if, where or when such perceived distortive practices have taken place.

More notifications of sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT) measures do not automatically imply greater use of protectionist or unnecessarily trade-restrictive measures but rather enhanced transparency regarding these measures. The reports emphasize that the SPS Agreement and the TBT Agreement specifically allow members to take measures in the pursuit of a number of legitimate policy objectives.

The WTO Secretariat strives to ensure that the trade monitoring reports are factual and objective accounts of recent trends in trade policy making. The reports seek to provide a nuanced perspective on trade developments.



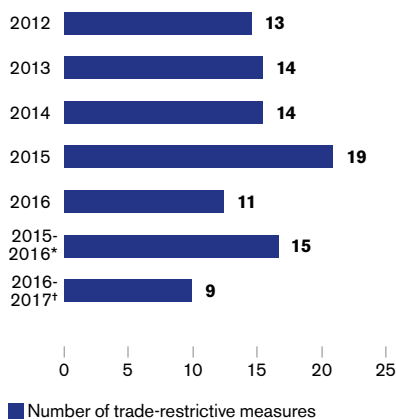
I urge members to redouble efforts to refrain from implementing new trade restrictive measures and to reverse existing measures.

DG Azevêdo



Figure 14: Trade-restrictive measures, excluding trade remedies

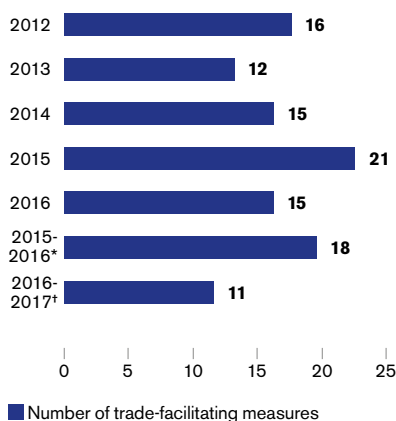
(Average per month)



* mid-October 2015 to mid-October 2016
† mid-October 2016 to mid-October 2017

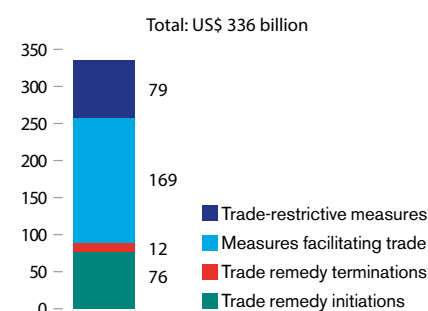
Figure 15: Trade-facilitating measures, excluding trade remedies

(Average per month)



* mid-October 2015 to mid-October 2016
† mid-October 2016 to mid-October 2017

Figure 16: Trade coverage of import measures, mid-October 2016 to mid-October 2017 (US\$ billion)



Note: Values are rounded.

Key developments in 2017

WTO members applied 108 new trade-restrictive measures during the 12-month period under review. This equated to an average of nine measures per month compared with 15 in the previous period (see Figure 14).

WTO members also implemented 128 measures aimed at facilitating trade. At almost 11 measures per month, this was significantly lower than the monthly average of 18 recorded in the previous annual overview (see Figure 15).

The estimated trade coverage of import-facilitating measures (US\$ 169 billion) was more than twice the trade coverage of import-restrictive measures (US\$ 79 billion – see Figure 16). Moreover, the trade coverage of liberalization associated with measures implemented in the context of the expanded WTO Information Technology Agreement (see page 91) amounted to around US\$ 385 billion, according to WTO Secretariat estimates.

International trade flows rebounded strongly after a sharp slowdown in 2016. World merchandise trade grew by 4.7 per cent in volume in 2017, well above the 1.8 per cent increase for 2016.

“This improved outlook is very welcome, but substantial risks that threaten the world economy remain in place and could easily undermine any trade recovery,” Director-General Roberto Azevêdo said. “Further progress will require continued commitment. I urge members to redouble efforts to refrain from implementing new trade-restrictive measures, and to reverse existing measures,” he added.

On trade remedy measures (anti-dumping, countervailing and safeguard measures), the review period saw a slight deceleration both in initiations of investigations and in terminations of measures, compared with the previous annual overview. Anti-dumping measures continue to make up the bulk of all trade remedy initiations, accounting for 83 per cent of initiations.

Continuous consultation

The most important element in collecting trade policy information for the reports is the close and continuous consultation between the WTO Secretariat and WTO members, which seeks to gather complete, up-to-date and accurate information on trade-related measures and to verify the relevant information collected from other public sources.

In preparation for each report, the Director-General writes to all WTO members and observers inviting them to provide the WTO Secretariat with information on recent trade-related measures as well as general economic support measures.

The WTO Secretariat collates all recorded country-specific information on trade measures and re-submits this information to each WTO member for verification. This verification process is a unique feature of the WTO’s monitoring efforts and represents a quality-control mechanism, allowing members to check the accuracy of the information before it is made public. The trade monitoring reports are subsequently discussed at meetings of the WTO’s Trade Policy Review Body.

The reports covered several other important trade-related developments during 2016-17. These included new initiatives in regional trade agreements, developments in the areas of the Trade Facilitation Agreement and the Trade-Related Aspects of Intellectual Property Rights Agreement and developments in government procurement, electronic commerce and the Aid for Trade programme.

Database

The Trade Monitoring Database, which is publicly available, provides information on trade measures implemented by WTO members and observers and includes various search criteria options, e.g. country or country group, HS code, type of measure, date of measure. Members are regularly invited to update information compiled by the WTO Secretariat since 2008 so as to facilitate an evaluation of the extent of “rollback” of such measures.

Trade, debt and finance

- **DG Azevêdo – with the support of the Working Group on Trade, Debt and Finance – continued efforts to facilitate access of developing countries to trade finance.**
- **The Asian Development Bank reported a US\$ 1.5 trillion “gap” between supply and demand for trade finance.**
- **Possible solutions involve more co-financing and co-risk sharing between multilateral development banks and a return of the private sector to credit markets.**
- **WTO, World Bank, IMF report says strong global trading system, with WTO at its “core”, remains critical.**

Background on trade, debt and finance

WTO ministers decided in Doha in 2001 to establish a Working Group on Trade, Debt and Finance to look at how the WTO could contribute to finding a durable solution to the external debt problems of many developing countries and to avoid having WTO members' trade opportunities undercut by financial instabilities. The Working Group has been focusing its attention on a range of financial issues with an impact on trade, including the provision of trade finance and, more recently, the relationship between exchange rates and trade.

80-90%
Some 80-90 per cent of world trade relies on trade finance.

Director-General Azevêdo continued to address the challenges facing developing countries, and particularly their small and medium-sized enterprises (SMEs), in accessing trade finance. He has advocated a number of measures to address the financing gap, including enhancing trade finance facilitation programmes, helping local banking sectors to grow by better training, improved monitoring of problems and maintaining a close dialogue with regulators.

At its July and November 2017 meetings, the WTO Working Group on Trade, Debt and Finance reiterated its support for the Director-General's reaching out to heads of other relevant institutions.

Some 80-90 per cent of world trade relies on trade finance. But since the global financial crisis, the financial system has been highly selective in lending and in extending guarantees to developing countries, particularly to SMEs. An Asian Development Bank survey estimated the trade finance gap between supply and demand at US\$ 1.5 trillion for 2016. According to banks, 74 per cent of rejected requests came from micro and small and medium-

sized enterprises (MSMEs) and mid-cap firms (capitalized at less than US\$ 10 billion). Only 40 per cent of firms were able to complete trade transactions without bank-intermediated trade finance.

The Director-General held an informal roundtable on trade finance with senior officials from multilateral development banks (MDBs) at the Aid for Trade Global Review (see page 154). The message from the banks, which are supporting an average of US\$ 20 billion to US\$ 25 billion of trade per annum, was that scope for action is limited. Possible solutions included co-financing and co-risk sharing between MDBs, bringing the private sector back into the most challenging markets and encouraging co-financing between MDBs and commercial banks. All MDBs agreed to boost capacity building for trade finance. They also asked for a regulatory dialogue with the Financial Stability Board, an international body monitoring the financial system.

The Director-General has been working closely with the CEO of the International Finance Corporation (IFC), Philippe Le Houérou, to enhance dialogue with financial regulators on trade finance.



DG Azevêdo continued to place a focus on addressing the challenges facing small businesses in accessing trade finance.

Expert Group on Trade Finance

Under the chairmanship of the Director-General, the Expert Group on Trade Finance continued to evaluate gaps in trade finance markets. One approach is for MDBs to expand their trade finance facilitation programmes. The Expert Group includes the IFC, regional development banks, export credit agencies, big commercial banks and other international organizations.

Strengthening cooperation

Under the so-called coherence mandate, the WTO, the World Bank and the International Monetary Fund (IMF) address issues of trade finance and development. One topic addressed in 2017 was the relationship between trade, technology, jobs and globalization. A joint publication – “Making trade an engine of growth for all” – notes that while trade opening has generated higher living standards, some parts of the world have suffered from import competition.

On jobs, the report says that while trade leads to productivity gains and significant benefits for consumers, especially the poor, it can also be responsible for job displacement that must be addressed through sound domestic policies to help the unemployed get back on their feet. The report also argues that a strong global trading system, with the WTO at its core, remains critical. The WTO has a unique role to play in fostering stable, predictable and equitable trading relations across the world, the report says.

DG Azevêdo, IMF Managing Director Christine Lagarde and World Bank Group President Jim Yong Kim met regularly at IMF and World Bank gatherings and at the G20 in 2017.



Government Procurement Agreement

- **Australia's accession to the Government Procurement Agreement (GPA) moved towards a possible conclusion.**
- **Kyrgyz Republic and Tajikistan negotiations advanced; Russia presented market access offer.**
- **The Committee received application for accession from the former Yugoslav Republic of Macedonia.**
- **Significant work completed on GPA work programmes.**

Background on the Government Procurement Agreement

The GPA aims to open up, based on principles of reciprocity, and to the extent agreed between WTO members, government procurement markets to foreign competition and to make government procurement more transparent. It provides legal guarantees of non-discrimination for the products, services or suppliers of GPA parties in procurement covered by the Agreement. The GPA is a plurilateral agreement –open to all interested WTO members and binding only the parties to the agreement. Currently, 47 WTO members (including the EU and its 28 member states) are bound by the Agreement. The Committee on Government Procurement administers the GPA.

Accessions to the GPA

Work to complete Australia's accession to the WTO's Government Procurement Agreement (GPA) intensified in 2017 with the circulation of its second revised market access offer. The accessions of the Kyrgyz Republic and Tajikistan to the 47-member Agreement also continued to advance.

Russia made its initial market access offer, kicking off its accession negotiations. The Committee on Government Procurement also received a formal application for accession from the former Yugoslav Republic of Macedonia.

Constructive discussions continued on China's accession, possibly paving the way for the country to submit a revised market access offer in 2018. The GPA parties see Russia's and China's accessions, on the appropriate terms, as very significant for the Agreement, for the WTO and for the world economy.

The GPA is a plurilateral agreement within the WTO framework, meaning only the parties to the Agreement are bound by its terms. Any WTO members can apply. Accession negotiations include a review of the candidate's legislative and policy frameworks, to ensure full compliance with the GPA, and negotiations on market access commitments. Government procurement

accounts for about 15 per cent of developed and developing-country economies. Only a part of this is currently covered by the GPA.

The Chair of the Committee, Ambassador John Newham (Ireland), updated the Committee on his outreach efforts to Latin American countries regarding their potential interest in the Agreement. Brazil and Afghanistan were granted observer status under the GPA, bringing the number of observers to 31.

The Committee also reviewed the status of other pending GPA accessions and accession commitments. In June 2017, Georgia updated the Committee on its ongoing government procurement reforms and indicated it was conducting a feasibility and impact study on GPA accession.

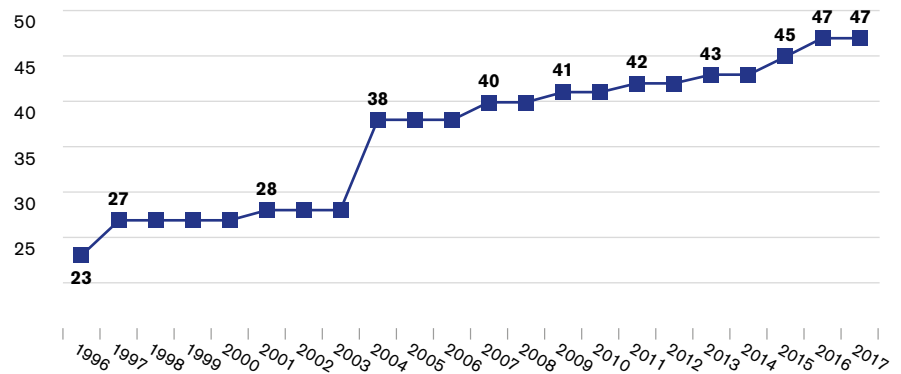
The past decade has witnessed steady growth in GPA membership (see Figure 17).

Monitoring of implementation and legislation

The revised Agreement is in force for all but one of the parties, Switzerland. The latter has assured the Committee that it will provide its acceptance as soon as possible, taking account of relevant internal requirements and legislative procedures.



Figure 17: Growth in GPA membership, 1996-2017



Ten countries are in the process of acceding to the Government Procurement Agreement.

The revised GPA entered into force on 6 April 2014. It extended GPA coverage to approximately 500 additional procurement entities, including local government and sub-central entities, together with new services and other areas of public procurement activities. The GPA's role was strengthened in promoting good governance, battling corruption and protecting the environment.

Continuing progress was made on the WTO's e-GPA web portal (<https://e-gpa.wto.org/>). The portal provides a single entry point for market access information under the revised Agreement together with related information that parties have committed to provide. It offers improved transparency, with the aim of better publicizing market access opportunities. Envisaged further improvements include a module to handle notifications and to facilitate access to related data.

At the Committee's formal meeting in October, a discussion was held on "buy-national" initiatives in the United States. A number of delegations expressed concerns regarding an executive order issued in April 2017, entitled

"Buy American and Hire American", and related developments and initiatives. The United States responded by providing detailed information concerning the executive order and the review process that it mandated.

Work programmes

Significant work was undertaken by the Committee on its work programmes. Attention focused on sustainable procurement, the collection and reporting of statistical data and small and medium-sized enterprises. As an input to the work programme on sustainable procurement, the WTO Secretariat organized a symposium that featured contributions from non-governmental and other experts.

The work programmes are intended to promote transparency about parties' implementation of the Agreement, to improve its administration and to assist preparations for possible future negotiations. The revised GPA calls for further negotiations to improve the Agreement and to progressively reduce and eliminate discriminatory measures.



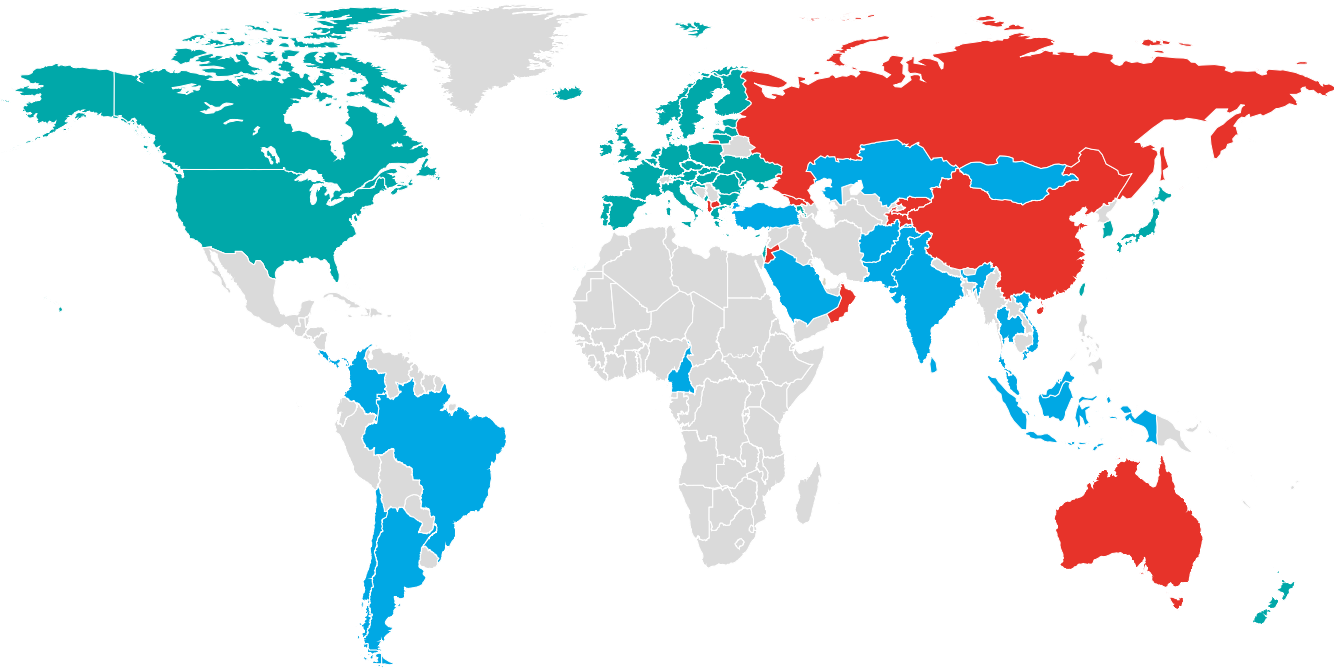
Technical assistance and international cooperation

In response to growing interest in the revised GPA and its relationship with regional initiatives, the WTO Secretariat carried out an intensive programme of technical assistance during the year. This included two regional workshops, two national seminars and a number of Geneva-based and other activities. The two regional workshops were held in Argentina for Latin American countries and in Georgia for Central and Eastern Europe, Central Asia and the Caucasus. National seminars were organized for Sri Lanka and China.

In Central and Eastern Europe, the Secretariat continued its cooperation with the European Bank for Reconstruction and Development in providing technical assistance. This cooperation has greatly facilitated the accession of countries to the GPA and reform of their national procurement systems. Collaboration has also been strengthened with the Commercial Law Development Programme of the US Department of Commerce and other international organizations, including the Organisation for Economic Co-operation and Development, the World Bank and other regional development banks.



Figure 18: Market coverage, members and observers of the Government Procurement Agreement



- Parties to the GPA: 19 parties, which together cover 47 WTO members. The European Union and its member states are counted as one.
- WTO members in the process of GPA accession: Albania, Australia, China, Georgia, Jordan, Kyrgyz Republic, Oman, Russian Federation, Tajikistan and the former Yugoslav Republic of Macedonia.
- Other observer countries: Afghanistan, Argentina, Kingdom of Bahrain, Brazil, Cameroon, Chile, Colombia, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Mongolia, Pakistan, Panama, Kingdom of Saudi Arabia, Seychelles, Sri Lanka, Thailand, Turkey and Viet Nam.

1.7 trillion

47 WTO members are parties to the Agreement on Government Procurement. Participation gives them access to US\$ 1.7 trillion market.

5

Dispute settlement

| | |
|-------------------------------------|-----|
| Dispute settlement activity in 2017 | 128 |
| Appellate Body | 140 |

Background on dispute settlement

WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body.

6



Junichi Ihara (right) succeeded Xavier Carim as Chair of the Dispute Settlement Body in February 2017.

Dispute settlement activity in 2017

- **Dispute settlement activity intensified; the monthly average of panels, appellate and arbitration proceedings dealt with rose by 20 per cent.**
- **Twenty-four dispute settlement reports, awards and decisions were circulated in 2017.**
- **New handbook on the dispute settlement system was published, explaining the rules and procedures of the system and exploring how its operation has evolved.**

Background on dispute settlement activity

The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes between WTO members. Such disputes may arise with respect to any agreement contained in the Final Act of the Uruguay Round that is subject to the Understanding on Rules and Procedures Governing the Settlement of Disputes. The DSB has authority to establish dispute settlement panels, refer matters to arbitration, adopt panel, Appellate Body and arbitration reports, maintain surveillance over the implementation of recommendations and rulings contained in such reports, and authorize suspension of concessions in the event of non-compliance with those recommendations and rulings.

The number of active disputes increased significantly in 2017.

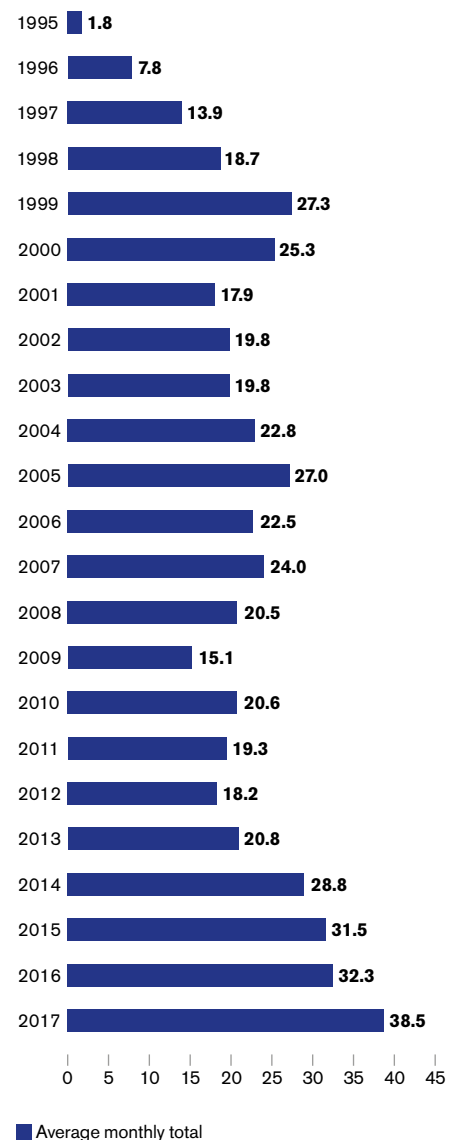
The number of active disputes increased significantly compared with 2016, extending the trend of recent years. Active cases are where a panel or arbitration has been composed and where preparations are ongoing for the finalization of a panel arbitration or Appellate Body report.

In 2017, the three WTO legal divisions dealt with 38.5 panel, appellate and arbitration proceedings on average each month, compared with 32.3 in 2016. The number was over 33 per cent more than in 2014 (see Figure 1). At the end of 2017, there were 25 active panel proceedings, seven appellate proceedings and three arbitration proceedings.

Due to the increase in dispute settlement activity, 29 WTO posts have been redeployed to the legal divisions over the past two to three years. By the end of 2017, the Appellate Body had 25 staff, the Legal Affairs Division 33 and there were 27 in the Rules Division, up from 17, 23 and 20, respectively, in 2014, when the reallocations began.

WTO members remained divided at the end of 2017 on the selection process to employ to choose three new members of the Appellate Body (see page 140).

Figure 1: Average of monthly active disputes, 1995 to 2017





The WTO dispute settlement system is one of the most active adjudicatory systems in the world.

DG Azevêdo



Effective adjudicatory system

The WTO dispute settlement system is an effective and successful international system for dispute settlement. Director-General Roberto Azevêdo has described it as “unquestionably one of – if not the – most active international adjudicatory systems in the world. And it still operates faster than any other.”

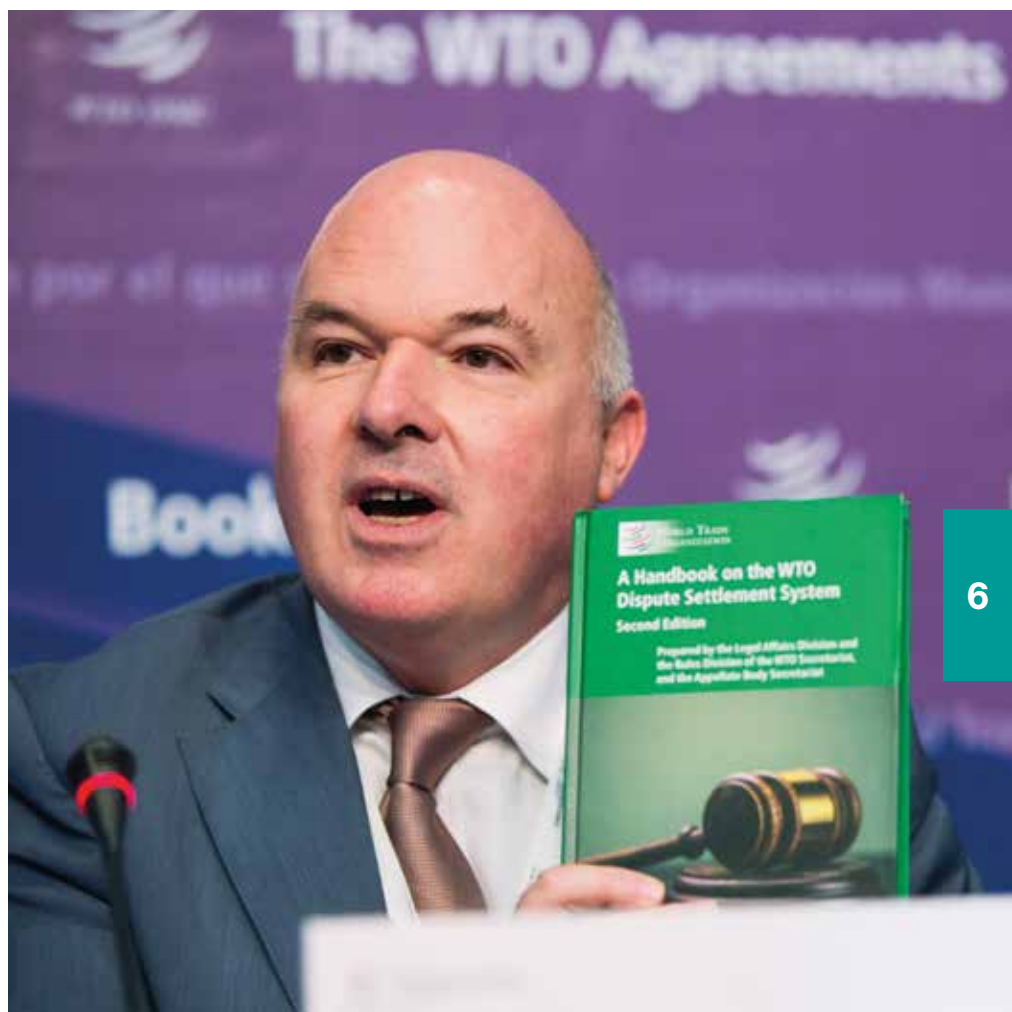
Members continue to be active

WTO members continue to be very active in dispute settlement (see Tables 1, 2 and 3). The subject matter of disputes brought to the WTO continues to span a wide range of agreements, including the General Agreement

on Tariffs and Trade 1994, the Anti-Dumping Agreement, the Subsidies and Countervailing Measures Agreement, the Safeguards Agreement, the Sanitary and Phytosanitary Measures Agreement, the Technical Barriers to Trade Agreement, the General Agreement on Trade in Services, the Trade-related Aspects of Intellectual Property Rights Agreement and the Agreement on Agriculture.

As in previous years, both developed and developing country members have been involved in the dispute settlement mechanism, both as complainants and as respondents.

A new edition of “A Handbook on the WTO Dispute Settlement System” was published in 2017.



6



Table 1: WTO members involved in disputes, 1995 to 2017

| Member | Complainant | Respondent | Member | Complainant | Respondent |
|---------------------|-------------|------------|----------------------------------|-------------|------------|
| Antigua and Barbuda | 1 | 0 | Malaysia | 1 | 1 |
| Argentina | 20 | 22 | Mexico | 24 | 14 |
| Armenia | 0 | 1 | Republic of Moldova | 1 | 1 |
| Australia | 8 | 16 | Morocco | 0 | 1 |
| Kingdom of Bahrain | 0 | 1 | Netherlands | 0 | 3 |
| Bangladesh | 1 | 0 | New Zealand | 9 | 0 |
| Belgium | 0 | 3 | Nicaragua | 1 | 2 |
| Brazil | 31 | 16 | Norway | 4 | 0 |
| Canada | 38 | 22 | Pakistan | 5 | 3 |
| Chile | 10 | 13 | Panama | 7 | 1 |
| China | 15 | 39 | Peru | 3 | 5 |
| Colombia | 5 | 5 | Philippines | 5 | 6 |
| Costa Rica | 5 | 1 | Poland | 3 | 1 |
| Croatia | 0 | 1 | Portugal | 0 | 1 |
| Cuba | 1 | 0 | Qatar | 3 | 0 |
| Czech Republic | 1 | 2 | Romania | 0 | 2 |
| Denmark | 1 | 1 | Russian Federation | 6 | 8 |
| Dominican Republic | 1 | 7 | Kingdom of Saudi Arabia | 0 | 1 |
| Ecuador | 3 | 3 | Singapore | 1 | 0 |
| Egypt | 0 | 4 | Slovak Republic | 0 | 3 |
| El Salvador | 1 | 0 | South Africa | 0 | 5 |
| European Union | 97 | 83 | Spain | 0 | 3 |
| France | 0 | 4 | Sri Lanka | 1 | 0 |
| Germany | 0 | 2 | Sweden | 0 | 1 |
| Greece | 0 | 3 | Switzerland | 4 | 0 |
| Guatemala | 9 | 2 | Chinese Taipei | 6 | 0 |
| Honduras | 8 | 0 | Thailand | 13 | 4 |
| Hong Kong, China | 1 | 0 | Trinidad and Tobago | 0 | 2 |
| Hungary | 5 | 2 | Turkey | 4 | 9 |
| India | 23 | 24 | Ukraine | 7 | 4 |
| Indonesia | 11 | 14 | United Arab Emirates | 0 | 1 |
| Ireland | 0 | 3 | United Kingdom | 0 | 3 |
| Italy | 0 | 1 | United States | 115 | 134 |
| Japan | 23 | 15 | Uruguay | 1 | 1 |
| Kazakhstan | 0 | 1 | Bolivarian Republic of Venezuela | 1 | 2 |
| Republic of Korea | 17 | 16 | Viet Nam | 4 | 0 |



**WTO members
filed 17 new
disputes in 2017.**

During 2017, WTO members filed 17 requests for consultations concerning new disputes (see Table 2) and four requests for consultations in compliance proceedings. The Dispute Settlement Body (DSB) establishes a compliance panel (Article 21.5 panel) when there is disagreement over the existence or consistency of measures taken by a member to comply with the DSB's recommendations and rulings. Table 2 also includes requests for consultations made in Article 21.5 compliance

proceedings although some members consider that there is no need to request consultations prior to requesting the establishment of an Article 21.5 compliance panel.

The United States, Canada and Qatar submitted the most requests for consultations concerning new disputes, with three each, followed by Russia and Ukraine with two. The United States also figured most frequently as respondent, being cited in four cases, followed by Canada, which was cited in three.

Table 2: Requests for consultations in 2017

| Title | DS No. | Complainant | Date of initial request | Agreements cited | Status as of 31 December 2017 |
|--|--------|---------------|-------------------------|--|---|
| Thailand – Customs and Fiscal Measures on Cigarettes from the Philippines (Article 21.5 II) | DS371 | Philippines | 4 July 2017 | Agreement on Implementation of Article VII (Customs Valuation) General Agreement on Tariffs and Trade (GATT) 1994 | In consultations |
| United States – Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India (Article 21.5) | DS436 | India | 5 June 2017 | GATT 1994 Agreement on Subsidies and Countervailing Measures (SCM) | In consultations |
| Colombia – Measures Relating to the Importation of Textiles, Apparel and Footwear (Article 21.5) | DS461 | Colombia | 27 February 2017 | GATT 1994 | Panel established |
| Colombia – Measures Relating to the Importation of Textiles, Apparel and Footwear (Article 21.5) | DS461 | Panama | 9 March 2017 | Customs Valuation GATT 1994 | Panel established |
| China – Subsidies to Producers of Primary Aluminium | DS519 | United States | 12 January 2017 | GATT 1994 SCM | In consultations |
| Canada – Measures Governing the Sale of Wine in Grocery Stores | DS520 | United States | 18 January 2017 | GATT 1994 | In consultations |
| EU – Anti-Dumping Measures on Certain Cold-Rolled Flat Steel Products | DS521 | Russia | 27 January 2017 | Anti-Dumping Agreement (ADP) GATT 1994 | In consultations |
| Canada – Measures Concerning Trade in Commercial Aircraft | DS522 | Brazil | 8 February 2017 | SCM | Panel established, but not yet composed |
| United States – Countervailing Measures on Certain Pipe and Tube Products from Turkey | DS523 | Turkey | 8 March 2017 | GATT 1994 SCM | Panel composed |
| Costa Rica – Measures Concerning the Importation of Fresh Avocados from Mexico | DS524 | Mexico | 8 March 2017 | GATT 1994 Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) | In consultations |

Table 2: Requests for consultations in 2017 (continued)

| Title | DS No. | Complainant | Date of initial request | Agreements cited | Status as of 31 December 2017 |
|---|--------|---------------|-------------------------|--|---|
| Ukraine – Measures Relating to Trade in Goods and Services | DS525 | Russia | 19 May 2017 | Accession Protocol GATT 1994 General Agreement on Trade in Services (GATS) Import Licensing Agreement SPS Agreement on Technical Barriers to Trade (TBT) Marrakesh Agreement Establishing the World Trade Organization (WTO) | In consultations |
| United Arab Emirates – Measures Relating to Trade in Goods and Services and TRIPS | DS526 | Qatar | 31 July 2017 | GATT 1994 GATS Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) | Panel established, but not yet composed |
| Bahrain – Measures Relating to Trade in Goods and Services, and TRIPS | DS527 | Qatar | 31 July 2017 | GATT 1994 GATS TRIPS | In consultations |
| Saudi Arabia – Measures Relating to Trade in Goods and Services and TRIPS | DS528 | Qatar | 31 July 2017 | GATT 1994 GATS TRIPS | In consultations |
| Australia – Anti-Dumping Measures on A4 Copy Paper | DS529 | Indonesia | 1 September 2017 | ADP | In consultations |
| Kazakhstan – Anti-Dumping Measures on Steel Pipes | DS530 | Ukraine | 19 September 2017 | ADP GATT 1994 | In consultations |
| Canada – Measures Governing the Sale of Wine in Grocery Stores (Second Complaint) | DS531 | United States | 28 September 2017 | GATT 1994 | In consultations |
| Russia – Measures Concerning the Importation and Transit of Certain Ukrainian Products | DS532 | Ukraine | 13 October 2017 | Accession Protocol GATT 1994 SPS TBT Trade Facilitation Agreement | In consultations |
| United States – Countervailing Measures on Softwood Lumber from Canada | DS533 | Canada | 28 November 2017 | GATT 1994 SCM | In consultations |
| United States – Anti-Dumping Measures Applying Different Pricing Methodology to Softwood Lumber from Canada | DS534 | Canada | 28 November 2017 | ADP GATT 1994 | In consultations |
| United States – Certain Systemic Trade Remedies Measures | DS535 | Canada | 20 December 2017 | ADP GATT 1994 SCM | In consultations |



WTO legal divisions dealt with 38.5 panel, appellate and arbitration proceedings on average each month compared with 32.3 in 2016.

Table 3 shows dispute settlement activity as of the end of 2017, covering all dispute settlement proceedings, from panel establishment to circulation of the panel or Appellate Body report. The table includes Article 21.3 awards on the reasonable period of time for a member to comply with the DSB's recommendations and rulings, and Article 21.5 panel or Appellate Body compliance proceedings. Arbitration

proceedings under Article 22 (suspension of concessions) of the Dispute Settlement Understanding are also shown. Where there is more than one dispute on the same subject matter, for example "Australia – Tobacco Plain Packaging", they have been counted as one dispute in this table.

Twenty-four dispute settlement reports, awards and decisions were circulated during this period (see Table 4).

Table 3: Dispute settlement activities as of 31 December 2017*

| Title | DS No. | Complainant | Third parties | Dates of panel establishment & composition or appeal | Agreements cited |
|--|--------|-------------------------|--|--|--|
| 1 EC and Certain Member States – Large Civil Aircraft (Article 21.5 – US) | DS316 | United States | Australia, Brazil, Canada, China, Japan, Korea | 13 October 2016 (date of appeal) | Dispute Settlement Understanding (DSU) SCM |
| 2 US – Large Civil Aircraft (2 nd complaint) (Article 21.5 – EU) | DS353 | European Union | Australia, Brazil, Canada, China, Japan, Korea, Russia | 29 June 2017 (date of appeal) | DSU GATT 1994 SCM |
| 3 Thailand – Cigarettes (Philippines) | DS371 | Philippines | Australia, Canada, China, European Union, Japan, Russia, Singapore, United States | 21 July 2016 (panel established) 16 December 2016 (panel composed) | Customs Valuation GATT 1994 |
| 4 US – Tuna II (Mexico) (Article 21.5 – Mexico II) / US – Tuna II (Mexico) (Article 21.5 – US) | DS381 | Mexico United States | Australia, Brazil, Canada, China, Ecuador, European Union, Guatemala, India, Japan, Korea, New Zealand, Norway | 1 December 2017 (date of appeal) | GATT 1994 TBT |
| 5 China – Broiler Products (Article 21.5 – US) | DS427 | United States | Brazil, Ecuador, European Union, Japan | 22 June 2016 (panel established) 18 July 2016 (panel composed) | ADP GATT 1994 SCM |
| 6 India – Agricultural Products (Article 21.5 – US) | DS430 | India | Australia, Brazil, Canada, China, European Union, Guatemala, Japan, Kazakhstan, Korea, Mexico, Russia, Singapore, Viet Nam | 22 May 2017 (panel established) 29 June 2017 (panel composed) | GATT 1994 SPS |
| 7 India – Agricultural Products (Article 22.2) (Article 22.6) | DS430 | India | N/A | 7 July 2016 (request by the United States) 18 July 2016 (referred to arbitration) 6 September 2017 (Arbitrator composed) | DSU |

* For the purpose of this report, panels established but not composed after a year are not included. Similarly, panels that were composed but have not proceeded within one year are also not included.

Table 3: Dispute settlement activities as of 31 December 2017* (continued)

| Title | DS No. | Complainant | Third parties | Dates of panel establishment & composition or appeal | Agreements cited |
|--|----------------------------------|---|--|---|--|
| 8 Australia – Tobacco Plain Packaging | DS435 DS441 DS458 DS467 | Honduras Dominican Republic Cuba Indonesia | Argentina, Brazil, Canada, Chile, China, Cuba, Dominican Republic, Ecuador, European Union, Guatemala, Honduras, India, Indonesia, Japan, Korea, Malawi, Malaysia, Mexico, New Zealand, Nicaragua, Nigeria, Norway, Oman, Panama, Peru, Philippines, Russia, Saudi Arabia, Singapore, South Africa, Chinese Taipei, Thailand, Trinidad and Tobago, Turkey, Ukraine, Uruguay, United States, Zambia, Zimbabwe | 25 September 2013 (panel established – Honduras) 25 April 2014 (panel established – Dominican Republic) 25 April 2014 (panel established – Cuba) 26 March 2014 (panel established – Indonesia) 5 May 2014 (panel composed) | GATT 1994 TBT TRIPS |
| 9 US – Countervailing Measures (China) (Article 21.5 – China) | DS437 | China | Australia, Canada, European Union, India, Japan, Korea, Russia, Viet Nam | 21 July 2016 (panel established) 5 October 2016 (panel composed) | Accession Protocol GATT 1994 SCM |
| 10 India – Solar Cells (Article 222) | DS456 | United States | N/A | 19 December 2017 (request by the United States) | DSU |
| 11 Colombia – Textiles (Article 21.5 – Colombia) (Article 21.5 – Panama) | DS461 | Colombia Panama | Australia, China, Ecuador, European Union, Guatemala, Honduras, India, Indonesia, Japan, Kazakhstan, Korea, Russia, Singapore, Chinese Taipei, United States | 6 March 2017 (panel established – Colombia) 19 June 2017 (panel established – Panama) 6 September 2017 (panel composed) | Customs Valuation GATT 1994 |
| 12 Colombia – Textiles (Article 22.2) (Article 22.6) | DS461 | Panama | N/A | 9 February 2017 (request by Panama) 17 February 2017 (referred to arbitration) 6 September 2017 (composition) | DSU |
| 13 US – Anti-Dumping Methodologies (Article 21.3(c)) | DS471 | China | N/A | 7 November 2017 (Arbitrator appointed) | DSU |
| 14 Russia – Pigs (EU) (Article 22.2) (Article 22.6) | DS475 | Russia | N/A | 19 December 2017 (request by the European Union) 20 December 2017 (referred to arbitration) | DSU |
| 15 Brazil – Taxation | DS472 DS497 | European Union Japan | Argentina, Australia, Canada, China, Colombia, European Union, India, Japan, Korea, Russia, Singapore, South Africa, Chinese Taipei, Turkey, Ukraine, United States | 28 September 2017 (date of appeal) | GATT 1994 SCM Agreement on Trade-Related Investment Measures (TRIMs) |



Table 3: Dispute settlement activities as of 31 December 2017* (continued)

| Title | DS No. | Complainant | Third parties | Dates of panel establishment & composition or appeal | Agreements cited |
|---|----------------|----------------------------|--|---|--|
| 16 EU – Energy Package | DS476 | Russia | Brazil, China, Columbia, India, Japan, Korea, Saudi Arabia, Ukraine, United States | 20 July 2015 (panel established) 7 March 2016 (panel composed) | GATT 1994 GATS SCM TRIMs WTO |
| 17 Russia – Commercial Vehicles | DS479 | European Union | Brazil, China, India, Japan, Korea, Turkey, Ukraine, United States | 20 February 2017 (date of appeal) | ADP GATT 1994 |
| 18 EU – Biodiesel (Indonesia) | DS480 | Indonesia | Argentina, Australia, Brazil, Canada, China, India, Japan, Norway, Russia, Singapore, Turkey, Ukraine, United States | 31 August 2015 (panel established) 4 November 2015 (panel composed) | ADP GATT 1994 WTO |
| 19 EU – PET (Pakistan) | DS486 | Pakistan | China, United States | 30 August 2017 (date of appeal) | GATT 1994 SCM |
| 20 Indonesia – Iron or Steel Products (Chinese Taipei) (Viet Nam) | DS490 DS496 | Chinese Taipei Viet Nam | Australia, Chile, China, European Union, India, Japan, Korea, Russia, Chinese Taipei, Ukraine, United States, Viet Nam | 28 September 2017 (date of appeal) | GATT 1994 Safeguards Agreement |
| 21 US – Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia | DS491 | Indonesia | Brazil, Canada, China, European Union, India, Korea, Turkey | 28 September 2015 (panel established) 4 February 2016 (panel composed) | ADP SCM |
| 22 Ukraine – Ammonium Nitrate (Russia) | DS493 | Russia | Argentina, Australia, Brazil, Canada, China, Colombia, European Union, Japan, Kazakhstan, Mexico, Norway, Qatar, United States | 22 April 2016 (panel established) 2 February 2017 (panel composed) | ADP GATT 1994 |
| 23 Korea – Radionuclides (Japan) | DS495 | Japan | Brazil, Canada, China, European Union, Guatemala, India, New Zealand, Norway, Russia, Chinese Taipei, United States | 28 September 2015 (panel established) 8 February 2016 (panel composed) | GATT 1994 SPS |
| 24 Russia – Railway Equipment | DS499 | Ukraine | Canada, China, European Union, India, Indonesia, Japan, Singapore, United States | 16 December 2016 (panel established) 2 March 2017 (panel composed) | GATT 1994 TBT |
| 25 Korea – Pneumatic Valves | DS504 | Japan | Brazil, Canada, China, Ecuador, European Union, Norway, Singapore, Turkey, United States, Viet Nam | 4 July 2016 (panel established) 29 August 2016 (panel composed) | ADP GATT 1994 |
| 26 US – Supercalendered Paper | DS505 | Canada | Brazil, China, European Union, India, Japan, Korea, Mexico, Turkey | 21 July 2016 (panel established) 31 August 2016 (panel composed) | SCM |
| 27 US – Renewable Energy | DS510 | India | Brazil, China, European Union, Indonesia, Japan, Korea, Norway, Russia, Saudi Arabia, Singapore, Chinese Taipei, Turkey | 21 March 2017 (panel established) | GATT 1994 SCM TRIMs WTO |

* For the purpose of this report, panels established but not composed after a year are not included. Similarly, panels that were composed but have not proceeded within one year are also not included.

Table 3: Dispute settlement activities as of 31 December 2017* (continued)

| Title | DS No. | Complainant | Third parties | Dates of panel establishment & composition or appeal | Agreements cited |
|--|--------|---------------|--|--|--------------------------------|
| 28 China – Domestic Support for Agricultural Producers | DS511 | United States | Australia, Brazil, Canada, Colombia, Ecuador, Egypt, El Salvador, European Union, Guatemala, India, Indonesia, Israel, Japan, Kazakhstan, Korea, Norway, Pakistan, Paraguay, Philippines, Russia, Saudi Arabia, Singapore, Chinese Taipei, Thailand, Turkey, Ukraine, Viet Nam | 25 January 2017 (panel established) 24 June 2017 (panel composed) | Agreement on Agriculture |
| 29 Russia – Traffic in Transit | DS512 | Ukraine | Australia, Bolivia, Brazil, Canada, Chile, China, European Union, India, Japan, Korea, Moldova, Norway, Paraguay, Saudi Arabia, Singapore, Turkey, United States | 21 March 2017 (panel established) 6 June 2017 (panel composed) | Accession Protocol GATT 1994 |
| 30 Morocco – Hot-Rolled Steel (Turkey) | DS513 | Turkey | China, Egypt, European Union, India, Japan, Kazakhstan, Korea, Oman, Russia, Singapore, United Arab Emirates, United States | 20 February 2017 (panel established) 17 May 2017 (panel composed) | ADP GATT 1994 Import Licensing |
| 31 EU – Price Comparison Methodologies | DS516 | China | Australia, Bahrain, Brazil, Canada, Colombia, Ecuador, India, Indonesia, Japan, Kazakhstan, Korea, Mexico, Norway, Russia, Saudi Arabia, Chinese Taipei, Tajikistan, Turkey, United Arab Emirates, United States | 3 April 2017 (panel established) 10 July 2017 (panel composed) | ADP GATT 1994 |
| 32 China – TRQs | DS517 | United States | Australia, Brazil, Canada, Ecuador, European Union, Guatemala, India, Indonesia, Japan, Kazakhstan, Korea, Norway, Russia, Singapore, Chinese Taipei, Ukraine, Viet Nam | 22 September 2017 (panel established) | Accession Protocol GATT 1994 |
| 33 India – Iron and Steel Products | DS518 | Japan | Australia, China, European Union, Indonesia, Kazakhstan, Korea, Oman, Qatar, Russia, Singapore, Chinese Taipei, Ukraine, United States, Viet Nam | 3 April 2017 (panel established) 22 June 2017 (panel composed) | Safeguards GATT 1994 |
| 34 Canada – Commercial Aircraft | DS522 | Brazil | China, European Union, Japan, Russia, Singapore, United States | 29 September 2017 (panel established) | SCM |
| 35 US – Pipe and Tube Products (Turkey) | DS523 | Turkey | Brazil, Canada, China, European Union, Japan, Kazakhstan, Korea, Mexico, Russia, Saudi Arabia, United Arab Emirates | 19 June 2017 (panel established) 14 September 2017 (panel composed) | GATT 1994 SCM |
| 36 UAE – Goods, Services and IP Rights | DS526 | Qatar | Afghanistan, Australia, Bahrain, Brazil, Canada, China, Egypt, European Union, Guatemala, Honduras, Japan, Kazakhstan, Korea, Malaysia, Mexico, Norway, Philippines, Russia, Saudi Arabia, Singapore, Chinese Taipei, Turkey, Ukraine, United States, Yemen | 22 November 2017 (panel established) | GATT 1994 GATS TRIPS |

* For the purpose of this report, panels established but not composed after a year are not included. Similarly, panels that were composed but have not proceeded within one year are also not included.



Table 4: Panel and Appellate Body reports circulated to members or adopted, and arbitrator awards and decisions (as of 31 December 2017)*

| Dispute | Document symbol | Complainant | Respondent | Third parties | Agreements covered | Date of adoption/ circulation |
|---|--------------------------------|-----------------------------|----------------|---|--|---|
| US – Large Civil Aircraft (2 nd complaint) (Article 21.5 – EU) | WT/DS353/RW | European Communities | United States | Australia, Brazil, Canada, China, Japan, Korea, Russia | GATT 1994 SCM | 9 June 2017 (Panel report circulated) |
| US – Tuna II (Mexico) (Article 21.5 – US) / | WT/DS381/RW/ USA | Mexico/ United States | United States | Australia, Brazil, Canada, China, Ecuador, European Union, Guatemala, India, Japan, Korea, New Zealand, Norway | GATT 1994 TBT | 26 October 2017 (Panel reports circulated) |
| US – Tuna II (Mexico) (Article 21.5 – Mexico II) | WT/DS381/RW2 | | | Australia, Brazil, Canada, China, Ecuador, European Union, Guatemala, Japan, Korea, New Zealand, Norway N/A | | |
| US – Tuna II (Mexico) (Article 22.6 – US) | WT/DS381/ARB | Mexico | United States | | | 25 April 2017 (Arbitration award issued) |
| EU – Fatty Alcohols (Indonesia) | WT/DS442/R WT/DS442/AB/R | Indonesia | European Union | India, Korea, Malaysia, Thailand, Turkey, United States | ADP DSU GATT 1994 | 5 September 2017 (Appellate Body report circulated) 29 September 2017 (Panel and Appellate Body reports adopted) |
| US – Washing Machines (Article 21.3(c)) | WT/DS464/RPT | Korea | United States | N/A | N/A | 13 April 2017 (Arbitration award issued) |
| US – Anti-Dumping Methodologies (China) | WT/DS471/R WT/DS471/AB/R | China | United States | Brazil, Canada, European Union, India, Japan, Korea, Norway, Russia, Saudi Arabia, Chinese Taipei, Turkey, Ukraine, Viet Nam | ADP GATT 1994 | 11 May 2017 (Appellate Body report circulated) 22 May 2017 (Panel and Appellate Body reports adopted) |
| Brazil – Taxation | WT/DS/472/R WT/DS/497/R | European Union Japan | Brazil | Argentina, Australia, Canada, China, Colombia, European Union, India, Japan, Korea, Russian Federation, Singapore, South Africa, Chinese Taipei, Turkey, Ukraine, United States | GATT 1994 SCM TRIMs | 30 August 2017 (Panel report circulated) |
| Russia – Pigs (EU) | WT/DS475/R WT/DS475/AB/R | European Union | Russia | Australia, Brazil, China, India, Japan, Korea, Norway, Chinese Taipei, South Africa, United States | Accession Protocol GATT 1994 SPS | 23 February 2017 (Appellate Body report circulated) 21 March 2017 (Panel and Appellate Body reports adopted) |

* Dates of panel or Appellate Body reports circulated in 2016 are not included in this table.



Table 4: Panel and Appellate Body reports circulated to members or adopted, and arbitrator awards and decisions (as of 31 December 2017)* (continued)

| Dispute | Document symbol | Complainant | Respondent | Third parties | Agreements covered | Date of adoption/circulation |
|--------------------------------------|---|------------------------------|--------------------|--|---|---|
| Indonesia – Import Licensing Regimes | WT/DS477/R WT/DS478/R WT/DS477/AB/R WT/DS478/AB/R | New Zealand United States | Indonesia | Brazil, Chile, European Union, Japan, Korea, Norway, Singapore, Uruguay, United States | Agriculture GATT 1994 Import Licensing Agreement on Pre-shipment Inspection | 9 November 2017 (Appellate Body report circulated) |
| | | | | | | 22 November 2017 (Panel and Appellate Body reports adopted) |
| Russia – Commercial Vehicles | WT/D479/R | European Union | Russian Federation | China, India, Japan, Korea, United States, Brazil, Turkey, Ukraine | APD GATT 1994 | 27 January 2017 (Panel report circulated) |
| Canada – Welded Pipe | WT/DS482/R | Chinese Taipei | Canada | Brazil, China, European Union, Korea, Norway, United Arab Emirates, United States | ADP GATT 1994 | 25 January 2017 (Panel report adopted) |
| China – Cellulose Pulp | WT/DS483/R | Canada | China | Brazil, Chile, European Union, Japan, Korea, Norway, Singapore, Uruguay, United States | ADP GATT 1994 | 25 April 2017 (Panel report circulated) |
| | | | | | | 22 May 2017 (Panel report adopted) |
| Indonesia – Chicken | WT/DS484/R | Brazil | Indonesia | Argentina, Australia, Canada, Chile, China, European Union, India, Korea, Japan, New Zealand, Norway, Oman, Paraguay, Qatar, Russia, Chinese Taipei, United States, Viet Nam | Agriculture GATT 1994 Import Licensing Pre-shipment Inspection SPS | 17 October 2017 (Panel report circulated) |
| | | | | | | 22 November 2017 (Panel report adopted) |
| EU – PET (Pakistan) | WT/DS486/R | Pakistan | European Union | China, United States | GATT 1994 SCM | 6 July 2017 (Panel report circulated) |
| US – Tax Incentives | WT/DS487/R WT/DS487/AB/R | European Union | United States | Australia, Brazil, Canada, China, India, Japan, Korea, Russia | SCM | 4 September 2017 (Appellate Body report circulated) |
| | | | | | | 22 September 2017 (Panel and Appellate Body reports adopted) |
| US – OCTG (Korea) | WT/DS488/R | Korea | United States | Canada, China, European Union, India, Mexico, Russia, Turkey | ADP GATT 1994 WTO | 14 November 2017 (Panel report circulated) |
| Indonesia – Iron or Steel Products | WT/DS/490/R WT/DS/496/R | Chinese Taipei Viet Nam | Indonesia | Australia, Chile, China, European Union, India, Japan, Korea, Russian Federation, Chinese Taipei, Ukraine, Viet Nam, United States | Safeguards GATT 1994 | 18 August 2017 (Panel report circulated) |
| US – Coated Paper (Indonesia) | WT/DS491/R | Indonesia | United States | Brazil, Canada, China, European Union, India, Korea, Turkey | ADP GATT 1994 SCM | 6 December 2017 (Panel report circulated) |
| EU – Poultry Meat (China) | WT/DS492/R | China | European Union | Argentina, Brazil, Canada, India, Russia, Thailand, United States | GATT 1994 | 28 March 2017 (Panel report circulated) |
| | | | | | | 19 April 2017 (Panel report adopted) |

* Dates of panel or Appellate Body reports circulated in 2016 are not included in this table.



Translations

The increased workload has also had significant implications for the WTO's translation service, which is experiencing delays in translating the reports before they are circulated to the WTO membership. The continuing influx of cases foreshadows continuing high levels of dispute settlement activity in the years to come as well as continued strain on available resources, which may result in delays.

Practices for improving dispute proceedings

During 2017, Deputy Director-General Karl Brauner continued to consult with WTO members in informal consultations on ways to make efficiencies in the panel process. Subjects discussed included: (1) streamlining panel composition by inviting nominations and appointments of non-governmental third-party nationals and suitable candidates who had not previously served on a panel; (2) promoting electronic filing in disputes; (3) improving the expert selection process and the expert question-and-answer sessions in SPS disputes; and (4) publishing disputes' procedural documents and preliminary rulings.

New handbook on dispute settlement

The second edition of *A Handbook on the Dispute Settlement System* was published in 2017. The Handbook,

compiled by WTO Secretariat dispute settlement lawyers, explains the rules and procedures of the WTO dispute settlement system and explores how its operation has evolved since its entry into force on 1 January 1995. The book represents a reference tool for experienced practitioners of WTO law as well as explaining the dispute settlement system to any interested person who may not have a legal background.

Harvard wins

Law students from around the world gathered in Geneva on 6-10 June for the final round of the ELSA Moot Court Competition on WTO Law, a simulated hearing of the WTO dispute settlement system, organized by the European Law Students' Association (ELSA), with the support of the WTO.

This 2016-17 edition marked the 15th anniversary of this competition and also saw the ever-increasing participation by universities from developing countries, with 94 taking part in the competition. The winning team was from Harvard Law School, following on from the success of universities from India, China and Greece in past years.

To take part in the competition, the teams prepare and analyse a fictitious case and present their arguments both for the complainant and the respondent in front of a panel that consists of WTO and trade law experts.

Harvard Law School won the 2017 edition of the dispute settlement competition.



Appellate Body

- **The Appellate Body had another busy year, with eight appeal proceedings initiated and six reports circulated. Work on one appeal filed in 2016 continued during 2017.**
- **Ricardo Ramírez Hernández (Mexico) and Peter Van den Bossche (Belgium) completed their second terms. Hyun Chong Kim (Korea) resigned from the Appellate Body.**
- **Three Appellate Body positions remained vacant at the end of 2017.**

Background on the Appellate Body

The Appellate Body consists of seven members appointed by the Dispute Settlement Body. Each member is appointed for a term of four years, with the possibility of being appointed for one further four-year term. Three members of the Appellate Body hear an appeal of a panel's ruling. Any party to a dispute may appeal the panel report to the Appellate Body. The appeal is limited to issues of law covered in the panel report and legal interpretations developed by the panel.

The Appellate Body faces challenges as it deals with increasing demand for its services and increasingly complex disputes.

Challenges

Presenting the Appellate Body's 2016 Annual Report, Appellate Body Chair Ujal Singh Bhatia alerted members in June 2017 that the Appellate Body faces challenges as it deals with increasing demand for its services and increasingly complex disputes.

The Chair noted that the Appellate Body has dealt with numerous trade-related issues. Its "146 adopted reports, along with more than 300 panel reports, constitute tens of thousands of pages of jurisprudence which is as wide in its reach as it is deep in its probing of the meaning of the covered agreements," he said.

However, the increasing number of appeals means the Appellate Body is facing difficulty in meeting the requirement of "prompt" resolution of disputes, a major feature that distinguishes the WTO dispute settlement system from other international adjudicative systems. Moreover, the mismatch between Appellate Body resources and the number, size and complexity of appeals has significantly intensified, the Chair said.

The resulting delays in handling appeals have implications not only for the dispute settlement process but also for the WTO itself. Delays in dispute resolution provide an incentive to those who benefit from those delays. When delays in WTO dispute resolution become the norm,

they cast doubt on the value of the WTO's rules-oriented system itself, the Chair warned.

Despite this, "there is much today in the WTO's dispute settlement system that should be celebrated, not bemoaned. The system at large, including the Appellate Body, commands enormous support and respect from its users. The compliance rate with DSB rulings and recommendations remains very high. The increasing use of WTO case law by other dispute settlement systems testifies to the growing influence of the WTO's dispute settlement system on international dispute settlement."

The Chair reminded WTO members that the WTO's dispute settlement system should not be taken for granted and that it required nurturing through timely interventions when problem areas emerge.

Finally, the Chair noted particular developments in the WTO dispute settlement system in 2016. First, the appeal rate of panel reports over the previous ten years was 68 per cent; in 2016 it was 88 per cent. Second, the Chair noted the increasing number, complexity and duration of proceedings regarding compliance with dispute settlement rulings (Article 21.5 of the Dispute Settlement Understanding).



Appellate Body members



Ujal Singh Bhatia, Chair of the Appellate Body in 2017



Thomas R. Graham



Shree Baboo Chekitan Servansing



Hong Zhao

Three vacancies in the Appellate Body

Ricardo Ramírez Hernández of Mexico and Peter Van den Bossche of Belgium completed their second terms of office on 30 June and 11 December 2017, respectively. In line with Rule 15 of the Working Procedures for Appellate Review, they are continuing to complete the appeals they were assigned while they were still members of the Appellate Body. Hyun Chong Kim of Korea resigned from the Appellate Body on 1 August 2017.

Members were unable to agree by the end of 2017 on the appointment of Appellate Body members to fill the three vacancies.

As of 31 December 2017, the four Appellate Body members were:

- Ujal Singh Bhatia (India) (2011-19), Chair of the Appellate Body in 2017
- Thomas R. Graham (United States) (2011-19)
- Shree Baboo Chekitan Servansing (Mauritius) (2014-18)
- Hong Zhao (China) (2016-20)

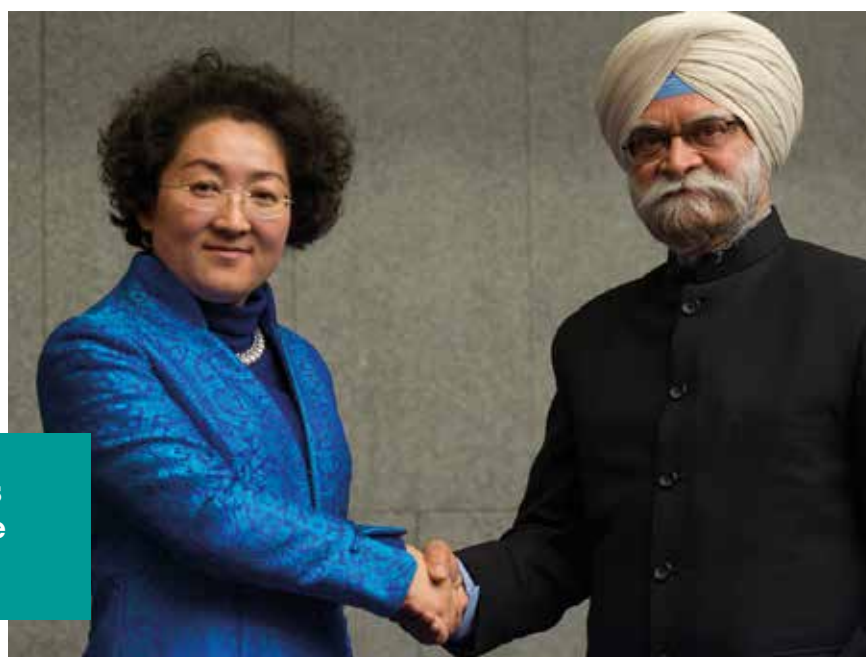
Appeals

Eight appeal proceedings were initiated in 2017 (see Figure 2 and Table 5). The Appellate Body's work on one appeal filed in 2016 continued during 2017.

Six Appellate Body reports concerning five matters were circulated in 2017 (see Figure 3 and Table 6). In addressing these appeals, the Appellate Body clarified several issues of systemic significance. These included issues arising under the Anti-Dumping Agreement, the Agreement on the Application of Sanitary and Phytosanitary Measures, the General Agreement on Tariffs and Trade 1994, the Agreement on Import Licensing Procedures and the Subsidies and Countervailing Measures Agreement. Since its inception, the Appellate Body has circulated 150 reports.

In addition, in 2017 one arbitration award concerning the reasonable period of time for implementation of Dispute Settlement Body recommendations and rulings was completed and a second arbitration was initiated.

With the current vacancies on the Appellate Body and a shortage of lawyers to assist Appellate Body members, three of the appeal proceedings initiated in 2017 were on hold, as of the end of 2017, until preceding appeals are completed and resources become available.



Ms Hong Zhao was sworn in as a new member of the Appellate Body in January 2017.

Figure 2: Number of notices of appeal filed, 1995 to 2017

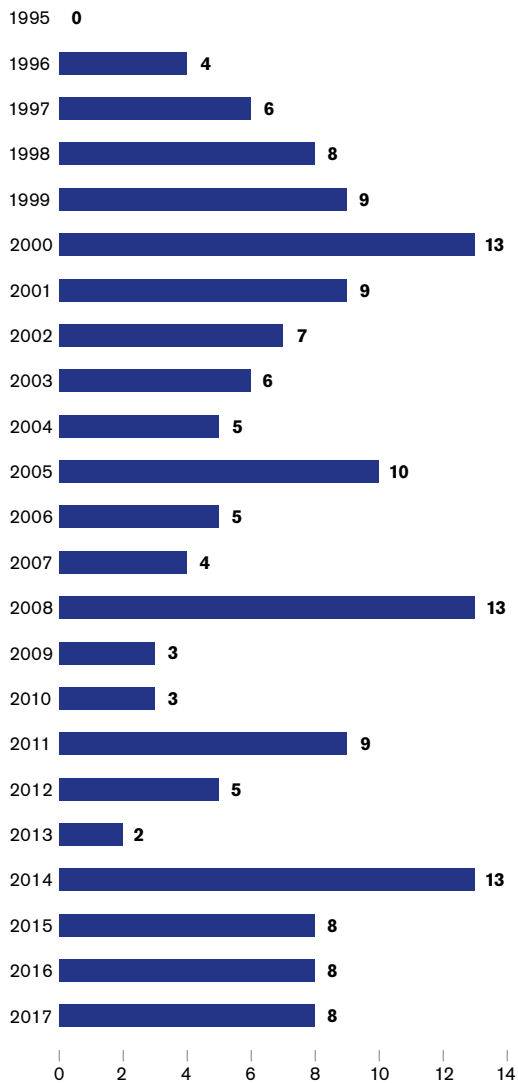
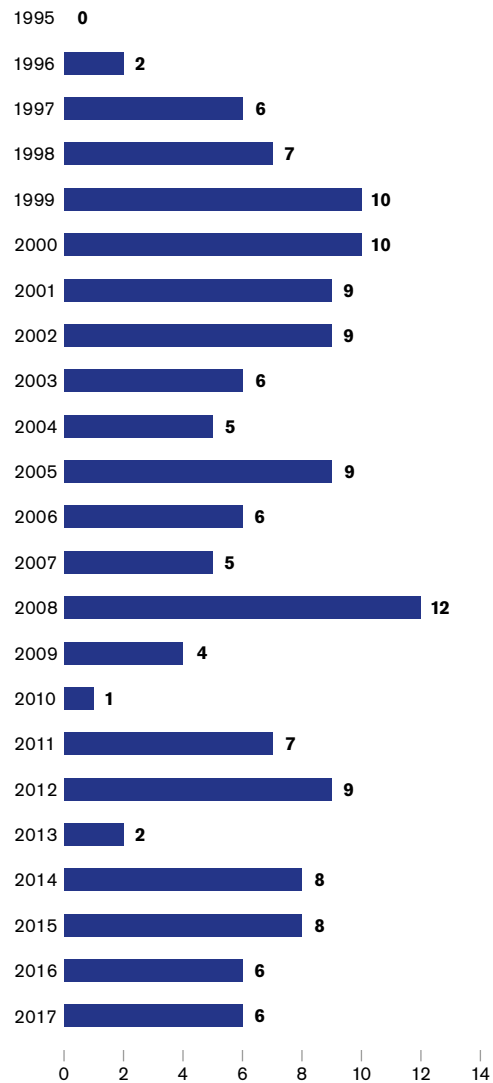


Figure 3: Number of Appellate Body reports circulated, 1995 to 2017*



* Some Appellate Body reports were issued as a single document covering two or more reports.



Table 5: Appeals filed and pending in 2017

| Panel report appealed | Date of appeal | Appellant ^a | Document symbol | Other appellant ^b | Document symbol |
|---|-------------------|------------------------|----------------------------|------------------------------|-----------------|
| EC and certain member States – Large Civil Aircraft (Article 21.5 – US) | 13 October 2016 | European Union | WT/DS316/29 | United States | WT/DS316/30 |
| EU – Fatty Alcohols (Indonesia) | 10 February 2017 | Indonesia | WT/DS442/5 | European Union | WT/DS442/6 |
| Indonesia – Import Licensing Regimes | 17 February 2017 | Indonesia | WT/DS477/11 WT/DS478/11 | – | – |
| Russia – Commercial Vehicles | 20 February 2017 | Russian Federation | WT/DS479/6 | European Union | WT/DS479/7 |
| US – Large Civil Aircraft (2 nd complaint) (Article 21.5 – EU) | 29 June 2017 | European Union | WT/DS353/27 | United States | WT/DS353/28 |
| EU – PET (Pakistan) | 30 August 2017 | European Union | WT/DS486/6 | Pakistan | WT/DS486/7 |
| Indonesia – Iron or Steel Products | 28 September 2017 | Indonesia | WT/DS490/5 WT/DS496/6 | Chinese Taipei | WT/DS490/6 |
| Brazil – Taxation | 28 September 2017 | Brazil | WT/DS472/8 | European Union | WT/DS472/9 |
| | | | WT/DS497/6 | Japan | WT/DS497/7 |
| US – Tuna II (Mexico) (Article 21.5 – US) / US – Tuna II (Mexico) (Article 21.5 – Mexico II) | 1 December 2017 | Mexico | WT/DS381/45 | – | – |

^a Pursuant to Rule 20(1) of the Working Procedures.

^b Pursuant to Rule 23(1) of the Working Procedures.

Table 6: Appellate Body reports circulated in 2017

| Case | Document symbol | Date circulated | Date adopted by the DSB |
|---|--------------------------------|------------------|-------------------------|
| Russia – Pigs (EU) | WT/DS475/AB/R | 23 February 2017 | 21 March 2017 |
| US – Anti-Dumping Methodologies (China) | WT/DS471/AB/R | 11 May 2017 | 22 May 2017 |
| US – Tax Incentives | WT/DS487/AB/R | 4 September 2017 | 22 September 2017 |
| EU – Fatty Alcohols (Indonesia) | WT/DS442/AB/R | 5 September 2017 | 29 September 2017 |
| Indonesia – Import Licensing Regimes | WT/DS477/AB/R WT/DS478/AB/R | 9 November 2017 | 22 November 2017 |

Supporting development and building trade capacity

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Background on supporting development and building trade capacity

The WTO aims to help developing countries build their trade capacity and allows them a longer time to implement trade agreements. Hundreds of training courses are organized each year for officials from developing countries.

7



Trade and development

- **The Committee on Trade and Development continued its work on the link between trade and development.**
- **The Committee looked at implementation of ministerial instructions on duty-free and quota-free market access for least-developed countries.**
- **A Secretariat report showed developing country share of world trade slipped in 2016.**

Background on trade and development

The Committee on Trade and Development is the focal point for the coordination of all work on trade and development issues in the WTO. The Committee deals with a variety of issues, including all developmental issues, technical cooperation and training, and notifications under the Enabling Clause, which allows developed countries to give more favourable treatment to developing countries.



There are direct references to WTO activities in many of the SDGs, ranging from ensuring food security to promoting sustainable economic growth.

WTO members considered a number of submissions under a ministerial mandate for the Committee on Trade and Development to undertake focused work on the link between trade and development. It also considered a number of proposals relating to electronic commerce and continued discussion of duty-free and quota-free (DFQF) market access for least-developed countries (LDCs) and the monitoring mechanism for special and differential treatment (S&D) for developing countries in WTO agreements and decisions.

Cambodia – the Coordinator of the LDC Group – recalled that the group had submitted in 2016 a revised proposal concerning the draft terms of reference for a Secretariat study on DFQF implementation. The Secretariat has so far not been able to issue its report on members' DFQF market access for LDCs, as mandated in the Bali Ministerial Decision, because of divergent views about the scope and coverage of the report.

Several members presented papers on e-commerce, including the promotion and facilitation of cross-border trade in goods, payments and logistics services, electronic signatures and their role in the digital identity of users, online security and access to online payments as well as the infrastructure gaps that exist in developing countries.

The WTO Secretariat reported that the share of developing economies in world

merchandise trade contracted in 2016 to 42.5 per cent for exports and 39.7 per cent for imports, down by around 1 per cent compared with 2014. This marked a slowdown from the swift growth of the early 2000s.

Trade's role in promoting sustainable development was an important topic at the WTO's annual Public Forum in Geneva (see page 166). Both governments and the private sector need to be more active in ensuring trade's full potential in contributing to the United Nations' Sustainable Development Goals (SDGs), the Forum heard.

There are direct references to WTO activities in many of the SDGs, ranging from ensuring food security and sustainable agriculture to conserving marine resources and promoting inclusive and sustainable economic growth. There are also references to the value of the trading system itself in supporting economic stability, which is essential for growth and development. The SDGs are a set of 17 goals and 169 targets that members of the United Nations endorsed as part of the 2030 Agenda for Sustainable Development.

The Committee held two dedicated sessions on the monitoring mechanism on S&D. The mechanism acts as a focal point to review the implementation of S&D in WTO agreements and decisions, as decided by ministers in Bali in 2013. Ministers declared that monitoring should be on the basis of written inputs or submissions. However, no written submissions had yet been received.



The Committee reviewed the implementation of special and differential treatment for developing countries in WTO agreements and decisions.

In the discussions, delegations differed on whether to proceed with a review or wait until there was concrete experience of its use.

In a session dedicated to regional trade agreements, WTO members considered the agreement between the Association of Southeast Asian Nations and India.

The Committee received a report on the 51st session of the Joint Advisory Group (JAG) of the International Trade Centre. The JAG is the policy-making body of the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development.

Market access

The Committee received notifications under the Enabling Clause (see page 110) concerning an agreement between India and Thailand, an agreement between MERCOSUR (the Southern Common Market) and the Southern African Customs Union, and the accession of Egypt to the Common Market for Eastern and Southern

Africa. A notification under the Enabling Clause was also circulated on behalf of Argentina, Brazil, Chile, Mexico, Paraguay and Uruguay, members of the Latin American Integration Association. In addition, the United States made a notification of its trade preference scheme for Nepal.

Technical cooperation and training

The WTO Secretariat undertook about 350 technical assistance activities in 2017. Overall, 18,500 participants were trained (see page 160).

The biennial technical assistance and training plan for 2018 and 2019, which defines the strategy and priorities, was adopted by the Committee. Members discussed an external evaluation of the WTO's technical assistance. The evaluation found that the WTO's technical assistance is relevant and aligned to the needs and priorities of beneficiaries.



Least-developed countries

- **Market access was a key element in discussions in the Sub-Committee.**
- **Least-developed countries (LDCs) expressed concern about continuing percentage decline in their exports of goods and services and widening trade deficit.**
- **LDCs urged WTO members to increase efforts to implement ministerial decisions intended to boost LDC trade.**
- **LDCs continued to benefit from technical assistance and were among the biggest users of WTO e-learning courses.**

Background on least-developed countries (LDCs)

The Sub-Committee on LDCs, established in July 1995 as a subsidiary body to the Committee on Trade and Development, focuses its work based on an agreed WTO work programme for LDCs. This work programme looks at a number of systemic issues of importance to LDCs in the multilateral trading system, such as market access, technical assistance and accession to the WTO.

Enhanced integration of the LDCs into the multilateral trading system is an institutional priority.

Market access for LDCs

Market access for least-developed countries (LDCs) was a central element of the discussions in the meetings of the Sub-Committee on LDCs in 2017 as it continued its examination of systemic issues of interest to LDCs.

The WTO Secretariat's yearly report on trends in LDC trade and market access conditions showed that LDCs' exports of goods and services fell by a further 3.9 per cent in 2016, after losing 24 per cent in 2015. Their share of world exports declined to 0.91 per cent and their collective trade deficit widened to US\$ 92.9 billion from US\$ 87 billion in 2015. Unfavourable developments in the prices of primary commodities continue to have an adverse impact on the export growth of LDCs, the report said.

The LDCs expressed concern that they were far from achieving the target of doubling their share in world exports by 2020 as envisaged under the UN Istanbul Programme of Action for the LDCs and the Sustainable Development Goals (SDGs). They called on WTO members to increase their efforts in implementing ministerial decisions taken in favour of LDCs, including the Nairobi decision on preferential rules of origin to make it easier for LDC exports to qualify for preferential market access. They also urged members to help them take advantage of the LDC services waiver

so as to increase their participation in services trade (see page 97).

Technical assistance and capacity building

The Sub-Committee monitors the progress of WTO trade related technical assistance provided to LDCs as well as other capacity building initiatives.

The WTO Secretariat attaches priority to LDCs in the delivery of its technical assistance (see page 160). LDCs were invited to over 70 per cent of all activities in 2016. LDCs, especially from Africa, were among the biggest users of WTO e-learning courses, accounting for a third of participants in 2016. LDCs highlighted the usefulness of internship programmes at the WTO and at LDC missions, as well as of LDC-specific courses and the WTO reference centre programme.

The Executive Secretariat of the Enhanced Integrated Framework (EIF), which assists LDCs in integrating trade into their national development strategies, updated the Sub Committee on the activities under Phase Two of the EIF Programme (see page 156). The LDCs highlighted the importance of the EIF for building their trade capacities and called upon development partners to continue supporting the EIF, including through contributions to the EIF Trust Fund.





8

Eight least-developed countries are in the process of joining the WTO.

The Secretariat of the Standards and Trade Development Facility (STDF) provided a detailed account of its recent activities in LDCs, highlighting that LDCs were benefitting from 65 per cent of STDF project funds (see page 158).

Accession of LDCs to the WTO

The WTO Secretariat provided an overview of the state of play in working parties on LDC accessions and on assistance provided to LDCs during and post-accession (see page 36). Currently, eight LDCs are in the process of joining the WTO (Bhutan, Comoros, Ethiopia, São Tomé and Príncipe, Somalia, South Sudan, Sudan and Timor-Leste). The two most recent LDC accessions are Afghanistan and Liberia, who joined the WTO in 2016.

WTO members, including acceding LDCs, appreciated the Secretariat's assistance in support of LDC accessions and highlighted the usefulness of accession-related events in Siem Reap, Cambodia, in March 2017, and Nairobi, Kenya, in August 2017, in terms of networking and experience-sharing.

South-South Dialogue on LDCs and Development

In March, Deputy Director-General David Shark and China's Vice Minister of Commerce, Shouwen Wang, signed a Memorandum of Understanding extending the China Programme for another year. Established in 2011, the programme aims to strengthen the participation of LDCs in WTO trade negotiations and to assist LDCs in joining the WTO.

DDG Shark said: "Enhanced integration of LDCs into the multilateral trading system is an institutional priority."

Under China's LDCs and Accessions Programme, the LDC Group engaged with other developing countries and international agencies in a dialogue on LDCs and development in Montreux, Switzerland, in November 2017. The dialogue provided a platform for LDCs and developing country trade partners to discuss developments in LDC issues and questions to be taken up at the 11th WTO Ministerial Conference in Buenos Aires at the end of 2017 as well as growing cooperation between developing countries.



Small economies

- **The Committee on Trade and Development continued in two dedicated sessions to examine the impact of WTO rules on small, vulnerable economies (SVEs).**
- **SVEs presented a summary of discussions of a WTO Secretariat paper on the challenges and opportunities SVEs face in linking to global value chains.**
- **The Secretariat reported on the challenges SVEs face in reducing trade costs.**
- **Ministers agreed in Buenos Aires to continue the WTO's work on SVEs.**

Background on small economies

The Committee on Trade and Development – in dedicated sessions – oversees work on small economies and monitors the progress of proposals from small, vulnerable economies in the various WTO bodies and negotiating groups. Several small economies are small island states.

The Committee on Trade and Development held two dedicated sessions in 2017 on small, vulnerable economies (SVEs) and the trade-related constraints they face. At the session on 17 May, the SVE Group presented the outcome of discussions on a WTO Secretariat research paper – “Challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services”. The Secretariat document had also been discussed in 2015 and 2016.

The SVEs presented a summary of the discussions, focusing on the specific challenges that SVE face and some recommendations on how to mitigate challenges in the areas of agrifood, seafood, textiles and apparel in goods value chains, tourism, information technology (IT), business process outsourcing and trade logistics in services value chains. The proponents intended to use this document and its recommendations as a guide to seek action in the appropriate committees within the WTO.

The SVE Group will work on an action plan to start applying such recommendations and will seek the assistance of the WTO Secretariat as well as other organizations, such as the United Nations Conference on Trade and Development and the International Trade Centre.

The Secretariat also introduced a document on the “Challenges and opportunities experienced by small economies in their efforts to reduce trade costs, particularly in the area of trade facilitation”, mandated by the Nairobi Ministerial Conference in 2015. This paper analysed best practices and policy approaches to enhance productive capacity and export competitiveness. Regarding trade facilitation, the paper found that the implementation of the WTO's Trade Facilitation Agreement (see page 94) will make a significant contribution to reducing trade costs. Several SVEs shared their national experiences on these issues.

SVEs are those WTO members that account for only a small percentage of world trade. WTO members recognize that these economies, while not forming an official sub-category of members, face specific challenges due to their size and the distances that can separate them from their key trading partners.

At the 11th Ministerial Conference in 2017 in Buenos Aires, ministers reaffirmed their commitment to the Work Programme on Small Economies and took note of all the work conducted to date. They instructed the WTO Secretariat to provide relevant information and factual analysis for discussion among members in the Committee's dedicated sessions and to continue its work on the challenges that small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation.



Aid for Trade

- **The WTO hosted the 2017 Global Review of Aid for Trade on the theme “Promoting Trade, Inclusiveness and Connectivity for Sustainable Development”.**
- **Aid for Trade disbursements amounted to US\$ 38.77 billion in 2016, taking the 2006-16 total to US\$ 342.35 billion.**
- **At the Global Review, WTO members reaffirmed their commitment to Aid for Trade and to development support.**
- **An OECD-WTO co-publication, Aid for Trade at a Glance, emphasizes that developing countries need to increase connectivity and improve infrastructure to benefit from trade.**

Background on Aid for Trade

WTO members launched the Aid for Trade initiative at the Sixth Ministerial Conference in Hong Kong in 2005. Aid for Trade focuses on supporting developing countries, particularly the least developed, in building trade capacity, enhancing their infrastructure and improving their ability to benefit from trade-opening opportunities.

The 2017 Global Review of Aid for Trade, held on 11-13 July, attracted more than 1,500 participants (see page 154). It focused on helping developing countries connect to export markets, following up on the message of the 2015 Global Review that high trade costs create substantial obstacles to trade.

The 2016-17 Aid for Trade work programme sought to build on this message, analysing the impact of trade costs on the integration of developing countries into global value chains and addressing issues such as empowering women and meeting the needs of micro, small and medium-sized enterprises (MSMEs).

Provisional estimates indicate that in 2016 disbursements of Aid for Trade totalled US\$ 38.77 billion, according to figures from the Organisation for Economic Co-operation and Development (OECD), compared with US\$ 40.31 billion in 2015 (see Figure 1). Commitments stood at US\$ 51.03 billion.

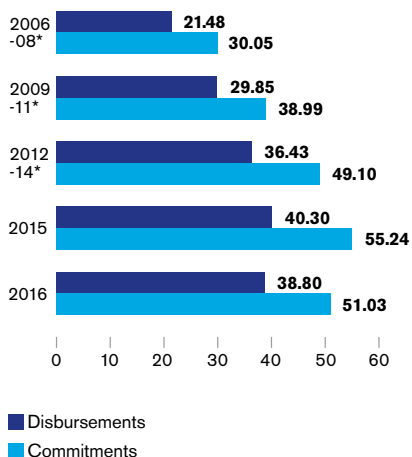
Total disbursements over the period 2006-16 amounted to US\$ 342.35 billion. A total of 146 developing countries have benefited from this support – mainly in Africa and Asia – with 17 per cent of financing going to least-developed countries (LDCs).



The Aid for Trade Global Review attracted more than 1,500 participants.



Figure 1: Global Aid for Trade flows, 2006-16 (US\$ billion)

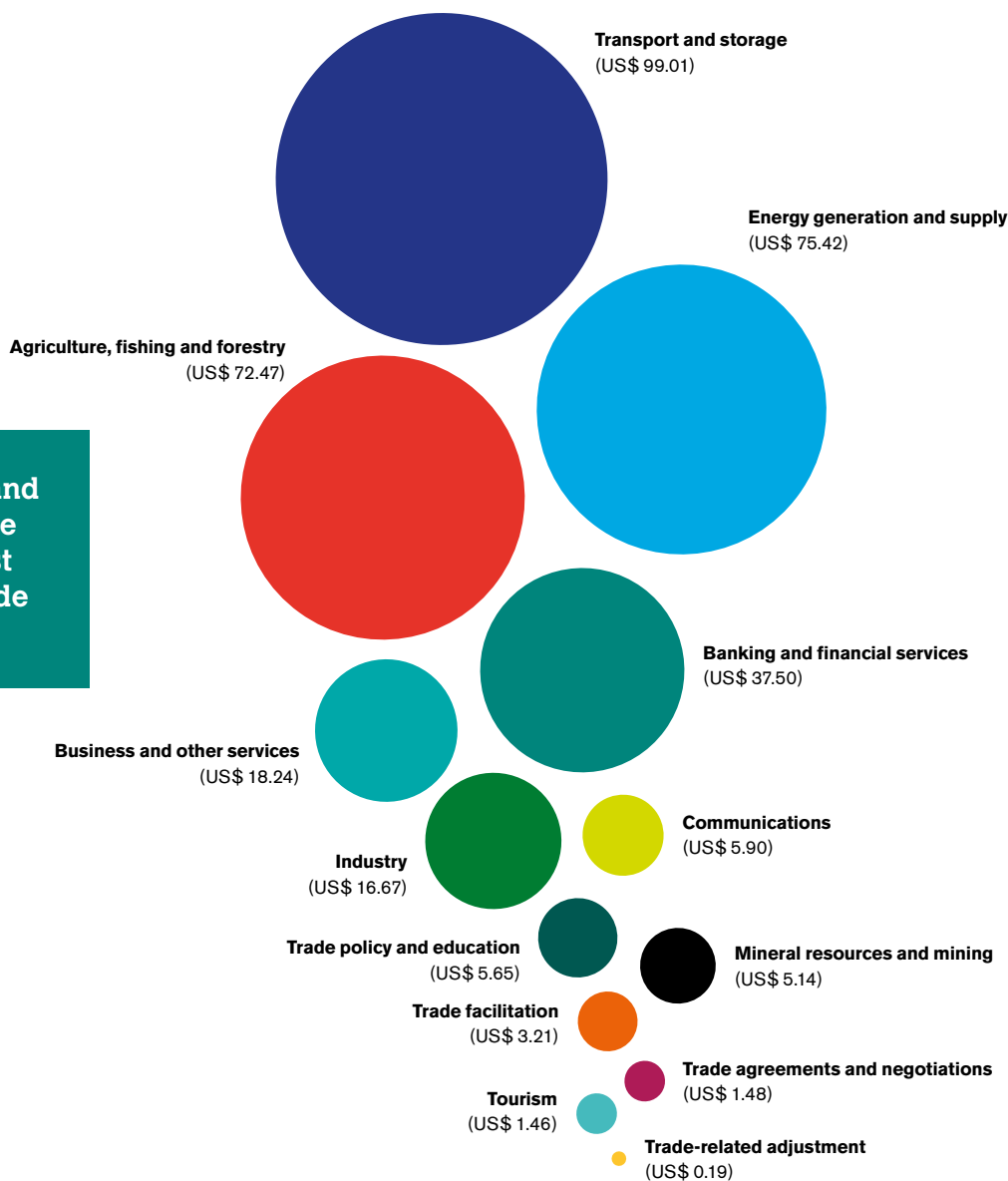


*Average calculation
Source: OECD (2018).

The Committee on Trade and Development discussed priorities for the Aid for Trade agenda. Some African members called for special attention to be paid by donors to in-country connectivity to promote integration of developing countries into global trade. LDCs stressed that monitoring and evaluation is critical and should be undertaken from both the perspective of the cooperating partners and the recipients of funds.

Various members and observer organizations updated the Committee on their Aid for Trade activities. Ambassador Gyan Chandra Acharya, the then Under Secretary General of the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS), gave a statement highlighting the constraints these countries face in relation to energy infrastructure, sustainable agricultural development, infrastructure and private sector development.

Figure 2: Total Aid for Trade disbursements by category, 2006-16 (US\$ billion – 2016 constant disbursements)



Source: OECD (2018)

Transport/storage and energy projects have attracted the highest levels of Aid for Trade disbursements.



New publication

The OECD and the WTO released a joint publication – *Aid for Trade at a Glance: Promoting Trade, Inclusiveness and Connectivity for Sustainable Development* – during the Global Review. The publication focuses on the importance of trade connectivity and contains contributions from other international organizations, including the World Bank and the United Nations Conference on Trade and Development (UNCTAD). It brings together insights from the 111 questionnaires and 145 case stories submitted in response to the monitoring and evaluation exercise.

Workshops and regional activities

The Committee held two workshops – one on “Aid for Trade, Trade Costs Indices and Design and Implementation of Policies to Reduce Trade Costs” and the other reviewing the results of the 2017 Aid for Trade monitoring and evaluation exercise. The WTO Secretariat reported on three regional activities on Aid for Trade held in Dakar, Senegal, for Africa, in Incheon, Korea, for Asia and the Pacific and in Miami for the Caribbean.

Aid for Trade success story: Busia One-Stop Border Post

A project funded by TradeMark East Africa and highlighted by the Aid for Trade initiative established a one-stop border post at Busia between eastern Uganda and western Kenya. The project aimed to reduce the time taken to cross the busy border by combining clearance activities into a single location,

simplifying procedures, increasing cooperation and coordination of controls and sharing data and intelligence.

At the Global Review of Aid for Trade, Uganda’s Minister of Trade, Industry and Cooperatives, Amelia Kyambadde, said that customs procedures that previously took up to 18 days are now completed in a matter of hours.

A TradeMark East Africa time and traffic survey, conducted in June 2016, shows that significant results have been achieved. The average time it takes to cross Kenya has fallen by some 80 per cent, government revenues have risen and importers are now able to make more round trips.

Source: TradeMark East Africa.



Spotlight:

Global Review of Aid for Trade 2017

The WTO hosted the sixth Aid for Trade Global Review on “Promoting Trade, Inclusiveness and Connectivity for Sustainable Development”. Some 1,500 trade and development professionals attended the 11-13 July conference, which underlined the important part played by trade – and the key role of Aid for Trade – in delivering growth, reducing poverty and achieving the United Nations’ Sustainable Development Goals.



Among the topics debated was the importance of empowering women by removing barriers to their participation in global trade.

Aja Fatoumatta Jallow Tambajang, Vice President of the Gambia, opened the Global Review by outlining how building trade capacity, improving competitiveness and strengthening public-private partnership is a high priority for the Gambia. Her emphasis on the need to promote trade inclusiveness for sustainable development was echoed by many of the more than 40 ministers, vice-ministers and heads of international organizations who attended.

The biennial event provides a platform for high-level discussions on the Aid for Trade initiative, which aims to develop the trading capacity of developing countries and least-developed countries (LDCs – see page 148). A total of 55 sessions were held over the three days, reflecting the broad range of topics that the initiative and its work programme address. Among the topics debated by the more than 1,500 participants was the importance of empowering women by removing barriers to their participation in global trade (see page 108).

The 2016-17 Aid for Trade work programme focuses on helping developing countries connect to export markets, following up on the key message of the Fifth Global Review that high trade costs create substantial obstacles to trade.

Sessions highlighted successful examples of trade facilitation reforms. A live video link was made with the Busia one-stop border post between Kenya and Uganda, where customs procedures that previously took up to 18 days now take a matter of hours. A case study competition underlined the importance of trade facilitation, with joint prize winners announced from Zambia and Jamaica for their success in, respectively, reducing border goods inspections and promoting public-private cooperation in improving competitiveness.

The review also showcased the International Year of Sustainable Tourism for Development through sessions highlighting the important economic contribution made by this sector to LDC trade.





Many factors inhibit connectivity and inclusiveness. Work to bring down these barriers can go a long way to connect more people and improve more lives.



DG Azevêdo

Promoting connectivity

At the opening plenary, Mukhisa Kituyi, United Nations Conference on Trade and Development Secretary-General, highlighted the constraints faced by developing countries and LDCs in participating in trade, particularly online. Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development, noted that trade facilitation and offline infrastructure for trade – roads, ports and bridges – “are ever more important in the digital world.”

Director-General Roberto Azevêdo said: “Many factors inhibit connectivity and inclusiveness – whether it’s poor infrastructure, high trading costs, or gender discrimination ... Work to bring down these barriers can go a long way to connect more people and improve more lives.” Connectivity is the focus

of the *Aid for Trade at a Glance* publication, launched jointly at the review by the OECD and the WTO (see page 181).

Trade’s benefits and efforts to enhance connectivity must also reach women, International Trade Centre Executive Director Arancha González told the opening session. “Despite the proliferation of mobile phones, there are still far too many, especially women, who are unconnected to the information grid,” she said.

Sweden’s Minister for European Union Affairs and Trade, Ann Linde, underlined the importance of bridging the digital divide for women. “Gender equality doesn’t only improve women’s lives, it’s fundamental for economic growth and development,” she told a high-level plenary on gender and trade.



Enhanced Integrated Framework

- **The Enhanced Integrated Framework (EIF) accelerated its roll-out of projects, approving 23 new projects to help least-developed countries (LDCs) use trade as a tool for growth.**
- **Pledges to phase two of the EIF programme stand at US\$ 115 million.**
- **The EIF had invested in 176 projects by the end of 2017, with over US\$ 222 million committed to supporting 51 of the poorest countries in the world.**

Background on the Enhanced Integrated Framework

The EIF is the only global Aid for Trade programme dedicated exclusively to addressing the trade capacity needs of LDCs. It is supported by a multi-donor trust fund and provides financial and technical support to build trade capacity in LDCs to help them use trade as a tool for economic growth and poverty reduction. The EIF is a partnership of LDCs, donors and partner agencies, including the WTO, the World Bank, the International Monetary Fund, the UN Development Programme, the UN Conference on Trade and Development, the International Trade Centre, the UN World Tourism Organization and the UN Industrial Development Organization. The WTO houses the EIF.

Twenty-three new EIF projects were approved in 2017 to help LDCs develop their trading capacity and to provide policy framework support. New projects were launched in Bangladesh, Bhutan, Burkina Faso, Comoros, Djibouti, Equatorial Guinea, The Gambia, Guinea, Liberia, Haiti, Mauritania, Nepal, Samoa, South Sudan, Solomon Islands, Uganda and Vanuatu.

By the end of 2017, the EIF had invested in 176 projects, with over US\$ 222 million committed to supporting 51 of the world's poorest countries across Africa, Asia, the Americas and the Pacific. This compares with 142 projects and commitments worth US\$ 202 million at the end of 2016.

So far, US\$ 115 million has been secured for the second phase of the EIF, which runs from 2016 to 2022, and efforts will continue to meet the target of at least US\$ 274 million. One of the aims of the EIF has been to help women benefit more directly from trade opportunities. To date, EIF projects have ensured that 35,000 women can earn a regular income through trade.

In 2017, the European Union pledged EUR 10 million to the EIF while the United Kingdom agreed to provide US\$ 21 million. The EIF also received contributions from Denmark, Finland, France, Germany, Luxembourg, the Netherlands, Norway, Saudi Arabia and Sweden. Strategic partnerships

were established with the Islamic Development Bank Group and with the UN Food and Agriculture Organization.

EIF Executive Director Ratnakar Adhikari said the commitments will help LDCs ready themselves for paradigm shifts in the global economy, including the growing trend in e-commerce. The EIF's success so far "does not mean that the work is done. Rather, it is a reminder of how important this work is – and how much more focus it deserves".

Examples of EIF projects

Equatorial Guinea is undertaking a diagnostic trade integration study as it seeks to move away from dependence on oil. These studies help countries identify and address constraints to trade, economic growth and sustainable development.

Likewise, Vanuatu is updating its National Trade Policy Framework with support from the EIF. The EIF is also assisting South Sudan in producing its first national trade policy and is supporting the country's WTO accession process. In addition, the EIF is financing the preparation of e-trade readiness assessments in Liberia, Nepal, Samoa, the Solomon Islands and Vanuatu.

EIF capacity-building projects are targeting the breakthrough of LDC exports into new markets, the adoption of new technologies and increases in LDCs' level of production and national



The EIF has invested over US\$ 222 million to support 51 of the world's poorest countries.

incomes. New projects have been approved in Bangladesh, Bhutan, Djibouti and Guinea to finance the development of pharmaceutical products, electronic commerce, tourism and quality standards.

Results from the investments so far include the doubling of processed mango exports from Burkina Faso and a threefold increase in rice exports from Cambodia.

In Malawi, an EIF project is generating almost US\$ 800,000 in income for 3,500 smallholder farmers. Through better farming practices, farmers are able to receive double the market price for their products and increase their exports by working collectively. Increased incomes are helping to support improvements to the education of children and the construction of houses and small businesses.

An EIF project has supported over 1,600 micro, small and medium-sized enterprises (MSMEs) in Uganda, bringing almost 500 small businesses into the formal sector and leading to the registration of over 700 production cooperatives.

Collaboration and partnerships

The EIF has partnered with the International Trade Centre to support better mainstreaming of environmental

objectives into trade projects. Investments in honey production in Zambia, for example, are helping to preserve the biodiversity of the country's forests.

In 2017, the EIF joined forces with FAO to bring together the trade and agriculture ministries from four African countries to give additional impetus to the mainstreaming of trade into agricultural development policies. The initial results of this initiative were showcased at the Global Review of Aid for Trade in July.

The EIF published a joint study with the Standards and Trade Development Facility on how sanitary and phytosanitary issues are addressed in trade diagnostic studies. In addition, the EIF works regularly with WTO divisions in following up on members' trade policy reviews and in providing training activities and other support. The EIF has also worked to ensure there is a strong LDC voice in the new Global Trade Professionals Alliance, which seeks to build networks of trade professionals and develop their skills, and has strengthened cooperation with the Islamic Development Bank to promote exports of LDCs.

During 2017, the EIF launched "Trade for Development News" (<http://trade4devnews.enhancedif.org>), to raise awareness of Aid for Trade projects across the LDCs.



Standards and Trade Development Facility

- **In 2017, the Standards and Trade Development Facility (STDF) committed US\$ 4.2 million to help developing countries meet international standards for food safety, plant and animal health and access global markets.**
- **Together with the UN Food and Agriculture Organization, the STDF began a project aimed at helping developing countries send and receive phytosanitary certificates electronically.**
- **Since 2004, over US\$ 43 million has been provided through STDF funding and other mobilized resources to support projects in least-developed and other low-income countries.**

Background on the Standards and Trade Development Facility

The STDF is a global partnership that helps developing countries build their sanitary and phytosanitary capacity and their ability to gain and maintain market access. The STDF contributes to broader sustainable development goals, such as enhanced economic growth, poverty reduction, food security and environmental protection. Established by the WTO, the UN Food and Agriculture Organization, the World Organisation for Animal Health, the World Bank Group and the World Health Organization, the STDF is financed by voluntary contributions. The WTO houses the Secretariat and manages the STDF trust fund.

Improving trading capacity in developing countries

Nine project grants and seven project preparation grants (PPGs) were approved by the STDF in 2017, totalling US\$ 4.2 million.

These projects and PPGs aim to improve the capacity of the public and private sectors in developing countries to meet international standards for food safety, plant and animal health and to access international markets. They include projects to facilitate livestock exports from Ethiopia, to strengthen Zambia's capacity to export plant-based products, and to mainstream sanitary and phytosanitary (SPS) investments in policy and planning frameworks in selected countries of the Common Market for Eastern and Southern Africa (COMESA). The Zambia and COMESA projects will benefit from co-financing provided by the Enhanced Integrated Framework (see page 156).

New PPGs include the preparation of a feasibility study to evaluate the

economic and technical viability for value addition in Sri Lanka's fruit and vegetable sector and the development of a project proposal to reduce aflatoxin contamination in maize in Burkina Faso.

Since 2004, the STDF has provided US\$ 44.9 million for projects aimed at building the SPS capacity of producers, traders and governments in developing countries. STDF funding has mobilized US\$ 25.3 million in additional resources. STDF project work mostly benefits countries in Africa, followed by Asia-Pacific, and Latin America and the Caribbean (see Figure 3).

Several "results stories" were disseminated in 2017, highlighting how STDF projects have contributed to achieving the UN's Sustainable Development Goals and building public-private partnerships. New videos show how the STDF has helped African countries comply with the international wood packaging standard for exports and how the STDF has helped improve aquaculture practices for shrimp farmers in Bangladesh.



Figure 3: Location of STDF projects and project preparation grants (number), 2004-17

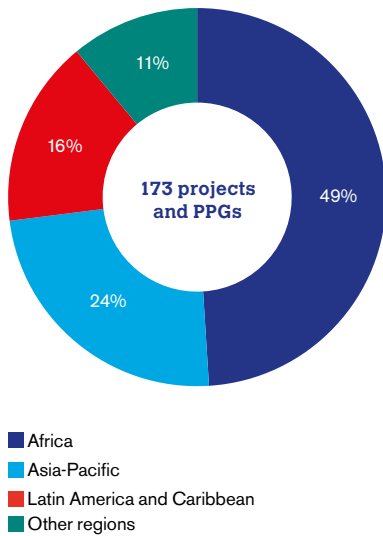
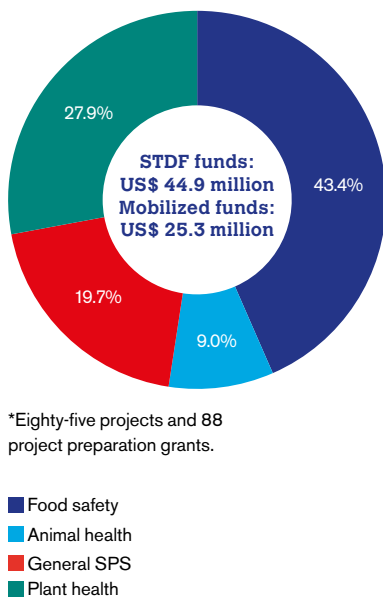


Figure 4: Coverage of STDF projects and project preparation grants (number), 2004-2017 (US\$ millions)*



*Eighty-five projects and 88 project preparation grants.

Electronic certificates

In 2017, a new STDF project (e-Phyto), implemented by the UN Food and Agriculture Organization, started to help developing countries send and receive phytosanitary certificates electronically. The e-Phyto tool is setting up a harmonized system, providing an alternative to paper-based phytosanitary certificates and eliminating the need to negotiate electronic exchange agreements bilaterally.

Through enhanced security and traceability, e-Phyto will also reduce the exchange of fraudulent plant health information in international trade. Another new STDF project will look into the use of electronic certification for trade in animal and animal products.

SPS information exchange and awareness-raising

In March 2017, the STDF co-organized with Canada and France a session at the WTO which explained how STDF work has developed SPS capacity for cocoa producers and small-scale fish farmers in Francophone Africa. In July 2017, the STDF held a high-level session at the 2017 Aid for Trade Global Review (see page 154) on electronic certification, new technologies and supply-chain traceability and trade facilitation/single windows.

In November, findings from two PPGs on controlling foot and mouth disease in Tanzania and Zimbabwe were presented on the sidelines of the WTO's SPS

Committee. Challenges in setting up disease-free zones in developing countries and the need for more resources were highlighted.

In 2017, the STDF Secretariat shared experiences and lessons from the STDF's work at over 50 conferences and SPS capacity-building workshops worldwide. Presentations were given on electronic SPS certification, implementation of the Trade Facilitation Agreement (see page 94) in relation to its SPS compliance, prioritizing SPS investments for market access and the impact of STDF work on poverty reduction, women's economic empowerment, food security and other cross-cutting issues.

New briefing notes showcasing synergies across STDF project and thematic work were disseminated. Topics addressed were public-private partnerships for SPS capacity building, electronic SPS certification and the use of SPS capacity evaluation tools developed by STDF partners in developing countries.

The STDF also conducted a survey on Good Regulatory Practice to identify opportunities to improve the development and implementation of SPS measures in developing countries. With further analysis, the findings will contribute to ongoing discussions on how to improve the development and implementation of SPS measures to ensure health protection and facilitate trade.



Technical cooperation and training

- **The WTO undertook 350 technical assistance activities in 2017, including e-learning, global and regional training courses, academic programmes and national and regional workshops.**
- **Least-developed countries (LDCs) participated in 61 per cent of all technical assistance activities.**
- **DG Azevêdo said recommendations in external evaluators' report will feed into the next technical assistance plan.**

Background on technical cooperation and training

The Institute for Training and Technical Cooperation coordinates the WTO's technical assistance programmes. Its activities include e-learning, global and regional training courses, academic programmes and workshops at national and regional level. The technical assistance programmes help WTO members better understand their rights and obligations in the multilateral trading system. This strengthens countries' capacity to benefit from participation in the system.

18,500

About 18,500 participants benefited from WTO training aimed at improving understanding of WTO agreements.

The WTO Secretariat undertook approximately 350 technical assistance activities in 2017 to help government officials gain a better understanding of WTO rules and the multilateral trading system. Approximately 18,500 participants benefited, a number almost unchanged from 2016.

Advanced courses for specialists were organized on various subjects, including trade-related intellectual property rights, sanitary and phytosanitary issues, agriculture, import licensing, dispute settlement, regional trade agreements and trade in services. Three Geneva-based advanced trade policy courses, each one lasting eight weeks, were held in 2017 for generalists. Courses for generalists and specialists were also offered at the introductory and intermediate levels, including in areas of specific interest to LDCs. Generalists are government officials, including Geneva delegates, who require a broad knowledge of many WTO subjects.

The WTO also organized regional activities. Eight-week regional trade policy courses were held for generalists in five regions: French-speaking Africa, Asia and the Pacific, the Caribbean, Latin America, and Arab and Middle East countries. Specialist courses, sometimes involving partner organizations, included: a workshop on trade negotiations skills for English-speaking African countries;

preparatory workshops for the 11th Ministerial Conference for Asia-Pacific countries and for French-speaking African countries; a regional workshop for trade statisticians from Arab countries, jointly organized with the Arab Monetary Fund; a regional workshop on government procurement for Latin American countries; and a regional workshop on trade policy modelling for Central and Eastern Europe, Central Asia and the Caucasus.

The WTO's training activities are mostly based on a biennial technical assistance and training plan approved by the Committee on Trade and Development. The 2016-17 plan followed a "results-based management" approach, measuring results to ensure that training is delivered in the most effective way. Courses are undertaken as part of a progressive learning strategy so that participants benefit from a step-by-step approach to improving their awareness of trade issues. Guidelines and benchmarks help to maintain a high standard (see below) of content for all training, consistent teaching methods and regular evaluation of all technical assistance activities delivered by the WTO.

The WTO continued to involve international and regional partners in technical assistance activities to ensure that a regional perspective was



Training activities held in Geneva are aimed at participants from all regions.



included in the design of the training programmes. Eighteen per cent of activities were for the benefit of Asia and the Pacific, 17 per cent for African countries, 11 per cent for Latin America, 9 per cent for Central and Eastern Europe and Central Asia, 5 per cent for Arab and Middle East countries, and 2 per cent for the Caribbean (see Table 1). The remaining 39 per cent were “global” activities, mostly held in Geneva, aimed at participants from all regions. In line with the demand-driven approach, approximately 32 per cent of all activities were delivered at the national level in countries where a specific need was identified.

The number of face-to-face training activities conducted by the WTO was relatively stable in 2017 in comparison with 2016, and the WTO Secretariat continued to implement a targeted approach to meet members’ needs. LDCs were invited to approximately 60 per cent of all technical assistance activities, maintaining a constant trend over the last two years. Nearly half of the participants accessed their training through e-learning resources on the WTO’s online platform.

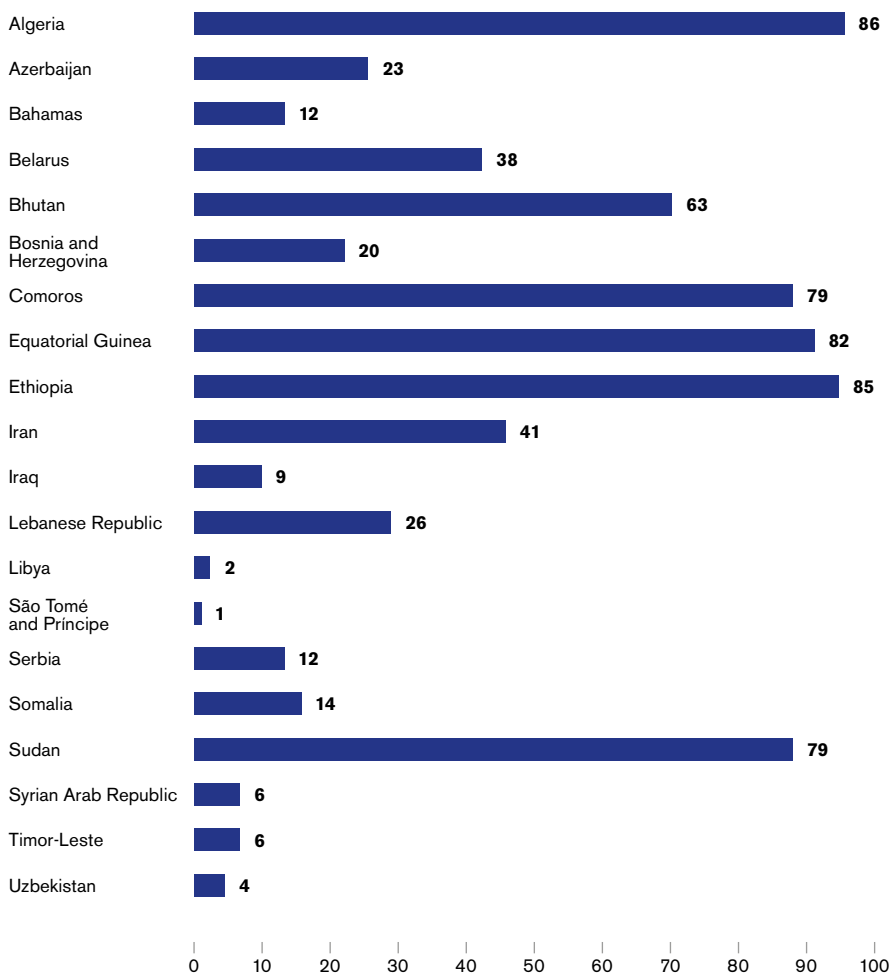
Table 1: Technical assistance activities by region in 2017*

| Region | National | | Regional | | Global** | | Other | | Total | |
|---|----------|------|----------|------|----------|------|-------|------|-------|------|
| Africa | 30 | 30% | 13 | 22% | – | 0% | 10 | 26% | 53 | 17% |
| Asia Pacific | 26 | 26% | 22 | 37% | – | 0% | 7 | 18% | 55 | 18% |
| Caribbean | 3 | 3% | 2 | 3% | – | 0% | – | 0% | 5 | 2% |
| Central and Eastern Europe and Central Asia | 13 | 13% | 9 | 15% | – | 0% | 5 | 13% | 27 | 9% |
| Global | – | 0% | – | 0% | 114 | 100% | 9 | 23% | 123 | 39% |
| Latin America | 21 | 21% | 8 | 14% | – | 0% | 6 | 15% | 35 | 11% |
| Middle East | 8 | 8% | 5 | 8% | – | 0% | 2 | 5% | 15 | 5% |
| Total | 101 | 100% | 59 | 100% | 114 | 100% | 39 | 100% | 313 | 100% |

* Totals may not add up to 100 per cent due to rounding.

** Activities under the “global” category are not targeted at a specific region but include activities such as Geneva-based courses, distance learning, internship programmes and an advisory role on legal issues.

Figure 5: Participants in WTO technical assistance activities from countries seeking to join the WTO in 2017



Technical assistance was strengthened for countries seeking to join the WTO.

Participation levels

Approximately 18,500 participants undertook technical assistance activities in 2017, little changed from the previous year. In 2017, 11,491 participants from 146 countries enrolled for e-learning courses, with Africa providing 34 per cent of participants, followed by Asia and the Pacific with 31 per cent, Latin America with 23 per cent, Central and Eastern Europe and Central Asia with 6 per cent, the Caribbean with 4 per cent and the Arab and Middle East region with 2 per cent. Some 61 per cent of participants undertook the online course in English, 21 per cent in Spanish and 18 per cent in French.

Women represented 45 per cent of participants for all WTO technical assistance activities in 2017, virtually the same as in 2016. Roughly 62 per cent of participants undertook technical

assistance in English, 20 per cent in Spanish and 15 per cent in French.

Technical assistance was strengthened for countries seeking to join the WTO (see page 39 and Figure 5 above), with government officials invited to participate in approximately 140 technical assistance events.

Internship programmes

WTO internship programmes offer government officials hands-on experience in WTO activities. The Netherlands Trainee Programme, the French and Irish Missions Internship Programme, the Regional Coordinator Internship Programme and the Accession Internship Programme give priority to applicants from Africa and LDCs, to small, vulnerable economies, and to countries in the process of joining the WTO.



In 2017, the majority of officials completing the WTO internship programmes were from LDCs and other low-income countries in Africa and the Asia and Pacific regions. Fifteen candidates completed the French and Irish Missions Internship Programme, 16 candidates completed the Netherlands Trainee Programme, five candidates completed the Regional Coordinator Internship Programme and seven the Accession Internship Programme.

Young Professionals Programme

The Young Professionals Programme was launched by DG Azevêdo in 2016 to increase the representation of professionals from nationalities under-represented at the WTO, with the aim of improving their chances of being recruited by the WTO and/or other regional and international organizations.

Five young professionals – two from the Dominican Republic and one each from Chile, Chinese Taipei and Montenegro – became the first participants in the programme in January 2017 (see page 193). Following the success of the programme, the WTO expanded the intake to 15 participants in 2018. The intake was from Antigua and Barbuda, Armenia, Cameroon, El Salvador, Georgia, Indonesia, Ivory Coast, Kazakhstan, Madagascar, Mongolia, Panama, Paraguay, St Vincent and the Grenadines, Thailand and Togo. The young professionals remain at the WTO for one year.

Five young professionals became the first participants in the Young Professionals Programme in 2017.



Financing technical assistance

The bulk of the technical assistance programme is financed by the Doha Development Agenda Global Trust Fund, which receives voluntary contributions from WTO members. The financial position of the fund remains fairly strong due to the balance carried forward from 2016 and funds received for 2017. The Fund received CHF 6.2 million for 2017, contributed by 12 WTO members, a decline of 10 per cent from the CHF 6.9 million received in 2016.

Other funding sources include the WTO's regular budget for Geneva based courses and national technical assistance activities – approximately CHF 4.5 million for 2017 – and contributions from other trust funds (such as the French and Irish Missions Internship Programme, the Netherlands Trainee Programme and the China Programme), which totalled CHF 2.2 million for 2017.

External evaluation of WTO technical assistance

The Committee on Trade and Development discussed an external evaluation of the WTO's training activities at a meeting in January 2017. The report, issued in October 2016, notes the success of the training programme in helping developing countries improve their capacity to trade and makes recommendations on how to further improve the programme by making it even more transparent, targeted and accountable.

"When the WTO was created over two decades ago, technical assistance was not a major part of our work. Fast-forward to today and it constitutes one of the biggest outputs of the organization. It has become, unquestionably, a central element of the WTO's activities. This is a real shift in the culture of the organization and it is a priority for me," DG Azevêdo told the Committee. He stressed that the independent evaluators' recommendations will feed into the next technical assistance plan.

Outreach

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Background on outreach

The WTO maintains regular dialogue with the business community, non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance cooperation and raise awareness of trade issues.

8



Spotlight:

Public Forum 2017

The 2017 Public Forum in September debated the realities of trade by going beyond the rhetoric to look in detail at the opportunities trade offers and the challenges it brings, particularly for developing countries.

The Forum provided a platform for frank discussions among policy-makers, civil society representatives, business people and researchers to consider how to maximize the benefits of trade and ensure the trading system is as inclusive as it can be.

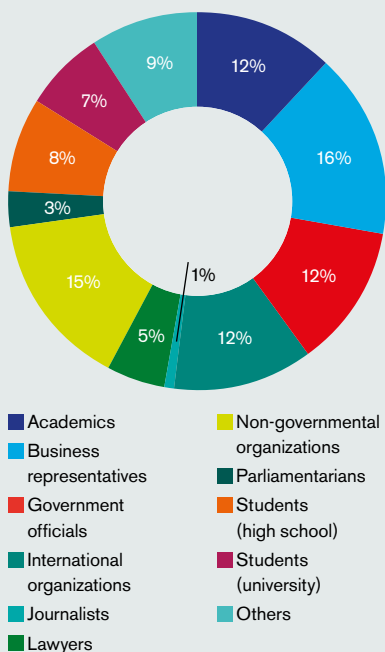
Under the theme “Trade: Behind the Headlines”, the WTO’s premier outreach event held 105 sessions – the most ever – including two high-level plenary sessions. The sessions related to three sub-themes – trade and jobs, inclusive trade and the Sustainable Development Goals (SDGs). The 1,221 participants (excluding WTO delegates and staff) from 112 countries (both members and non-members) were drawn from civil society, business, government and research institutions. Businesses accounted for the largest proportion of participants (16 per cent) ahead of non-governmental organizations (15 per cent) and government officials (12 per cent) (see Figure 1). The majority of participants came from Europe, followed by Asia.

Keynote speakers at the opening plenary made heartfelt pleas for a more inclusive global trading system. “Even if you argue – as I would – that trade is essential for growth, development and jobs, you have to accept that we drastically underestimated people’s dissatisfaction with the status quo,” said WTO Director-General Roberto Azevêdo, who led the debate.

The high-level panel included Christine Lagarde, Managing Director of the International Monetary Fund, New York Times columnist and Nobel Prize-winning economist Paul Krugman, Argentine minister Susana Malcorra, Bruce Stokes, Director at the Pew Research Center, Dr Naushad Forbes, Co-Chairman of Forbes Marshall, and Strive Masiyiwa, founder of the Econet Group.

The second high-level panel saw the launch of the WTO’s flagship World Trade Report (see page 182), which examines how technology and trade affect labour markets. High-level economists discussed its themes of

Figure 1: Public Forum participation in 2017





The SDGs and trade's role in achieving them featured prominently in many sessions.

how continued economic progress hinges on societies remaining open to trade and technological advances while also being able to adjust, adapt and promote greater inclusiveness.

The SDGs and trade's role in achieving them featured prominently in many sessions. Participants looked at the part played by agriculture and how turning the SDGs into reality can create new business opportunities. Another important topic was how sustainable development can be achieved through the adoption of clean technologies.

Sessions debated how to create a more open and inclusive trading system for all, with better and fairer opportunities for women. Ensuring that SMEs are able to adapt to the new ways of doing business, including e-commerce, was also a key topic.

The Forum featured three "Meet the Author" sessions organized by the WTO bookshop and library, in which the authors discussed their books.

Several stands were set up, showcasing products and work being carried out by small businesses, international organizations and institutions to help countries and individuals share in the benefits of trade. Among the exhibitors was SPINNA Circle, which supports the growth of women entrepreneurs and artisans in the fashion and textiles industry by linking them in networks, or "circles", providing training, mentoring and business opportunities.

Relations with non-governmental organizations

- **Over 350 representatives from 170 non-governmental organizations (NGOs) attended the 11th Ministerial Conference.**
- **NGOs formed the second-largest group of participants at the Public Forum.**

Background on relations with NGOs

The WTO maintains regular dialogue with civil society organizations through outreach activities, such as regular briefings, to enhance cooperation and increase awareness of WTO activities and the multilateral trading system. It provides a platform for NGOs to discuss current trade issues and provides them with access to many WTO events.

Over 350 representatives of 170 non-governmental organizations (NGOs) attended the 11th WTO Ministerial Conference in Buenos Aires in December, where the WTO provided a fully equipped NGO centre for their exclusive use. NGOs organized side events and received daily briefings from the WTO Secretariat on the status of the discussions. In Geneva, NGOs received briefings throughout the year on meetings of the General Council and the Trade Negotiations Committee and on other WTO activities.

Public Forum

The 2017 Public Forum (see page 166) attracted over 1,200 participants from over 100 countries. NGOs formed the second-largest group after business, accounting for 15 per cent of participants. NGOs organized sessions on a variety of topics, including how trade can help achieve gender equality and how trade can fairly contribute to economic growth and decent work for marginalized communities.

Open hearings

In 2017, NGOs were able to attend five dispute hearings relating to three panels. Since 2005, certain panel meetings, Appellate Body hearings and arbitration proceedings have been open to the public. The three panels were: “United States – Supercalendered Paper”, covering countervailing duties on Canadian paper; a compliance dispute brought by the European Union against the United States over subsidies for large aircraft – “European Communities and Certain Member States – Large Civil Aircraft (Article 21.5 – US)”; and “US – Tax Incentives” for the manufacturing of large civil aircraft, in a case brought by the European Union.

CUTS International organized a Public Forum session on how trade can contribute to economic growth and decent work for marginalized communities.



Contact with parliamentarians

- **The 2017 Parliamentary Conference on the WTO took place ahead of the 11th WTO Ministerial Conference in Buenos Aires.**
- **The conference urged WTO members to strive to strengthen the multilateral trading system, with the WTO as its cornerstone.**

Background on contact with parliamentarians

Parliamentarians play an important role in the multilateral trading system. Any deal resulting from intergovernmental negotiations at the WTO will, in most cases, need approval from legislators. The WTO seeks to maintain an open dialogue with parliamentarians and to help them gain a deeper understanding of the organization and its work.

The Parliamentary Conference on the WTO met at the National Congress of Argentina in Buenos Aires in December 2017.

The Parliamentary Conference on the WTO, meeting on 9-10 December at the National Congress of Argentina in Buenos Aires, just before the 11th WTO Ministerial Conference (MC11), urged WTO members to make every effort to strengthen the multilateral trading system, with the WTO as its cornerstone.

Members of Parliament (MPs) welcomed the entry into force of the WTO Trade Facilitation Agreement (see page 94) and the amendment to the Trade-related Aspects of Intellectual Property Agreement (see page 100) and urged governments that have not yet ratified these two instruments to do so as speedily as possible.

Addressing the conference, attended by hundreds of MPs from around the world, Director-General Roberto Azevêdo said: "You play a fundamental role here. We rely on you, through platforms like this, to pass on the cares and concerns of your communities. And we rely on you to help inform them about the work of the WTO."

The Steering Committee of the Inter-Parliamentary Union (IPU) on WTO matters met in March in Brussels and in Geneva during the WTO Public Forum (see page 166). The IPU is the international organization of parliaments. Senior WTO staff, the Chair of the General Council (see page 62) and Geneva-based ambassadors briefed legislators on important issues facing the multilateral trading system. Deputy Director-General (DDG) David Shark and DDG Karl Brauner addressed the Committee.

A parliamentary session was held during the Public Forum (see page 166) on "Making trade fair: the contribution of parliaments". Speakers included members of the European Parliament and members of national assemblies from Pakistan and Cameroon.

Regional workshops and meetings

In 2017, the WTO organized four regional workshops for parliamentarians: in Vienna (co-organized with the Joint Vienna Institute) for MPs from Central European, Central Asian and the Caucasus countries; in Rabat, Morocco (organized jointly with the Assemblée Parlementaire de la Méditerranée) for MPs from the Mediterranean area; in Madagascar (with the Organization Internationale de la Francophonie) for African MPs; and in Singapore (with the TEMASEK Foundation) for MPs from Asia. The four events drew 107 MPs.



Cooperation with other intergovernmental organizations

- **The WTO worked closely with other international organizations to promote the Sustainable Development Agenda and other global goals.**
- **DG Azevêdo attended the G20 summit and took part in events organized by the UN, the World Bank, the IMF and OECD.**
- **The WTO worked with UNCTAD and ITC to assist developing countries in maximizing the benefits of trade.**

Background on cooperation with other international organizations

The WTO works closely with other intergovernmental organizations and regional bodies, especially those involved in trade-related issues. This cooperation helps to ensure coordinated action and a consistent approach to international trade policies.

G20 leaders underlined the crucial role of the rules-based international trading system.

G20

In July, Director-General Roberto Azevêdo attended the summit of the G20 group of leading developed and developing countries in Hamburg, Germany. In a statement released ahead of the summit, DG Azevêdo, the Managing Director of the International Monetary Fund (IMF), Christine Lagarde, and World Bank President Jim Yong Kim stressed that the economic well-being of billions of people depends on trade and that deeper trade integration coupled with supportive domestic policies can help boost incomes and accelerate global growth.

G20 leaders underlined the crucial role of the rules-based international trading system. They also vowed to keep markets open and to continue to fight protectionism, including all unfair trade practices, recognizing the role of legitimate trade defence instruments in this regard.

With the United Nations Conference on Trade and Development (UNCTAD) and the Organisation for Economic Co-operation and Development (OECD), the WTO continued to publish six-monthly reports on trade and investment measures in G20 countries. The November report showed the

introduction of fewer trade-restrictive measures compared with the previous review period.

The WTO contributed a range of inputs to trade discussions, notably in the G20 sherpa track and in the G20 Trade and Investment Working Group, which seeks to better coordinate efforts to reinforce trade and investment. Together with the OECD and the World Bank, the WTO organized a conference in Paris bringing together G20 policy-makers and researchers to review current knowledge on the distribution of the gains from trade. Jointly with the IMF and the World Bank, the WTO provided a background document, "Making Trade an Engine of Growth for All" (see page 121).

OECD

DG Azevêdo addressed the OECD Ministerial Council on 8 June, telling the meeting that the WTO's success over the past few years in delivering agreements needs to be maintained so that trade can do even more to create jobs and support growth and development.

The OECD and the WTO cooperate in a wide range of areas, including in the Trade in Value-Added (TIVA) database, launched in 2013. They also cooperate



DG Azevêdo is greeted by Germany's Chancellor, Angela Merkel, at the G20 leaders' summit in Hamburg, Germany, in July 2017.



to improve the measurement of digital trade. In 2017, the WTO ran for the first time a course on global value chains supported by the OECD (see page 185).

The OECD and WTO are also cooperating in the development of a set of trade facilitation indicators (TFIs). This interactive web tool covers 152 countries. The TFIs identify areas for action and assess the potential impact of trade facilitation reforms so that governments can prioritize action and mobilize technical assistance.

United Nations

DG Azevêdo attended the spring meeting of the United Nations Chief Executives Board (CEB) – a high-level body composed of the executive heads of UN agencies, funds and programmes as well as the executive heads of the IMF, the World Bank and the WTO. The CEB aims to enhance international cooperation on global issues.

The WTO is part of the UN Secretary General-led High-Level Task Force, which brings together 23 UN agencies and international organizations to improve coordination in global food security responses. The task force offers high-level policy coordination and political leadership, with the aim of achieving the Sustainable Development Goals (SDGs) related to food and nutrition security and to sustainable agriculture and food systems.

The WTO also works closely with departments of the UN Secretariat, especially on the follow-up and implementation of the trade-related targets in the Agenda 2030 for Sustainable Development. In 2017, the WTO made several contributions to this work, among them an issue brief for the 2017 High Level Political Forum on Sustainable Development, which included policy recommendations on ways to accelerate progress in poverty eradication from a trade perspective.

During the Aid for Trade Global Review (see page 154) the UN's Food and Agriculture Organization (FAO) and the WTO unveiled a joint publication on trade and food standards (see page 181).

The WTO's collaboration with the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLS) has continued to strengthen. The WTO regularly contributes to the UN Secretary General's reports on the implementation of the Istanbul Programme of Action for the Least Developed Countries as well as the Vienna Programme of Action for Landlocked Developing Countries.

The WTO works closely with UNCTAD and the International Trade Centre ITC. During the WTO 11th Ministerial Conference (MC11) in Buenos Aires, they launched an innovative web-based tool to help businesses, in particular smaller firms, benefit from trade.





The ILO and the WTO launched a joint study on “Investing in Skills for Inclusive Trade.”

The WTO and UNCTAD continue to cooperate in providing training and technical assistance to developing countries and least developed countries (LDCs), building on the declaration signed by DG Azevedo and UNCTAD Secretary-General Mukhisa Kituyi in October 2015 to strengthen collaboration between the two organizations. The WTO also cooperates with UNCTAD within the framework of the UN inter-agency “cluster” on trade and productive capacity, which aims to coordinate trade and development operations throughout the UN system.

UNCTAD, the ITC and the WTO jointly produce quarterly and annual statistics on international trade in services. They also combined in statistical capacity-building activities, including training courses and e-learning courses.

ITC

The WTO and UNCTAD jointly sponsor the ITC, a trade promotion body for developing countries. The WTO also collaborates with the ITC and UNCTAD in the annual publication of the World Tariff Profiles (see page 184).

The WTO works closely with the ITC to help developing countries implement and benefit from WTO agreements. They are working together in the Business for Development initiative, which aims to help the private sector in developing countries define national priorities for WTO negotiations and

make governments mindful of business concerns. During MC11, the two organizations launched the joint WTO-ITC cotton portal (see page 48).

The ITC’s Joint Advisory Group (JAG) meets annually to make recommendations on the ITC’s work programme. The 51st session of the JAG was held in July at the WTO.

Other intergovernmental organizations

In 2017, the International Labour Organization (ILO) and the WTO launched a joint study – *Investing in Skills for Inclusive Trade* – which suggested that enhancing the skills of a country’s workforce lifts the export performance of its enterprises and better prepares them to meet foreign competition (see page 183).

The WTO Secretariat attends sessions of the ILO Governing Body and the International Labour Conference as an observer and participates in meetings of the Governing Body’s Working Party on the Social Dimension of Globalization. The ILO and the WTO are undertaking research on the role that skills-development policies can play in making trade an engine of inclusive growth.

Speaking at the Social Forum of the UN Human Rights Council on 2 October, DG Azevedo highlighted how the WTO’s trade rules and its close cooperation with the World Health Organization and the World Intellectual Property Organization have been essential in improving access to medicines for developing countries (see page 101).

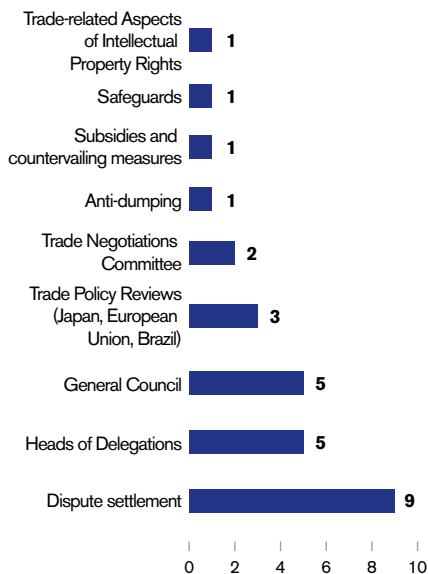
The WTO was actively involved in preparing for the G20 Agriculture Ministers meeting and the Rapid Response Forum of the G20 Agricultural Market Information System (AMIS), which took place in Berlin, in January and February 2017, respectively. In November, the meeting of the AMIS Global Market Information Group was hosted by the WTO. The WTO undertook to continue helping AMIS in ensuring increased transparency in international commodity markets and improving policy coordination as part of the collective effort to address global food security.



Contact with the media

- Nearly 320 journalists attended the 11th Ministerial Conference in Buenos Aires, including six from least-developed countries invited by the WTO.
- Overall, 45 press events took place during the year at WTO headquarters and the nearby United Nations headquarters in Geneva.

Figure 2: Meetings/subjects covered by WTO press briefings in 2017



The 11th Ministerial Conference (MC11) in Buenos Aires was the focus of media activities in 2017. Nearly 320 journalists attended the four-day meeting in December, including six journalists from least developed countries (LDCs) invited by the WTO. Director-General Roberto Azevêdo and MC11 Chair Susana Malcorra briefed reporters at both the beginning and the end of the conference (see page 32). In all, journalists were invited to 57 press events in Buenos Aires, including 19 press conferences.

In Geneva, journalists attended a number of WTO events, including seminars, book launches, the Public Forum (the organization's flagship outreach event), the Aid for Trade Global Review and the Symposium on the 20th Anniversary of the Information Technology Agreement (see page 91). Press briefings (see Figure 2) and press conferences were held on a range of WTO issues, including the WTO's annual trade forecast. In total, 46 press events took place at WTO headquarters and the nearby UN headquarters in Geneva.

The WTO received 226 requests for registration to the media newsroom of the WTO website, where journalists can access press releases and publications under embargo. The number of journalists registered stood at 1,917 at the end of 2017.

Outreach

As MC11 was the first WTO Ministerial Conference in South America, the WTO invited 15 journalists from 13 Latin American countries to Geneva in September for a seminar jointly organized with the Friedrich Ebert Foundation. The programme included the new challenges of international trade and preparations for MC11. The journalists met the WTO ambassadors from Argentina, Colombia and Panama as well as DG Azevêdo.

A workshop for Latin American journalists was organized in Buenos Aires ahead of MC11. Nearly 30 journalists from 16 countries attended. Argentine Minister of Foreign Affairs Jorge Faurie and the Minister of Production, Francisco Cabrera, along with MC11 Chair Malcorra, addressed the group.

WTO press officers also participated in regional outreach programmes for parliamentarians in Austria and Kuwait in 2017 (see page 169).



Contact with the business community

- **Two focus groups of business leaders, established under the WTO’s Trade Dialogues initiative, issued recommendations on business priorities for the WTO.**
- **A Business Forum, held for the first time at a WTO Ministerial Conference, ended with the International Chamber of Commerce (ICC) presenting recommendations on the future direction of world trade agenda.**
- **The WTO and ICC launched the “Small Business Champions” initiative.**
- **The Global Trade Helpdesk was launched to help businesses, in particular smaller firms, benefit from trade.**

Background on contact with the business community

Business and the WTO have always been closely connected. The private sector is a major beneficiary of transparent and predictable trade rules and obligations. Business is an important interlocutor for both governments and the WTO. It is actively involved in the multilateral trading system and participates in public activities of the WTO.

Trade Dialogues

Two focus groups of business leaders, established at the first Trade Dialogues meeting with the business community in 2016, made their final recommendations on a range of trade-related issues, such as services, investment, market access, e-commerce and small and medium-sized enterprises (SMEs). The Trade Dialogues initiative aims to highlight the challenges and opportunities businesses, both large and small, from developed and developing economies, face in conducting trade and how the WTO can best address their needs.

The reports followed 11 months of extensive online discussions. In July 2017, the group leaders – John Danilovich, Secretary General of the International Chamber of Commerce (ICC), and Dr Stormy Mildner, B20 sherpa and Head of Foreign Trade Policy at the Federation of German Industries – presented the recommendations to the coordinators of various groups of WTO members.

The first set of recommendations encourages WTO members to look into ways of creating a global ecosystem that better enables small businesses to access international markets and

sell products online more easily. The recommendations also highlight the need for enhanced connectivity and capacity building in e-commerce. The second set calls for the revitalization of WTO trade negotiations and the rapid and effective implementation of the Trade Facilitation Agreement (see page 94). The two discussion group leaders continued to engage with WTO members in Geneva on the basis of these reports.

MC11 Business Forum

A Business Forum took place on 12 December in Buenos Aires, organized by the Ministry of Production of Argentina, together with the ICC, the World Economic Forum and the B20. It was the first time a business forum had been held on the sidelines of a WTO Ministerial Conference. The Forum concluded with the ICC presenting recommendations on the future direction of the world trade agenda, which were delivered to Director-General Azevêdo and the Chair of the Conference, Argentine Minister Susanna Malcorra.

The recommendations focused on three main elements: strengthening the role of the WTO in response to global challenges; establishing a new work programme for the WTO covering

The Trade Dialogues initiative aims to highlight how the WTO can address the challenges facing business.





At the end of the Business Forum in Buenos Aires, the ICC presented recommendations on the future direction of world trade.

priority issues for business; and providing support to WTO members in their discussions at the 11th Ministerial Conference (MC11) and beyond.

Public Forum

The WTO's 2017 Public Forum (see page 166) drew 180 business representatives to its debates and meetings on the theme of "Trade: behind the headlines". The business community organized 22 sessions during the three-day event, covering topics such as sustainability, inclusive trade, e-commerce, protectionism, technology and the future trade agenda.

Small Business Champions

ICC and the WTO launched the Small Business Champions initiative in August 2017. The initiative provides a platform for companies and private sector organizations to propose innovative, practical ideas to encourage micro, small and medium-sized enterprises (MSMEs) to do business across borders (see page 176).

Global Trade Helpdesk

During MC11, the International Trade Centre, the United Nations Conference on Trade and Development and the WTO launched an innovative tool to help businesses, in particular smaller firms, benefit from trade. Accessible through a new online hub – HelpMeTrade.org – the Global Trade Helpdesk will serve as a one-stop shop for businesses and policymakers seeking to access trade data and to find practical information on target markets.

The Helpdesk provides data on tariffs and taxes, relevant health and safety standards and compliance procedures, details about export and import procedures, such as pre-shipment formalities, and current trade patterns and trade agreements. "For a small business, easy access to the right information can make the world of difference," DG Azevêdo said at the launch.

E-commerce initiative

In Buenos Aires, the WTO, the World Economic Forum and the Electronic World Trade Platform (eWTP) announced a joint initiative to drive public-private dialogue on e-commerce. "Enabling E-commerce" aims to bring together leading voices from governments, businesses and other stakeholders for a high-level conversation on e-commerce policies and practices that can benefit small businesses. It will also encourage research and knowledge sharing on the practical challenges faced by MSMEs and serve as a bridge between global e-commerce practice and policy.

Other contact with businesses

Throughout the year, WTO officials met with members of the business community visiting Geneva and held meetings with business representatives during visits overseas. The issues most frequently discussed included the state of play in the WTO's trade negotiations ahead of MC11.



Spotlight:

Small Business Champions initiative

Despite their economic importance in developed, developing and least-developed countries, micro, small and medium-sized enterprises (MSMEs) have a disproportionately small share of world trade. Helping more MSMEs to trade internationally is an important step to building a more inclusive trading system that benefits a wider array of citizens. With this in mind, the WTO and the International Chamber of Commerce (ICC) launched the Small Business Champions initiative in August.



The initiative called on companies to submit proposals aimed at helping small businesses trade across borders.

The initiative called on companies and private sector organizations around the world to come up with innovative and practical proposals for encouraging and assisting MSMEs to do business across borders.

Their proposals were also required to indicate how ICC and the WTO could contribute to the implementation of the proposed project. Companies and organizations putting forward successful proposals would be recognized as “ICC-WTO Small Business Champions” following the conclusion of their project.

By the end of 2017, the initiative had announced three successful proposals – one submitted by Google, the second by the Union of Chambers of Commerce of the former Yugoslav Republic of Macedonia and a third submitted jointly by Mercado Libre, an e-commerce company, and Argentina’s Chamber of Commerce and Services.

Google’s proposal was for a video competition, which invited MSMEs to share their stories through a short video about how they have used internet technologies to participate in trade. In September, Google launched the competition entitled “Small Businesses Going Global Video Challenge”.

At a Business Forum in Buenos Aires (see page 174), ICC and the WTO announced the winners of the competition and declared Google as the first “Small Business Champion”. “We were delighted by the level of participation in the video competition. We received so many compelling stories of how internet technologies are changing the trade landscape for MSMEs,” said Director-General Roberto Azevêdo.

The winning video was submitted by Zedi, a small fashion business in Ghana. The founder, Juliet Ajaab, told how she harnessed new technologies, such as the internet and social media, to significantly increase the company’s client base and to reach new markets outside of Ghana.

The two runners-up were My Nametags, a UK-based small business that sells multi-purpose nametags, and the Deering Banjo Co., based in the United States, which produces musical instruments. The prize for the winner and runners-up is a trip to a master class at Google in digital skills tailored to MSMEs.





WTO and ICC announced the winner of the small business video competition in Buenos Aires in December.

The proposal from the Union of Chambers of Commerce of the Former Yugoslav Republic of Macedonia was to create a digital platform for small businesses that would help them integrate into regional and international markets and develop their capacity to export. The “WORLD NET for Small Businesses” would integrate 100 SMEs from the Former Yugoslav Republic of Macedonia into the network and assist them in accessing relevant information and understanding export procedures.

The proposal from Argentina’s Chamber of Commerce and Services and Mercado Libre is to develop a training programme called the “Global SMEs Launchpad”. It will allow 100 SMEs in Argentina to benefit from tailored training aimed at improving their business skills so that they can showcase their products on a dedicated online platform. DG Azevêdo said: “This is an excellent initiative, designed to provide SMEs with the necessary skills to connect with global markets.”

By the end of the year, the Champions initiative had received a large number of proposals from businesses and business associations, with ideas for capacity-building, awareness-raising, online portals and digital platforms. More successful proposals were announced in early 2018.

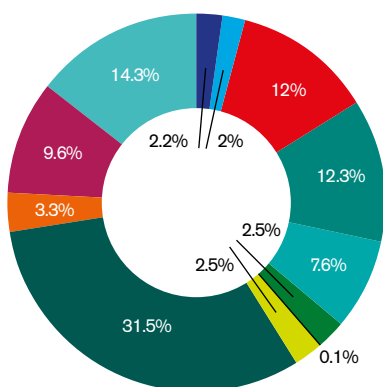


Google’s Head of Global Trade Policy, David Weller (centre), receives the first Small Business Champions Trophy.

Contact with the public

- The WTO website was redesigned in 2017 to give it a fresh look and to make it more accessible to a variety of devices.
- The site attracted almost 1.9 million visits a month; its social media channels have over 1 million followers.
- WTO videos were watched over 700,000 times on social media over the year.
- The WTO’s publications programme was extremely active, issuing 64 publications.

Figure 3: People registered to receive email alerts, as of end-2017



- Accredited media
- Other journalists
- Business representatives
- Government officials
- Lawyers
- Non-governmental organization representatives
- Parliamentarians
- Students (high school)
- Students (university)
- University professors
- Other academics
- Other

WTO website

The website was redesigned in 2017 to give it a more modern look and to make it responsive so that it can be easily viewed on tablets and mobile phones. It attracted almost 1.9 million monthly visits, of which 14.8 per cent were from the United States, 7.9 per cent from China, 5.8 per cent from Mexico and 4.7 per cent from India. Total page views fell slightly from 52.9 million in 2016 to 50.1 million. Over 450 news items were published in 2017.

The most downloaded files were the World Trade Statistical Review 2016 (205,000 downloads) and the World Trade Report 2016 (60,000) followed by the Annual Report 2016 (over 30,000). The most popular video, with 16,000 views, was about the entry into force of the WTO’s Trade Facilitation Agreement (see page 94), while an interview at the WTO with Alibaba founder Jack Ma and Director-General Roberto Azevêdo had 15,000 views.

Just under 86,000 people have registered to receive email alerts for WTO news items (see Figure 3). The largest numbers of registrations are from India (11 per cent), the United States (7 per cent), Mexico (5 per cent), France (4 per cent), Colombia (4 per cent) and China (3 per cent).

Social media

Social media channels remain a key means of providing regular updates about WTO activities to journalists, business people, academics and the general public. The top performing posts in 2017 included a video clip with Nobel Laureate Paul Krugman on the economics of global trade and politics. Posts about the entry into force of the Trade Facilitation Agreement were also popular.

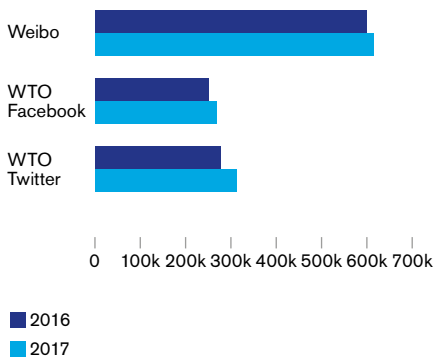
In 2017, the WTO launched Twitter accounts in French and Spanish to complement its English account. At the end of the year, the WTO’s three institutional Twitter accounts had about 313,000 followers; its Facebook page had over 260,000 “likes” and the Organization’s page on Weibo, a Chinese social media platform, had 615,000 followers (see Figure 4).





One of the most-watched videos in 2017 was “Trade changes”.

Figure 4: Growth in numbers of followers of the WTO on Weibo, Facebook and Twitter



WTO videos

The WTO produces videos on a variety of trade topics. In 2017, video productions ranged from very short, social media-friendly clips to hour-long policy lectures to reach out to both the specialist trade community and the general public. One of the most popular videos was “Trade changes”, released at the Public Forum 2017, which illustrates how trade changes, challenges and connects people. WTO videos were watched over 700,000 times on social media over the year.

Visiting groups

In 2017, the WTO welcomed 216 visiting groups (approximately 6,270 people). The presentations mostly covered the WTO’s history, functions and current work. Some groups requested presentations on specific topics, primarily dispute settlement, agriculture, development and intellectual property rights. Most of the presentations (148) were given in English while 30 were given in French, ten in Chinese, eight in Russian, six in German and six in Spanish. Three presentations each were given in Ukrainian and Arabic, and two in Japanese.

WTO publications

The publications programme was very active, issuing 64 publications as well as new apps of the Annual Report and the World Trade Report. The WTO held eight book launches, its highest number in a single year. These included its first co-publication with the United Nations Food and Agriculture Organization, “Trade and Food Standards” (see page 171), and “The WTO Agreements”, the first update to the WTO’s legal rulebook in over 20 years, which replaces “The Legal Texts”.

The publications most frequently downloaded from the website were the WTO’s three flagship publications (see below). Most WTO publications can be downloaded free of charge in the WTO’s three official languages, English, French and Spanish. Printed copies can be purchased from a global network of distributors and the WTO’s online bookshop (<http://onlinebookshop.wto.org>). The apps are available free of charge from the App Store and Google Play.

The WTO’s Publications Facebook page has over 48,500 followers and its Twitter page has over 67,600 followers, an increase of almost 13 per cent on 2016. WTO Publications also has a presence on Foursquare, Google+ and Pinterest. A digital newsletter, “Book News”, is regularly sent to 90,000 recipients.

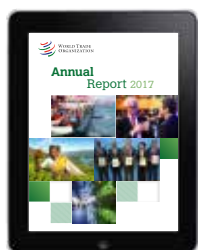
Flagship publications



Annual Report 2017

ISBN 978-92-870-4144-9 | CHF 50

The Annual Report contains a message from the Director-General, an overview of the past year and in-depth accounts of the WTO's various areas of activity.



Annual Report 2017 app

Free

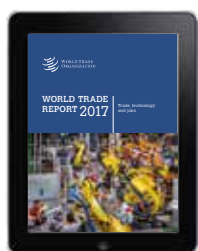
The Annual Report app includes the full text of the report plus additional features, including videos, photo galleries and interactive maps.



World Trade Report 2017

ISBN 978-92-870-4358-0 | CHF 50

The World Trade Report 2017 looks at how technology and trade affect employment and wages. It analyses the challenges for workers in adjusting to changes in labour markets, and how governments can facilitate such adjustment.



World Trade Report 2017 app

Free

The World Trade Report 2017 app includes the full text of the report plus additional features, including a video of the launch event and the Excel data underlying the charts.

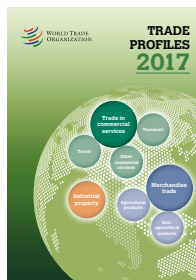


World Trade Statistical Review 2017

ISBN 978-92-870-4151-7 | CHF 50

The World Trade Statistical Review 2017 provides a detailed analysis of the most recent trends for trade in goods and services.

Other annual publications



Trade profiles 2017

ISBN 978-92-870-4157-9 | CHF 50

Trade Profiles 2017 provides key indicators on trade in goods and services for 196 economies, highlighting the major exports and imports for each economy and their main trading partners.



World Tariff Profiles 2017

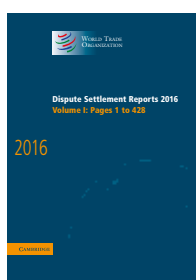
ISBN 978-92-870-4163-0 | CHF 50

World Tariff Profiles 2017 provides comprehensive information on the tariffs and non-tariff measures imposed by over 170 countries and customs territories. Co-published with the ITC and UNCTAD.



Trade Policy Reviews

In 2017, 23 Trade Policy Reviews were published, analysing the trade policies and practices of Belize, Bolivia, Brazil, Cambodia, the European Union, Gambia, Iceland, Jamaica, Japan, Mexico, Mozambique, Nigeria, Paraguay, Sierra Leone, Switzerland and Liechtenstein, and the West African Economic and Monetary Union.



Dispute Settlement Reports 2016

Six volumes were produced in 2017, providing the full texts of panel reports, Appellate Body reports and arbitration awards issued by the WTO in 2016. A co-publication with Cambridge University Press.



WTO Dispute Settlement: One-Page Case Summaries 1995-2016

ISBN 978-92-870-4529-4 | CHF 40

One-Page Case Summaries provides a succinct summary of the key findings of every dispute panel report up to the end of 2016 and, where applicable, the subsequent Appellate Body report.



New publications



The WTO Agreements: The Marrakesh Agreement Establishing the World Trade Organization and its Annexes

ISBN 978-1-108-42382-3 Hardback | CHF 90
ISBN 978-1-108-43843-8 Paperback | CHF 40

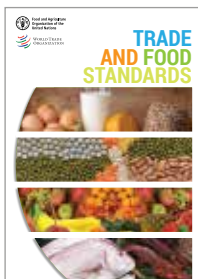
This publication contains the text of the WTO's founding agreement and its annexes, including all amendments and additions since its entry into force until September 2017. It updates and replaces "The Legal Texts". Co-published with Cambridge University Press.



A Handbook on the WTO Dispute Settlement System, 2nd edition

ISBN 978-1-108-41727-3 Hardback | CHF 130
ISBN 978-1-108-40485-3 Paperback | CHF 50

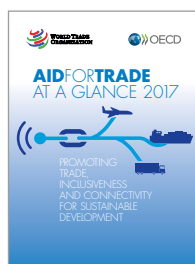
This second edition has been compiled by dispute settlement lawyers of the WTO Secretariat to provide practical information about the day-to-day operation of the WTO dispute settlement system. Co-published with Cambridge University Press.



Trade and Food Standards

ISBN 978-92-870-4537-9 | CHF 40

This publication looks at how the FAO and the WTO provide a framework to facilitate trade on the basis of internationally agreed food standards and underlines how helping developing countries comply with these standards helps them participate in global trade. Co-published with the UN Food and Agriculture Organization (FAO).



Aid for Trade at a Glance 2017: Promoting trade, inclusiveness and connectivity for sustainable development

ISBN 978-92-870-4539-3 | CHF 70

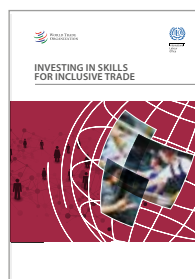
This publication looks at how improving connectivity – both physical infrastructure and digital connectivity – can help developing countries benefit from global trade. Co-published with the OECD.



20 Years of the Information Technology Agreement

ISBN 978-92-870-4537-9 | CHF 40

The ITA commits its participants to eliminating tariffs on a wide range of IT products. To mark the Agreement's 20th anniversary, this publication analyses its impact on its participants and on worldwide trade in IT products.



Investing in Skills for Inclusive Trade

ISBN 978-92-870-4016-9 | CHF 40

This publication focuses on the linkages between trade and skills and between trade and skills development policies. It argues that in a fast-changing world the responsiveness of skills supply to demand is particularly important. Co-published with the International Labour Organization.



Trade multilateralism in the 21st century: Building the upper floors of the trading system through WTO accessions

Edited by Alexei Kireyev and Chiedu Osakwe
ISBN 978-1-108-42128-7 Hardback | CHF 110
ISBN 978-1-108-43168-2 Paperback | CHF 40

By examining recent accessions to the WTO, this book looks at how an updated and robust rules-based multilateral framework, anchored in the WTO, remains indispensable to maximizing the benefits of global economic integration and to reviving world trade. Co-published with Cambridge University Press.



Global Value Chain Development Report 2017: Measuring and analyzing the impact of GVCs on economic development

ISBN 978-92-870-4125-8 | CHF 60

The Global Value Chain Development Report 2017 analyzes new data to reveal global trade's increasing complexity and to review how developing countries can integrate more effectively into world trade. Co-published with the World Bank, IDE-JETRO, OECD and the University of International Business and Economics.

Economic research activities

- **The WTO's flagship World Trade Report examines the links between technology, trade and jobs.**
- **Cutting trade costs is crucial to creating more inclusive global value chains, a new report shows.**
- **Together with the OECD and the World Bank, the WTO organized a conference for G20 policy makers to discuss the distribution of gains from trade.**

Background on economic research activities

The WTO's Economic Research and Statistics Division organizes regular seminars and conferences as well as online forums involving academics and researchers in Geneva and around the world. These activities include the Geneva Trade and Development Workshop programme. It is responsible for the WTO's flagship publication, the World Trade Report, which aims to deepen understanding about trends in trade, trade policy issues and the multilateral trading system.

The WTO's flagship publication, the World Trade Report, was launched by Director-General Roberto Azevêdo at the WTO Public Forum (see page 166) in September. The report notes that continued economic progress hinges on the ability of societies to remain open to trade and technological advances, while being able to adjust to changes in labour markets, and how governments can facilitate such adjustment.

The Global Value Chains Development Report, "Measuring and Analysing the Impact of GVCs on Economic Development", was co-published in July by the Institute of Developing Economies (IDE-JETRO), the Organisation for Economic Co-operation and Development (OECD), the Research Center of Global Value Chains of the University of International Business and Economics (UIBE), the World Bank and the WTO. Global value chains (GVCs) have helped developing countries make economic

progress but some have benefited more than others. Cutting trade costs is crucial to building more inclusive GVCs.

In 2017, the Geneva Trade and Development Workshop hosted 23 events. It is co-organized by the WTO, the Graduate Institute, the University of Geneva and the United Nations Conference on Trade and Development (UNCTAD). The programme provides a forum for the presentation of cutting-edge research and the exchange of ideas, supports high-quality research and facilitates outreach to policy-makers.

In June 2017, the Economic Research and Statistics Division (ERSD) organized with the OECD and the World Bank a conference in Paris bringing together policy-makers from G20 countries and researchers to discuss the distribution of the gains from trade. Together with the IMF and the World Bank, the WTO provided a study on "Making Trade an

The WTO's flagship publication, the World Trade Report, was launched by DG Azevêdo at the Public Forum.



Engine of Growth for All" (see page 121), which was launched by the heads of the three organizations at a meeting with German Chancellor Angela Merkel in Berlin.

The linkages between trade and skills and between trade and skills-development policies are analysed in a co-publication with the International Labour Organization (ILO). *Investing in Skills for Inclusive Trade* argues that a strong emphasis on skills development is vital for both firms and workers, given the role of skills in productivity and trade performance as well as in access to employment and wage distribution.

In 2017, ERSD organized more lectures in the Trade Dialogues series, which brings technical experts to the WTO to share their insights in a non-technical and accessible manner. Lectures were offered on technology, trade and labour, gains from trade, and trade and innovation.

Launched in 2016, the World Trade Outlook Indicator (WTOI) continued to provide "real time" information on trends in global trade.

Background on the WTO Essay Award for Young Economists

The WTO established the annual WTO Essay Award for Young Economists in 2009. The award, which carries a prize of CHF 5,000, aims to promote high-quality economic research on the WTO and WTO-related issues and to reinforce the relationship between the WTO and the academic community.



WTO Essay Award for Young Economists

The winner of the Ninth WTO Essay Award for Young Economists was Meredith Startz of Princeton University for her paper on "The value of face-to-face: search and contracting problems in Nigerian trade". The selection panel also gave honourable mentions to Jingting Fan of the Pennsylvania State University for his work "Talent, Geography, and Offshore R&D" and to Zheli He of Columbia University for her paper, "Trade and Real Wages of the Rich and Poor: Cross-Country Evidence".

Meredith Startz's paper underlines the importance of face-to-face transactions for the importing of goods. The idea is very simple: in contrast to purchasing remotely, travelling to the point where goods are imported entails a higher fixed cost but allows importers to search more effectively for the most up-to-date products and to avoid contract-enforcement issues by engaging in an on-the-spot transaction. Using data from Nigeria, the paper shows that removing search and contracting problems is important for the volume and gains from trade and is likely to be especially important for developing countries.

Jingting Fan's paper looks at the issue of research and development (R&D) location as opposed to production location. Zheli He makes a compelling case for using the real wage rather than nominal wage as the variable of analysis of the effects of trade opening.

Meredith Startz is a Canadian and US national. She received her PhD in economics from Yale University in 2017.

She is currently an IES Fellow at Princeton University.

Jingting Fan is a Chinese national. He received his PhD in economics from the University of Maryland in 2017. He is currently Assistant Professor at Pennsylvania State University.

Zheli He is a Chinese national. She received her PhD in economics from the University of Columbia in 2017.

She is currently affiliated with the Penn Wharton Public Policy Initiative.

Selection Panel

The Selection Panel comprised Dr Avinash Dixit (Emeritus Professor of Economics, Princeton University), Dr Robert Koopman (Director, Economic Research and Statistics Division, WTO), Dr Robert Staiger (Professor of Economics, Dartmouth College) and Dr Alberto Trejos (Professor of Economics, INCAE Business School). Dr Roberta Piermartini (Economic Research and Statistics Division, WTO) coordinated the work of the panel.



Statistics activities

- **The WTO and OECD established a global dataset on bilateral trade in services, covering 191 countries.**
- **The WTO worked closely with international partners to improve trade in services statistics, in particular in Africa and the Middle East.**
- **Inter-agency task force on international trade statistics, convened by WTO and OECD, held an expert meeting to identify how best to measure “digital trade”.**

Background on statistics activities

The Economic Research and Statistics Division supports WTO members and the WTO Secretariat with data on economic and trade policy issues and with technical advisory services on market access negotiations and on the maintenance of goods schedules. The division is the principal supplier of WTO trade statistics and information on tariffs and non-tariff measures. It provides technical assistance for trade policy courses and national workshops and contributes to inter-organizational statistical activities.

Statistical time series and publications

The WTO and the Organisation for Economic Co-operation and Development (OECD) have developed a transparent methodology to create a global dataset of bilateral trade in services statistics by main services categories. This dataset is now available for 1995-2012 and covers 191 countries and partners and 11 main services categories. The accompanying methodology paper can be downloaded from both the OECD and WTO websites.

The approach leverages all available official data and combines these with estimates using derivations, back-casting techniques, interpolation and predictions derived from regression models. Exports and imports are subsequently reconciled by calculating a symmetry-index weighted average between the two.

Another dataset, on trade in services by mode of supply, funded by the European Commission, is being developed in cooperation with other international organizations, data compilers and researchers. Its release is planned for end-2018.

In 2017, the WTO boosted its efforts to improve dissemination of its statistical products. In particular, a bulk download online application was introduced to allow users to download all annual data on merchandise trade and trade in commercial services.

The *World Trade Statistical Review 2017*, published in July, looks into the latest developments in world trade,

with a detailed analysis of the most recent trends for trade in goods and services. It also examines trade in value-added terms and the latest trade policy developments, highlighting recent trends in WTO members' use of trade-restrictive and trade-facilitating measures.

Two other statistical publications were issued in July. *Trade Profiles 2017* provides a series of key indicators on trade in goods and services for 196 economies. *World Tariff Profiles 2017*, a joint publication of the WTO, the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD), provides comprehensive information on the tariffs and non-tariff measures imposed by over 170 countries and customs territories. The special topic in the 2017 edition was “export diversification”, which analyses to what extent economies have diversified their exports.

Statistical capacity building

In 2017, the WTO worked closely with UNCTAD, the OECD, ITC, the United Nations Economic and Social Commission for Western Asia (UNESCWA), the United Nations Statistical Division (UNSD) and the Partnership in Statistics Development in the 21st Century (PARIS21) to improve statistics on trade in services, in particular in Africa and the Middle East.

The WTO organized a course in Geneva on trade in services statistics, with an emphasis on Africa, to which experts from the central banks of France and Italy, UNCTAD, OECD, PARIS21 and ITC contributed. A regional workshop





DG Azevêdo delivered the WTO's forecast for global trade at a press conference in April 2017.

on trade in services statistics for Arab countries, co-funded with the Arab Monetary Fund, took place in the United Arab Emirates and gathered experts from the WTO, UNCTAD, UNESCWA and UNSD.

Both activities focused on best practices for collecting data in services sectors. Prior to the course, selected participants took a five-week e-learning course on trade in services statistics developed in partnership with UNCTAD.

In September, the WTO hosted the first thematic course on trade in value added (TiVA) and global value chains (GVCs), with an emphasis on Africa. The objective was to improve participants' understanding of the policy implications of TiVA and the repercussions of GVCs on trade.

In 2017, the WTO provided technical assistance on trade in services and GVC-related statistics in several countries. A WTO Chairs Programme (see page 186) workshop on GVCs and trade in value added was organized in Potchefstroom (South Africa), focusing on presenting TiVA and GVC concepts and indicators.

Expert meeting on measuring digital trade

In April 2017, the G20 group of developed and developing countries called on the inter-agency Task Force

on International Trade Statistics (TFITS) to engage more actively with national statistical agencies and the business community in developing proposals for efficient reporting systems.

An expert meeting was organized around a task force gathering in Paris in October, bringing together representatives from 18 developed and developing countries and international organizations. It discussed how best to measure cross-border digitally related transactions, or "digital trade".

I-TIP

The WTO's Integrated Trade Intelligence Portal (I-TIP) was updated to increase the information available on non-tariff measures and on services trade policies. As of the end of 2017, more than 51,000 measures had been included.

Preferential Trade Arrangements database

The Preferential Trade Arrangements (PTA) Transparency Mechanism compiles information on non-reciprocal preferential agreements, in particular trade flows from non-reciprocal preferential schemes. It covers more than 30 schemes. The WTO Secretariat initiated an update of the PTA database (<http://ptadb.wto.org>) to provide improved performance and additional insights into utilization of preferential market access (see page 86).

Cooperation with academic institutions

- **The WTO Chairs Programme (WCP) Advisory Board recommended extension of the programme beyond 2018 and into phase III.**
- **The WCP launched dedicated website (WCP e-Platform) to share information and encourage networking.**
- **WCP chairs generated substantial research on trade-related issues, including 11 publications in peer-reviewed journals, five books or book chapters and more than 30 working papers.**

Background on WTO Chairs Programme

The WTO Chairs Programme was launched in 2010 to enhance knowledge and understanding of the trading system among academics and policy makers in developing countries. Chair-holders are selected by a competitive process. Its main objectives are to foster further research on trade and WTO issues, to provide teaching support for the development and delivery of courses on trade policy and WTO-related matters and to organize public activities to disseminate research and promote discussion regarding international trade. The WCP is jointly managed by the WTO's Economic Research and Statistics Division and the Institute for Training and Technical Cooperation.

WTO Chairs Programme

The 2017 WCP Annual Conference, held in Buenos Aires on 6-7 December, prior to the WTO's 11th Ministerial Conference (MC11), reviewed work of the programme, and identified best practices, lessons learned and ways to ensure sustainability. It concluded with an address by the MC11 Chair, Argentine Minister Susana Malcorra.

Chairs presented their research on a number of trade-related topics – trade and poverty, promoting connectivity and trade behind the headlines, which was the theme of the WTO Public Forum (see page 166). The conference saw the launch of a dedicated WCP website, the WCP e-Platform, to facilitate the sharing of information, encourage discussion and promote internet-based networking among associated institutions and individuals.

The Advisory Board, an external body composed of experienced scholars, recommended at its meeting in Buenos Aires on 8 December that the WTO Secretariat seek an extension of the WCP to phase III after an evaluation of the programme. This is scheduled to take place after the second four-year phase (phase II) concludes at the end of 2018.

The Board also made recommendations on improving performance evaluation of the WCP, enhancing work undertaken by

its academic institutions and deepening relations with the chairs from phases I and II. Particular attention was given to the role that Board members could play in support of the chairs' activities.

During the Sixth Global Review of Aid for Trade (see page 154), chairs from the University of Abomey-Calavi (Benin), the University of the West Indies (Barbados), the Getulio Vargas Foundation (Brazil) and the University of Tunis (Tunisia) delivered presentations on the review's theme – "Promoting Trade Inclusiveness and Connectivity for Sustainable Development". The session, organized by the Institute for Training and Technical Cooperation (ITTC) and the WTO's Economic Research and Statistics Division (ERSD), was attended by about 60 participants, including members of the Advisory Board.

In September, chairs from the University of the West Indies (Barbados), Universitas Gadjah Mada (Indonesia), the University of Jordan (Jordan) and the North-West University (South Africa) presented four case studies at the Public Forum on how trade can be a catalyst for growth and poverty alleviation. They highlighted relevant analyses and presented new perspectives. Specific emphasis was placed on the need for trade policy to be inclusive and how to mainstream trade into national development strategies.

19

Nineteen universities from around the world are members of the WTO Chairs Programme.





Chairs from four universities presented case studies at the Public Forum on how trade can be a catalyst for growth and poverty alleviation.

Activities of WTO chairs

The research output of the Phase II chairs was substantial in 2017 – some 11 publications in peer-reviewed journals, five books or book chapters and more than 30 working papers on trade, WTO topics and subjects of importance to the WTO.

The programme helped 18 students develop PhD or Master's theses on WTO-related issues and trained about 2,600 students. Forty-four new or updated courses and diploma programmes were proposed and two new fully-fledged diplomas were developed. The chairs arranged 48 outreach activities, attracting approximately 1,200 participants, among them more than 200 officials or policy-makers.

Chairs were active in several conferences in addition to the Public Forum and the Aid for Trade Global Review, where they reached out to national government agencies, international organizations, the business community, media and other academics to underline the importance of trade. The WTO Secretariat participated in and supported 16 technical assistance activities organized by chairs, such as academic conferences, seminars and specialized courses.

Academic Support Programme

In 2017, 12 activities were implemented under the Academic Support Programme (ASP), which engages with academic institutions from developing countries and least-developed countries (LDCs) that are not part of the WCP. Activities over the year included lecturing arrangements with universities in which WTO staff taught in masters and bachelor degree courses.

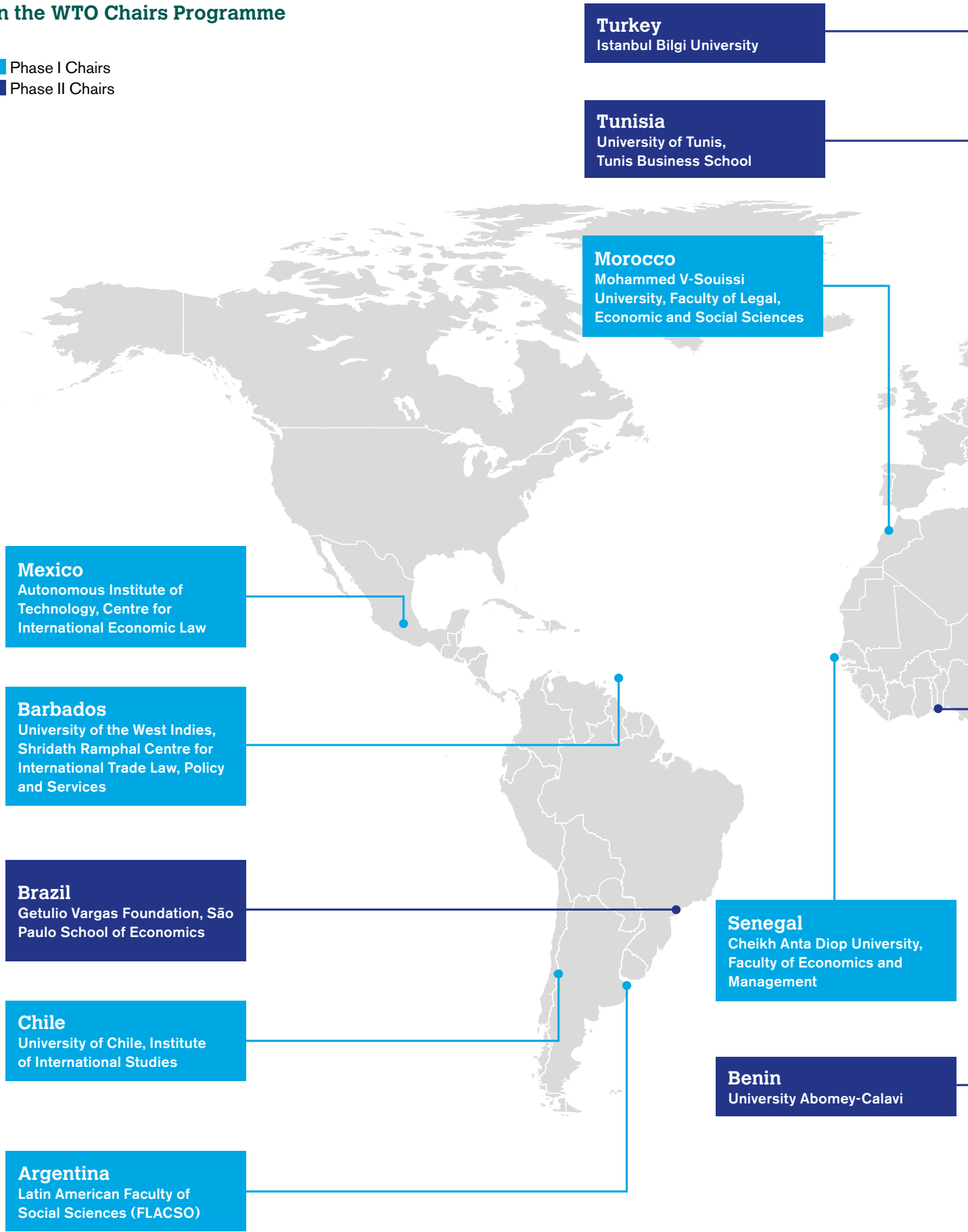
Special efforts were made to support university competitions on WTO law. The WTO provided staff to act as panellists in regional inter-university competitions and for the final round at WTO headquarters (see page 139).

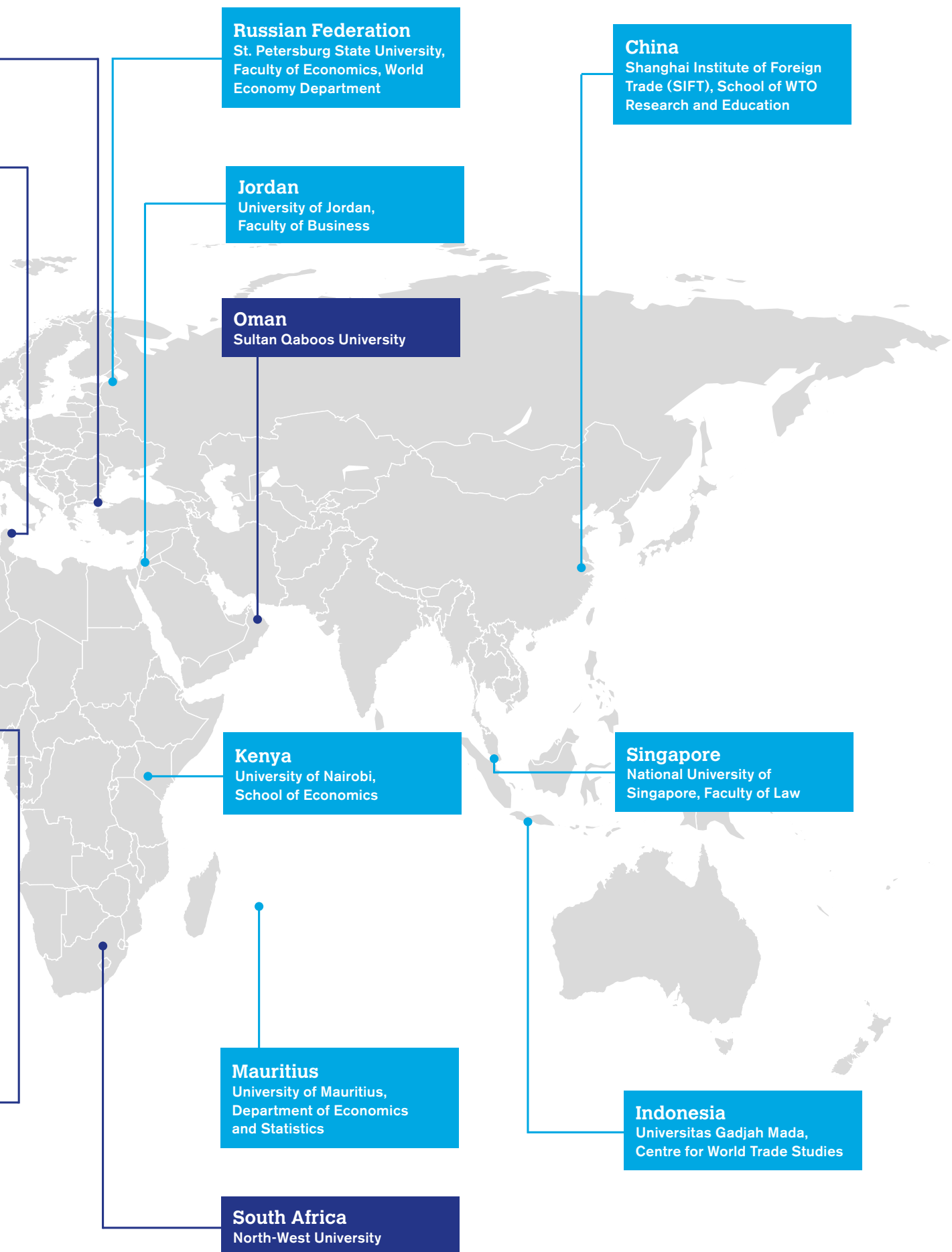
The ASP also handled donations of WTO publications to universities and organized presentations to academic audiences. The WTO continued encouraging universities to register lecturers as participants in online courses offered by the WTO's E-campus.



Universities participating in the WTO Chairs Programme

- Phase I Chairs
- Phase II Chairs





Russian Federation
St. Petersburg State University,
Faculty of Economics, World
Economy Department

China
Shanghai Institute of Foreign
Trade (SIFT), School of WTO
Research and Education

Jordan
University of Jordan,
Faculty of Business

Oman
Sultan Qaboos University

Kenya
University of Nairobi,
School of Economics

Singapore
National University of
Singapore, Faculty of Law

Mauritius
University of Mauritius,
Department of Economics
and Statistics

Indonesia
Universitas Gadjah Mada,
Centre for World Trade Studies

South Africa
North-West University

Secretariat and budget

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Background on Secretariat and budget

The WTO Secretariat has over 600 regular staff who coordinate the activities of the WTO.

Most of the WTO's annual budget consists of contributions by its members.



WTO Secretariat

- **Director-General Roberto Azevêdo began second four-year term.**
- **New Deputy Director-General Alan Wolff of the United States was appointed.**
- **WTO staff numbers fell from 628 to 625 in 2017. Recruitment activity remains high and many vacancies are being filled.**

WTO staff members come from 83 member countries, up from 79 the year before.

Director-General Roberto Azevêdo began his second four-year term on 1 September. DG Azevêdo had confirmed his willingness to serve again and he was the only candidate nominated for the post. His reappointment was confirmed by the General Council on 28 February 2017. Serving Deputy Directors-General Yonov Frederick Agah of Nigeria, Karl Brauner of Germany and Yi Xiaozhun of China were reappointed to serve further four-year terms. They were joined by a new Deputy Director-General from the United States, Alan Wolff, who replaced David Shark.

The WTO's recruitment activity remains high, covering over 25 vacancies. In 2017, the number of staff slipped to 625 from 628 the year before. WTO Secretariat staff members come from 83 WTO member countries, up from 79 the year before. The Secretariat is composed mostly of economists, lawyers and others with a specialization in international trade policy. There are also specialists in information technology,

communications, statistics, finance, human resources and language services. The working languages of the WTO are English, French and Spanish.

Secretariat staff on the regular budget comprise professional and support service categories. Professional staff account for 62 per cent of the total and support service staff 38 per cent. Women continue to outnumber men at the WTO, by 333 to 292. Of the professional staff, 44 per cent are female and 56 per cent male.

The Human Resources Division continues to respond to the evolving needs of the Secretariat by reallocating resources to high-priority areas. Staffing measures take into account the limitations imposed by WTO members, including the overall cap on the budget and personnel, and are being met through internal redeployment of posts.

Due to the increase in dispute settlement activity, 29 posts have been redeployed to the legal divisions, with the remaining recruitment expected to be finalized in



New recruits

Ahmet Ornek

Systems and Operations Engineer | Information Technology Solutions Division

Nationality: Turkish
Joining date: 12 September 2017

I have always been attracted by the idea of working for a public institution, as I believe that even the slightest contributions can have a positive impact on society as a whole. Therefore, for me, joining the WTO was an

opportunity to help the organization fulfil its important mission as a forum for solving global problems.

Prior to my arrival, I worked for seven years as a systems engineer in the Central Bank of the Republic of Turkey, where I was responsible for the infrastructure of the country's financial operations. As an IT professional, I love taking part in projects that transform the way people work and I am looking forward to contributing in a similar way in my new role at the WTO. I also find it a rewarding and fulfilling experience to work in the WTO's multinational environment.



2018. At the end of 2017, the number of staff working in the legal divisions stood at 25 in the Appellate Body, 33 in the Legal Affairs Division and 27 in the Rules Division, up from 17, 23 and 20, respectively, in 2014, when the period of reallocation began.

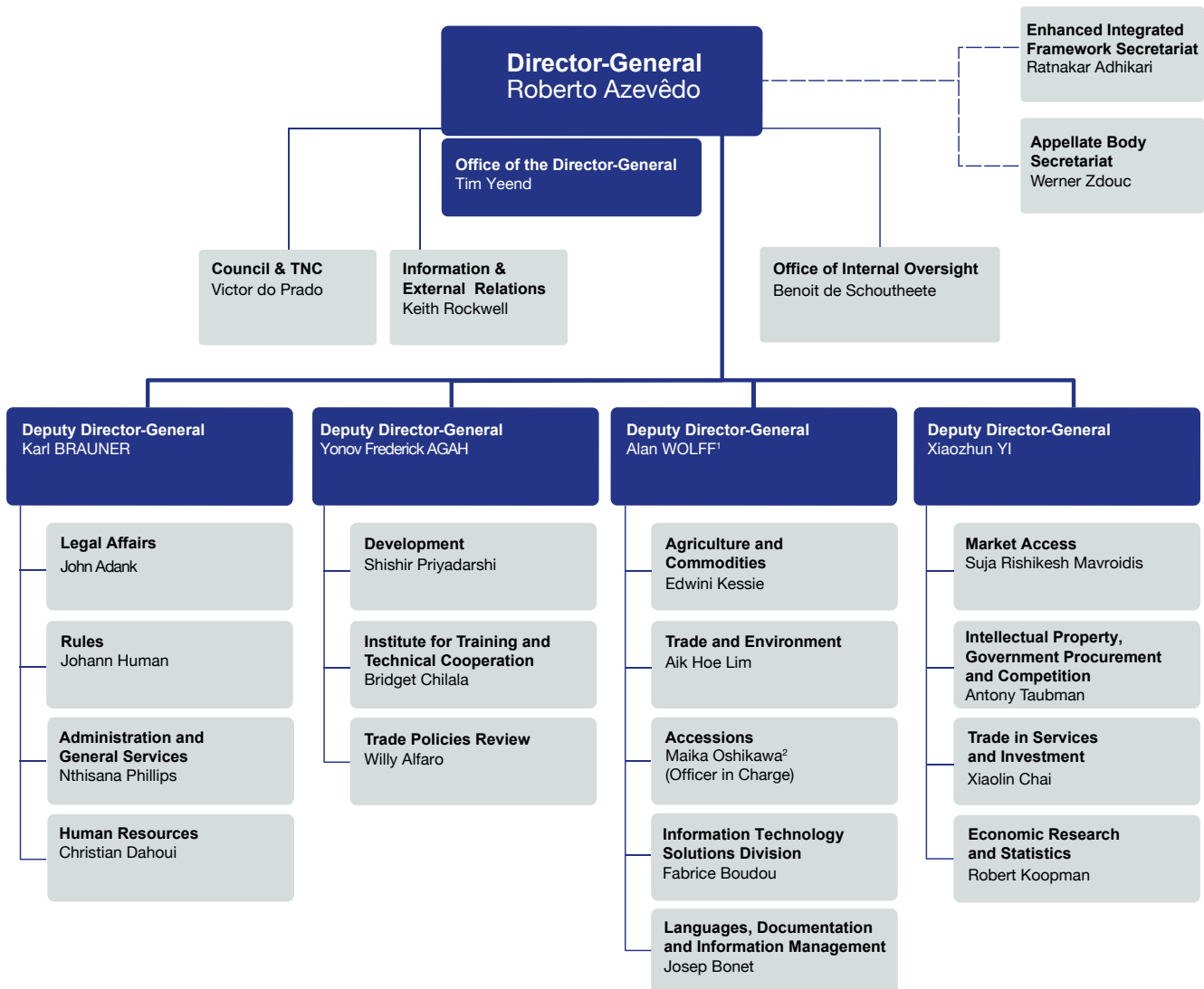
New methods of informal resolution of workplace disputes continue to be available in the organization, as initiated in 2016. The expected appointment of a Staff Welfare Officer in 2018 will be another avenue for staff to seek assistance in addition to the External and Internal Mediator, Head of Office of Internal Oversight (OIO) and Legal Counsel to the Administration. The OIO took over functions formerly exercised by the Office of Internal Audit.

The Young Professionals Programme (YPP), introduced in 2016, is aimed at

increasing the number of professionals in the WTO Secretariat from developing and least-developed countries which are not currently represented. As a result of the successful outcome of the YPP in 2017, when five young professionals joined the WTO in various divisions, the number of recruits has tripled to 15 in January 2018.

A new Medical Service, with a newly appointed doctor, replaced the previous Occupational Health Service. This new service provides a more comprehensive health approach, including regular medical appointments, depending on age and risk factors, new treatments, including homeopathic preparations, as well as offering further guidance to staff with their health concerns. The new doctor has launched a "Wellness Challenge", a new initiative promoting health and fitness among staff.

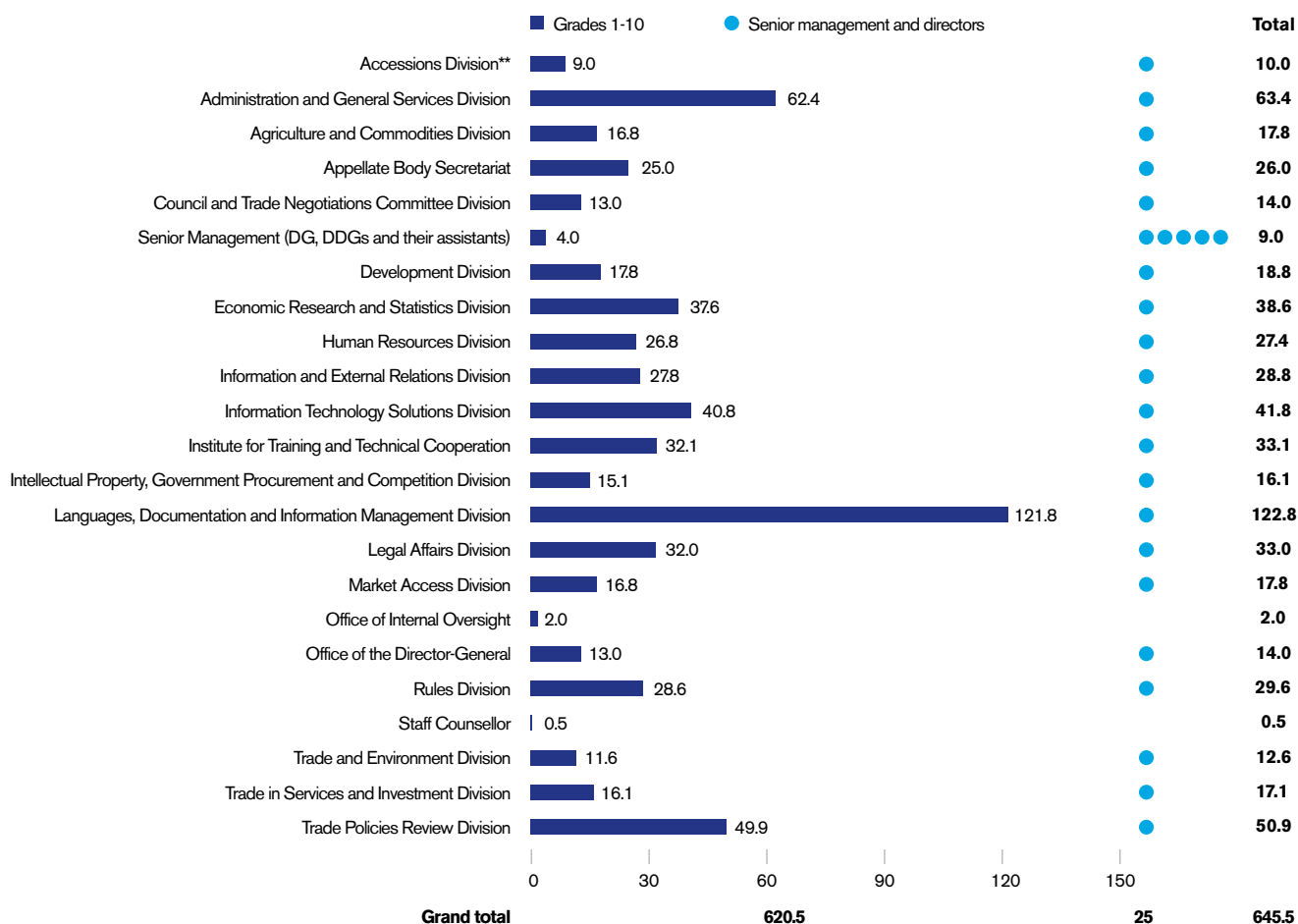
Figure 1: WTO Secretariat organizational chart, as of 31 December 2017



¹ DDG Wolff took office on 1 October 2017, replacing DDG Shark.

² Maika Oshikawa was appointed as director of the Accessions Division on 1 April 2018.

Figure 2: Allocation of staff by division, as of 31 December 2017 (number of posts)*



* includes posts not yet filled. Figures in decimals indicate staff members who work a percentage of the working week (e.g. 80 per cent).

**One grade 10 as Officer in Charge counted in this instance as "Director".



New recruits

Ziyaad Ebrahim

Legal/Economic Affairs Officer | Development Division

Nationality: Seychellois
Joining date: 4 January 2017

I became interested in development issues during my undergraduate studies, and in trade when I went to work at the Seychelles Trade Department. I developed a better appreciation of the multilateral system after attending a WTO regional trade policy course in 2006 and after undertaking a WTO-sponsored internship with the African, Caribbean and Pacific Group of States (ACP) Mission in Geneva in 2008.

When I worked for the Government of Seychelles, I was directly involved in trade, investment and development policy formulation. I worked on WTO accessions and free trade agreement negotiations, and worked with a number of international organizations on structural adjustment programmes and on private sector and small business development initiatives.

Being part of the WTO allows me to further enhance my expertise on issues related to trade and development and provides me with exciting opportunities to interact with experts directly involved with these issues.



Figure 3: WTO staff on regular budget by grade and gender, as of 31 December 2017

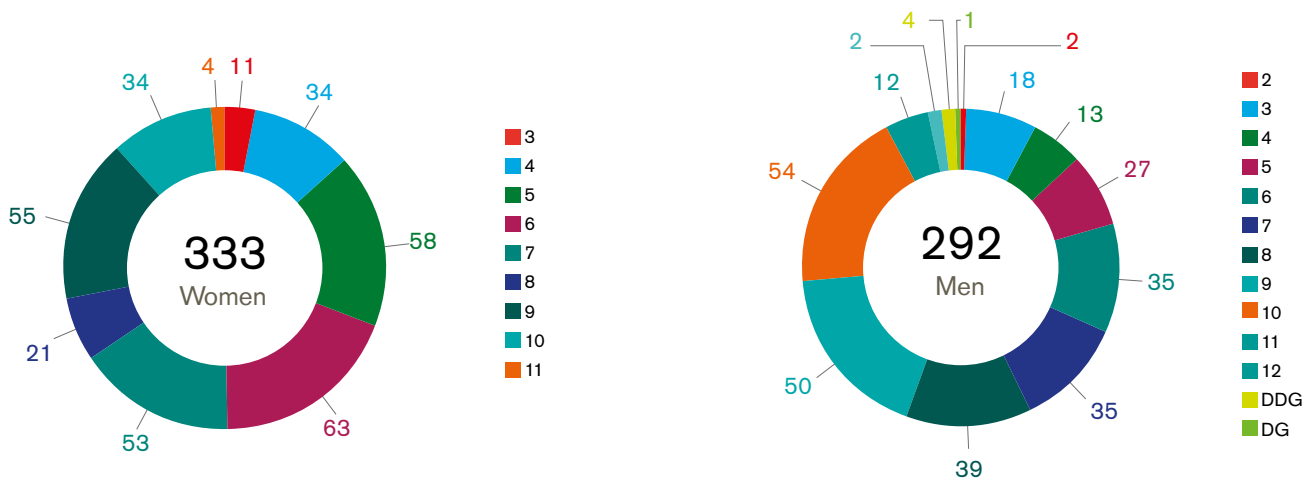
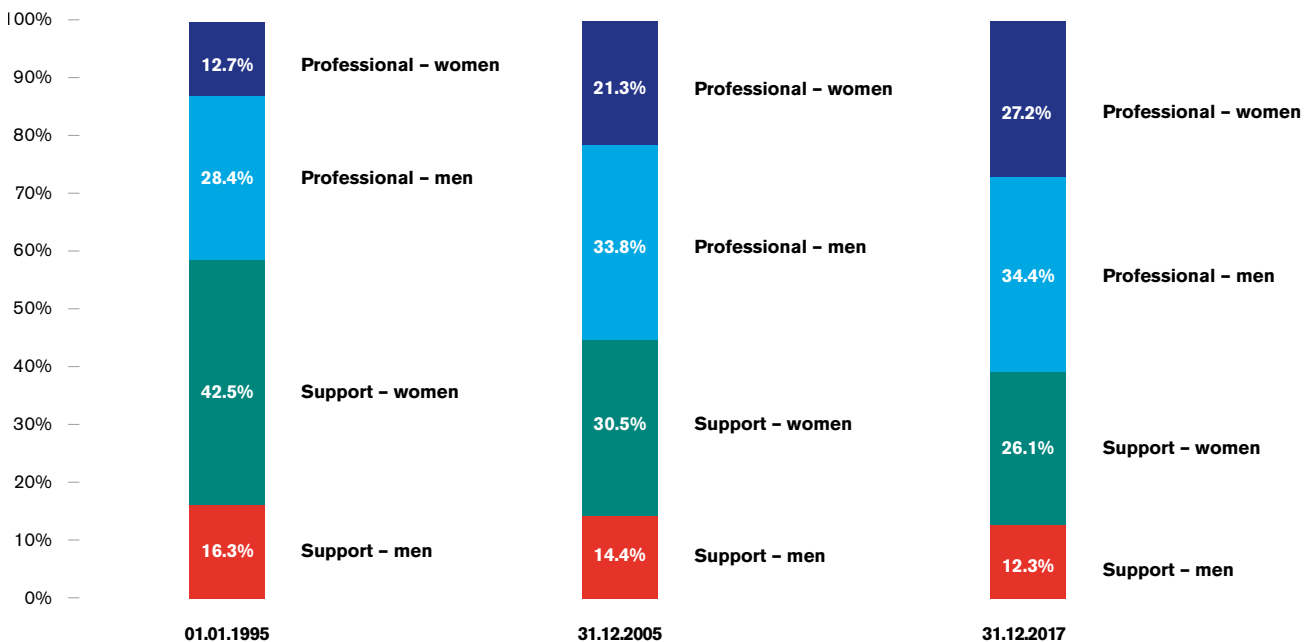


Figure 4: Percentage of WTO staff by professional/support category



New recruits

Arti Gobind Daswani
Economic Affairs Officer |
Agriculture and Commodities Division

Nationality: Chilean
 Joining date: 20 February 2017

I come from a community of Sindhi traders that spread from India all over the world. This has allowed me to experience at first-hand the difference trade makes to people's lives and how it can contribute to development and peace.

I graduated from Universidad de Chile and worked as a lawyer for the public and private sectors in Chile. I later completed a Masters

in EU Law in Spain and interned at the WTO Legal Affairs Division. In the past twelve years I have worked as a dispute settlement lawyer, as a policy advisor to WTO acceding members, as a secretary to arbitration panels on Central American trade disputes under their regional agreements, and in the areas of technical assistance and trade facilitation.

In my current role in the Sanitary and Phytosanitary Measures team, I assist WTO members and collaborate on technical assistance activities, reports and publications. This is a dynamic and unique area of trade in bringing together law, economics and science, to protect human, animal and plant health.

Figure 5: WTO staff on regular budget by gender and nationality, as of 31 December 2017

333 women
292 men
Total 625

North America

| Member | Women | Men | Total |
|--------------------------|-----------|-----------|-----------|
| Canada | 3 | 11 | 14 |
| Mexico | 2 | 6 | 8 |
| United States of America | 21 | 13 | 34 |
| Grand total | 26 | 30 | 56 |

South/Central America

| Member | Women | Men | Total |
|-----------------------------------|-----------|-----------|-----------|
| Argentina | 3 | 5 | 8 |
| Barbados | 0 | 1 | 1 |
| Bolivia, Plurinational State of | 0 | 2 | 2 |
| Brazil | 5 | 8 | 13 |
| Chile | 1 | 0 | 1 |
| Colombia | 3 | 5 | 8 |
| Costa Rica | 1 | 1 | 2 |
| Cuba | 1 | 0 | 1 |
| Ecuador | 1 | 1 | 2 |
| Guatemala | 2 | 0 | 2 |
| Honduras | 2 | 0 | 2 |
| Jamaica | 1 | 0 | 1 |
| Paraguay | 1 | 0 | 1 |
| Peru | 5 | 4 | 9 |
| Trinidad and Tobago | 1 | 0 | 1 |
| Uruguay | 0 | 3 | 3 |
| Venezuela, Bolivarian Republic of | 1 | 3 | 4 |
| Grand total | 28 | 33 | 61 |



Europe

| Member | Women | Men | Total | Member | Women | Men | Total |
|----------------|-------|-----|-------|--------------------|------------|------------|------------|
| Austria | 2 | 2 | 4 | Lithuania | 0 | 1 | 1 |
| Belgium | 2 | 2 | 4 | Netherlands | 1 | 5 | 6 |
| Bulgaria | 1 | 4 | 5 | Norway | 0 | 2 | 2 |
| Croatia | 1 | 0 | 1 | Poland | 3 | 1 | 4 |
| Czech Republic | 1 | 0 | 1 | Portugal | 1 | 4 | 5 |
| Denmark | 2 | 1 | 3 | Romania | 2 | 0 | 2 |
| Estonia | 1 | 0 | 1 | Russian Federation | 2 | 1 | 3 |
| Finland | 2 | 3 | 5 | Spain | 30 | 15 | 45 |
| France | 97 | 66 | 163 | Sweden | 1 | 2 | 3 |
| Germany | 7 | 14 | 21 | Switzerland | 6 | 7 | 13 |
| Greece | 3 | 2 | 5 | Ukraine | 2 | 1 | 3 |
| Hungary | 0 | 2 | 2 | United Kingdom | 42 | 11 | 53 |
| Ireland | 12 | 1 | 13 | Grand total | 231 | 160 | 391 |
| Italy | 10 | 13 | 23 | | | | |

Africa

| Member | Women | Men | Total |
|----------------------------------|-----------|-----------|-----------|
| Benin | 0 | 2 | 2 |
| Botswana | 1 | 0 | 1 |
| Cameroon | 1 | 0 | 1 |
| Chad | 0 | 1 | 1 |
| Democratic Republic of the Congo | 1 | 1 | 2 |
| Egypt | 3 | 1 | 4 |
| Ghana | 0 | 1 | 1 |
| Guinea | 0 | 1 | 1 |
| Kenya | 1 | 0 | 1 |
| Malawi | 0 | 1 | 1 |
| Mauritius | 0 | 2 | 2 |
| Morocco | 1 | 3 | 4 |
| Nigeria | 0 | 1 | 1 |
| Rwanda | 0 | 1 | 1 |
| Senegal | 0 | 1 | 1 |
| Seychelles | 0 | 1 | 1 |
| South Africa | 1 | 2 | 3 |
| Tanzania | 1 | 0 | 1 |
| The Gambia | 1 | 0 | 1 |
| Tunisia | 2 | 2 | 4 |
| Uganda | 2 | 0 | 2 |
| Zambia | 1 | 0 | 1 |
| Zimbabwe | 2 | 0 | 2 |
| Grand total | 18 | 21 | 39 |

Asia

| Member | Women | Men | Total |
|--------------------|-----------|-----------|-----------|
| Bangladesh | 0 | 1 | 1 |
| China | 8 | 7 | 15 |
| India | 4 | 11 | 15 |
| Japan | 2 | 3 | 5 |
| Jordan | 1 | 0 | 1 |
| Korea, Republic of | 4 | 0 | 4 |
| Malaysia | 0 | 2 | 2 |
| Nepal | 0 | 1 | 1 |
| Pakistan | 0 | 4 | 4 |
| Philippines | 6 | 9 | 15 |
| Sri Lanka | 2 | 0 | 2 |
| Turkey | 1 | 3 | 4 |
| Grand total | 28 | 41 | 69 |

Oceania

| Member | Women | Men | Total |
|--------------------|----------|----------|----------|
| Australia | 2 | 6 | 8 |
| New Zealand | 0 | 1 | 1 |
| Grand total | 2 | 7 | 9 |



Budget, finance and administration

- **The Committee reviewed reports on the WTO's financial and budgetary situation, proposed that the General Council approve the 2018-19 budget.**
- **The Office of Internal Oversight presented its report on internal audit activities.**

Background on budget, finance and administration

The Committee on Budget, Finance and Administration monitors the WTO's budgetary and financial matters. It considers issues concerning human resources management, hears progress reports on the WTO pension plan and deals with financial and administrative matters concerning the WTO Secretariat. The Committee reports to the General Council.

In 2017, the WTO Secretariat presented the 2016 WTO financial performance report. The Committee on Budget, Finance and Administration proposed and the General Council approved the transfers between budgetary sections outlined in the report. The external auditors presented their report for 2016 to the Committee. On the basis of a recommendation from the Committee, the General Council approved the auditors' report.

The WTO Secretariat regularly updates WTO members on aspects of the organizational review process launched by Director-General Roberto Azevêdo in December 2013. In 2017, they included the bonus working group, various groups assessing issues related to staff performance, the promotion policy and the staff mobility initiative.

The Committee examined and proposed to the General Council to approve the 2018-19 biennium budget proposals for the WTO and the International Trade Centre. Also, the Committee proposed that the General Council approve the WTO members' scale of contributions for 2018.

The Committee held several meetings and submitted ten reports to the General Council in 2017. The Committee reviewed and took note of: the quarterly reports on the financial and extra-budgetary situation of the Organization; regular updates on the arrears of contributions from members and observers; a progress report on the

WTO pension plan; a report on the WTO medical plan and after service health insurance (ASHI) contributions; the actuarial position of the WTO pension plan; the WTO risk management report; the annual report on diversity in the WTO Secretariat; the human resources annual report on grading structure and promotions; the 2016-17 report on staff learning development; and the report of the Office of Internal Oversight.

The Committee reviewed the status of outstanding contributions from members and urged, through the General Council, members under administrative measures to liquidate their arrears. On the recommendation of the Committee, the General Council suspended the application of administrative measures for the Republic of Guinea-Bissau, which agreed to liquidate all its arrears over a period of 30 years.

The Office of Internal Oversight (OIO) presented its report on internal audit activities. The OIO is responsible for conducting internal audits, investigations and any other assessment deemed necessary to strengthen accountability, internal controls, compliance, value for money and governance in the WTO Secretariat.

The Committee was informed about the launch of the new e-registration application, which was used for WTO members' accreditation for the 11th Ministerial Conference.



The management board of the WTO pension plan shared with the Committee proposed revised rules for the WTO pension plan. The Committee took note of the proposed revisions and sent them to the General Council for approval.

In February 2017, the Committee agreed to establish a working group to further monitor the development of an ASHI strategy reserve fund proposal. The working group submitted its report in October. The Committee approved the establishment of a special ASHI reserve account.

The Committee deliberated extensively on dependency allowances and

recommended to the General Council the norms for their approval, including the amounts for 2018. The General Council approved the recommendations of the Committee.

WTO budget 2018

The WTO derives its income from annual contributions from its 164 members (see Table 2) and miscellaneous income. These contributions are based on a formula that takes into account each member's share of international trade. Miscellaneous income mainly consists of contributions from observer countries, income from the sale of publications and rental of meeting rooms.

The WTO's budget for 2018 is:

WTO Secretariat:

CHF 189,624,000

Appellate Body and its Secretariat:

CHF 7,579,900

The total WTO budget is

CHF 197,203,900

Table 1: Consolidated budget for 2018

| Section | Budget 2018 (in thousand CHF) |
|--|-------------------------------|
| Staff expenditure (including staff remuneration, pension and post employment benefits, health and invalidity insurance, family and international benefits) | 131,415 |
| Temporary assistance (including short-term staff, consultants, panellists and Appellate Body member fees) | 17,281 |
| General services (including telecommunications and post, contractual services and maintenance, energy and supplies, documentation and publication) | 15,530 |
| Travel and hospitality | 7,360 |
| Implementing partners (includes any activity or event partly/jointly/fully funded by the WTO but executed by a third-party organization) | 213 |
| Capital expenditure (including procurement of fixed assets and rental and leasing of equipment) | 2,682 |
| Financial expenditure (including bank and interest charges and building loan reimbursement) | 1,280 |
| Contributions to International Trade Centre and special reserves (including Appellate Body operating fund and Ministerial Conference operating fund) | 21,443 |
| Grand total | 197,204 |

Table 2: WTO members' contributions to the consolidated budget of the WTO Secretariat and the Appellate Body Secretariat 2018

| Member | 2018 Contribution CHF | 2018 Contribution % | Member | 2018 Contribution CHF | 2018 Contribution % |
|----------------------------------|-----------------------|---------------------|----------------------------------|-----------------------|---------------------|
| Afghanistan | 48,875 | 0.025% | Dominica | 29,325 | 0.015% |
| Albania | 43,010 | 0.022% | Dominican Republic | 158,355 | 0.081% |
| Angola | 475,065 | 0.243% | Ecuador | 238,510 | 0.122% |
| Antigua and Barbuda | 29,325 | 0.015% | Egypt | 496,570 | 0.254% |
| Argentina | 760,495 | 0.389% | El Salvador | 76,245 | 0.039% |
| Armenia | 37,145 | 0.019% | Estonia | 175,950 | 0.090% |
| Australia | 2,680,305 | 1.371% | European Union ¹ | 0 | 0.000% |
| Austria | 1,931,540 | 0.988% | Fiji | 29,325 | 0.015% |
| Bahrain, Kingdom of | 164,220 | 0.084% | Finland | 905,165 | 0.463% |
| Bangladesh | 316,710 | 0.162% | France | 7,427,045 | 3.799% |
| Barbados | 29,325 | 0.015% | Gabon | 66,470 | 0.034% |
| Belgium | 3,692,995 | 1.889% | The Gambia | 29,325 | 0.015% |
| Belize | 29,325 | 0.015% | Georgia | 68,425 | 0.035% |
| Benin | 29,325 | 0.015% | Germany | 13,939,150 | 7.130% |
| Bolivia, Plurinational State of | 99,705 | 0.051% | Ghana | 160,310 | 0.082% |
| Botswana | 76,245 | 0.039% | Greece | 637,330 | 0.326% |
| Brazil | 2,519,995 | 1.289% | Grenada | 29,325 | 0.015% |
| Brunei Darussalam | 78,200 | 0.040% | Guatemala | 142,715 | 0.073% |
| Bulgaria | 308,890 | 0.158% | Guinea | 29,325 | 0.015% |
| Burkina Faso | 29,325 | 0.015% | Guinea Bissau | 29,325 | 0.015% |
| Burundi | 29,325 | 0.015% | Guyana | 29,325 | 0.015% |
| Cabo Verde | 29,325 | 0.015% | Haiti | 29,325 | 0.015% |
| Cambodia | 82,110 | 0.042% | Honduras | 74,290 | 0.038% |
| Cameroon | 72,335 | 0.037% | Hong Kong, China | 5,233,535 | 2.677% |
| Canada | 4,971,565 | 2.543% | Hungary | 1,000,960 | 0.512% |
| Central African Republic | 29,325 | 0.015% | Iceland | 62,560 | 0.032% |
| Chad | 43,010 | 0.022% | India | 4,480,860 | 2.292% |
| Chile | 760,495 | 0.389% | Indonesia | 1,769,275 | 0.905% |
| China | 19,237,200 | 9.840% | Ireland | 2,121,175 | 1.085% |
| Colombia | 580,635 | 0.297% | Israel | 834,785 | 0.427% |
| Congo | 84,065 | 0.043% | Italy | 5,233,535 | 2.677% |
| Costa Rica | 144,670 | 0.074% | Jamaica | 52,785 | 0.027% |
| Côte d'Ivoire | 105,570 | 0.054% | Japan | 8,091,745 | 4.139% |
| Croatia | 220,915 | 0.113% | Jordan | 166,175 | 0.085% |
| Cuba | 142,715 | 0.073% | Kazakhstan | 615,825 | 0.315% |
| Cyprus | 121,210 | 0.062% | Kenya | 119,255 | 0.061% |
| Czech Republic | 1,391,960 | 0.712% | Korea, Republic of | 5,913,875 | 3.025% |
| Democratic Republic of the Congo | 103,615 | 0.053% | Kuwait, the State of | 682,295 | 0.349% |
| Denmark | 1,503,395 | 0.769% | Kyrgyz Republic | 41,055 | 0.021% |
| Djibouti | 29,325 | 0.015% | Lao People's Democratic Republic | 31,280 | 0.016% |

¹ The European Union is not subject to contributions. However, its 28 members are assessed individually. The total share of members of the European Union represents 33.6 per cent of the total assessed contributions for 2018.



| Member | 2018 Contribution CHF | 2018 Contribution % |
|----------------------|-----------------------|---------------------|
| Latvia | 158,355 | 0.081% |
| Lesotho | 29,325 | 0.015% |
| Liberia | 29,325 | 0.015% |
| Liechtenstein | 64,515 | 0.033% |
| Lithuania | 316,710 | 0.162% |
| Luxembourg | 889,525 | 0.455% |
| Macao, China | 248,285 | 0.127% |
| Madagascar | 29,325 | 0.015% |
| Malawi | 29,325 | 0.015% |
| Malaysia | 2,015,605 | 1.031% |
| Maldives | 29,325 | 0.015% |
| Mali | 31,280 | 0.016% |
| Malta | 136,850 | 0.070% |
| Mauritania | 29,325 | 0.015% |
| Mauritius | 58,650 | 0.030% |
| Mexico | 3,612,840 | 1.848% |
| Moldova, Republic of | 37,145 | 0.019% |
| Mongolia | 56,695 | 0.029% |
| Montenegro | 29,325 | 0.015% |
| Morocco | 347,990 | 0.178% |
| Mozambique | 68,425 | 0.035% |
| Myanmar | 103,615 | 0.053% |
| Namibia | 56,695 | 0.029% |
| Nepal | 41,055 | 0.021% |
| Netherlands | 5,778,980 | 2.956% |
| New Zealand | 457,470 | 0.234% |
| Nicaragua | 52,785 | 0.027% |
| Niger | 29,325 | 0.015% |
| Nigeria | 742,900 | 0.380% |
| Norway | 1,477,980 | 0.756% |
| Oman | 392,955 | 0.201% |
| Pakistan | 342,125 | 0.175% |
| Panama | 263,925 | 0.135% |
| Papua New Guinea | 66,470 | 0.034% |
| Paraguay | 113,390 | 0.058% |
| Peru | 418,370 | 0.214% |
| Philippines | 666,655 | 0.341% |
| Poland | 2,107,490 | 1.078% |
| Portugal | 778,090 | 0.398% |
| Qatar | 811,325 | 0.415% |
| Romania | 670,565 | 0.343% |
| Russian Federation | 4,236,485 | 2.167% |
| Rwanda | 29,325 | 0.015% |

| Member | 2018 Contribution CHF | 2018 Contribution % |
|---|-----------------------|---------------------|
| Saint Kitts and Nevis | 29,325 | 0.015% |
| Saint Lucia | 29,325 | 0.015% |
| Saint Vincent and the Grenadines | 29,325 | 0.015% |
| Samoa | 29,325 | 0.015% |
| Saudi Arabia, Kingdom of | 2,455,480 | 1.256% |
| Senegal | 46,920 | 0.024% |
| Seychelles | 29,325 | 0.015% |
| Sierra Leone | 29,325 | 0.015% |
| Singapore | 4,762,380 | 2.436% |
| Slovak Republic | 764,405 | 0.391% |
| Slovenia | 304,980 | 0.156% |
| Solomon Islands | 29,325 | 0.015% |
| South Africa | 1,024,420 | 0.524% |
| Spain | 3,696,905 | 1.891% |
| Sri Lanka | 168,130 | 0.086% |
| Suriname | 29,325 | 0.015% |
| Swaziland | 29,325 | 0.015% |
| Sweden | 2,105,535 | 1.077% |
| Switzerland | 3,712,545 | 1.899% |
| Chinese Taipei | 3,378,240 | 1.728% |
| Tajikistan | 29,325 | 0.015% |
| Tanzania | 95,795 | 0.049% |
| Thailand | 2,390,965 | 1.223% |
| The former Yugoslav Republic of Macedonia | 52,785 | 0.027% |
| Togo | 29,325 | 0.015% |
| Tonga | 29,325 | 0.015% |
| Trinidad and Tobago | 125,120 | 0.064% |
| Tunisia | 207,230 | 0.106% |
| Turkey | 2,017,560 | 1.032% |
| Uganda | 54,740 | 0.028% |
| Ukraine | 690,115 | 0.353% |
| United Arab Emirates | 2,936,410 | 1.502% |
| United Kingdom | 7,407,495 | 3.789% |
| United States of America | 22,251,810 | 11.382% |
| Uruguay | 121,210 | 0.062% |
| Vanuatu | 29,325 | 0.015% |
| Venezuela, Bolivarian Republic of | 664,700 | 0.340% |
| Viet Nam | 1,247,290 | 0.638% |
| Yemen | 89,930 | 0.046% |
| Zambia | 87,975 | 0.045% |
| Zimbabwe | 56,695 | 0.029% |
| TOTAL | 195,500,000 | 100.00% |

How the WTO is structured

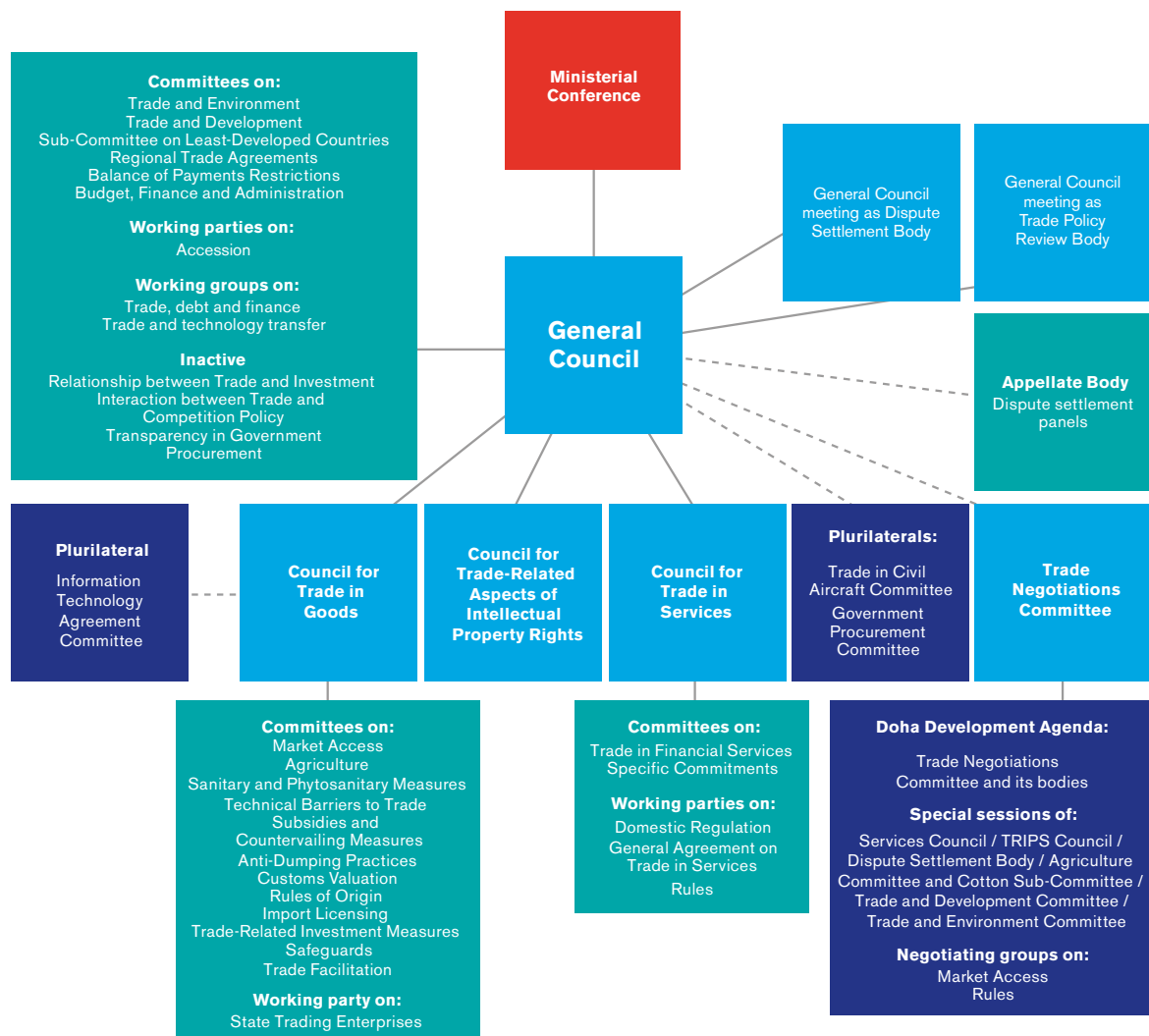
The WTO's top-level decision-making body is the Ministerial Conference, which usually meets every two years.

Below this is the General Council (normally ambassadors and heads of delegation in Geneva, and sometimes officials sent from members' capitals), which meets several times a year in the Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.

All WTO members may participate in all councils and committees, with the exceptions of the Appellate Body, Dispute Settlement panels and plurilateral committees.



WTO Chairpersons (as of 31 December 2017)

| Chairpersons of the General Council and bodies reporting to it | |
|--|--|
| General Council | Ambassador Xavier Carim (South Africa) |
| Dispute Settlement Body | Mr Junichi Ihara (Japan) |
| Trade Policy Review Body | Ambassador Juan Carlos González (Colombia) |
| Council for Trade in Goods | Ambassador Choi Kyonglim (Republic of Korea) |
| Council for Trade in Services | Ambassador Julian Braithwaite (United Kingdom) |
| Council for Trade-Related Aspects of Intellectual Property Rights | Ms Irene Young (Hong Kong, China) |
| Committee on Trade and Environment | Ambassador Zhanar Aitzhanova (Kazakhstan) |
| Committee on Trade and Development | Ambassador Taonga Mushayavanhu (Zimbabwe) |
| Committee on Balance-of Payments Restrictions | Ambassador Tudor Ulianovschi (Republic of Moldova) |
| Committee on Regional Trade Agreements | Ambassador Walid Doudech (Tunisia) |
| Committee on Budget, Finance and Administration | Mr Peter Brño (Slovak Republic) |
| Working Group on Trade and Transfer of Technology | Ambassador Zorica Marić-Djordjević (Montenegro) |
| Working Group on Trade, Debt and Finance | Mr Asi Yosef (Israel) |
| Trade Negotiations Committee | Director-General Roberto Azevêdo |
| Committee on Trade Facilitation | Ambassador Daniel Blockert (Sweden) |
| Chairpersons of bodies established under the Trade Negotiations Committee | |
| Negotiating Group on Market Access | Ambassador Didier Chambovey (Switzerland) |
| Negotiating Group on Rules | Ambassador Wayne McCook (Jamaica) |
| Special Session of the Council for Trade in Services | Ambassador Marcelo Cima (Argentina) |
| Special Session of the Council for TRIPS | Ambassador Dacio Castillo (Honduras) |
| Special Session of the Dispute Settlement Body | Ambassador Coly Seck (Senegal) |
| Special Session of the Committee on Agriculture | Ambassador Stephen Ndung'u Karau (Kenya) |
| Sub-Committee on Cotton | Ambassador Stephen Ndung'u Karau (Kenya) |
| Special Session of the Committee on Trade and Environment | Ambassador Syed Tauqir Shah (Pakistan) |
| Special Session of the Committee on Trade and Development | Ambassador Yee Woan Tan (Singapore) |
| Chairpersons of subsidiary bodies of the Council for Trade in Goods | |
| Committee on Agriculture | Mr Alf Vederhus (Norway) |
| Committee on Anti-Dumping Practices | Mr Faisal Saud Sulaiman Al-Nabhani (Oman) |
| Committee on Customs Valuation | Ms Maria Luciana Nader Leandri (Uruguay) |
| Committee on Import Licensing | Mr Fawaz Almuballi (Kingdom of Saudi Arabia) |
| Committee on Market Access | Mr Ahmed El Libedy (Egypt) |
| Committee on Rules of Origin | Mr Gerald Pajuelo (Peru) |
| Committee on Safeguards | Mr Kensuke Tsunoda (Japan) |
| Committee on Sanitary and Phytosanitary Measures | Mr Marcial Espinola Ramirez (Paraguay) |
| Committee on Subsidies and Countervailing Measures | Ms Ieva Baršauskaitė (Lithuania) |
| Committee on Technical Barriers to Trade | Mr Jose Manuel Campos Abad (Chile) |
| Committee on Trade-Related Investment Measures | Mr. Ali Alwaleed Althani (Qatar) |
| Working Party on State Trading Enterprises | Ms Rike Octaviana (Indonesia) |
| Committee of Participants on the Expansion of Trade in Information Technology Products | Ms Zsafia Tvarusko (Hungary) |
| Chairpersons of subsidiary bodies of the Council for Trade in Services | |
| Committee on Trade in Financial Services | Mr Khalid Jamal Alaamer (Kingdom of Bahrain) |
| Working Party on Domestic Regulation | Ms Katarzyna Stecz (Poland) |
| Committee on Specific Commitments | Mme Charlotte Frater (New Zealand) |
| Working Party on GATS Rules | Mme Stacey Wu (Chinese Taipei) |
| Chairpersons of Committees of Plurilateral Agreements | |
| Committee on Trade in Civil Aircraft | Mr Hsiao-Yin Wu (Chinese Taipei) |
| Committee on Government Procurement | Mr John Newham (Ireland) |

.....

Membership of the WTO: 164 members (as of 31 December 2017)

| Member ¹ | Year of accession | Member ¹ | Year of accession | Member ¹ | Year of accession |
|----------------------------------|-------------------|----------------------------------|-------------------|---|-------------------|
| Afghanistan | 2016 | Indonesia | 1995 | Solomon Islands | 1996 |
| Albania | 2000 | Ireland | 1995 | South Africa | 1995 |
| Angola | 1996 | Israel | 1995 | Spain | 1995 |
| Antigua and Barbuda | 1995 | Italy | 1995 | Sri Lanka | 1995 |
| Argentina | 1995 | Jamaica | 1995 | Suriname | 1995 |
| Armenia | 2003 | Japan | 1995 | Swaziland | 1995 |
| Australia | 1995 | Jordan | 2000 | Sweden | 1995 |
| Austria | 1995 | Kazakhstan | 2015 | Switzerland | 1995 |
| Bahrain, Kingdom of | 1995 | Kenya | 1995 | Chinese Taipei | 2002 |
| Bangladesh | 1995 | Korea, Republic of | 1995 | Tajikistan | 2013 |
| Barbados | 1995 | Kuwait, the State of | 1995 | Tanzania | 1995 |
| Belgium | 1995 | Kyrgyz Republic | 1998 | Thailand | 1995 |
| Belize | 1995 | Latvia | 1999 | The former Yugoslav Republic of Macedonia | 2003 |
| Benin | 1996 | Lao People's Democratic Republic | 2013 | Togo | 1995 |
| Bolivia, Plurinational State of | 1995 | Lesotho | 1995 | Tonga | 2007 |
| Botswana | 1995 | Liberia | 2016 | Trinidad and Tobago | 1995 |
| Brazil | 1995 | Liechtenstein | 1995 | Tunisia | 1995 |
| Brunei Darussalam | 1995 | Lithuania | 2001 | Turkey | 1995 |
| Bulgaria | 1996 | Luxembourg | 1995 | Uganda | 1995 |
| Burkina Faso | 1995 | Macao, China | 1995 | Ukraine | 2008 |
| Burundi | 1995 | Madagascar | 1995 | United Arab Emirates | 1996 |
| Cambodia | 2004 | Malawi | 1995 | United Kingdom | 1995 |
| Cameroon | 1995 | Malaysia | 1995 | United States of America | 1995 |
| Canada | 1995 | Maldives | 1995 | Uruguay | 1995 |
| Cabo Verde | 2008 | Mali | 1995 | Vanuatu | 2012 |
| Central African Republic | 1995 | Malta | 1995 | Venezuela, Bolivarian Republic of | 1995 |
| Chad | 1996 | Mauritania | 1995 | Viet Nam | 2007 |
| Chile | 1995 | Mauritius | 1995 | Yemen | 2014 |
| China | 2001 | Mexico | 1995 | Zambia | 1995 |
| Colombia | 1995 | Moldova, Republic of | 2001 | Zimbabwe | 1995 |
| Congo | 1997 | Mongolia | 1997 | | |
| Costa Rica | 1995 | Montenegro | 2012 | | |
| Côte d'Ivoire | 1995 | Morocco | 1995 | | |
| Croatia | 2000 | Mozambique | 1995 | | |
| Cuba | 1995 | Myanmar | 1995 | | |
| Cyprus | 1995 | Namibia | 1995 | | |
| Czech Republic | 1995 | Nepal | 2004 | | |
| Democratic Republic of the Congo | 1997 | Netherlands | 1995 | | |
| Denmark | 1995 | New Zealand | 1995 | | |
| Djibouti | 1995 | Nicaragua | 1995 | | |
| Dominica | 1995 | Niger | 1996 | | |
| Dominican Republic | 1995 | Nigeria | 1995 | | |
| Ecuador | 1996 | Norway | 1995 | | |
| Egypt | 1995 | Oman | 2000 | | |
| El Salvador | 1995 | Pakistan | 1995 | | |
| Estonia | 1999 | Panama | 1997 | | |
| European Union | 1995 | Papua New Guinea | 1996 | | |
| Fiji | 1996 | Paraguay | 1995 | | |
| Finland | 1995 | Peru | 1995 | | |
| France | 1995 | Philippines | 1995 | | |
| Gabon | 1995 | Poland | 1995 | | |
| The Gambia | 1996 | Portugal | 1995 | | |
| Georgia | 2000 | Qatar | 1996 | | |
| Germany | 1995 | Romania | 1995 | | |
| Ghana | 1995 | Russian Federation | 2012 | | |
| Greece | 1995 | Rwanda | 1996 | | |
| Grenada | 1996 | Saint Kitts and Nevis | 1996 | | |
| Guatemala | 1995 | Saint Lucia | 1995 | | |
| Guinea | 1995 | Saint Vincent and the Grenadines | 1995 | | |
| Guinea-Bissau | 1995 | Samoa | 2012 | | |
| Guyana | 1995 | Saudi Arabia, Kingdom of | 2005 | | |
| Haiti | 1996 | Senegal | 1995 | | |
| Honduras | 1995 | Seychelles | 2015 | | |
| Hong Kong, China | 1995 | Sierra Leone | 1995 | | |
| Hungary | 1995 | Singapore | 1995 | | |
| Iceland | 1995 | Slovak Republic | 1995 | | |
| India | 1995 | Slovenia | 1995 | | |

| Countries seeking to join the WTO (as of 31 December 2017) | |
|--|--|
| Algeria | |
| Andorra | |
| Azerbaijan | |
| Bahamas | |
| Belarus | |
| Bhutan | |
| Bosnia and Herzegovina | |
| Comoros | |
| Equatorial Guinea | |
| Ethiopia | |
| Iran | |
| Iraq | |
| Lebanese Republic | |
| Libya | |
| São Tomé and Príncipe | |
| Serbia | |
| Somalia | |
| South Sudan | |
| Sudan | |
| Syrian Arab Republic | |
| Timor-Leste | |
| Uzbekistan | |

¹ Members are mostly states but can also be customs territories with full autonomy over their external commercial relations.



Abbreviations

| | | | |
|--------------|--|---------------|--|
| ADP | Anti-Dumping Practices | MFN | Most-favoured nation |
| ASEAN | Association of Southeast Asian Nations | NAMA | Non-agricultural market access |
| CTD | Committee on Trade and Development | NGO | Non-governmental organization |
| DDA | Doha Development Agenda | NTMs | Non-tariff measures |
| DSB | Dispute Settlement Body | OECD | Organisation for Economic Co-operation and Development |
| DSU | Dispute Settlement Understanding | PLS | Progressive learning strategy |
| EIF | Enhanced Integrated Framework | PSI | Agreement on Preshipment Inspection |
| EU | European Union | PTAs | Preferential trade arrangements |
| FAO | Food and Agriculture Organization | RTAs | Regional trade agreements |
| FDI | Foreign direct investment | SCM | Subsidies and Countervailing Measures |
| GATS | General Agreement on Trade in Services | SG | Agreement on Safeguards |
| GATT | General Agreement on Tariffs and Trade | SMEs | Small and medium-sized enterprises |
| GDP | Gross domestic product | SPS | Sanitary and phytosanitary measures |
| GIs | Geographical indications | STDF | Standards and Trade Development Facility |
| GPA | Government Procurement Agreement | SVE | Small, vulnerable economy |
| HS | Harmonized System | TBT | Technical barriers to trade |
| ICC | International Chamber of Commerce | TNC | Trade Negotiations Committee |
| ILO | International Labour Organization | TPR | Trade Policy Review |
| IPU | Inter-Parliamentary Union | TPRM | Trade Policy Review Mechanism |
| ISO | International Organization for Standardization | TRIMs | Trade-related investment measures |
| ITA | Information Technology Agreement | TRIPS | Trade-related aspects of intellectual property rights |
| ITC | International Trade Centre | UNCTAD | United Nations Conference on Trade and Development |
| ITTC | Institute for Training and Technical Cooperation | WIPO | World Intellectual Property Organization |
| ITU | International Telecommunication Union | | |
| LDCs | Least-developed countries | | |
| MEAs | Multilateral environmental agreements | | |

0 is zero or became zero due to rounding.

Billion means one thousand million.

Minor discrepancies between constituent figures and totals are due to rounding.

Unless otherwise indicated, (i) all value figures are expressed in US dollars; (ii) trade figures include the intra-trade of free trade areas, customs unions, regional and other country groupings.

Note This report covers the WTO's activities in 2017 and early 2018. The word "country" is frequently used to describe WTO members whereas a few members are officially "customs territories", and not necessarily countries in the usual sense of the word.

Further information

Further information about the organization and its activities can be found on the WTO website: www.wto.org

General information about the WTO is available in the following publications, which may all be downloaded free of charge from the website:

WTO in Brief

WTO in Brief provides a starting point for essential information about the WTO. Concise and practical, this short brochure is an ideal introduction to the WTO.

10 things the WTO can do

This publication highlights some of the benefits of the trading system, but it does not claim that everything is perfect – otherwise there would be no need for further negotiations and for the system to evolve and reform continually.

Online bookshop

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Many publications may be downloaded free of charge from the WTO website: www.wto.org

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