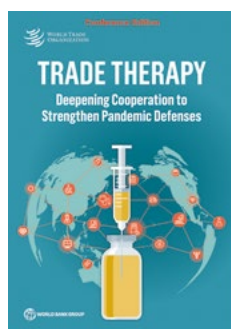
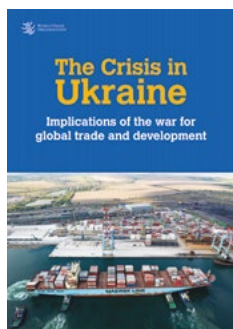




Annual Report

About this report

This report covers WTO activities in 2021 and the early part of 2022. Major developments since then, such as the war in Ukraine and the evolving COVID-19 situation, are covered in separate publications issued in 2022:



At the start of the report, Director-General Ngozi Okonjo-Iweala reflects on the current challenges facing world trade (as of end-June 2022) and the role of the WTO in helping the world address these challenges. She also looks back at the successful conclusion of the WTO's 12th Ministerial Conference.

This report was originally due to be published at the end of May 2022. However, following the postponement of the WTO's 12th Ministerial Conference (MC12) in December 2021 due to COVID-19, it was decided to delay publication until after the rescheduled MC12, which took place from 12 to 17 June 2022. An additional chapter provides a snapshot of the conference, which resulted in a series of unprecedented decisions known collectively as the Geneva Package. A more detailed account of MC12 will appear in next year's report.

The most up-to-date information about the WTO's activities is available on the WTO website: www.wto.org

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.

The cover features a teal background with several overlapping circles in various colors: a light beige circle at the top left, a medium blue circle below it, a large dark navy blue circle to the right, a yellow circle to the right of the text, a white circle at the bottom right, a light orange circle at the bottom left, and another large dark navy blue circle at the bottom center. Dotted white circles are also present, some overlapping the solid ones.

Annual Report

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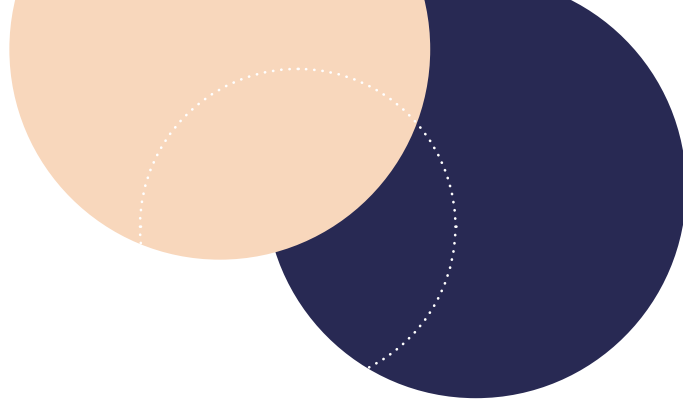
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Changes to the rules of trade require the agreement of WTO members, who must reach a decision through negotiations.

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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.

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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.

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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.

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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.

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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.



1

Introduction

The overall objective of the WTO is to help its members use trade as a means to raise living standards, create jobs and improve people's lives. The WTO operates the global system of trade rules and helps developing countries build their trade capacity. It also provides a forum for its members to negotiate trade agreements and to resolve the trade problems they face with each other.





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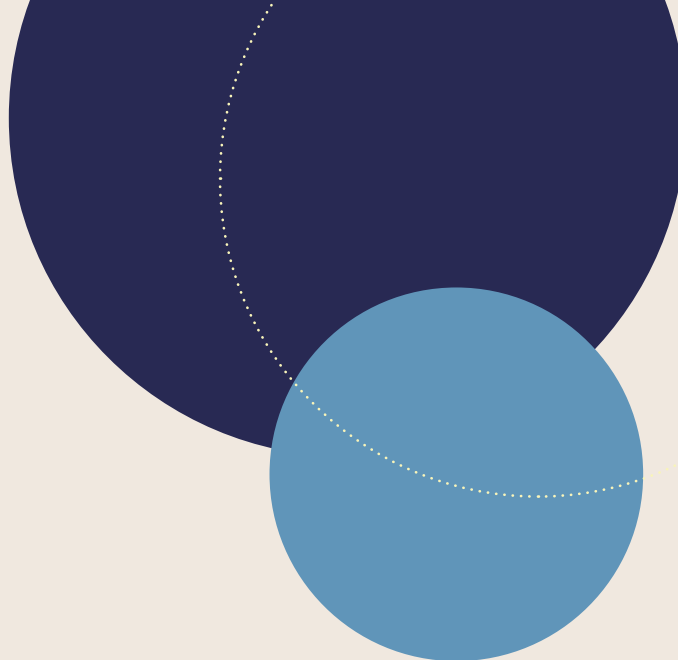
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Message from Director-General Ngozi Okonjo-Iweala

This annual report on the WTO's work in 2021 and early 2022 comes a bit later than its usual release in early June. With our Twelfth Ministerial Conference scheduled for the middle of the month, following multiple pandemic-related postponements, it did not make sense to publish this report – much of which deals with efforts to lay the groundwork for ministers to deliver results – only days before the gathering was set to begin.

As we now know, WTO members, supported as always by the Secretariat, made MC12 a resounding success. After nearly six days of negotiations – culminating in a marathon 48 hours of non-stop talks – ministers and delegates adopted a package of multilateral deals that will deliver for people, businesses, and the planet. The scale and scope of the so-called “Geneva Package” of agreements has not been seen at the WTO since the mid-1990s.

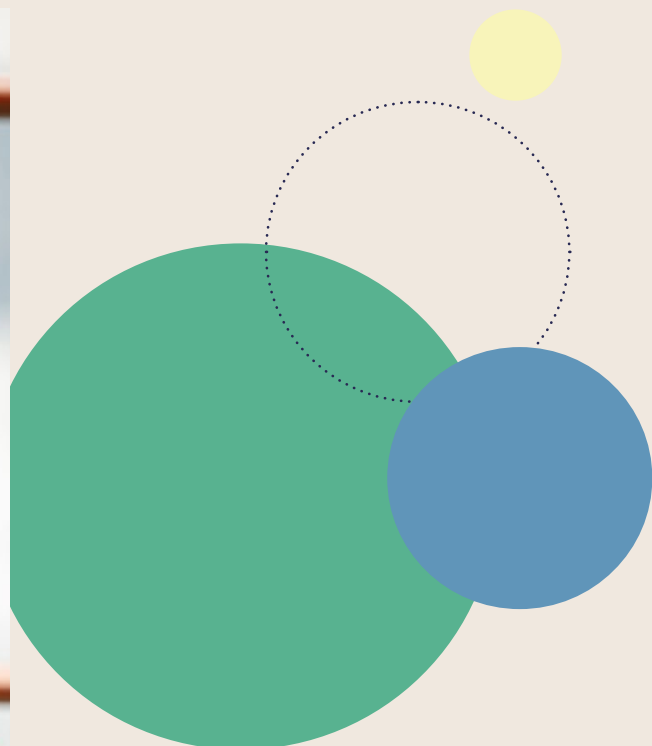
I came to the WTO because I was firmly convinced that trade was part of the solution to the global commons problems, from pandemic disease to climate change, that represent some of the biggest threats to our future prosperity. Speaking to members on my first day in office in March of last

year, I recalled the fundamental goals of the WTO, as set out in the preamble to our founding Marrakesh Agreement: using trade as a means to improve living standards, create better jobs and promote sustainable development. These goals are fundamentally about people. But one more reason I came here was that I felt the WTO had the potential to do much more to improve the lives of people around the world.

MC12 is proof that the WTO can deliver results. Members have shown they are capable of reaching multilateral compromises and finding solutions to contemporary challenges – provided they have the political will to do so.

The results achieved at MC12 will enhance the role trade has been playing in helping people cope with the multiple problems we currently confront – economic, environmental, and of course, the COVID-19 pandemic and the more recent food security crisis.

The deal on fisheries subsidies – concluded after nearly 21 years of negotiations – is only the second new agreement WTO members have reached since 1995, and the very first WTO agreement to put environmental

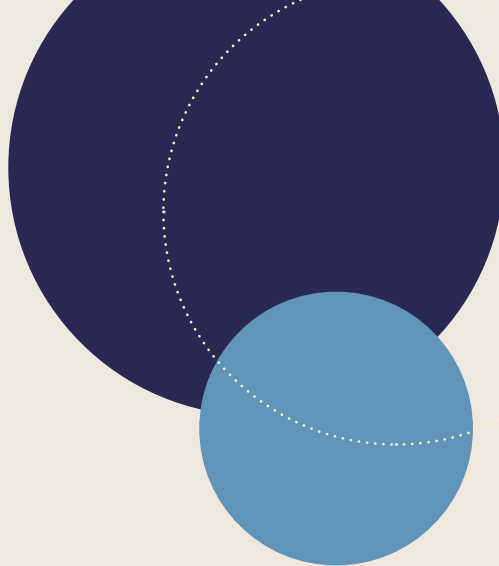


sustainability at its core. By banning subsidies that contribute to illegal, unreported and unregulated fishing, as well as fishing in the high seas and in overfished stocks, the pact represents a major step forward in protecting ocean health and biodiversity. Importantly, it also means that WTO members have delivered on the mandate given to them in Sustainable Development Goal 14.6.

Amid the pandemic, cross-border supply chains – often blamed for supply shortages early on – have in fact been a source of supply resilience. Trade has been central to manufacturing and distributing vaccines, personal protective equipment and other essential goods. Between the first half of 2019 and the first half of 2021, the value of global trade in medical goods grew by 30 per cent, compared to the 12 per cent growth in total global merchandise trade over that

period. The MC12 outcomes on pandemic response – a hard-won compromise on the proposed waiver of intellectual-property protections related to COVID-19 countermeasures, together with pledges to keep cross-border trade in medical supplies and components open and transparent – will help deconcentrate and diversify vaccine production, and foster better access to medical supplies in this pandemic and the next one.

At the macro level, the 9.8 per cent expansion in global merchandise trade volumes in 2021 – nearly double the expansion in global output – made external demand a key driver of growth for many countries. This was particularly true for several developing countries where domestic demand had been slow to recover. The strong rebound in trade, coupled with a pandemic-induced



WTO members, supported as always by the Secretariat, made MC12 a resounding success. After nearly six days of negotiations – culminating in a marathon 48 hours of non-stop talks – ministers and delegates adopted a package of multilateral deals that will deliver for people, businesses, and the planet.

shift in consumption from services to heavily traded durable goods, pushed global merchandise trade volumes to record highs by early 2021. However, producers and logistics infrastructure have struggled to meet demand, leading to snarled supply chains, overwhelmed ports and high freight costs.

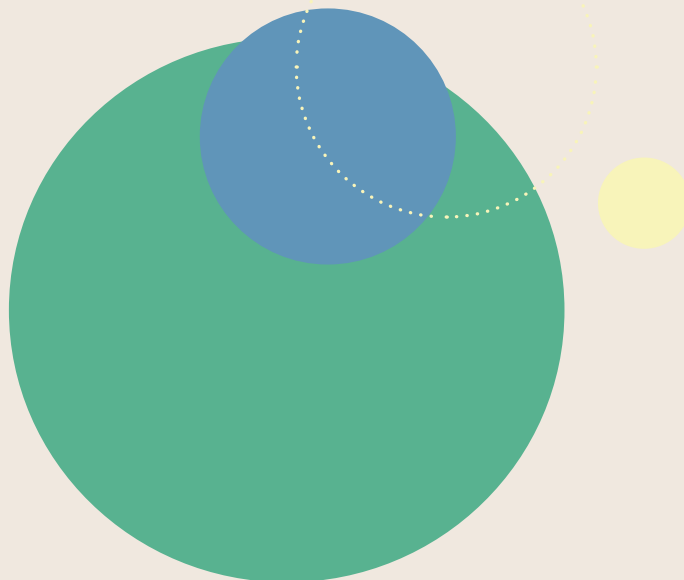
The war in Ukraine has darkened the global economic and trade outlook, adding to continuing COVID-19-related disruptions, notably in China. WTO economists this past spring recently lowered projections for merchandise trade volume growth in 2022 to 3.0 per cent, compared with the 4.7 per cent they were forecasting last October.

Global food trade had held up well through the pandemic, but it has been disrupted by the war. While Ukraine and Russia together account for barely 2 per cent of global GDP, they are major suppliers of food and energy to international markets. Prices for both, already high by historical standards, have soared since the war began in late February. Hundreds of millions of people in

poor economies are at risk of hunger and deprivation. Cooperation on trade will be critical to manage and mitigate food security impacts from the war as well as from weather-related reductions in crop yields. This is why it is so valuable that at MC12, WTO members pledged to make trade in food and agricultural inputs more predictable, recognizing the risks that come with export restrictions. They also agreed to exempt the World Food Programme's humanitarian food purchases from export restrictions, which the Nobel-winning UN agency says will save it time and money when delivering relief to millions of the world's most vulnerable people.

As this annual report makes clear, the WTO has been working to support global trade throughout the pandemic.

In line with our historical role going back 75 years to the creation of the multilateral trading system, WTO rules and norms helped members keep international markets mostly open despite protectionist pressures and severe economic and political disruptions.



We worked with leading COVID-19 vaccine manufacturers from around the world to identify trade bottlenecks holding back the production and distribution of vaccines. We convened leading port operators and logistics actors to look for solutions to supply chain problems. The Secretariat continued to shine a spotlight on pandemic-related trade policies, contributing to the steady reduction in export restrictions.

In December 2021, 67 members accounting for over 90 per cent of global services trade reached an agreement setting out common parameters for services domestic regulation. That deal will save businesses as much as US\$ 150 billion a year in reduced trade costs.

In addition, members continued to use WTO committees to share views, raise questions about each other's policies, and monitor implementation of the WTO agreements.

Despite the enduring impasse over the Appellate Body, members looked to the WTO to resolve disputes, filing nine cases in 2021, compared with five in 2020. Parties in four disputes agreed to an alternative mechanism for appeals of final panel reports.

WTO training work continued in 2021, all of it on a virtual basis, with 11,700 participants, mostly government officials from developing countries, using these opportunities to increase their understanding of WTO rules.

Looking to the future, I hope that MC12 will become a foundation for the ongoing reinvention and reinvigoration of the WTO. This involves carrying forward the WTO reform process members launched at MC12 to make all of the institution's core functions – negotiation, monitoring and dispute settlement – more effective and efficient. It entails finding solutions to longstanding development issues and addressing fact-based concerns about the full spectrum of subsidies. It also means leveraging the full power of trade and the WTO to accelerate a just, rapid, and cost-effective low-carbon transition; to articulate new rules for digital trade; and to expand opportunities for women-owned businesses and micro, small, and medium-sized enterprises to be included in regional and global value chains.

The Secretariat and I look forward to supporting members as they work to reinvest in the multilateral trading system and keep the WTO fit for purpose in the 21st century.

DR. NGOZI OKONJO-IWEALA
DIRECTOR-GENERAL

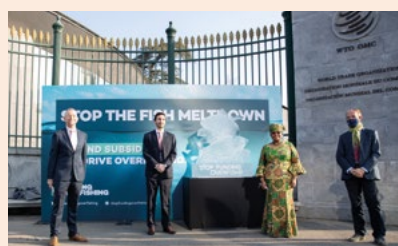
Highlights of DG Okonjo-Iweala's first year in office

2021

MARCH

1 March: On first day in office, DG calls on WTO members to adopt a “change of approach” to deliver results.

1 March: DG welcomes civil society's plea for a successful conclusion to the fisheries subsidies negotiations.



5 March: DG meets with WTO staff to outline her priorities and to answer questions from staff members.

15-17 March: DG makes official visit to Nigeria, meets President Muhammadu Buhari, senior members of the government, women entrepreneurs and representatives of small businesses.

31 March: DG addresses G7 trade ministers.

APRIL

1 April: DG establishes Delivery Unit to coordinate efforts to reach outcomes at 12th Ministerial Conference (MC12).

9 April: DG attends World Bank-IMF spring meetings in Washington DC.

14 April: DG calls “vaccine summit” with WTO members, vaccine manufacturers, international organizations to address vaccine inequity.



16 April: DG launches an external review of the WTO Secretariat to assess how to achieve greater efficiencies within the organization.

MAY

4 May: DG announces her four Deputy Directors-General: Angela Ellard (United States), Anabel González (Costa Rica), Jean-Marie Paugam (France), Xiangchen Zhang (China).



10 May: DG meets with Italy's Prime Minister Mario Draghi and senior members of the government in Rome to discuss global response to COVID-19.

18 May: DG participates in Summit on the Financing of African Economies in Paris, convened by French President Emmanuel Macron.

19 May: DG meets EU Commission President Ursula von der Leyen and President of European Council Charles Michel in Brussels to discuss vaccine equity and role of trade in combating the pandemic.

21 May: DG addresses G20 leaders at Global Health Summit on vaccine inequity.

31 May: DG meets with Kazakhstan President Kassym-Jomart Tokayev to discuss Kazakhstan's chairmanship of MC12.

JUNE

1 June: DG joins leaders of IMF, World Bank, WHO in call for US\$ 50 billion investment in health, trade, finance to end pandemic.

7 June: DG welcomes President Kersti Kaljulaid of Estonia to WTO.



9 June: DG welcomes Tunisia's Head of Government, Hichem Mechichi, to WTO.



12 June: DG addresses G7 leaders at summit hosted by the United Kingdom.

JULY

6 July: DG delivers keynote address to UN High-level Political Forum on Sustainable Development.

15 July: DG convenes a meeting of ministers in Geneva to advance the negotiations on curbing harmful fisheries subsidies.

21 July: DG participates in WHO/WTO High-Level Dialogue on "Expanding COVID-19 vaccine manufacture to promote equitable access".

30 July: DG welcomes launch of IMF, World Bank, WHO, WTO joint vaccine information website on access to COVID-19 vaccines, therapeutics and diagnostics.

AUGUST

26 August: DG meets with IMF Managing Director Kristalina Georgieva in Geneva to discuss vaccine equity, global recovery from COVID-19.

26 August: DG meets former German Chancellor Angela Merkel and heads of OECD, IMF, World Bank, ILO at Federal Chancellery in Berlin.



SEPTEMBER

6 September: DG joins global leaders in Rotterdam to participate in high-level dialogue on climate change.



15 September: DG features on cover of Time Magazine as one of world's most influential leaders.

20-23 September: DG makes official visit to United States, meeting with heads of state, senior US officials, members of Congress and representatives from US business and labour groups.

21 September: DG attends UN General Assembly in New York.

22 September: DG joins other global leaders at virtual Global COVID-19 Summit convened by US President Joe Biden and focused on ending the pandemic, building health security.

22 September: DG meets with Katherine Tai, US Trade Representative, in Washington DC to discuss potential outcomes for MC12.



23 September: DG meets with President Julius Maada Wonie Bio of Sierra Leone to discuss the road to MC12 and Sierra Leone's capacity-building needs.

28 September: DG welcomes participants to opening session of 2021 Public Forum, at which South African President Cyril Ramaphosa delivers keynote speech.

OCTOBER

4 October: DG participates in World Leaders Summit Dialogue of UN Conference on Trade and Development, hosted by Barbados.

7 October: On World Cotton Day, DG meets with Prime Minister Choguel Kokalla Maïga of Mali and Minister of Commerce Harouna Kaboré of Burkina Faso.

12 October: DG attends G20 Trade Ministers' Meeting in Sorrento, Italy.



15 October: DG joins other leaders to attend IMF-World Bank Annual Meetings in Washington DC.

19 October: DG meets with UK Prime Minister Boris Johnson and participates in Global Investment Summit in London.

20-22 October: DG conducts visit to India and meets with Prime Minister Narendra Modi, government ministers, business leaders, vaccine manufacturers, small businesses and self-help groups engaged in addressing the needs of poorer communities.



30-31 October: DG participates in G20 Leaders' Meeting in Rome with other global leaders.



NOVEMBER

2 November: DG participates with other global leaders in UN Climate Change Conference (COP26) in Glasgow, Scotland.

22 November: DG welcomes launch of WTO/IMF COVID-19 Vaccine Trade Tracker, aimed at providing greater transparency on cross-border flow of vaccines.



24 November: DG receives Turkmenistan's official application to join WTO.

29 November: DG and IFC Managing Director Makhtar Diop agree to explore ways to improve availability of trade financing for regions in need.



DECEMBER

2 December: Following postponement of MC12, DG urges members to redouble efforts to reach consensus on WTO response to pandemics, curbing harmful fisheries subsidies, agriculture and WTO reform.

2 December: DG is named as one of Financial Times' 25 most influential women of 2021.

2 December: DG welcomes successful conclusion of negotiations on services domestic regulation, aimed at cutting red tape to facilitate services trade worldwide.



6 December: DG participates in "1+6" Roundtable with Chinese Premier Li Keqiang and heads of IMF, World Bank Group, ILO, OECD, Financial Stability Board.

9 December: DG is awarded Global Leadership Award by United Nations Foundation, as a "Champion for Global Change".

10 December: DG delivers opening remarks at High-Level Forum to mark 20 years of China's WTO membership.



15 December: DG welcomes launch of ministerial statements on trade and environmental sustainability, plastics, and fossil fuel subsidy reform.

2022

22 December: DG and heads of IMF, World Bank, WHO issue joint statement titled "From Vaccines to Vaccinations" on behalf of Multilateral Leaders Task Force.

JANUARY

10 January: University of Amsterdam awards honorary doctorate to DG in recognition of her contributions to global equity, fair trade, environmentally sustainable development.



28 January: DG gives keynote speech at Sustainable Trade Conference organized by French trade minister Franck Riester to mark France's 2022 presidency of Council of the European Union.

FEBRUARY

1 February: DG hosts DGs of WHO and WIPO to chart future directions for trilateral cooperation in support of an effective global response to COVID-19.



14 February: DG meets with EU Trade Ministers in Marseille to discuss reforming the WTO and other EU priorities for MC12.

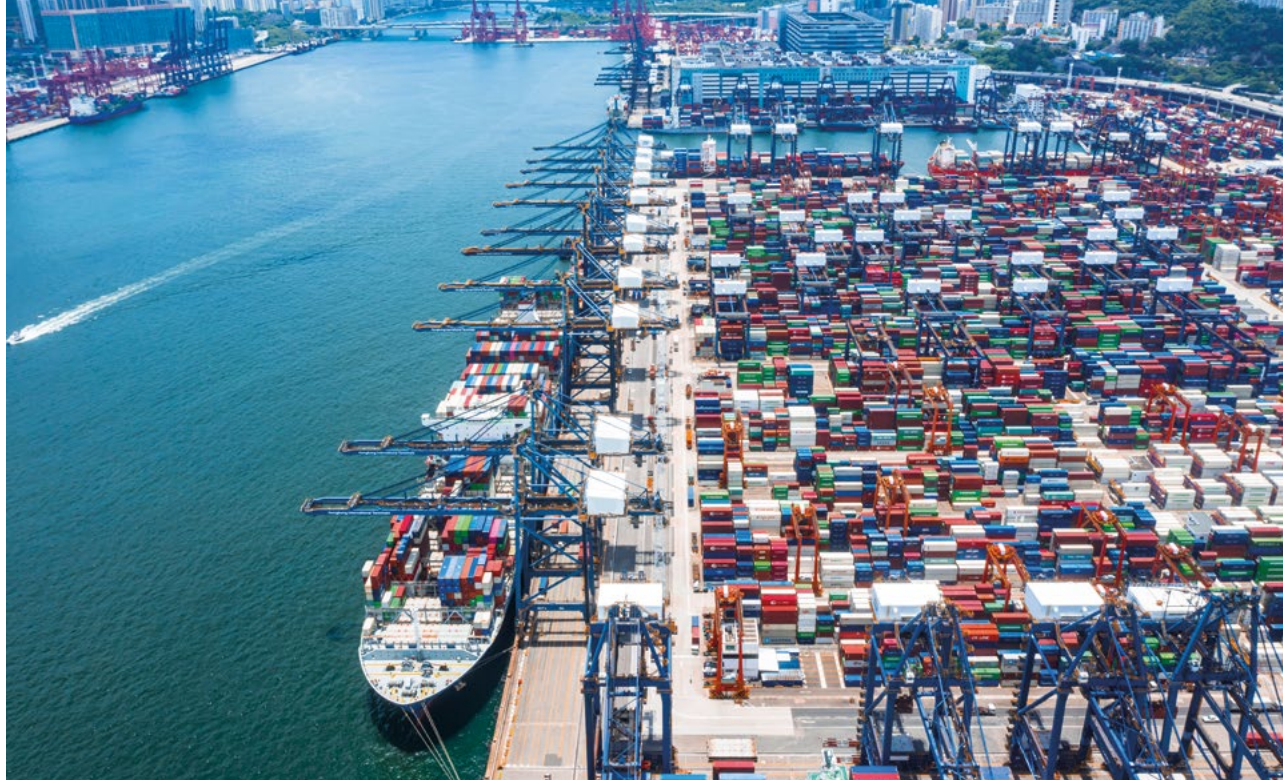
17 February: DG attends African Union-European Union Summit in Brussels and discusses Africa's vaccine needs with a number of world leaders.

18 February: DG attends Munich Security Conference to discuss post-pandemic economic recovery and UN Sustainable Development Goals with other world leaders.

MARCH

8 March: DG announces the WTO Secretariat is undertaking a gender audit to advance gender equality and inclusivity in its workforce.

9 March: DG announces that Mia Mottley, Prime Minister of Barbados, will be the first guest speaker of the WTO's Presidential Lecture Series at the WTO's headquarters.



Understanding the WTO

Who we are

Improving people's lives

The fundamental goal of the WTO is to improve the welfare of people around the world. The WTO's founding Marrakesh Agreement recognizes that trade should be conducted with a view to raising standards of living, ensuring full employment and increasing real income while allowing for the optimal use of the world's resources.

Negotiating trade rules

The WTO was born out of five decades 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. Conversely, in some circumstances, WTO rules support maintaining trade barriers – for example, to protect consumers or the environment.

Overseeing WTO agreements

At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. Essentially contracts, these documents provide the rules for international commerce and bind governments to keep their trade policies within agreed limits. Their goal is to help producers of

goods and services, exporters and importers conduct their business, with a view to raising standards of living, while allowing governments to meet social and environmental objectives.

Maintaining open trade

The system's overriding purpose is to help trade flow as freely as possible – provided there are no undesirable side effects – because this stimulates economic growth and employment and supports the integration of developing countries into the international trading system. Its rules have to be transparent and predictable, to ensure that individuals, companies and governments know what the trade rules are around the world, and to assure them that there will be no sudden changes of policy.

Settling disputes

Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO, 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 certain simple, fundamental principles run throughout all of these documents and form the foundations 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

Opening trade

Lowering trade barriers is an obvious way to encourage trade; these barriers include customs duties (or tariffs) and measures such as import bans or quotas, that restrict quantities selectively.

3

Predictability and transparency

Foreign companies, investors and governments should be confident that trade barriers will 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

Fair competition

“Unfair” practices, such as export subsidies and dumping products at below normal value to gain market share, are discouraged. 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

Support for less developed countries

Over three-quarters of WTO members are developing economies or 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

Protection of the environment

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

7

Inclusive trade

The WTO seeks to build a more inclusive trading system that will allow more women and small businesses to participate in trade and to reap the economic benefits of global trading.

8

Partnerships

The WTO maintains regular dialogue with civil society, labour unions, universities and the business community to enhance cooperation and build partnerships. The WTO's Trade Dialogues initiative and the annual Public Forum provide a platform for civil society and business groups to discuss the latest developments in world trade and to propose ways of enhancing the multilateral trading system.

9

Supporting digital trade

The WTO recognizes the growing importance of e-commerce. Periodic reviews of the WTO's work programme on e-commerce are conducted by the General Council based on reports from various WTO bodies. In addition, a group of like-minded members are conducting negotiations on e-commerce, with a view to developing global digital trade rules and addressing challenges posed by the digital divide.

What we do

- › The WTO is run by its members. 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 members, 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 specialists – 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 trade-opening and the permitted exceptions, and set procedures for settling disputes. They include countries' commitments to lower trade barriers and to open services markets. The agreements are renegotiated from time to time and new agreements can be added, as was the case at the 2013 and 2015 ministerial conferences.



Implementation and monitoring

The 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.



Supporting development and building trade capacity

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



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 WTO agreements are being infringed. Judgments by specially appointed independent experts are based on interpretations of the WTO agreements and individual countries' commitments.



Outreach

The WTO maintains regular dialogue with the business community, non-governmental organizations, labour unions, parliamentarians, the academic community, 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.

World Trade Organisation

A brief history

The WTO began life on 1 January 1995, succeeding the General Agreement on Tariffs and Trade (GATT) which had regulated world trade since 1948. Over the past 27 years, the WTO has made a major contribution to the strength and stability of the global economy, helping to boost trade growth, improve people's lives and support the integration of developing countries into the trading system.



2001

November

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



1999

November

Third Ministerial Conference takes place in Seattle, United States.

2003

September

Fifth Ministerial Conference takes place in Cancún, Mexico.



2005

December

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





1995

January

The WTO is born on 1 January.



1998

May

Second Ministerial Conference takes place in Geneva.

Celebration to mark 50 years of the GATT.



1996

December

First Ministerial Conference takes place in Singapore.

Information Technology Agreement concluded.



2006

September

First WTO Public Forum takes place in Geneva.



2007

November

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



2009

September

First WTO Open Day in Geneva.

November

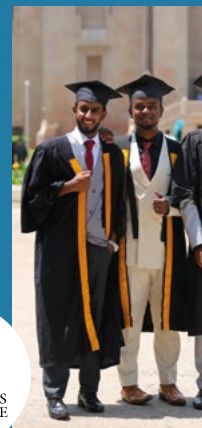
Seventh Ministerial Conference takes place in Geneva.



2010

January

WTO Chairs Programme launched to support developing country universities.

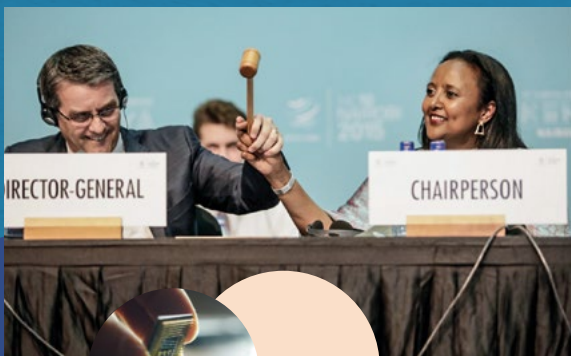


2015

December

Tenth Ministerial Conference takes place in Nairobi, Kenya.

“Nairobi Package” includes abolition of agricultural export subsidies and expansion of Information Technology Agreement.



2016

July

Afghanistan and Liberia become the WTO's newest (163rd and 164th) members.



2017

January

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

February

Trade Facilitation Agreement enters into force.

December

Eleventh Ministerial Conference takes place in Buenos Aires, Argentina.





2011

December
Eighth Ministerial Conference takes place in Geneva.



2013

December
Ninth Ministerial Conference takes place in Bali, Indonesia.



2012

November
Historic signing ends 20 years of EU-Latin American banana dispute, the longest-running dispute in WTO history.



2020

November
WTO marks its 25th anniversary.



2021

February
Dr Ngozi Okonjo-Iweala becomes the first African and first woman to be chosen as Director-General.

December
Negotiations on services domestic regulation conclude successfully. The 12th Ministerial Conference is postponed until June 2022.



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A year in review

The WTO's headquarters
in Geneva.



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and discussions

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Implementation of
WTO agreements and
trade monitoring

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Dispute settlement

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Supporting development and
building trade capacity

31

Outreach



2021: A snapshot

April

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



January

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



February

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

March

DG Okonjo-Iweala takes office on 1 March.

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



May

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

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

June

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

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

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



August

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



October

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

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

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

DG attends G20 Leaders Summit in Rome.



December

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

Negotiations on services domestic regulation conclude successfully.

Ministerial statements issued on three environmental initiatives.

The 12th Ministerial Conference is postponed until June 2022.



July

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

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

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

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

September

Symposium celebrates 25 years of Information Technology Agreement.

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

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

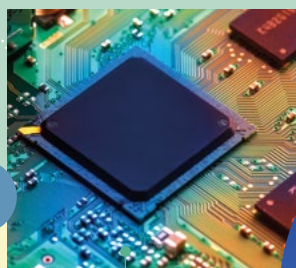
November

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

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

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

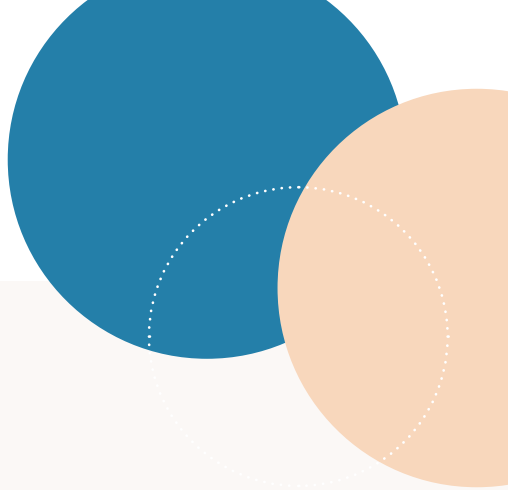
General Council decides to postpone MC12 after outbreak of Omicron COVID-19 variant.



Our year

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





Trade negotiations and discussions

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

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

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

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



14

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

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

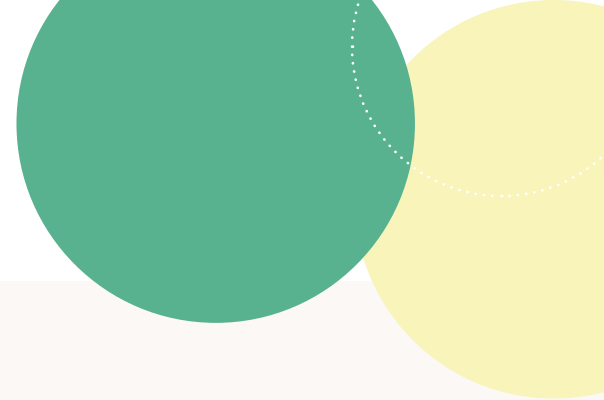
Members worked intensively to develop draft disciplines on curbing harmful fisheries subsidies in line with the mandate in the UN's Sustainable Development Goals. In July, the DG convened a meeting of ministers in Geneva to advance the negotiations. The Chair of the talks, Ambassador Santiago Wills,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

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

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

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

See pages 46-75.



Implementation of WTO agreements and trade monitoring

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



7

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

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

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

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

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

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

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

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

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

See pages 76-137.

Dispute settlement

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

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

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

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



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

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

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

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

See pages 138-145.



7

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



9

During 2021, WTO members initiated nine disputes.

Supporting development and building trade capacity

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



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

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

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

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

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

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

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

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

See pages 146-167.



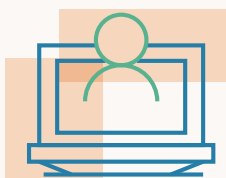
Outreach

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

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

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

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



3.2

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



80

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

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

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

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

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

See pages 168-197.

12

12th Ministerial Conference – a snapshot

The 12th Ministerial Conference took place from 12 to 17 June 2022 at the WTO's headquarters in Geneva. It was originally scheduled to take place in December 2021 but was postponed due to the pandemic.

DG Okonjo-Iweala and the Chair of the Conference, Mr Timur Suleimenov, celebrate the successful conclusion of MC12.





12th Ministerial Conference – a snapshot

The “Geneva package”

The package adopted by WTO members includes:

- an outcome document (covering WTO reform and other issues)
- a series of initiatives, comprising:
 - a Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics
 - a Ministerial Decision on the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS)
 - an Agreement on Fisheries Subsidies
 - a Ministerial Declaration on the Emergency Response to Food Insecurity
 - a Ministerial Decision on World Food Programme (WFP) Food Purchases Exemptions from Export Prohibitions or Restrictions
 - a Decision on the E-commerce Moratorium and Work Programme.

In addition, ministers adopted decisions on the Work Programme on Small Economies and on TRIPS non-violation and situation complaints and a Sanitary and Phytosanitary Declaration for the 12th WTO Ministerial Conference: Responding to Modern SPS Challenges.

The WTO's 12th Ministerial Conference (MC12) concluded successfully on 17 June with agreement on a series of unprecedented decisions on fisheries subsidies, the WTO response to COVID-19, food security, e-commerce, WTO reform and other topics. The Conference was originally due to be held in December 2021 but was postponed due to COVID-19.

“The package of agreements you have reached will make a difference to the lives of people around the world. The outcomes demonstrate that the WTO is, in fact, capable of responding to the emergencies of our time,” said Director-General Ngozi Okonjo-Iweala at the closing ceremony.

“They show the world that WTO members can come together, across geopolitical fault lines, to address problems of the global commons, and to reinforce and reinvigorate this institution. They give us cause to hope that strategic competition will be able to exist alongside growing strategic cooperation,” she added.

“Geneva package” – in brief

The historic package of agreements secured at MC12 was the culmination of efforts by WTO members to provide concrete trade-related responses to important challenges facing the world today. The outcomes reached on fisheries subsidies, the WTO response to the pandemic, food insecurity, e-commerce and other issues demonstrate that the multilateral trading system can respond to some of the most pressing challenges of our time.

Fisheries subsidies

WTO members have forged an Agreement on Fisheries Subsidies which sets new global rules to curb harmful subsidies and protect global fish stocks in a manner that also recognizes the needs of fishers in developing



The chair of the fisheries subsidies negotiations, Ambassador Santiago Wills of Colombia, reports on the final negotiations leading to the conclusion of the Agreement on Fisheries Subsidies.

and least-developed countries (LDCs). It is the first WTO agreement to place environmental sustainability at its core. Fisheries subsidies — estimated to range from USD 14 billion to USD 54 billion per year globally — enable many fishing fleets to operate longer and farther at sea, to the detriment of marine life.

“The Agreement prohibits support for illegal, unreported and unregulated (IUU) fishing. It bans support for fishing in overfished stocks. And it takes a first but significant step forward to curb subsidies for overcapacity and overfishing by ending subsidies for fishing on the unregulated high seas,” DG Ngozi Okonjo-Iweala told members at the closing session of MC12, noting the positive impact for 260 million people who depend on marine fisheries for their livelihood.

Developing and LDC members, moreover, stand to benefit from provisions specific to them in the Agreement and from technical assistance and capacity building that shall be provided through the WTO Fisheries Funding Mechanism. The WTO’s Negotiating Group on Rules has been tasked by members to continue negotiations to further curb certain subsidies that contribute to overcapacity and overfishing. The Agreement enters into force upon its ratification by two-thirds of the membership.

WTO response to the pandemic, including IP response

In response to the ongoing impact of COVID-19, members adopted a Ministerial Declaration on the WTO response to the current and future pandemics. This includes a waiver of certain requirements under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) concerning the use of compulsory licences to produce COVID-19 vaccines.

DG Okonjo-Iweala said these decisions “will make access to medical supplies and components more predictable in this pandemic, and in the next one.” The TRIPS waiver compromise “will contribute to ongoing efforts to deconcentrate and diversify vaccine manufacturing capacity, so that a crisis in one region does not leave others cut off,” she added.

The Declaration calls on relevant WTO bodies to continue or initiate work on lessons learned and challenges experienced during the COVID-19 pandemic. Areas of focus will include export restrictions, food security, intellectual property, regulatory cooperation, services, tariff classification, technology transfer, trade facilitation, and transparency. A yearly stocktaking exercise will take place in the General Council up to the end of 2024.

In parallel, the Ministerial Decision on the TRIPS Agreement provides a platform for members to work together to diversify vaccine production capacity. Members will have greater scope to take direct action over the next five years to override the exclusive effect of patents through a targeted waiver that addresses specific problems identified during the pandemic, especially facilitating and streamlining vaccine exports. Members also have greater clarity regarding other options open to them for pandemic response, including an array of emergency use measures.

This outcome also opens the way for technical support from WHO, WIPO, the WTO and others to make full and effective use of all the options. Members also agreed that, no later than December



2022, they will decide on whether to extend the waiver to cover the production and supply of COVID-19 diagnostics and therapeutics.

While all developing country members can benefit from the decision, developing country members with existing COVID-19 vaccine manufacturing capacity are encouraged to opt out.

Food insecurity

The MC12 outcome package on agriculture comprised a Ministerial Declaration on the emergency response to food insecurity and a Ministerial Decision on exempting World Food Programme (WFP) humanitarian food purchases from export prohibitions or restrictions. Both respond to demands from the international community for immediate action by WTO members to address food shortages and soaring food prices and ensure that the most vulnerable can access emergency food aid.

The Declaration underlines the strong commitment by WTO members to take concrete steps to facilitate trade, which plays a vital role in improving global food security, and improve the functioning and resilience of global food markets. It also reaffirms the importance of not imposing export prohibitions or restrictions on agri-food trade in a WTO-inconsistent manner.

The WFP Decision was welcomed by WFP Executive Director David Beasley: "This humanitarian exemption ... ensures critical relief reaches the most vulnerable." DG Okonjo-Iweala said the Decision will make it easier for the WFP to "do its difficult job of feeding millions" suffering from acute hunger.

E-commerce work programme and moratorium

As part of their Ministerial Decision on the Work Programme on electronic commerce, WTO members agreed to maintain their current practice of not imposing customs duties on electronic transmissions and to intensify discussions among members on this topic. The moratorium will remain in effect until MC13 due to be held by the end of 2023 or until 31 March 2024 should MC13 be delayed beyond that date.

DG Okonjo-Iweala welcomed the decision, noting that the moratorium, which has been renewed at every Ministerial Conference since its adoption in 1998, will help preserve the enabling environment the WTO provides to the global digital economy and the millions of businesses and jobs that depend on it.

WTO reform

WTO members have agreed to undertake a comprehensive review of the WTO's functions

WTO members applaud the gavelling of the Geneva Package.

Chair of the General Council Didier Chambovey of Switzerland.





in order to ensure the organization is capable of responding more effectively to the challenges facing the multilateral trading system. DG Okonjo-Iweala said the decision reflects the “widespread recognition that the WTO’s core functions need to be updated and improved.”

In the MC12 outcome document adopted on 17 June, ministers committed members to work towards reform of the organization to improve all its functions through an open, transparent and inclusive process. The review will be carried out through the WTO’s General Council and its subsidiary bodies, with the goal of submitting possible reform proposals to MC13. Previously, members have submitted proposals on issues such as improving the transparency of governments’ trade measures, reviewing special treatment for developing countries and reinvigorating the WTO’s negotiating function.

Ministers also agreed to talks on addressing concerns with respect to the WTO’s dispute settlement system with the view to securing a fully functioning system by 2024.



Celebrating the successful conclusion of MC12.

Other decisions

Ministers adopted a Sanitary and Phytosanitary (SPS) Declaration on responding to challenges that may significantly impact international trade in food, animals and plants. The Declaration commits WTO members to launching a work programme to identify new challenges in the implementation of the WTO’s SPS Agreement, with the aim of enhancing how the Agreement is applied.

Ministers also adopted a decision reaffirming the commitment of members to the WTO’s Work Programme on Small Economies, which seeks to address the particular challenges facing these economies. Another decision extends the moratorium on so-called TRIPS “non-violation and situation” complaints, which deals with situations where a government may complain it has been deprived of an expected benefit because of another government’s action, even if no agreement has been violated.

How the conference was organized

MC12 was held at the WTO’s headquarters in Geneva, Switzerland, from 12 to 17 June 2022. Co-hosted by Kazakhstan, the Conference was chaired by Timur Suleimenov, First Deputy Chief of Staff of the Kazakh President. The Conference was originally scheduled to take place in Nur-Sultan, Kazakhstan, in June 2020 but was postponed due to COVID-19.

In his closing remarks, Mr Suleimenov told members: “This week, you have all contributed to making what seemed impossible come to fruition. We have all engaged in frank and sometimes very difficult conversations. We may have not achieved everything that we set out for, but we have delivered, and this is something that all of us should be proud of.”

The DG’s office celebrates the successful conclusion of MC12.

4

Membership

The WTO currently has 164 members. The accession process for new members promotes their integration into the global economy.



40
Joining
the WTO

44
A global
membership



Joining the WTO

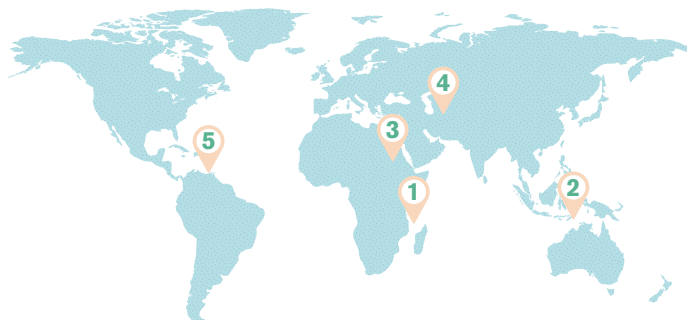
- Comoros made progress towards the finishing line in accession talks and aims to conclude negotiations in 2022. Timor-Leste, another least-developed country, sets the goal of completing accession negotiations by early 2023.
- Sudan resumed formal accession talks after a four-year break.
- Turkmenistan applied to join the WTO, becoming the last former Soviet republic to do so.
- China's 20th anniversary of WTO membership was marked with a high-level forum.



Key developments in 2021

1. Comoros
sets end-2022
accession target

2. Timor-Leste
seeks to finish accession
by early 2023



3. Sudan
resumes formal
accession talks

4. Turkmenistan
applies to join
the WTO

5. Curaçao
begins accession
negotiations

Background

The WTO is open to states or customs territories with full autonomy over their external commercial relations. To join, a government has to bring its economic and trade policies in line with WTO rules and principles and negotiate with WTO members the guaranteed minimum levels of access to its domestic markets for goods and services. The accession process promotes the integration of new members into the global economy. It begins when WTO members accept an application and establish a working party. It concludes when WTO members and the acceding government accept negotiated terms of accession.

Comoros makes progress towards WTO accession

The accession of Comoros is the WTO's most advanced least-developed country (LDC) accession dossier, according to Deputy Director-General Xiangchen Zhang. He was speaking at a roundtable organized by Comoros, the WTO and the Standards and Trade Development Facility in January 2022 to discuss technical assistance and capacity-building needs of Comoros.

At the 6th working party meeting in September, the Government of Comoros reaffirmed its commitment to completing the accession in 2022. Mzé Abdou Mohamed Chanfiou, Minister of Economy, Industry and Investment and accession chief negotiator, said: "Comoros is counting on technical assistance to help it meet the obligations arising from its accession." WTO members welcomed the efforts of Comoros to modernize its trade regime, while noting that advancing the domestic legislative reform process would be key to wrapping up the accession in 2022.



"I think we are entering the final phase. My goal is to find a way to complete this accession in 2022," said the Working Party Chair, Ambassador Omar Zniber of Morocco.

Timor-Leste aims to complete accession by early 2023

Timor-Leste, which started its accession process in 2016, held its second working party meeting in July, only nine months after the first.

Comoros aims to complete its accession process by end-2022.

José Ramos-Horta, former President of Timor-Leste and Nobel Peace Prize Laureate, said: "Timor-Leste is fully committed to abide by the principles, objectives and rules of the WTO." He was among 81 government officials, including nine ministers, joining the meeting virtually from the capital, Dili.

Coordinating Minister of Economic Affairs and accession chief negotiator Joaquim Amaral expressed his government's determination to complete the WTO accession process within the coming year. Members continued the examination of the foreign trade regime of Timor-Leste and agreed to explore the possibility of issuing "Elements of a Draft Working Party Report" to mark progress made in this accession.

Sudan formally resumes accession talks

After a four-year break, the Working Party on the Accession of Sudan officially resumed its work by holding its 5th meeting in July. It was preceded by an informal meeting in March.

At the formal session, Ali Giddo Adam Bashr, Minister of Trade and Supply and accession chief negotiator, said: "The transitional government has placed economic reform as one of its priorities and WTO accession is one of the vehicles to drive this agenda through Sudan's integration into the global economy."





At the meeting, members welcomed the formal resumption of Sudan's accession. They pledged full support for its efforts, including through the provision of technical assistance. As a next step, the WTO Secretariat will prepare the Elements of a Draft Working Party Report.

Azerbaijan and Uzbekistan prepare for working party meetings in 2022

A WTO Secretariat team, led by DDG Zhang, visited Tashkent in October. Sardor Umurzakov, Deputy Prime Minister and Minister of Investment and Foreign Trade of Uzbekistan, reiterated his government's firm commitment to WTO accession as a policy priority and an integral part of its wide-ranging reform agenda. DDG Zhang commended the Uzbek Government for pursuing an ambitious domestic reform agenda and for its efforts to use the accession process as part of its development strategy.

Azerbaijan circulated updated negotiating inputs to the Working Party in preparation for its next meeting. The date of the meeting will be decided once a new Chair is appointed.

Curaçao submits Memorandum on Foreign Trade Regime

Curaçao circulated the Memorandum on its Foreign Trade Regime in September, 18 months after the establishment of its working party. The memorandum is the first step in the negotiating process, providing the basis for WTO members to start examining Curaçao's foreign trade regime.

New application

In November, Turkmenistan applied to join the WTO and requested that its application be considered for action by the General Council in early 2022. At a meeting of the General Council in February 2022, WTO members agreed to initiate negotiations on the country's accession. It is the last former Soviet republic to apply for membership.

Technical assistance and outreach

In March 2021, the WTO Secretariat organized a two-week virtual training course on trade in services for all acceding

Timor-Leste seeks to accede to the WTO by early 2023.



24

A total of 24 countries is seeking to join the WTO.

governments. In addition, the Secretariat delivered tailored-made training activities to many acceding governments on a range of different topics, depending on the stage of the accession process. Collaboration with other partners was an important part of this technical assistance.

China Programme on LDC Accessions

The 10th China Round Table on WTO Accessions, held virtually in January 2022, celebrated 10 years of the China Programme, with participants reflecting on its impact on the accession of LDCs and discussing the future direction of this initiative. The event also provided an opportunity for trade experts to present a study reviewing the results of accession for the nine countries that have joined the organization as LDCs since 1995 – Nepal, Cambodia, Cabo Verde, Samoa, Vanuatu, Lao PDR, Yemen, Liberia and Afghanistan.

Accession anniversaries

A High-Level Forum co-organized by the WTO Secretariat and the Permanent Mission of China on 10 December marked China's 20th anniversary of WTO membership. The event highlighted the significance of China's accession for the multilateral trading system and discussed China's participation in the work of the organization.

DG Okonjo-Iweala said that China's accession was a "pivotal event in the history of the multilateral trading system". Chenggang Li, Permanent Representative of China to the WTO, underlined the great transformation experienced by China. "We have seen great changes. With its accession to the WTO, China substantively opened its market of goods and services," he said.

In July, Afghanistan and Liberia marked five years of WTO membership. The Secretariat launched studies examining their experiences since joining the WTO, including economic

performance, the fulfilment of obligations and participation in the work of the WTO.

Trade for Peace

On 25 March 2021, the Trade for Peace Network was launched at a meeting attended by ambassadors from WTO members and observers, heads of international organizations and experts involved in the WTO Trade for Peace initiative (see page 176).

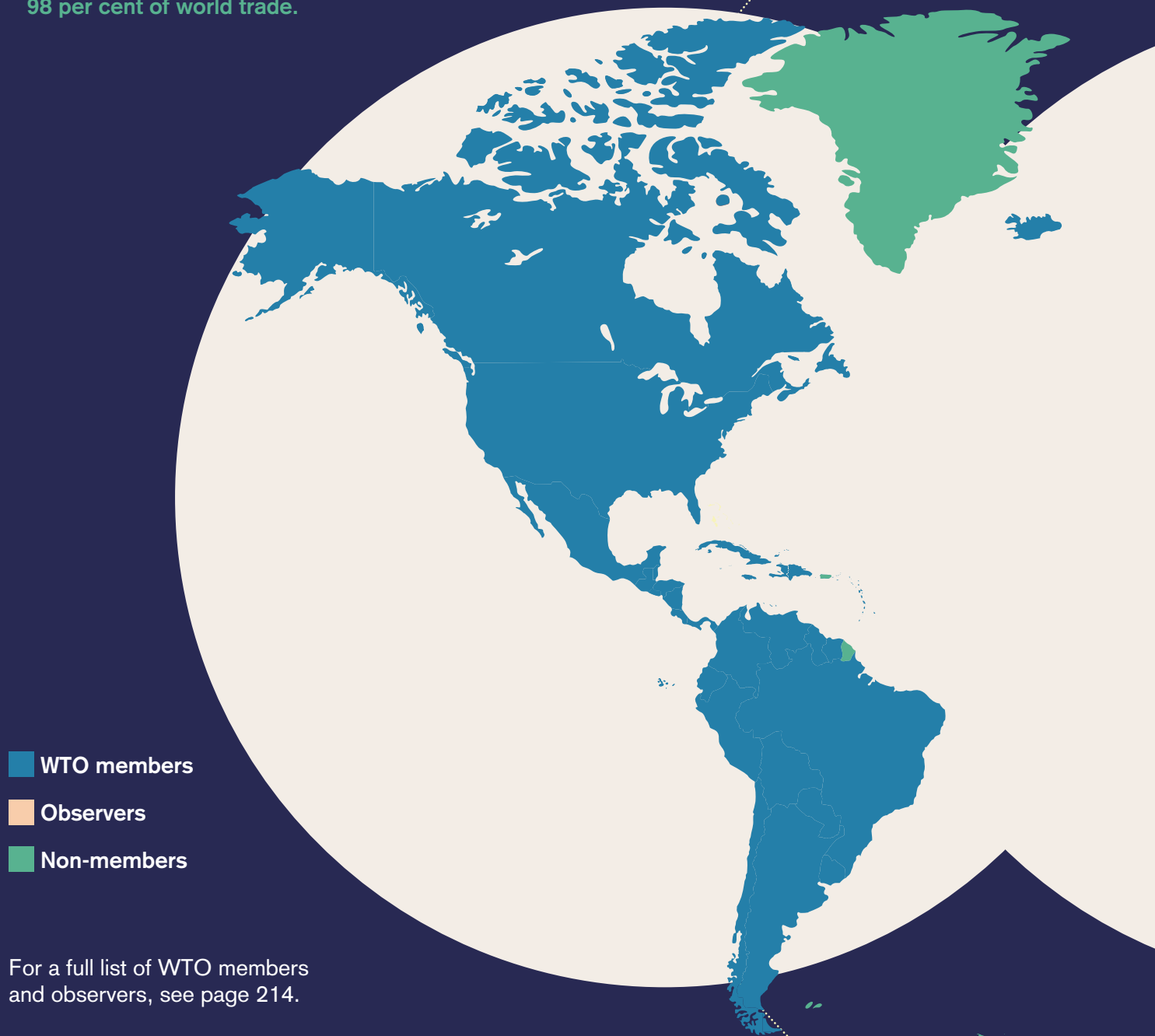
For a full list of WTO members and observers, see page 214.



WTO members agreed in February 2022 to initiate membership talks for Turkmenistan, the last of the former Soviet republics to apply for WTO membership.

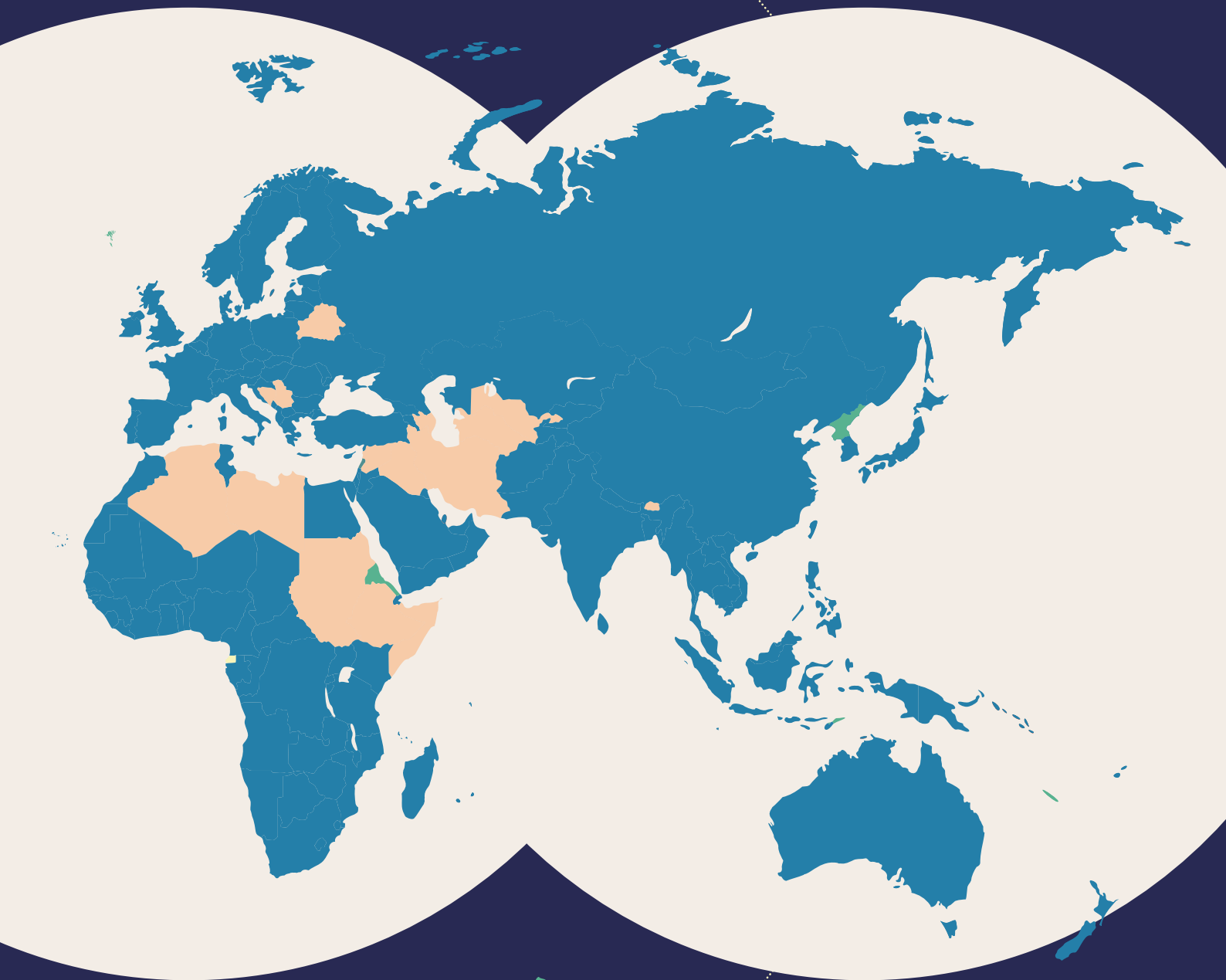
A global membership

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



For a full list of WTO members and observers, see page 214.

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.



5

Trade negotiations and discussions

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





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Trade negotiations and discussions in 2021

- DG Okonjo-Iweala told WTO members at her first Trade Negotiations Committee meeting as Chair in March 2021 to focus on what the WTO was created to do – improve the living standards of ordinary people.
- At a meeting of WTO delegation heads on 23 July, the DG called on members to bring focus and flexibility to intensive negotiations scheduled for the autumn and strike meaningful agreements ahead of the 12th Ministerial Conference (MC12), scheduled for end-November, but subsequently postponed until June 2022.
- Throughout the year, delegations viewed the WTO’s pandemic response as a priority, including addressing inequities in the production and distribution of vaccines and enabling a more inclusive global economic recovery.
- Despite the postponement of MC12 because of COVID-19, negotiations continued with an eye to achieving meaningful outcomes in the pandemic response, fisheries subsidies and other issues.

Background

Trade negotiations take place under the Trade Negotiations Committee (TNC) and its subsidiary bodies, which are councils and committees meeting in special session or other bodies especially created for negotiations. The TNC supervises the overall conduct of negotiations.

During her first formal meeting in March 2021 as Trade Negotiations Committee (TNC) Chair, DG Okonjo-Iweala told WTO members they should focus on people, which is the central essence of what the WTO was created to do. They should, she said, concentrate on creating jobs, increasing incomes and supporting sustainability. If members were to focus on serving people, it would help them to overcome differences they had in their negotiations on freer trade and other issues.

As TNC Chair, the DG anchored her approach on the principles of transparency, inclusivity and pragmatism. At a meeting with heads of delegations in May, the DG said three concrete deliverables from the negotiations stood out: an agreement to curb harmful fisheries subsidies (see page 56); outcomes on agriculture, with a focus on food security (see page 53); and a framework that would better equip the WTO to support efforts against the COVID-19 pandemic and future health crises (see page 82).

During her first four months as Chair, members moved the 20-year-old fisheries subsidies negotiations further than ever before on the issues of disciplines to eliminate subsidies for illegal, unreported and unregulated (IUU) fishing and to prohibit some subsidies that contribute to overcapacity and overfishing. The Chair of the Negotiating Group on Rules, Ambassador Santiago Wills (Colombia), issued a revised consolidated negotiating text on 30 June (see page 56).

Members also situated the WTO squarely as a key player in the search for solutions to the COVID-19 crisis and in doing so strengthened WTO ties with other international organizations (see page 179). Work intensified in other negotiating areas ahead of MC12, which was set for 30 November to 3 December after the originally scheduled meeting in Kazakhstan was cancelled in 2020, and was subsequently



DG Okonjo-Iweala chairs a meeting of the Trade Negotiations Committee in May 2021.

postponed to 12 to 15 June 2022. Apart from fisheries, members worked hard on agriculture, special and differential treatment for developing countries (see page 59) and services (see page 58), among other areas.

At a meeting of WTO delegation heads on 23 July, DG Okonjo-Iweala called on members to bring focus and flexibility to intensive negotiations scheduled for the autumn and to strike meaningful agreements ahead of MC12. The chairs of various negotiating groups set out their plans for taking talks forward. She urged members to focus on “two, three or four” areas. “Either we continue to bring everything to the table, or we see what we can realistically achieve. To the extent we are on the same page, with a shared game plan, the likelier we are to get to meaningful outcomes,” she said.

Delegates spent long hours, including weekends, negotiating with the objective of reaching convergence on meaningful outcomes at MC12. However, on 26 November, the deterioration in the COVID-19 situation and new travel restrictions led General Council Chair Dacio Castillo (Honduras) and the DG to recommend the postponement of MC12, a suggestion to which members agreed.

Although members were disappointed, the DG highlighted that they were united in support of this necessary albeit difficult decision. She reminded delegations that they were all working towards the same goal of reaching meaningful outcomes for people, particularly as lives and livelihoods across the globe continued to be at risk. The objective was clear

– to ensure that the WTO delivered for all. Despite the postponement of MC12, members continued work to achieve outcomes in the negotiations.

Ministerial meeting on fisheries subsidies

A virtual formal TNC meeting at ministerial level on fisheries subsidies (see page 56) was convened by the DG as TNC Chair on 15 July 2021. More than 100 ministers and heads of delegation, with several representing regional groups, participated in the discussions, emphasizing the high importance they attached to successfully concluding the fisheries subsidies negotiations.

At the end of the meeting, the DG said she felt new hope because of the strong commitment ministers demonstrated to moving forward and to empowering negotiators to get the fisheries subsidies negotiations to the finish line. After intense work in the negotiating committee, a draft Agreement on Fisheries Subsidies was distributed on 24 November as a basis for work by ministers at MC12. Work continued in December 2021, with the aim of concluding the negotiations as soon as possible (see page 56).

Pandemic response

Throughout the year, members viewed the WTO's pandemic response as a priority, including addressing vaccine inequities and enabling a more inclusive global economic recovery. They reiterated in sessions of the General Council, the TRIPS Council (see page 62) and the TNC the need to reach a comprehensive pandemic response and acknowledged this demanded a holistic approach for both the trade-related and intellectual property (IP) aspects (see page 64), aspects as one could not move without the other.

The DG highlighted that the WTO was squarely in the middle of the debate as the world sought to scale up COVID-19 vaccine production and rollout. She regularly updated members on the WTO's efforts, undertaken at various levels and with several stakeholders. These included trade policy monitoring, working with manufacturers and international organizations to increase production and investment, particularly in developing countries, and issues related to IP and the transfer of technology and know-how. She also referred to the important contributions the WTO had already made, particularly the valuable work by the Secretariat on supply chain issues and members' efforts on transparency and monitoring.



100

More than 100 ministers and heads of delegation participated in a ministerial meeting on fisheries subsidies in July 2021.



A draft Agreement on Fisheries Subsidies was circulated to WTO members in November.



The TRIPS Council devoted much time to discussing two proposals on COVID-19: South Africa's and India's call for a waiver of certain provisions of the TRIPS Agreement and a European Union proposal that included limiting export restrictions on COVID-19 vaccines and therapeutics (see page 62). DG Okonjo-Iweala also started discussions with the Quad (the European Union, India, South Africa and the United States) on how to simplify ways for governments to override patent rights, under certain conditions, to improve access to COVID-19 vaccines.

WTO reform discussions

During TNC and heads of delegation meetings, members expressed the desire to work on WTO reform. Some highlighted the need to set clear timelines and objectives. Several members reiterated the need to resolve the issues surrounding dispute settlement (see page 138) and called for clear ministerial guidance.

The DG said that members needed to come to a common understanding of what was meant by WTO reform and agree on the elements of what would constitute this.

Throughout the year, members viewed the WTO's pandemic response as a priority, including addressing vaccine inequities.

She acknowledged the discussions on this matter within the MC12 outcome document process under the leadership of the General Council Chair.

Updates on joint initiatives and other work

In 2021, groups of members continued their work in various areas, including on e-commerce (see page 66), domestic regulation in services (see page 71) where negotiations were successfully concluded on slashing administrative costs, investment facilitation for development (see page 68), micro, small and medium-sized enterprises (MSMEs – see page 69) and trade and gender (see page 74).

The co-convenors and coordinators of the initiatives provided updates on their work at all informal heads of delegation meetings. Members also received updates from groups discussing plastics pollution and environmentally sustainable plastics trade (see page 72) and trade and environmental sustainability (see page 73). These processes remained transparent and inclusive, with meetings open to all members, who also received all proposals and reports.

Agriculture

- **Negotiations intensified during 2021, with a view to reaching an agricultural outcome at the 12th Ministerial Conference (MC12) scheduled for 30 November-3 December 2021 but then postponed.**
- **Committee Chair Gloria Abraham Peralta continued during the first half of the year the facilitator-led process initiated in 2020. She issued draft negotiating texts in July and November, the first in over a decade.**
- **In total, 35 meetings open to all WTO members were held, in addition to around 50 consultations in various formats and numerous bilateral and small group meetings. Over 30 submissions were made by members.**

Background

The broad objective of the agriculture negotiations is to reduce distortions in agricultural trade caused notably by high tariffs and domestic support measures as well as export subsidies and equivalent measures and export restrictions. 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.

The Chair of the Special Session of the Committee on Agriculture, Gloria Abraham Peralta (Costa Rica), continued in the first half of the year the facilitator-led process that was launched in October 2020. She held intensive consultations throughout the year, with the aim of narrowing the gaps between members' positions and preparing the ground for an outcome on agriculture at MC12.

A total of 35 meetings open to all members took place. In addition, about 50 consultations in various formats were held by the Chair and facilitators along with numerous bilateral and small group meetings. Over 30 submissions were made in 2021 by members.

Based on the input from the facilitator-led process, the facilitators' report and her own consultations, and taking into account submissions by members, the Chair issued a first draft text on 29 July aimed at facilitating members' quest for a ministerial outcome. After listening to comments on the initial draft, and following additional intensive consultations, the Chair issued a second draft text on 23 November covering all areas under the negotiations. These were the first such negotiating texts in over a decade.

The intention of the texts was to offer the best possible starting point for ministers to negotiate a balanced, realistic and meaningful package at MC12. "This text reflects the reality of where we are today. It acknowledges the current state of play in members' positions and the difficulties we face in building convergence or narrowing the gaps on some key issues," the Chair said. Nevertheless, at the opening committee meeting of 2022 in January, members expressed diverging views. Some wanted more ambition on specific issues, while others wanted less.

The Chair issued draft texts in July and November covering all areas under the negotiations, the first in over a decade.



Tea picking in a plantation in Gicumbi, Rwanda.



Public stockholding for food security purposes

Public stockholding for food security purposes remained a priority issue for developing country proponents, who have stressed its importance for food security and rural livelihoods. The proponents have also pointed out that the deadline for the adoption of a permanent solution at MC11 in 2017 was missed. They urged members to find a solution by MC12.

The issue gained further attention with the COVID-19 pandemic as several members revived, enhanced or expanded purchases at market or administered (official) prices under public stockholding programmes for food security or increased procurement prices.

However, non-proponents remained concerned about potential production and trade distortions and unlimited market price support beyond the Uruguay Round commitment levels as well as excessive accumulation of stocks. If released on world markets, the stocks could depress prices and affect trade flows and the

food security of others. Given the persistent wide gaps in members' views, this question turned out to be the most difficult issue in the agriculture negotiations.

Domestic support

Domestic support (subsidies) remained at the heart of the agricultural negotiations. Numerous submissions and other inputs were made by members emphasizing the shared objective of addressing trade-distorting domestic support. It is also the area where the expectations for an outcome at MC12 were the highest.

The issue of subsidies attracted even more attention due to the adoption of new domestic support measures or increased support during the COVID-19 pandemic by many members to help their farmers cope with the economic consequences of the pandemic.

The negotiations focused on strengthening existing disciplines while at the same time leaving sufficient space for members to pursue legitimate policy objectives, such as food security, supporting small-scale and resource-poor farmers, and fostering a resilient agricultural sector. Numerous calls were also made for ensuring a "level playing field".

Members' positions remained divergent on issues such as the target, the timeframe, the scope, the potential of different support categories to distort trade, and the sequencing of reform steps. Given these differences, it became apparent that members would be unable to reach a substantive outcome by the end of 2021. As a result, the negotiations focused on delivering a useful step forward in the domestic support reform process that would set the direction for work post-MC12.

Cotton

Members took part in "Cotton Days" in July and November, consisting of back-to-back dedicated discussions on trade-related developments on cotton and the Director-General's Consultative Framework Mechanism on Cotton on aspects of development assistance.



35

meetings open to all WTO members were held across the year.



Cotton harvesting in Maharashtra, India.

The trade-related dedicated discussions on cotton, which focus on transparency and monitoring, benefited from various external contributions, including from the International Cotton Advisory Committee and the International Trade Centre. The framework mechanism tracks development assistance programmes for cotton and acts as a forum for the exchange of information on the linkages between cotton, trade and development.

Members celebrated the third edition of World Cotton Day on 7 October 2021. The WTO hosted the Prime Minister of Mali, Choguel Kokalla Maïga, who said: “Some 4 million people in Mali depend directly on cotton production for their livelihood. ... Cotton is a commodity, a generator of growth and a provider of jobs and revenue that is able

to help our countries fight poverty more effectively, particularly in rural areas and within disadvantaged communities”. Members warmly welcomed the United Nations General Assembly proclaiming 7 October as an official international day for cotton.

The WTO Secretariat released the main results of a study titled “Impacts of the COVID-19 pandemic on cotton and its value chains: the case of C-4 and other LDCs”, prepared at the request of the Cotton-4 – Benin, Burkina Faso, Chad and Mali. The study shows that export revenues in 2020 decreased by 34 per cent in the 10 LDC cotton producers that were the focus of the study, representing a drop of over US\$ 500 million in export value compared to the previous year.

Cotton-related negotiations in 2021 mainly focused on the issue of trade-distorting domestic support for cotton and on ways to enhance transparency through an evidence-based process.

Market access

Discussions in 2021 targeted two specific components for an outcome at MC12, namely a work programme on market access negotiations post-MC12 and a decision on some transparency-specific elements. Applied tariff predictability and the treatment of consignments already *en route* when tariffs change, and the calculation and reporting of *ad valorem* equivalents of bound non-*ad valorem* agricultural tariffs dominated the transparency discussions. There was no serious engagement among members on tariff reduction commitments.

On a possible post-MC12 work programme on market access, a group of members, comprising Argentina, Brazil, Ecuador, Paraguay, Ukraine and Uruguay, proposed a set of principles for such work. Similarly, a written contribution by Australia, Canada, Brazil and Ukraine (and later joined by the European Union) anchored the applied tariff transparency discussions. A proposal on transparency by a group of members also included some market access elements targeting improvements in tariff quotas and safeguard notifications.



Cotton is a generator of growth and a provider of jobs and revenue that is able to help our countries fight poverty more effectively.

Choguel Kokalla Maïga
Prime Minister of Mali

Special safeguard mechanism

WTO members continued to discuss a special safeguard mechanism in dedicated sessions, as mandated by the 10th Ministerial Conference. Differences among members on the link between market access and a special safeguard mechanism continued to constrain progress. The mechanism, once agreed, would allow developing countries to raise tariffs temporarily to address import surges or price declines.

Export prohibitions and restrictions

The negotiations continued on the two topics identified in previous years. On a possible exemption from export prohibitions or restrictions of foodstuffs purchased for non-commercial humanitarian purposes by the UN's World Food Programme (WFP), members continued to search for compromise language, taking into account the questions raised by of some countries about where foodstuffs are purchased. Nevertheless, in January 2021, a group of nearly 80 WTO members pledged not to impose any export restrictions on foodstuffs purchased by the WFP.

Under the second topic, members explored ways to enhance the transparency and predictability of export prohibitions and restrictions, including by clarifying the relevant provisions of the Agreement on Agriculture.

Export competition

The pre-MC12 negotiations focused on ways to increase transparency, while taking into account the capacity constraints faced by some developing countries.

Transparency

In the second half of 2021, members also addressed the issue of transparency across the board in a way complementary to the topic-by-topic negotiations, including the possible adoption of a work programme aimed at reviewing and streamlining transparency requirements.

Market access for non-agricultural products

› The Negotiating Group on Market Access did not receive any papers or proposals in 2021 and did not meet during the year.



Background

Non-agricultural products are products not covered by the Agreement on Agriculture. These range from manufactured goods to fuels and fisheries. 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.

Rules negotiations: Fisheries subsidies, other WTO rules

- › Fisheries subsidies remained the focus of work of the Negotiating Group on Rules.
- › Throughout 2021, the Group worked intensively to develop draft disciplines on fisheries subsidies in line with the mandate in the UN's Sustainable Development Goals and the Ministerial Decision on Fisheries Subsidies of 2017.
- › The Chair, Santiago Wills, introduced a revised consolidated draft of disciplines in mid-2021, which was used as the basis for work leading to a draft Agreement on Fisheries Subsidies distributed to ministers in November.
- › Following the postponement of the 12th WTO Ministerial Conference (MC12), WTO members continued to work on the basis of the draft Agreement, with the aim of concluding the Agreement as soon as possible.

As set out in Target 14.6 of the UN Sustainable Development Goals and the Ministerial Decision on Fisheries Subsidies from the WTO's 11th Ministerial Conference, the objective of the negotiations on fisheries subsidies is to agree disciplines to eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing and to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, with special and differential treatment integral to the negotiations.

Under the chairmanship of Ambassador Santiago Wills (Colombia), the Negotiating Group on Rules worked intensively towards concluding new disciplines on fisheries subsidies, with many meetings in a variety of formats. As in 2020, the COVID-19 pandemic meant that almost all meetings were in virtual or hybrid mode. While the use of virtual technology facilitated participation by

Santiago Wills chairs a meeting of the Negotiating Group on Rules.

Background

The mandate of the WTO Negotiating Group on Rules covers anti-dumping, subsidies and countervailing measures, and fisheries subsidies. The UN Sustainable Development Goals (SDGs) call for agreement in the WTO on eliminating subsidies to illegal, unreported and unregulated fishing and to prohibit certain subsidies that contribute to overfishing and overcapacity, with special and differential treatment for developing countries.



capital-based delegates, the lack of full physical presence reduced the opportunities for delegates to meet and discuss informally with each other.

Work in the first part of the year was structured around week-long clusters of meetings but in practice it was virtually continuous in various formats including bilateral consultations with the Chair, small groups, larger groups of interested members and full plenary meetings.

On 11 May 2021, the Chair issued a consolidated negotiating text accompanied by a detailed explanation of the origin and intention of each clause. Immediately after distribution of the text, work continued in various formats to further reduce differences among members. A revised version of the draft along with a revised explanatory addendum was distributed on 30 June.

On 15 July, at a virtual meeting of the Trade Negotiations Committee at ministerial level, ministers agreed to use the text as the basis for further work. Although many ministers stated that they found the text to be unbalanced, the perceptions of imbalance varied depending on the perspective of the members concerned.

Based on the comments made by ministers, work resumed in September in two phases. The first was to address perceived imbalances. This resulted in a further revision and addendum distributed on 8 November. The second phase was a detailed clause-by-clause negotiation in preparation for MC12. To assist him, the Chair appointed three “Friends” to look at specific issues that required further detailed work:

- Ambassador Athaliah Molokomme (Botswana) on dispute settlement relating to the new disciplines.
- Ambassador Tan Hung Seng (Singapore) on how the dispute settlement process would address issues that might arise relating to territorial claims or claims relating to maritime boundaries where more than one member asserted such claims.



- Ambassador Stephen de Boer (Canada) on whether the scope of the fisheries subsidies disciplines should include non-specific fuel subsidies and, if so, how they would be addressed.

Processing a catch of fish on the outskirts of Bangkok in Thailand.

In parallel, work continued under Ambassador Wills on other aspects of the text using various formats. These included two drafting groups made up of interested members and led by Benedicte Fleischer, Deputy Permanent Representative of Norway. The groups worked to develop precise language on some parts of the disciplines on subsidies contributing to IUU fishing and on draft provisions on issues relating to territorial claims and maritime boundaries.

The Negotiating Group completed its review of the draft text on 21 November, and a draft Agreement on Fisheries Subsidies was distributed on 24 November as a basis for work by ministers at MC12. However, on 26 November, the General Council postponed the Ministerial Conference because of the COVID-19 pandemic.

Work on fisheries subsidies continued in December 2021, with the aim of finalizing the Agreement as soon as possible. The Chair said that the draft text was based on the collective efforts of WTO members and represented the most likely way to build consensus after more than 20 years of negotiations. “Although MC12 has not yet been held, the text remains on ministers’ desks, and we thus need to apply a high standard and discipline as we continue the work of the Negotiating Group,” he said.



SDG 14: Conserve and sustainably use the oceans, sea and marine resources for sustainable development.



Services

- › The special session continued exploratory discussions on market access in a range of services sectors on the basis of submissions from members.
- › Discussions highlighted the impact of COVID-19 in services sectors of interest to developing countries.
- › In the lead-up to the 12th Ministerial Conference (MC12), members discussed text on services negotiations for inclusion in a ministerial outcome document.

Background

The General Agreement on Trade in Services mandates WTO members to progressively open up trade in services. The negotiations are overseen by the Council for Trade in Services, meeting in special session.

The special session of the Council for Trade in Services continued exploratory discussions on market access, which have aimed since 2018 to foster an exchange of views among WTO members about their current areas of interest.

Members exchanged views on a communication from the African, Caribbean and Pacific (ACP) Group that aimed to promote discussions on the impact of the COVID-19 pandemic on priority services sectors of ACP states. These include tourism, information and communication technologies and other digital services, air transport, retailing, and performance, professional and education services.

The ACP Group said that greater trade opportunities in those sectors were important for economic recovery and highlighted some trade barriers and other obstacles that it would like to see addressed.

Members also continued their exchanges on sectors on which communications were put forward by members in 2020, namely environmental, financial, logistics and agriculture-related services. Australia, Canada, the Republic of Korea, Mexico, New Zealand, Switzerland and the United Kingdom circulated a new communication on environmental services that aimed to capture, in summary form, the different interests expressed by members on improved commitments.

An expansion in market access for environmental services was discussed by WTO members in the Council for Trade in Services.



The discussions cast light on the role of services sectors in supporting economic recovery from the COVID-19 pandemic.

Zhanar Aitzhanova (Kazakhstan)

Special session Chair Zhanar Aitzhanova (Kazakhstan) said in her report to the Trade Negotiations Committee that the discussions had contributed to a better understanding of members' trade interests in services. They had also cast light on the role of those sectors in today's economic and trade environment, including in supporting economic resilience and recovery from the COVID-19 pandemic. In addition, discussions had brought out a number of key development considerations.

In the lead-up to MC12, planned for late November but postponed due to the pandemic, various members expressed interest in seeing trade in services and the work of the special session addressed in the ministerial outcome document. Various groups put forward text proposals, and members engaged in work to converge on a common text.

Domestic regulation

No substantive work on the development of disciplines took place in the Working Party on Domestic Regulation. In June, at the only meeting, delegations exchanged views on the status of the Joint Initiative on Services Domestic Regulation (see page 71), possible outcomes of the negotiations there and the implications for the multilateral mandate entrusted to the Working Party. Questions were also raised as to whether certain disciplines under negotiation in the joint initiative would amend, interpret or dilute existing obligations under the General Agreement on Trade in Services.

Trade and development

- Special session Chair Kadra Ahmed Hassan (Djibouti) held five informal meetings at the start of 2021 to explore how to advance on 10 Agreement-specific proposals on special and differential treatment from the G90.
- The Chair told the Trade Negotiations Committee in September that she had not detected any shifts in members' positions.

Background

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.



The Chair of the special session of the Committee on Trade and Development, Kadra Ahmed Hassan (Djibouti), held five informal, open-to-all meetings between February and June to explore how to move forward on the G90 group of developing countries' 10 Agreement-specific proposals on special and differential treatment (S&D).

The proposals relate to S&D provisions, over 100 in all, contained in WTO agreements and decisions, including on transfer of technology, technical barriers to trade and the accession of least-developed countries (LDCs) to the WTO. The G90's proposals aim at making S&D provisions for developing countries more precise and effective.

Each meeting focused on two proposals. For each proposal, WTO members were asked for their views on where convergence could be found. They were also asked to consider where the difficulties lay and why, and how they could be overcome. "As difficult as these negotiations have been, I believe it is in the interest of members – and the organization – to find a way to move forward," the Chair said.

The Chair reported to the Trade Negotiations Committee (TNC) in July that, over the course of the five meetings, she had not seen the level of engagement she had hoped on the substance of the proposals. Members that had concerns were not willing to engage in discussions on substance, stating that the proposals had already been considered. On the other hand, the G90 – along with some other members – continued to believe that the proposals provide a good basis for taking the discussion further.

Following a formal meeting of the special session, the Chair reported to the TNC in September that she had not detected any significant shifts in members' positions on the G90 proposals. She subsequently held several bilateral meetings with members and then began a series of informal consultations in small groups. The purpose of these meetings was to discuss how members could arrive at an outcome on S&D at the 12th Ministerial Conference (MC12) and what this outcome might look like.

At a heads of delegations meeting in December, the Chair said that the level of engagement during the informal consultations had been conducive to some frank and open discussions. She also noted that, despite the difficulties and the challenges, members had been able to reach an understanding on a paragraph on S&D in the draft MC12 outcome document.

Cultivation of roses in Lusaka, Zambia, for export to Europe.





Wind turbines in Lake IJssel, the Netherlands.

Trade and environment

› **The Chair, Leopold Samba, continued to encourage WTO members to keep ambition on trade and environment and climate change high while making sure least-developed countries (LDCs) are not left behind.**

Background

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 trade in environmental goods and services.

In his various interactions with WTO members, the Chair of the special session of the Committee on Trade and Environment, Ambassador Leopold Samba (Central African Republic), continued to lend his support to discussions taking place on crosscutting trade and environment issues, even in other forums. However, no new consultations took place or proposals were made in 2021. Environmental services are being discussed in the WTO services negotiations (see page 58).

In November, at the request of Ambassador Samba, the WTO Secretariat organized an information session for the LDC Group on the nexus between trade and the environment. The session focused on the institutional role of the Committee on Trade and Environment, members' initiatives, the Trade and Environmental Sustainability Structured Discussions, the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade and the Fossil Fuels Subsidies Reform (see page 72).

Representatives from the LDC Group welcomed the briefings and requested more regular information sharing targeted at LDCs on trade and environment issues.

Trade and health

➤ Since the outbreak of COVID-19, WTO members have endeavoured to deliver an effective trade response to the pandemic.

Since the outbreak of COVID-19, WTO members have been working hard in various WTO bodies on formulating an effective trade response to the pandemic that takes account of the exceptional character of the current crisis – in terms of the loss of human lives and the economic and social challenges.

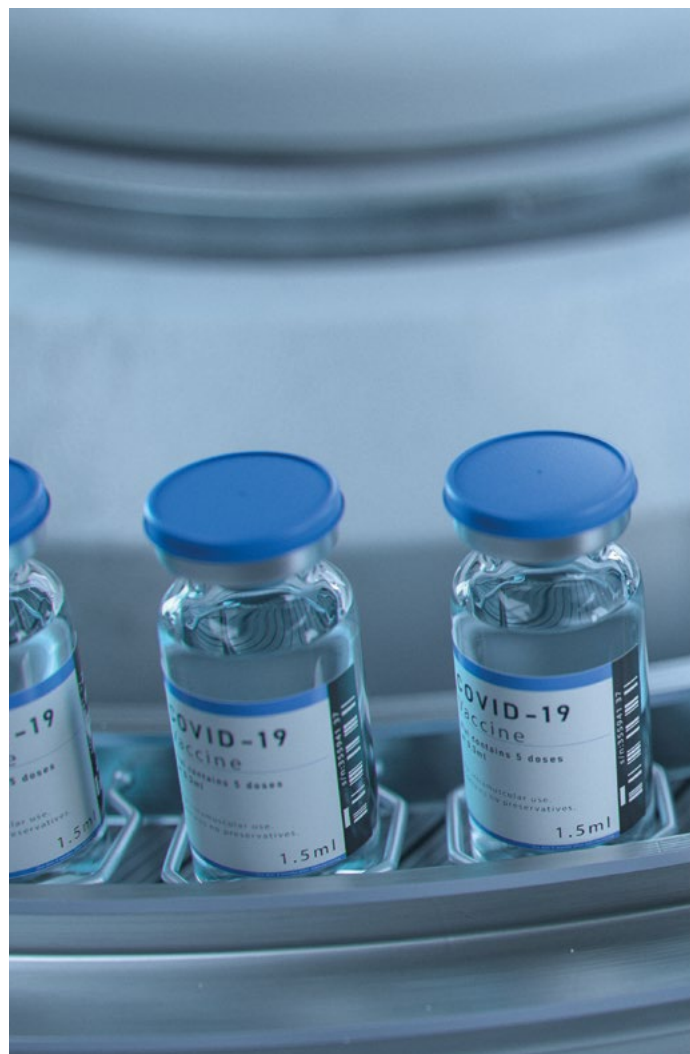
Speaking to a “Global COVID-19 Vaccine Supply Chain and Manufacturing Summit” in March 2021, DG Okonjo-Iweala said: “We must make sure that in the end we deliver so that the millions of people who are waiting for us with bated breath know that we are working on concrete solutions.”

In June 2021, General Council Chair Dacio Castillo (Honduras) named Ambassador David Walker of New Zealand to be a facilitator responsible for leading members in finding a multilateral response that covered all the relevant trade aspects that members deemed necessary for a solution, including intellectual property (IP), market access and supply chain issues (see page 79).

In the TRIPS Council, convergence was sought on how best to use the global IP system to tackle COVID-19. Throughout the year, members discussed a proposal, first introduced by India and South Africa in 2020, requesting a waiver from certain provisions of the TRIPS Agreement (see page 118) for the prevention, containment and treatment of COVID-19.

Although all delegations remained committed to the common goal of providing timely and secure access to high-quality, safe, efficacious and affordable vaccines and medicines for all, disagreement persisted on whether a waiver was the appropriate and most effective way to address the shortage and inequitable

Members remained committed to the common goal of providing timely and secure access to high-quality and affordable vaccines and medicines for all.



distribution of, and access to, vaccines and other COVID-19-related products.

The European Union issued an alternative proposal in June for a draft General Council declaration on the TRIPS Agreement and Public Health. It called for limiting export restrictions, supporting the expansion of production, and facilitating the use of current compulsory licensing provisions in the TRIPS Agreement (see page 117).

Over the final months of 2021, Ambassador Walker worked closely with members in different configurations, leading a solutions-oriented, text-based discussion. While some members noted encouraging exchanges which helped to identify points of possible accord, others said the TRIPS



Council needed to focus more on evidence-based and pragmatic solutions.

At an informal General Council meeting on 10 January 2022, called following an Indian proposal to hold a virtual ministerial conference on the WTO's response, DG Okonjo-Iweala urged members to act quickly. "We at the WTO now have to step up urgently to do our part to reach a multilateral outcome on intellectual property and other issues so as to fully contribute to the global efforts in the fight against COVID-19," she declared.

Following weeks of conversations with delegates, the General Council Chair called a meeting on 27 January 2022 to discuss the way forward, looking at cross-border trade flows and the proposed IP protections waiver. He acknowledged the differences between WTO members not only on substance but also on how to advance the discussions.

"But I believe that a path forward can still be found and that these divergences should not stop us from progressing," the Chair said.

DG Okonjo-Iweala stressed that most delegations see the facilitator's text as the basis to proceed despite the existing divergences. She said that "with goodwill those who have difficulties with it will be able to get their views in and get this resolved".

DG Okonjo-Iweala also began a series of discussions with four WTO members (European Union, India, South Africa and the United States), known as the Quad, for an IP response to COVID-19. The aim of the discussions was to identify practical ways of clarifying, streamlining and simplifying how governments can override patent rights, under certain conditions, to enable diversification of production of COVID-19 vaccines. The outline of a draft proposal was agreed by the Quad in early March 2022 for further elaboration and discussion with the wider WTO membership.



Trade-related aspects of intellectual property rights (TRIPS): geographical indications

› The Chair of the TRIPS Council special session, Ambassador Alfredo Suescum (Panama), convened informal consultations with the most active WTO members in the negotiations on a register for geographical indications.

The Chair, Ambassador Alfredo Suescum (Panama), convened consultations in January 2021 with the WTO members that had been most active in the negotiations on creating a register of geographical indications (GIs) for wines and spirits to facilitate the protection of GIs.

Background

Negotiations on a multilateral system for notifying and registering geographical indications (GIs) for wines and spirits are carried out in the special session of the TRIPS Council. The purpose of the register is 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.

He invited delegations to share their views on three suggestions made by members.

The first was that the special session should share information and experiences on the diverse ways in which GIs have been protected through bilateral and/or regional agreements.

The second called for the WTO Secretariat to conduct a study on the relationship between the TRIPS Agreement and the Geneva Act of the World Intellectual Property Organization's Lisbon System of geographical indications registration, which came into force in February 2020. The international registration system provides protection for names identifying the geographic origin of products such as coffee, tea, fruits, wine, pottery, glass and cloth.

Finally, members had suggested that the WIPO Secretariat brief delegations on the state of play with the WIPO international registration system.

In his report to the Trade Negotiations Committee in November, the Chair said that "significant efforts will be necessary on the part of all delegations to overcome persistent disagreements on the mandate and the substance of these negotiations".

Members continue to disagree on the legal effects the register should have and whether it should create obligations for all WTO members or only those choosing to participate in it. They are also divided on, among other issues, product coverage and whether, as the negotiating mandate says, the register should be confined to wines and spirits, or whether it could also apply to other products, such as food and agricultural products.

The purpose of creating a register is to facilitate the protection of geographical indications (GIs) for wines and spirits.



Dispute Settlement Understanding

- The Dispute Settlement Body (DSB) did not meet in special session in 2021.
- The Chair, Yackoley Kokou Johnson (Togo), said he remained available to hear members' views about future work.

The DSB last met in special session in November 2019. At that time, members expressed concern that resuming intensive work in the special sessions might not be fruitful as participants were focused on more pressing issues, including discussions in other WTO bodies on the functioning of the dispute settlement system. In the absence of indications from delegations that the work should resume, the negotiating group did not meet in 2021.

In his report to the Trade Negotiations Committee in November 2021, the Chair of the DSB in special session, Ambassador Yackoley Kokou Johnson (Togo), stated that the circumstances around the work of the special session remained largely unchanged. His understanding was that members still considered that discussions were unlikely to be productive while issues with the overall functioning of the dispute settlement system remained unresolved and were under discussion in the context of preparations for the 12th Ministerial Conference (see page 78).

The Chair concluded that he continued to be guided by members and remained available to hear any views they may have about the work within the special session.



Background

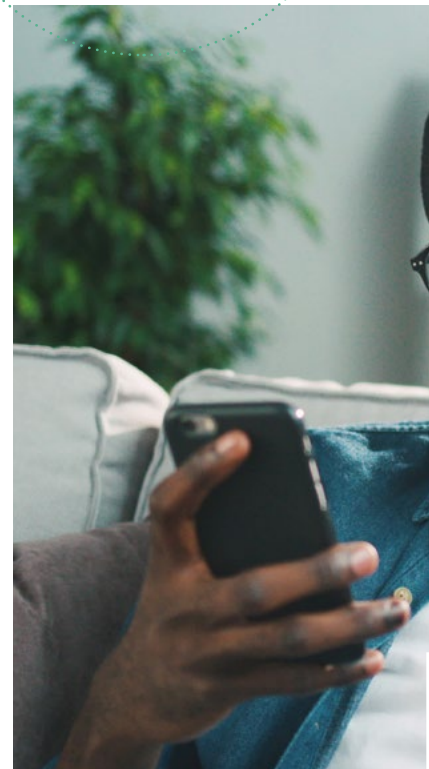
In November 2001, at the Doha Ministerial Conference, WTO members agreed to negotiate to improve and clarify the Dispute Settlement Understanding – the rules and procedures governing the settlement of WTO disputes. These negotiations take place in special sessions of the Dispute Settlement Body.

Joint initiatives

- › Electronic commerce
- › Investment facilitation for development
- › Micro, small and medium-sized enterprises
- › Domestic regulation of trade in services
- › Trade and environment initiatives

Electronic commerce

- › Members of the Joint Statement on Electronic Commerce advanced negotiations in small group meetings on specific topics.
- › In September, the co-convenors circulated a revised consolidated negotiating text reflecting progress made.
- › Negotiators achieved convergence on eight of the 10 areas being discussed in the small groups.



Background

At the 11th Ministerial Conference in December 2017, groups of WTO members announced initiatives to advance talks on e-commerce, investment facilitation for development, micro, small and medium-sized enterprises, and domestic regulation in services trade. Groups of members have also launched three environmental initiatives – on trade and environmental sustainability, plastics pollution and environmentally sustainable plastics trade, and fossil fuel subsidies reform. An additional group of members is seeking to intensify efforts to increase women's participation in global trade. The groups are open to all WTO members.

In 2021, participants in the Joint Statement on Electronic Commerce continued to advance negotiations through small group meetings on specific issues aimed at delivering on their goal of substantial progress by the 12th Ministerial Conference (MC12).

Negotiations are based on members' textual proposals and are discussed under six broad themes: enabling e-commerce; openness and e-commerce; trust and e-commerce; cross-cutting issues; telecommunications; and market access.

New small groups on electronic invoicing, an electronic transactions framework and cybersecurity were established. Ten plenary meetings were held in 2021. In addition to reporting on the small group discussions, participants held dedicated discussions on other issues, including telecommunications, data flows and data localization, legal architecture, services market access and technical assistance.



86

A total of 86 WTO members are participating in the initiative.



“
The work undertaken promises more stability and predictability for consumers and businesses in a fast-growing sector of the digital economy.

DG Okonjo-Iweala

and authentication; unsolicited commercial electronic messages (spam); open government data; electronic contracts; transparency; paperless trading; and open internet access.

At a press conference held on 14 December, the co-convenors issued a joint statement acknowledging the progress made and highlighting the need for continued engagement to secure convergence on most remaining issues by the end of 2022.

DG Okonjo-Iweala said the progress achieved by negotiators participating in the joint statement would bring important benefits to smaller businesses and to women entrepreneurs. “The work undertaken promises more stability and predictability for consumers and businesses in a fast-growing sector of the digital economy,” she said.

Negotiations on trade-related aspects of e-commerce began in 2019, with the objective of achieving “a high standard outcome that builds on existing WTO agreements and frameworks with the participation of as many WTO members as possible”. The initiative is co-convened by Australia, Japan and Singapore.

The negotiations grew out of a joint statement issued by 71 trade ministers at MC11 in December 2017. Participation is open to all WTO members. The initiative had 86 WTO members by the end of 2021, accounting for over 90 per cent of global trade and representing all major geographical regions and levels of development.



In September, the co-convenors of the initiative, Ambassador George Mina (Australia), Ambassador Yamazaki Kazuyuki (Japan) and Ambassador Tan Hung Seng (Singapore), released a revised consolidated negotiating text, reflecting the progress made in the talks. The first had been issued in December 2020.

By December 2021, members had achieved convergence on eight of the 10 articles being negotiated in small groups: online consumer protection; electronic signatures

DG Okonjo-Iweala welcomes progress achieved by members of the Joint Statement on Electronic Commerce at a meeting in December 2021.

Investment facilitation for development

- The joint initiative negotiations on an agreement on investment facilitation for development made substantial progress in 2021.
- In December, over 110 WTO members co-sponsored a joint statement acknowledging this progress and stating the aim to conclude the text negotiations by the end of 2022.

The joint initiative on investment facilitation for development, coordinated by Ambassador Mathias Francke (Chile), aims at achieving a multilateral agreement that will facilitate foreign investment flows and ensure a more transparent, efficient and investment-friendly business climate.

Originally backed by 70 WTO signatories to a ministerial statement in December 2017, by the end of 2021 the number of participants had risen to over 110. The negotiating process is open to all WTO members, and much emphasis is put on outreach efforts.

In November 2019, 98 members signed a follow-up ministerial statement committing themselves “to intensify work to further develop the framework for facilitating foreign direct investments, and work towards a concrete outcome” at the next ministerial conference. The participating members launched the negotiations in September 2020.

In December 2021, in spite of the postponement of the 12th Ministerial Conference, the members of the initiative – over two-thirds of the WTO’s membership – adopted a renewed Joint Statement on Investment Facilitation for Development.

The statement welcomed the advances in the negotiations, notably in key pillars and provisions mandated in the 2017 and 2019 joint statements. These included



The December 2021 joint statement marked an important milestone in the negotiations. This year, I encourage you to keep up the positive momentum.

Ambassador Mathias Francke (Chile)

ensuring the publication and transparency of investment measures, streamlining and speeding-up administrative procedures affecting investments, and enhancing international cooperation, information-sharing and the exchange of best practices to facilitate investment flows.

Participating members stated their aim was to conclude the text negotiations by the end of 2022. They also emphasized that the agreement’s core objective was to facilitate greater participation by developing and least-developed members in global investment flows. They underlined the importance of technical assistance and support for capacity building.



110

The number of participants in the joint initiative on investment facilitation for development has risen to over 110.

The initiative does not address market access, investment protection and investor-state dispute settlement.

Participants engaged in intense negotiations throughout 2021, with over 10 plenary negotiating meetings and nearly as many intersessional ones. Small discussion groups gathered to advance on some complex issues, such as the scope of the future agreement. The objective for the end of 2021 was to achieve a negotiating text as advanced and clean as possible although not a “final” text.

The question of how to integrate the future agreement on investment facilitation for development in the WTO legal structure was also discussed.

Addressing the opening meeting of 2022 in January, Ambassador Francke said: “Last year, we made significant progress on the negotiating text, and the resulting December 2021 joint statement marked an important milestone in the negotiations. This year, I encourage you to keep up the positive momentum.”

Mathias Francke chairs a meeting of the joint initiative on investment facilitation for development.



Micro, small and medium-sized enterprises

- In 2021, the Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) worked on implementing a package of six recommendations and declarations designed to help MSMEs trade more.
- In response to one of the recommendations, the WTO Secretariat launched a new database of information related to MSMEs contained in WTO members’ trade policy reviews.
- The Group launched the Trade4MSMEs platform, with guidebooks and links to useful trade resources for MSMEs and policymakers.
- A draft ministerial declaration highlighting progress made by the Group was prepared for the 12th Ministerial Conference (MC12).

Members of the MSME Informal Working Group took steps to implement a package of six recommendations and declarations they endorsed in December 2020 to help MSMEs trade more internationally.

The first recommendation calls on WTO members to provide, on a voluntary basis, information on policies related to MSMEs during their trade policy reviews (TPRs). In response, a new database of MSME references in TPRs was developed by the WTO Secretariat to enhance transparency and disseminate good practice. A database of MSME-related information in regional trade agreements was launched in 2019.

The Group worked closely with the Global Trade Helpdesk team to review information relevant to MSMEs. The platform is a joint online resource of the International Trade Centre (ITC), the UN Conference on Trade and Development (UNCTAD) and the WTO.

Several members reported on actions to help keep the WTO's Integrated Database (IDB), the WTO's official source of tariff and trade-related information, up to date, with the aim of ensuring MSMEs have access to reliable and comprehensive information on tariffs and other market access data.

Group members also raised MSME-related discussions in the WTO Committee on Trade Facilitation and the Working Group on Trade, Debt and Finance.

In December, the Group launched the Trade4MSMEs platform, which features a road map for MSMEs on how to trade goods and services. It offers guides to policymakers on key MSME trade issues, with related descriptions and data sources, together with a list of other international support organizations. The website also includes searchable libraries of related content for MSMEs and policymakers. It was developed with the financial support of the United Kingdom's Trade and Investment Advocacy Fund (TAF2+) and UK Aid Direct.

In preparation for MC12, which was scheduled for the end of November, but had to be postponed because of COVID-19, the Informal Working Group met regularly to draft and finalize a MSME Group Declaration. The declaration welcomes the Group's December 2020 package of recommendations, the launch of the Trade4MSMEs platform and the establishment of the MSME regional trade agreement and trade policy review databases. Members also expressed support for MSMEs in their efforts to manage the impact of COVID-19. The Group will continue to monitor the pandemic's impact on MSME trade, promoting tools for MSME resilience, such as platforms that facilitate access to information.

The Group, together with the International Trade Centre and the International Chamber of Commerce, launched the "Digital Champions for Small Business" initiative in June 2021. Open to chambers of commerce, industry associations and non-governmental organizations, the initiative called for proposals aimed at supporting MSMEs in going digital to increase their participation in international trade.

The four winners, announced in December, were the Economic Chamber of North Macedonia, the Lima Chamber of Commerce (Peru), the Taiwan External Trade Development Council (Chinese Taipei) and TofaraOnline (Zimbabwe). They will receive training on the use of digital technologies from the initiative's partner organizations, including Zoom and Google. "Going online has allowed many MSMEs to survive during the COVID-19 pandemic. Those that did best were digitally prepared," DG Okonjo-Iweala told a virtual event to announce the winners.

Membership of the MSME Informal Working Group, launched at MC11 in December 2017 by 88 WTO members, has increased to 94, representing all levels of development and all regions of the world. Members account for more than 80 per cent of world exports. The Group, which is open to all members, continues to be chaired by Uruguay.

Gloria Abraham Peralta gavelled the successful conclusion of negotiations on services domestic regulation.



94

A total of 94 members participate in the MSME Informal Working Group.



Going online has allowed many MSMEs to survive during the COVID-19 pandemic. Those that did best were digitally prepared.

DG Okonjo-Iweala





DG Okonjo-Iweala praised the achievement of participants, who account for about 90 per cent of world services trade. The deal “addresses a dynamic and fast-growing segment of global output. It will save businesses, especially small businesses, US\$ 150 billion annually in costs according to WTO and Organisation for Economic Co-operation and Development (OECD) research. It upgrades WTO rule-making. It shows the WTO is up and moving,” she said.

Domestic regulation of trade in services

- › Members participating in the Joint Initiative on Services Domestic Regulation successfully concluded negotiations on new disciplines launched in Buenos Aires in 2017.
- › The agreement is the first set of rules on services approved at the WTO for 24 years.
- › The new disciplines seek to make domestic processes regulating authorizations to supply a service clearer, more predictable and transparent, without being unduly burdensome.
- › According to research by the WTO and the OECD, the services pact will save businesses, especially small businesses, US\$ 150 billion a year globally.

On 2 December 2021, 67 WTO members participating in the Joint Initiative on Services Domestic Regulation announced the successful conclusion of negotiations aimed at slashing administrative costs and creating a more transparent operating environment for service providers hoping to do business in foreign markets.

The agreement, which should produce huge cost savings for businesses large and small, is the first set of rules on services to be approved at the WTO in 24 years.



67

67 members participate in the joint initiative on services domestic regulation.

The accord, for which negotiations were launched in Buenos Aires in 2017, lays down a set of disciplines to mitigate the unintended trade-restrictive effects of measures relating to licensing and qualification requirements and procedures, and technical standards.

The disciplines focus mainly on the transparency, predictability and effectiveness of procedures that businesses have to follow. They apply to all sectors where participants have undertaken commitments in their schedules for trade in services as well as to any other sectors that individual participants have designated.

The participants intend to incorporate the new disciplines as “additional commitments” in their WTO schedules. Services suppliers from all WTO members will be able to rely on these new commitments. Participants aim to submit their draft schedules incorporating the disciplines for certification by December 2022.

Members of the joint initiative intend to continue holding regular meetings, open to all WTO members and observers, to reflect on the way forward, including certification procedures. The work is organized outside the WTO Working Party on Domestic Regulation, which is mandated to develop any necessary disciplines to ensure that members’ domestic regulations do not constitute unnecessary barriers to trade in services.



The deal will save businesses US\$ 150 billion annually in costs.

DG Okonjo-Iweala



Trade and environment initiatives

- › Three WTO environment initiatives – Trade and Environmental Sustainability Structured Discussions, Plastics Pollution and Environmentally Sustainable Plastics Trade and Fossil Fuel Subsidies Reform – issued ministerial statements at a joint event in December.
- › DG Okonjo-Iweala called the event “truly a historic moment for the WTO”.
- › Participating ministers and high-level representatives stressed the multilateral trading system must contribute to a global response to the climate crisis and other environmental challenges.

Following the postponement of the 12th Ministerial Conference (MC12), co-sponsors of three WTO environmental initiatives issued ministerial statements at a joint event on 15 December at which they vowed to put environmental concerns at the heart of trade discussions. The initiatives are Trade and Environmental Sustainability Structured Discussions, Plastics Pollution and Environmentally Sustainable Plastics Trade and Fossil Fuel Subsidies Reform.



The co-sponsors of these three ministerial statements are taking an important step forward on addressing key trade and environmental sustainability issues at the WTO.

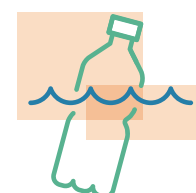
DG Okonjo-Iweala

In her keynote address, DG Okonjo-Iweala described the event as “truly a historic moment for the WTO”. “The co-sponsors of these three ministerial statements are taking an important step forward on addressing key trade and environmental sustainability issues at the WTO,” she said.

Participating ministers and high-level representatives stressed that the multilateral trading system and the WTO need to contribute to a global response to the climate crisis and other environmental challenges. Heads of international organizations and representatives from business and civil society welcomed the initiatives and the strong political signal of the statements.

Plastics pollution and environmentally sustainable plastics trade

The ministerial statement on the informal dialogue on plastics set out shared understandings for work in support of global



67

WTO members are participating in the informal dialogue on plastics.

efforts to reduce plastics pollution and to transition towards environmentally sustainable plastics trade.

The informal dialogue, launched at the WTO Trade and Environment Week in 2020, aims to complement and enhance existing discussions within the Committee on Trade and Environment (CTE) and other fora on plastics pollution. Open to all members, it had 67 co-sponsors at the end of 2021, accounting for around 68 per cent of global trade and 75 per cent of plastics trade.

The statement listed actions such as sharing experience on collecting data on plastics trade flows and supply chains, strengthening regulatory cooperation with other international bodies, identifying environmentally sustainable trade policies and mechanisms, and strengthening technical assistance for vulnerable economies.

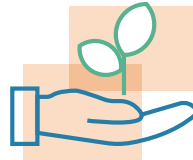
The informal dialogue explores how improved trade cooperation, within the rules and mechanisms of the WTO, can contribute to domestic, regional and global efforts to reduce plastics pollution and the transition to a more circular (see page 72) and environmentally sustainable global plastics economy.

Participants focused on six topics during the year: improving transparency and monitoring trade trends; promoting best practices; cooperating with other international processes and efforts; identifying the scope for collective approaches; strengthening policy coherence; and assessing capacity and technical assistance needs.

Trade and environmental sustainability

The ministerial statement on trade and environmental sustainability, issued by the initiative’s 71 co-sponsors, sets out future work in areas such as trade and climate change, trade in environmental goods and services, the circular economy and sustainable supply chains. It also fixes a roadmap for advancing discussions in 2022.

Ambassadors Stephen de Boer (Canada) and Gloria Abraham Peralta (Costa Rica) jointly coordinate the discussions, which are open to



71

WTO members are participating in the discussions on trade and environmental sustainability.



45

WTO members signed the fossil fuel subsidies ministerial statement.

all members. Co-sponsors account for around 84 per cent of global trade and represent all regions and all levels of development. China and the United States joined the initiative at the end of 2021.

As with the plastics initiative, the discussions were launched during Environment Week 2020 to intensify work on important environmental challenges at the WTO. They aim to complement the work of the CTE and other WTO bodies and involve relevant international organizations, the business community, civil society and academic institutions.

Participants discussed trade-related climate measures, sustainable supply chains, trade in environmental goods and services, the circular economy, green aid for trade, fossil fuel subsidy reform and sustainable food and agriculture in five meetings in 2021. Opportunities and challenges for sustainable trade for developing countries and least-developed countries were cross-cutting themes.

Fossil fuel subsidies reform

Forty-five WTO members signed the fossil fuel subsidies ministerial statement, which cites inefficient fossil fuel subsidies as encouraging wasteful consumption and disadvantaging renewable energy. Such subsidies have continued to steadily increase in the past decade and were estimated at approximately US\$ 500 billion in 2019, it notes.

Proponents call for the rationalization and phase-out of subsidies along a clear timeline. However,



they recognize that reform needs to take fully into account the specific needs and conditions of developing countries and minimize the possible adverse impacts on their development.

The initiative, which builds on a 2017 ministerial statement urging “ambitious and effective disciplines on inefficient fossil fuel subsidies”, emphasizes that the WTO can play a central role in the reduction of trade and investment distortions caused by fossil fuel subsidies by achieving effective disciplines.

In concluding remarks at the joint event in December, DDG Jean-Marie Paugam said: “By joining hands across these three environmental endeavours, developing and developed countries can develop new and constructive trade solutions that can work for all and bridge any geopolitical divide or lack of trust.”



By joining hands across these three environmental endeavours, developing and developed countries can develop new and constructive trade solutions that can work for all.

DDG Jean-Marie Paugam



Informal Working Group on Trade and Gender

- The Informal Working Group on Trade and Gender approved a ministerial declaration to be adopted at the 12th Ministerial Conference. It is the WTO’s first formal declaration on trade and gender equality.
- The declaration instructs the Informal Group to draw up a two-year work programme and report to the General Council and the Ministerial Conference on progress.



127

The Informal Working Group currently has 127 proponents.

The Informal Working Group on Trade and Gender prepared a ministerial declaration on women’s economic empowerment within trade, which was set to be adopted at the 12th Ministerial Conference (MC12) in November until the meeting was postponed because of COVID-19. It is the first

formal declaration on trade and gender equality by the full WTO membership, underlining the organization's commitment to strengthening women's participation in trade.

The declaration instructs officials to formulate a two-year work plan with concrete action points, review work after a year and inform the General Council and the Ministerial Conference on progress. The Working Group is to continue to discuss the effect of the COVID-19 pandemic on women and explore avenues for an inclusive recovery that strengthens women's economic resilience.

The declaration calls for an increase in the breaking down by gender of data collection and analysis and for research initiatives to develop trade policy instruments and programmes aimed at increasing women's participation and leadership in trade. The declaration also calls for women's economic empowerment issues to be considered in the work of the WTO and for the mainstreaming of gender equality into Aid for Trade.

The Informal Working Group was launched in September 2020 to intensify WTO efforts to increase women's role in global trade. It followed on from an initiative, the Joint Declaration on Trade and Women's Economic Empowerment, launched on the margins of MC11 in Buenos Aires in 2017. It currently has 127 proponents among members and observers. The Working Group, whose meetings are open to all WTO members, is led by Botswana, El Salvador and Iceland.

The group's work focuses on four key elements: experience-sharing; considering the concept and scope for a "gender lens" to apply to the work of the WTO; reviewing analytical work undertaken; and contributing to the Aid for Trade work programme. In 2021, members discussed various trade instruments, policies and programmes in support of women in 12 different policy areas, such as the impact assessment of trade agreements on women, the promotion of female entrepreneurs and traders, and capacity-building and support schemes for women entrepreneurs and traders.



CASE STUDY

Trade supports women's economic empowerment in the Amazon

With the support of national and international organizations, the Government of Ecuador has developed an e-Commerce National Strategy which helps women entrepreneurs create websites to sell products internationally. All the income comes back to the communities.

One such community – the Association of Waorani Women in the Ecuadorian Amazon, with 160 members – supports women's economic empowerment while preserving the ecosystem and indigenous culture. Created by the National Women's Council in 2005, its projects are key to improving the economy and well-being of Waorani women and families and for the conservation of forests, especially, the Yasuní Biosphere Reserve.

Their projects are based on responsible agroforestry practices and environmental care and reforestation in areas affected by extractive industries. The Association focuses on capacity-building for products handmade from chambira palm fibre and for organic chocolate production.

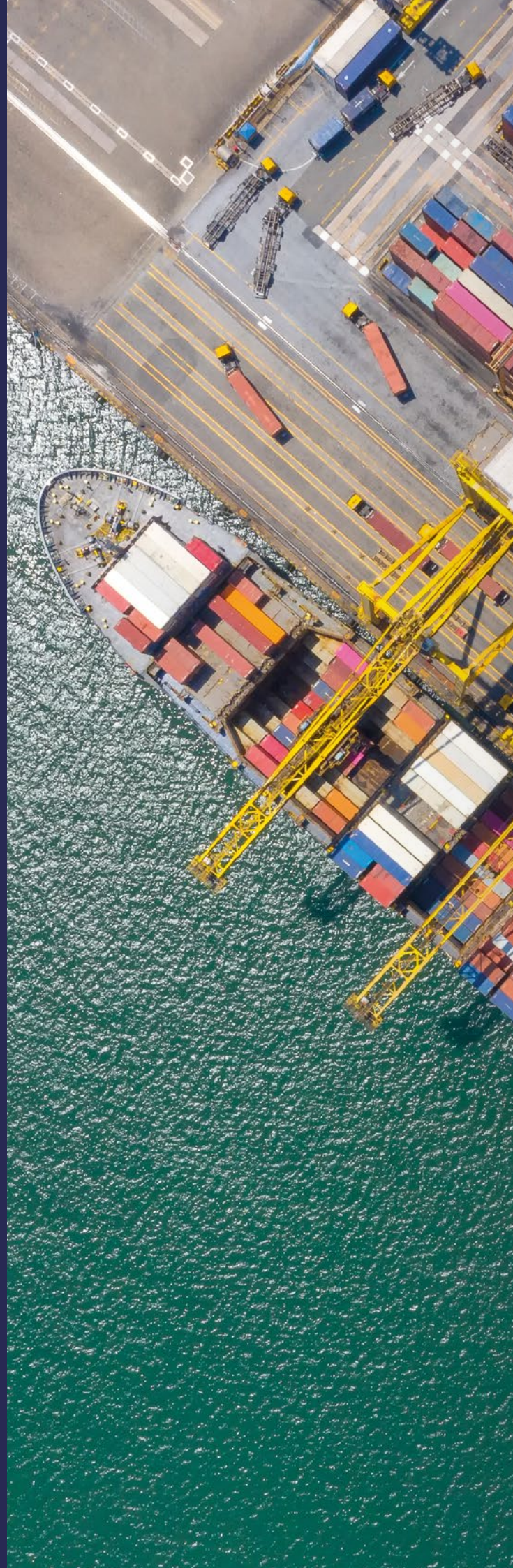
In 2018, the Association started to export, aided by Ecuador's e-Commerce National Strategy, which provided assistance to create a website. The Association is planning to get a Fairtrade certification for its growing exports, for which the main market is Europe.

"As our grandmothers taught us to weave and protect the forest, to walk freely and happily, to sing like birds, so we will raise our daughters as our grandmothers taught us" – Waorani traditional song.

6

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.





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Agreement on Government Procurement

General Council

- › On 15 February 2021, the General Council made history by naming Dr Ngozi Okonjo-Iweala of Nigeria as Director-General, the first woman and first African to be appointed.
- › COVID-19 and preparations for the 12th Ministerial Conference (MC12) were central issues at General Council meetings throughout the year.
- › Chair of the General Council, Dacio Castillo (Honduras), appointed Ambassador David Walker (New Zealand) as facilitator in the search for agreement on a WTO response to the pandemic.
- › Discussions intensified on the Work Programme on Electronic Commerce and the moratorium on customs duties on electronic transmissions.

Background

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. As part of its overall oversight function, the General Council conducts a year-end review of WTO activities on the basis of annual reports from its subsidiary bodies.



Selection of a new Director-General

WTO members made history on 15 February 2021 when the General Council agreed by consensus to select Dr Ngozi Okonjo-Iweala of Nigeria as the organization's seventh Director-General. On taking office on 1 March, Dr Okonjo-Iweala became the first woman and the first African to be WTO Director-General. Her term, which is renewable, will expire on 31 August 2025.

Debates in 2021

The COVID-19 pandemic and preparations for MC12 were central issues at the more than 20 formal and informal sessions chaired by Ambassador Dacio Castillo in 2021. Proposals and communications were presented and discussed by members on a variety of issues, ranging from trade-related challenges for least-developed countries (see page 150) and strengthening notification requirements to special and differential (S&D) treatment for developing countries (see page 148) and systemic WTO issues. Members continued to raise specific trade concerns, including on COVID-19-related measures.

12th Ministerial Conference

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

The Chair reported on priority issues identified by members during his discussions



Dacio Castillo chairs a meeting of the General Council in 2021.

with delegations in April and May, including the WTO response to the pandemic and negotiating areas (fisheries subsidies, agriculture, S&DT and others). In presenting the report, the Chair stressed that nothing prejudiced the right of any member to put forward or pursue further issues, and how issues were carried forward, and their actual content depended entirely on members.

In September, a process to prepare a possible MC12 outcome document began, with delegations agreeing the document should be comprised of two parts. The first part would set the current context and provide a political message from ministers, while the second would cover decisions and/or work programmes, declarations and reports on WTO work. The Chair-led process, which focused on the first part, resulted in substantive paragraphs dealing with the pandemic, development, WTO reform, dispute settlement, negotiations, and LDC issues, among many others.

At its meeting in November, the General Council forwarded to the Ministerial Conference for adoption two draft decisions – on the work programme on small economies (see page 152) and on TRIPS non-violation and situation complaints (see page 119). However, at the end of the month, MC12 was postponed because of the pandemic. The DG, the Chair of the General Council and other chairs urged members to continue work and to see how to progress in their respective areas.

At the end of January 2022, the Chair of the General Council met with delegations to report on his consultations on reconvening MC12, the WTO response to the pandemic and carrying forward substantive work under the General Council, including the outcome document. At a General Council meeting on 23 February, WTO members agreed that the postponed MC12 would take place in mid-June in Geneva.

COVID-19 and WTO response to the pandemic

During the Chair's consultations on MC12 preparations, delegations pointed out the crucial importance of a WTO response

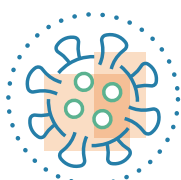
to the pandemic, saying it should be the main focus of the Ministerial Conference. In response, the Chair appointed Ambassador David Walker (New Zealand) to be a facilitator responsible for leading WTO members in the search for agreement on a WTO response to the pandemic.

Intensive consultations by the facilitator focused on the trade policy-related aspects, while the TRIPS Council (see page 117) devoted its work to the intellectual property (IP) and IP-related aspects. Ambassador Walker's consultations were conducted from June to December 2021. They included a thematic series in September and solutions-oriented text-based discussions in October.

At a meeting with heads of delegations at the end of October, the facilitator shared a first draft for a ministerial declaration on the WTO response, accompanied by a post-MC12 plan on pandemic preparedness and resilience. The two texts aimed to reflect areas of emerging convergence. The facilitator acknowledged that divergent views remained. Further work culminated with a report to the General Council in November ahead of the then still planned MC12. Ambassador Walker presented a revised draft text as part of his final 2021 report, taking account of the further comments he received.

Throughout the year, including after the postponement of MC12, members continued to strongly support and call for a credible, meaningful and holistic approach to the multilateral WTO response to the pandemic. The General Council also heard regular reports by the Chair of the TRIPS Council, Ambassador Dagfinn Sørli (Norway), and discussed a proposal for a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19. Several delegations stressed that an outcome in IP was critical for the adoption of an overall agreement on a WTO response to the pandemic.

A meeting convened by the General Council Chair on 27 January 2022 looked at issues related to cross-border trade flows and the proposed IP waiver. DG Okonjo-Iweala called on members to move swiftly to try and reach a



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Dacio Castillo chaired over 20 sessions on COVID-19 and MC12.

comprehensive outcome. “It will be really sad if this organization keeps talking and debating on this pandemic, and that by the time we come up with a response people will not think it relevant,” she said.

Work Programme on Electronic Commerce

Discussions on the Work Programme on Electronic Commerce and the moratorium on customs duties on electronic transmissions intensified in 2021, with the General Council due to present a report to MC12.

In April 2021, the Chair held consultations and convened an informal meeting to hear members’ views on the way forward in preparation for MC12. In May, he reported that several delegations had highlighted the need for structured discussions, which he convened on 5 July. The discussions focused on three themes: electronic transmissions; the imposition of internal non-discriminatory taxes on electronic transmissions – sharing of experiences; and the challenges and opportunities of e-commerce, particularly in light of the COVID-19 pandemic.

In September, the Chair conducted consultations on potential elements for a Ministerial Decision on the Work Programme on E-commerce. He reported that views on both the work programme and the moratorium continued to differ.

At the November meeting, the General Council considered two communications. The first, from Switzerland and other delegations, contained a draft ministerial decision calling for continuation of the work programme and the extension of the moratorium until MC13. The second was a paper from India and South Africa highlighting the need for clarity on the scope and impact of the moratorium.

The Chair reported on his ongoing consultations in preparation for MC12 and noted that India had also submitted a draft ministerial decision, which contained some preambular text and language on the reinvigoration and extension of the work programme.

As delegations could not reach consensus on the way forward, the Chair suggested that the

two draft decisions, which were both revised to include additional co-sponsors, be forwarded to ministers. The Chair said he would provide a report to MC12, under his own responsibility, reflecting members’ discussions to date.

At their meetings throughout the year, members also considered India and South Africa’s proposal to keep the work programme as a standing item in the General Council and relevant WTO bodies. Views continued to differ on the issue.

Implementation of Bali, Nairobi and Buenos Aires outcomes

The General Council continued to regularly review progress in the implementation of decisions taken at MC9, MC10 and MC11. The reviews included, among other things, the Nairobi decision on all forms of export subsidies in agriculture (see page 89), the LDC services waiver (see page 115) and LDC preferential rules of origin (see page 103), the Trade Facilitation Agreement (see page 113) and Aid for Trade (see page 153). In December, the General Council agreed to extend the deadline by three months for a decision on an aspect of the Bali Decision on Tariff Rate Quota Administration covering the “underfill” of TRQ quotas (see page 90).

Other reports

The General Council considered regular reports on the Work Programme on Small Economies, the report on the development assistance aspects of cotton and the annual review of the special compulsory licensing system.

Waivers under Article IX of the WTO Agreement

In 2021, the General Council considered and granted a number of waivers from obligations under the WTO Agreement, as set out in Table 1.

It also reviewed the following multi-year waivers:

- 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

- Kimberley Process Certification Scheme for Rough Diamonds, granted on 26 July 2018 through 31 December 2024
- Canada – CARIBCAN, granted on 28 July 2015 until 31 December 2023
- Preferential treatment in favour of services and service suppliers of LDCs, granted on 17 December 2011 until 31 December 2030
- Preferential tariff treatment for LDCs, granted on 16 October 2019 until 30 June 2029
- European Union – Application of autonomous preferential treatment to the Western Balkans
- United States – African Growth and Opportunity Act, granted on 30 November 2015 until 30 September 2025
- United States – Caribbean Basin Economic Recovery Act, granted on 16 October 2019 until 30 September 2025
- 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

The General Council conducted a regular year-end review of WTO activities on the basis of annual reports from its subsidiary bodies. In addition, the General Council approved the WTO budget for 2022-23.

Table 1: Waivers under Article IX (decision-making) of the WTO Agreement
In 2021, the General Council granted the following waivers from obligations under the WTO agreements.

Member	Type	Decision	Date of adoption	Expiry date
European Union	Application of Autonomous Preferential Treatment to the Western Balkans	WT/L/1114	28 July 2021	31 December 2026
China	Introduction of Harmonized System 2002: Changes to WTO Schedules of Tariff Concessions	WT/L/1124	23 November 2021	31 December 2022
Argentina; Brazil; China; Dominican Republic; European Union; Malaysia; Philippines; and Thailand.	Introduction of Harmonized System 2007: Changes to WTO Schedules of Tariff Concessions	WT/L/1125	23 November 2021	31 December 2022
Argentina; Australia; Brazil; China; Colombia; Costa Rica; Dominican Republic; Ecuador; European Union; Guatemala; India; Kazakhstan; Republic of Korea; Malaysia; Mexico; New Zealand; Philippines; Russian Federation; Singapore; Switzerland; Thailand; and United States.	Introduction of Harmonized System 2012: Changes to WTO Schedules of Tariff Concessions	WT/L/1126	23 November 2021	31 December 2022
Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; Ecuador; El Salvador; European Union; Guatemala; Hong Kong, China; India; Israel; Kazakhstan; Republic of Korea; Macao, China; Montenegro; New Zealand; Norway; Pakistan; Paraguay; Philippines; Russian Federation; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; United States; and Uruguay.	Introduction of Harmonized System 2017: Changes to WTO Schedules of Tariff Concessions	WT/L/1127	23 November 2021	31 December 2022
Cuba	Article XV:6 of the General Agreement on Tariffs and Trade 1994	WT/L/1128	23 November 2021	31 December 2026

SPOTLIGHT

Impact of COVID-19 on world trade

International trade continued to grow in the second year of the pandemic and to support economic recovery but stretched supply lines and new waves of infection weighed on growth over the course of the year.



Merchandise trade

The volume of world merchandise trade saw a sharp rebound of 9.8 per cent in 2021, following the pandemic-induced 5.0 per cent slump of 2020. However, growth might have been stronger without the recurring waves of COVID-19 during the year.

Every region had export growth below the world average of 9.8 per cent, apart from Asia, which saw its exports increase by 13.8 per cent. The situation was reversed on the import side, where North America, South America, the Commonwealth of Independent States (CIS) and Asia all recorded above-average growth.

Merchandise trade growth in value terms diverged strongly from growth

in volume terms in 2021 due to strong price fluctuations over the course of the year.

World merchandise trade, as measured by the average of exports and imports, rose 26 per cent in 2021, which implies that export and import prices jumped 15 per cent for the year on average. The dollar value of trade in fuels and mining products was up 59 per cent, agricultural products were up 19 per cent, and manufactured goods were up 21 per cent.

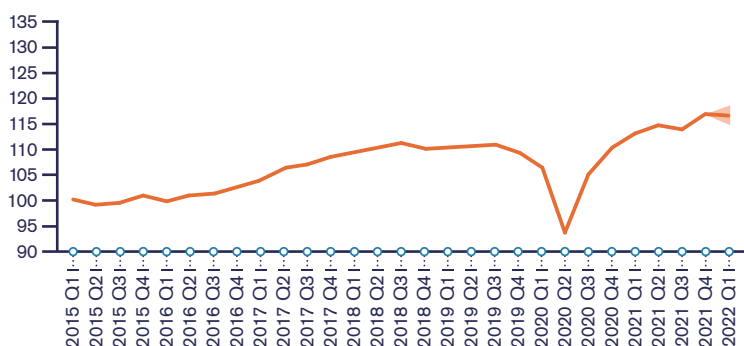
Quarterly developments showed steady year-on-year growth in certain products (iron and steel, chemicals, integrated circuits) and weaker growth for others (clothing, machinery). Trade values for pharmaceuticals, computers and integrated circuits were actually higher in 2021 than before the pandemic, probably due to high demand for COVID-19 vaccines and increased prevalence of remote working. In contrast, trade in automotive products was up 14 per cent year-on-year in 2021 but down 4 per cent compared to 2019.

Trade in medical goods

The WTO has closely monitored trade in medical goods since the start of the pandemic and has made this information available through a series of reports on "Trade in Medical Goods in the Context of COVID-19". A report issued in December 2021 noted that total trade in medical goods was valued at US\$ 1,286 billion in the first

Figure 1: Volume of world merchandise trade, 2015Q1-2022Q1

Seasonally adjusted volume index, 2015 = 100



Note: Each shaded region represents a +/-0.5 standard error band around the central forecast.

Source: WTO and United Nations Conference on Trade and Development (UNCTAD), WTO Secretariat estimates.

six months of 2021 and accounted for 6.1 per cent of total global trade. This share is up from 5.4 per cent in the second half of 2019, before the pandemic.

Trade measures related to COVID-19

A dedicated page on the WTO website provides up-to-the-minute trade-related information including relevant notifications by WTO members about COVID-19-related trade measures (see page 183), the impact the virus has had on exports and imports and how WTO activities have been affected by the pandemic. The WTO-International Monetary Fund (IMF) Vaccine Trade Tracker provides data on the trade and supply of COVID-19 vaccines (see page 190) by product, economy and arrangement type. Unequal distribution of COVID-19 vaccines continues to hamper the global economic recovery.

The WTO has also been monitoring COVID-19-related trade-restricting and trade-facilitating measures imposed by the G20 economies and the WTO membership in its biannual trade monitoring reports (see page 130). According to the DG's annual overview report on trade-related developments, issued on 10 December 2021, WTO members have showed restraint in the imposition of new trade-restrictive measures related to COVID-19 and have continued to roll back restrictions adopted earlier in the pandemic.

Figure 2: Year-on-year growth in world commercial services trade, 2019-21

% change in US\$ values



Note: Average of exports and imports.

Source: WTO-UNCTAD estimates in cooperation with the International Trade Centre (ITC).

Services trade

Services trade was harder hit than goods as pandemic-related restrictions weighed particularly heavily on the travel and transport sectors. The recovery of services trade lagged that of goods until the third quarter of 2021, when commercial services posted a 25 per cent year-on-year increase, matching growth in goods (24 per cent). Overall, world trade in commercial services was up 15 per cent year-on-year in 2021, boosted by demand for transport services, which grew 33 per cent (see Figure 2).

Transport was boosted by high shipping rates, which were closely linked to strong demand for consumer goods. The combination of surging demand for goods and renewed pandemic-related lockdowns resulted in bottlenecks in major ports and long delays in delivery, which contributed to the higher shipping rates.

Travel in 2021 benefited from increases in vaccination, which allowed some tourism and business travel to resume but as travel restrictions were only partially eased during the year, growth remained weak at 8 per cent.

The category "Other services", which includes financial and business services,

was up 12 per cent in 2021 compared to the previous year. Digitally deliverable services, including computer, financial and other business services, were the main drivers of the increase.

Projections for 2022

Since the outbreak of war in Ukraine on 24 February 2022, WTO economists have reassessed their projections for world trade downwards over the next two years. The organization now expects merchandise trade volume growth of 3.0 per cent in 2022 – down from its previous forecast of 4.7 per cent – and 3.4 per cent in 2023, but these estimates are less certain than usual due to the fluid nature of the conflict.

The conflict has already led to a sharp rise in commodity prices. Despite their small shares in world trade and output, Russia and Ukraine are key suppliers of essential goods including food, energy and fertilizers, supplies of which are now threatened by the war. In addition, current lockdowns in China to prevent the spread of COVID-19 are again disrupting seaborne trade at a time when supply chain pressures had appeared to be easing. This could lead to renewed shortages of manufacturing inputs and higher inflation.

Trade in goods

- A record-breaking 20 new trade concerns were raised by WTO members in the Council for Trade in Goods in 2021, up from 13 in 2020.
- The Least-Developed Countries (LDC) Group presented a proposal to allow “graduated” LDC members to continue to provide export subsidies.
- The Council’s July meeting received a revised proposal on transparency to enhance compliance with notification requirements.



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Twenty new trade concerns were raised in 2021, up from 13 in 2020.

WTO members raised a large number of trade concerns at the three formal meetings of the Council for Trade in Goods (CTG), with the 37 in November being an all-time high. A total of 20 new trade concerns were raised in 2021 (see Table 2), representing a significant increase from the 13 new concerns raised in 2020.

Table 2: New trade concerns raised in the CTG in 2021

No.	Member(s) raising the concern	Subject
1	Australia, Japan and the United States	China's cosmetics supervision and administration regulations
2	United States	China's administrative measures for registration of overseas producers of imported foods
3	Australia, Canada, the European Union, Japan, the United Kingdom and the United States	China's subsidy transparency and publication and inquiry point obligations under China's Protocol of Accession
4	Australia	The EU's COVID-19 vaccine export transparency and authorization measure
5	Brazil	The EU's extension of safeguard measures on certain steel products
6	Russian Federation	The EU's Green Deal
7	China	EU - Sweden's Discriminatory Market Access Prohibition on 5G Equipment
8	Chinese Taipei	India's caustic soda quality control order
9	European Union, Indonesia, and Chinese Taipei	India's import policy on tyres
10	Japan	India's import restrictions on air conditioners
11	Japan	India's mandatory certification for steel products
12	United States	India's order related to requirement of non-GM cum GM-free certificate accompanied with imported food consignment
13	Indonesia	India's plain copier paper quality order 2020
14	Indonesia	India's standards and import restrictions in the automotive sector
15	European Union	Indonesia's import substitution programme
16	United States	Mexico's conformity assessment procedures for cheese under a 2018 Mexican official standard
17	United States	Panama's onions and potatoes harvest life and sprouting requirements
18	United States	The Kingdom of Saudi Arabia's SABER conformity assessment online platform/ SALEEM product safety programme
19	Indonesia	Sri Lanka's import ban on palm oil
20	Brazil and Switzerland	UK's extension of safeguard measures on certain steel products

Background

The Council for Trade in Goods is responsible for overseeing the implementation of all WTO agreements concerning 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 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.

In addition to these new trade concerns, members continued discussing other longstanding issues, such as the European Union's renegotiation of tariff rate quota (TRQ) commitments as a consequence of the United Kingdom's departure from the European Union, as well as the equivalent negotiations by the United Kingdom in the context of establishing its individual schedule of concessions.

Extension of waivers and other decisions

The Council approved four collective waiver requests extending deadlines for updating WTO goods schedules to reflect changes to the Harmonized System (2002, 2007, 2012 and 2017 – see page 87). The Council also forwarded to the General Council a draft decision by the European Union to extend a waiver on the application of autonomous preferential treatment to the Western Balkans. It did the same with a draft decision approving a further extension for Cuba to its waiver concerning Article XV of the GATT 1994, which refers to WTO members that do not belong to the IMF.

In addition, the CTG approved requests by Armenia and the Kyrgyz Republic to extend by a further 12 months members' right to modify or withdraw concessions by mutual agreement under Article XXVIII of the GATT 1994, as well as similar requests by the European Union and the United Kingdom to extend members' negotiating rights in their respective renegotiating procedures by a further six months.

Graduated LDCs

The Council considered a proposal by the LDC Group to allow graduated LDC members to continue to provide export subsidies if they meet the requirement of Article 27 of the Agreement on Subsidies and Countervailing Measures (i.e., having a GNP per capita of less than US\$ 1,000 per annum in constant 1990 US dollars).

An LDC is considered to have "graduated" when its economy grows beyond limits set by the United Nations for being least-developed. LDCs are accorded special treatment in the WTO, in particular with regard to enhanced

market access opportunities and policy flexibilities (see page 150). Additional information was requested by other members, including on the calculation of gross national product (GNP) for all members based on the agreed methodology and in constant 1990 US dollars.

Transparency

The Council's July meeting received a revised proposal on transparency to enhance compliance with notification requirements. The proposal made significant changes from the previous revision, including removing financial penalties from possible administrative measures for non-compliance, adding a multi-year transition period and suggesting improvements for technical assistance. Some members reiterated their concerns about certain aspects of the proposal, in particular the remaining administrative measures.

Other issues

The Council continued discussing e-commerce in response to the call from the 11th Ministerial Conference to reinvigorate the WTO's work in this area (see page 80). Discussions continued on how to improve the work of the Council and its subsidiary bodies.

Manufacturing automotive accessories in Jakarta, Indonesia.



Market access

- › The Committee on Market Access discussed 27 trade concerns, eight more than in 2020.
- › The WTO launched two new online tools: a quantitative restrictions (QR) database and a harmonized systems (HS) tracker.
- › Thirty-two members submitted notifications on quantitative restrictions, including export restrictions on products essential to combating COVID-19.
- › The Committee improved access to information on bound tariffs and other concessions through the Goods Schedules e-Library.

Background

The Committee on Market Access supervises the implementation of tariff and non-tariff measures not covered by any other WTO body. In addition, it seeks to ensure that WTO members' schedules of concessions are up to date, including changes required to reflect amendments to the Harmonized System (HS). The HS allows countries to classify traded goods on a common basis. Without this technical work at the Committee, it would be difficult to compare members' tariff obligations with the tariffs they apply in practice.



Trade concerns

The number of concerns discussed in the Committee on Market Access rose to 27, from 19 in 2020. They related to issues such as import and export prohibitions and restrictions and applied tariffs allegedly above WTO commitments. Many had been raised previously, but 10 were new.

The Committee agreed to include them in the WTO trade concerns database, an online tool under development for concerns raised in the market access, technical barriers to trade and sanitary and phytosanitary committees.

The number of trade concerns discussed in the Committee on Market Access rose to 27, up from 19 in 2020.

Transparency

The Committee continued to discuss a Russian Federation proposal on enhancing transparency on applied tariffs. It also heard about an initiative by Australia, Brazil, Canada, the European Union and Ukraine on transparency in applied tariff rate changes.

In June, the WTO Secretariat improved access to the consolidated tariff schedules (CTS) database, which combines all the concessions recorded by WTO members in their schedules. The CTS files are available from the Goods Schedule e-Library.

COVID-19

WTO members praised the Secretariat for its continued efforts to monitor and enhance transparency on governments' trade-related measures during COVID-19. A revised report by the Secretariat showed that as of 4 October 2021, a total of 77 restrictive measures had been introduced and almost half remained in force. At the same time, 165 trade-facilitating measures had been introduced, with almost 70 per cent of them eliminating, suspending or waiving tariffs or taxes, such as value-added tax.

By October 2021, 77 trade-restrictive and 165 trade-facilitating measures had been introduced in response to COVID-19.

The Secretariat presented the joint indicative list of critical inputs for COVID-19 vaccines, which was developed in collaboration with the World Customs Organization (WCO) and other international organizations. It details products and identifies the tariff classification for vaccines and their inputs, including vaccines-related supplies and equipment.

Databases and other online tools

The WTO launched a new version of the Quantitative Restrictions (QR) Database, which allows users to search and retrieve information on trade restrictions and prohibitions notified by WTO members. In 2021, the database contained information on 1,724 measures notified by 81 members, including export prohibitions and restrictions relating to the COVID-19 pandemic, with detailed information on the affected products, the intended duration of the measures and their WTO justification.

The WTO's Integrated Database (IDB), the main source of tariff and import data, began automatically receiving data from interested members. This procedure can significantly simplify data notification both for members and the Secretariat.

In June 2021, the Committee met to discuss members' feedback on the data dissemination

and online tools developed by the Secretariat. Members provided comments and suggestions and also heard about upcoming projects, such as the Tariff Analysis Online.

Harmonized System

In October, the WTO launched the HS Tracker, a new online tool that allows users to keep track of changes in the WCO's Harmonized System (HS) for the classification of traded goods, which is used for members' schedules of concessions. One of its main functions is to display how a specific code has changed across different versions of the HS, with an explanation for the changes from the WCO.

The Committee adopted new procedures to introduce HS2022 changes in WTO schedules of concessions. The new version of the nomenclature, which entered into force on 1 January 2022, includes 233 sets of changes aimed at recognising new product categories and addressing environmental and social issues of global concern, including health and safety, the fight against illicit trade and terrorism.

The HS96, HS2002 and HS2007 "transposition exercises" – amendments are typically referred to by the year in which they enter into force – are nearly concluded. The Committee made good progress on the HS2012 transposition, with the schedules of 102 members updated. In addition, 54 schedules were transposed to HS2017 and certified in 2021.

Quantitative restrictions

The Committee received quantitative restrictions (QR) notifications from 32 members, many of which related to temporary export restrictions introduced as a result of COVID-19. QR notifications generally include information on prohibitions and other restrictions that do not take the form of a tariff, tax, fee or charge, and are allowed only in specific circumstances.

In September, the Committee held an information session on quantitative restrictions and their relation to multilateral environmental agreements. The workshop featured presentations from the WTO Secretariat, the WCO, and the Secretariat of the Basel, Rotterdam and Stockholm environmental conventions.

Agriculture

- The Committee received 321 notifications about agricultural trade measures from WTO members in 2021, the third highest ever, and a sign of members' commitment to increasing transparency.
- In 2021, members maintained a high level of engagement in the Committee's review process and raised 431 questions on notifications and on broader policy matters.
- "COVID-19 and agriculture" was a standing item at all Committee meetings in 2021.
- The annual discussion on export competition marked the first time that all members were subject to transparency requirements under the Nairobi ministerial decision.

Background

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 oversees the implementation of the Agreement. The Committee also monitors follow-up to the Marrakesh ministerial decision regarding the least-developed and net food-importing developing countries, which sets out objectives and mechanisms on the provision of food aid and other assistance.



Rice cultivation in Indonesia.

Transparency continued to be an important topic. Members' compliance with notification obligations, particularly for domestic support and export subsidies, was subject to specific scrutiny in the Committee on Agriculture. Thirty-three per cent of domestic support notifications (883) and 30 per cent of export subsidy notifications (907) remained outstanding as of 31 December 2021.

Fourteen questions were raised concerning pending notifications from Australia, Brazil, Canada, the European Union, India, Pakistan, Saudi Arabia, South Africa, Thailand and the United States.

However, in a sign of members' continuing commitment to increased transparency, there has been a rising trend in the number of annual notifications, with the total reaching 321 in 2021, the third highest after 2019 and 2020 (see Figure 5). Efforts to get up to date with notifications were also evident in 2021, including cases where members cleared backlogs from multiple years.

El Salvador and Tonga submitted outstanding domestic support notifications for 10 years while Guinea presented export subsidy notifications covering eight years and South Africa submitted five years of outstanding safeguard notifications.

Figure 3: Questions addressed to developed and developing countries, 2005 to 2021

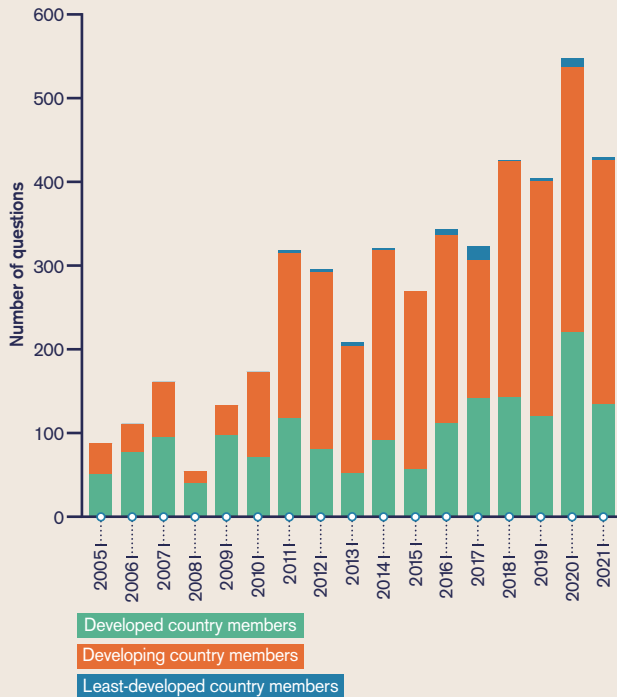
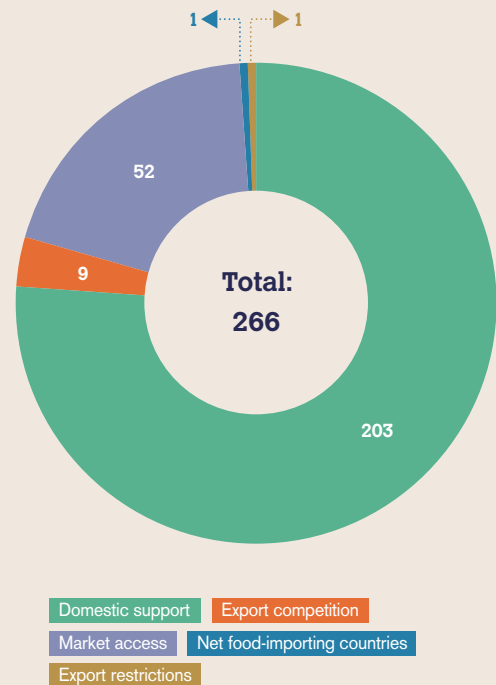


Figure 4: Number of questions on notifications raised in the Committee on Agriculture in 2021, by subject area



COVID-19 and agriculture

“COVID-19 and agriculture” was a standing item at all Committee meetings in 2021. Five members (El Salvador, the European Union, Israel, Japan and South Africa) submitted or updated *ad hoc* reports on agricultural measures taken in response to the COVID-19 pandemic. Observer international organizations also contributed to the debate. To meet its humanitarian food aid objectives, the World Food Programme needs food supply chains to function smoothly, the UN organization told the September meeting.

At the request of the Committee, the WTO Secretariat circulated a compilation of members’ *ad hoc* reports and developed a new webpage on COVID-19 agricultural measures as part of the WTO’s overall trade monitoring exercise.

Notifications reviewed

The Committee reviewed 122 notifications from WTO members and discussed 100 specific implementation matters concerning

members’ agricultural policies under Article 18.6 of the Agreement on Agriculture, which allows members to raise questions on any matters relevant to the implementation of commitments.

A total of 431 questions were raised in the Committee in these two areas, below the record 547 of 2020. As Figure 3 shows, agricultural policy developments in developing countries have drawn the most questions in the Committee’s review process over recent years.

Around 76 per cent of the questions concerned domestic support (subsidy) notifications, including from Canada, the European Union, India, the Republic of Korea, the United States and Viet Nam. Figure 4 provides a snapshot of the questions on members’ notifications by subject area.

Export competition

The Committee held its annual discussion on export competition at its September meeting. All members, for the first time, were subject to the transparency requirements of the 2015 Nairobi Ministerial Decision on

Export Competition, which eliminated export subsidies after the expiry of a five-year grace period for developing countries.

Export competition commitments cover all forms of export subsidies and other export measures with equivalent effect, including export credits, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises.

Brazil circulated its draft modified export subsidy schedule in 2021, leaving only Venezuela to submit its modified schedule incorporating the decision.

The Committee initiated in March 2021 its second mandated triennial review of the Nairobi decision. The review aims to enhance disciplines and prevent circumvention of export subsidy elimination commitments.

Tariff quota underfill mechanism

The Committee continued to review the Bali Ministerial Decision on Tariff Rate Quotas (TRQs) to find agreement on procedures to resolve concerns about underfilled quotas. TRQs allow imports inside a quota to be charged lower duties. They give exporters some access to markets when the normal tariffs on imports are high. With no agreement by the end-2021 deadline, the General Council approved an exceptional three-month extension – up to 31 March 2022.

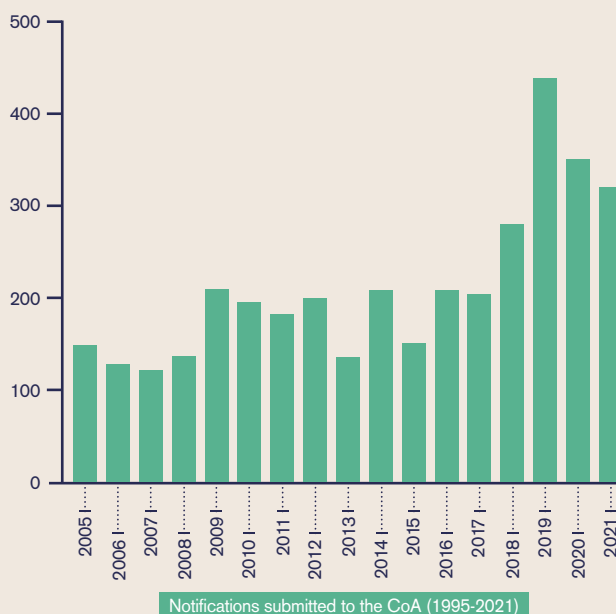
Transparency tools

The WTO Secretariat continued its work on the improvement of the online Agriculture Information Management System (AG-IMS). These improvements targeted both components of the AG-IMS, namely the online agriculture notification system and the Q&A component incorporating the Committee's review process.

Technical assistance activities

The WTO Secretariat delivered the first phase of an advanced workshop on

Figure 5: Number of agriculture notifications submitted by WTO members, 2005 to 2021



agriculture notifications. The workshop was attended by 28 capital-based government officials from developing-country members (including six least-developed countries). The first phase was conducted virtually for the first time due to the COVID-19 pandemic. It focused on notification requirements for agricultural subsidies, which are applicable to the entire WTO membership. The workshop also addressed specific transparency requirements stipulated by the Nairobi Decision on Export Competition.



321

WTO members submitted 321 notifications about their agricultural trade measures, the third-highest ever.

Outreach and information exchange

The Secretariat continued its WTO Trade Dialogues on Food, holding four sessions in 2021. They have become a regular feature of virtual outreach conducted by the Agriculture and Commodities Division, with experts from governments, non-governmental organizations, businesses, academia, think tanks and foundations invited to debate the most topical issues in food and agricultural trade.

Sanitary and phytosanitary measures

- The Committee discussed a proposed declaration on sanitary and phytosanitary (SPS) measures for the 12th Ministerial Conference (MC12), including a work programme to address emerging issues impacting agricultural trade, among them population growth and climate change.
- WTO members raised 27 new specific trade concerns, down from 36 the year before, covering a wide range of issues, such as undue delays in approval procedures and pesticide-related policies.
- In 2021, members notified 1,825 planned, new or changed SPS regulations, compared to 2,122 the previous year.
- The WTO Secretariat launched a booklet highlighting members' implementation of the transparency provisions of the SPS Agreement.

Thematic work and follow-up to the Fifth Review

The SPS Committee continued to implement recommendations of the Fifth Review of the Operation and Implementation of the SPS Agreement, adopted in 2020.

The Working Group on Approval Procedures, co-led by Canada and Paraguay, discussed issues ranging from a common understanding of the term “approval procedures” and questions surrounding procedures that affect international trade, such as timing and undue delays, to harmonization with international standards and other challenges, such as the COVID-19 pandemic. The mandate of the working group was extended for an additional year.

The SPS Committee held a thematic session on African swine fever, providing members with an opportunity to share experiences on the challenges and benefits of ensuring safe trade conditions for pigs, pork and pork products. This includes the application of regionalization, where a region of a country is recognized as pest or disease-free or with low prevalence.

A virtual workshop on risk assessment, risk management and risk communication brought together over 1,000 registered participants. The workshop allowed members to share experiences on SPS risk analysis and discuss challenges, best practices and emerging issues. The workshop built on the 2014 thematic SPS workshop on risk analysis and the 2015 SPS thematic session on risk communication.

Members discussed a proposal by New Zealand to modernize the Committee's procedure for monitoring the process of international harmonization. A thematic session on the procedure provided members with an opportunity to exchange

Background

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.

views and review progress on international harmonization and to learn about the efforts undertaken by relevant international standard-setting bodies.

Proposed SPS declaration for MC12

The Committee continued discussions on the proposed SPS declaration for MC12. The proposal, initially submitted by Brazil, Canada and the United States, is sponsored by 89 delegations.

The declaration proposes a work programme looking at the impact of emerging pressures — such as climate change and the increasing global population — on the application of the SPS Agreement and the challenges they pose to its implementation. A background document submitted by 17 of the sponsors — “New Opportunities and Emerging Challenges in International Trade in Food, Animals and Plants” — was discussed in the Committee. Proponents indicated their intention to provide additional information and to hold further discussions.

Sheep farming in New Zealand.



Other members suggested the SPS Committee consider developing, together with other relevant committees, a cross-cutting work programme to address issues related to the transition to sustainable agri-food systems, with a view to reporting to the 13th Ministerial Conference.

SPS issues related to COVID-19

SPS issues relating to the COVID-19 pandemic were discussed in Committee meetings throughout the year. Codex, the World Organisation for Animal Health (OIE) and the International Plant Protection Convention provided updates on COVID-19 activities and initiatives in their areas.

Several members recalled the guidance and assessments from organizations such as the WHO and the Food and Agriculture Organization, as well as the OIE, and called on other members to reduce unnecessary restrictions to trade. In addition, members provided updates on the implementation of trade-facilitating measures, such as the use of electronic certification and remote inspections.

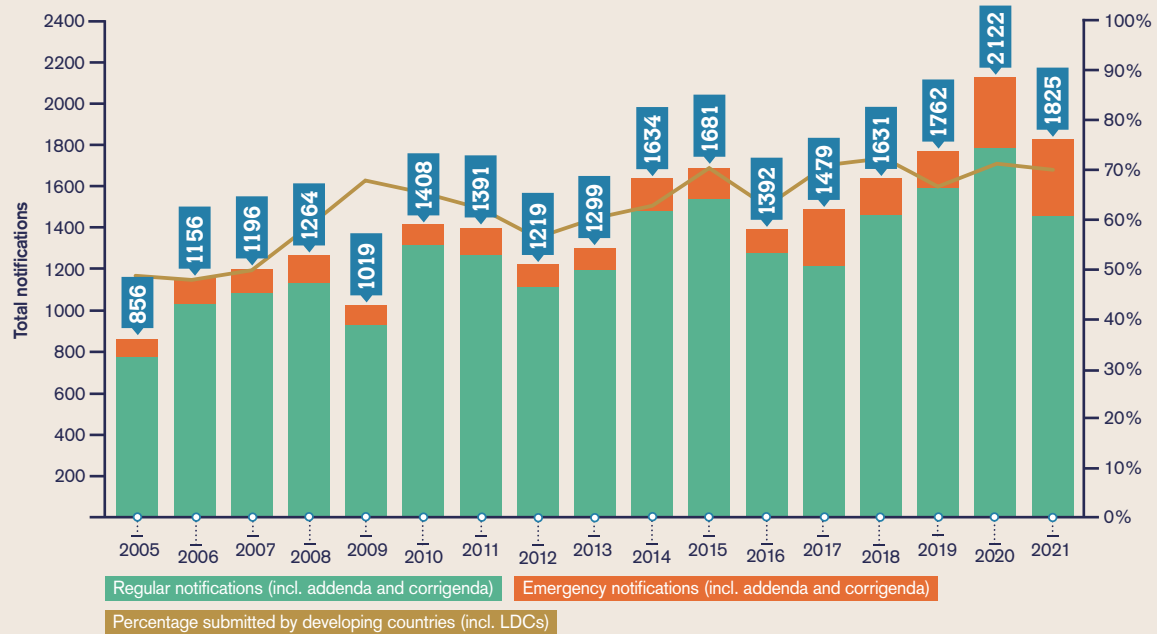
New trade concerns database

The WTO Secretariat developed and introduced the Trade Concerns Database. The database brings together trade concerns discussed in the SPS, the Technical Barriers to Trade and Market Access committees (see page 66). It allows members to search and filter special trade concerns by sets of criteria, such as products concerned, reported status, keywords and number of times raised.

Specific trade concerns

The SPS Committee considered 27 new specific trade concerns, down from 36 in 2020, and 50 previously raised concerns (including 13 new concerns discussed more than once during 2021), more than doubling the number of previously raised concerns discussed in 2020. A wide range of issues was covered, including those related to undue delays in approval procedures, actions related to COVID-19 that affect trade, restrictions related to animal diseases, and pesticide-related policies and maximum residue levels.

Figure 6: Total number of SPS notifications and percentage of notifications submitted by developing countries (including LDCs), 2005-2021



One trade concern relating to Panama’s renewal of authorizations for establishments exporting bovine products and by-products was reported as resolved in the November 2021 Committee meeting. This brought the total number of fully or partially resolved concerns to 271 (over 50 per cent of the 532 concerns raised since 1995).

The total number of fully or partially resolved concerns rose to 271 (over 50 per cent of the 532 concerns raised since 1995).

Notifications

The SPS Agreement requires notification of draft regulations that are not “substantially the same” as an international standard. Other WTO members should be given sufficient time to submit comments on the notified draft regulation. Notifications are an important demonstration of members commitment to transparency in their SPS measures.

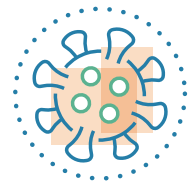
In 2021, members notified 1,825 planned, new or changed SPS regulations, compared to 2,122 the previous year. Of these, 1,453 were regular notifications (down from 1,782 in 2020) and 372 were emergency notifications

(up from 340 in 2020). Developing countries (including least-developed countries – LDCs) submitted 70 per cent of SPS notifications compared with 71 per cent in 2020 (see Figure 6).

Out of 439 WTO notifications and communications related to COVID-19, 27 per cent were submitted under the SPS Agreement. Similar to 2020, notifications and communications related to measures to facilitate trade, or related to the extension of trade-facilitating measures, continued to surpass notifications and communications related to trade-restrictive measures.

Examples of trade-facilitating measures included the provisional waivers of on-site verification and testing requirements, and the temporary implementation of virtual verifications of packing and treatment facilities.

Notifications and communications related to COVID-19 trade-facilitating measures continued to surpass trade-restrictive measures.



27

Out of 439 WTO notifications and communications related to COVID-19, 27 per cent were submitted under the SPS Agreement.

Capacity-building

The WTO Secretariat undertook 12 SPS training activities in virtual format. A number of technical assistance activities were held in cooperation with other divisions as well as international partners, such as FAO and the United Nations Conference on Trade and Development. The first “SPS In-depth Virtual Course” was held from 20 September to 8 October, with the objective of equipping a group of selected government officials to participate in the work of the SPS Committee.

Publications

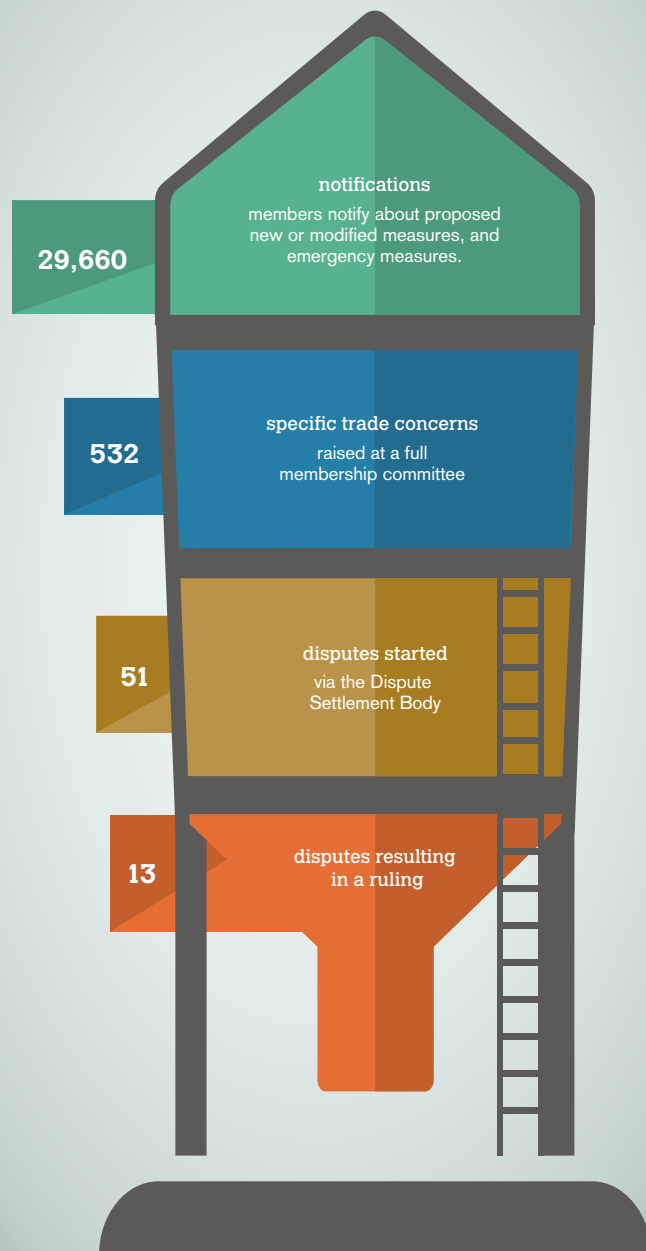
In July 2021, the WTO Secretariat launched a new booklet highlighting members’ implementation of the transparency provisions of the SPS Agreement. The publication presented 10 key results from the 2020 review of members’ implementation of the agreement, stressing members’ commitment to transparency and the prevention of trade disputes.

The booklet underlined the use of available online tools for the submission of SPS notifications by over 84 per cent of members and the role of developing and least-developed countries in the submission of notifications.



Box 1: Easing SPS trade tensions: 1995-2022*

SPS Measures relating to food safety, animal health and plant health



*until 1 February 2022.

Technical barriers to trade

- › The Technical Barriers to Trade (TBT) Committee concluded its 9th triennial review and adopted a workplan for 2022-2024, covering regulatory cooperation, conformity assessment procedures, trade and health, and transparency, among other issues.
- › The Committee was mandated to finalize guidelines on the choice and design of appropriate and proportionate conformity assessment procedures and to examine and compile best practices for future pandemic preparedness of WTO members.
- › WTO members submitted a record 3,966 notifications on product requirements, providing increasing transparency.

Background

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.



The TBT Committee concluded its 9th triennial review and adopted a new roadmap with 37 recommendations for work over the next three years. The workplan comprises themes such as good regulatory practice, regulatory cooperation, conformity assessment procedures, standards, transparency, technical assistance, and trade and health.

The adopted workplan envisages, among other things, the engagement of the Committee in new sector-specific cooperation related to TBT matters, including on cybersecurity, digital products (e.g. artificial intelligence, health information technology), digital solutions for conformity certificates, e-commerce, plastic regulation and climate change.

The Committee was mandated to finalize work on developing guidelines on the choice and design of appropriate and proportionate conformity assessment procedures. It was also mandated to examine and compile best practices for future pandemic preparedness of WTO members, including streamlining conformity assessment procedures during pandemics and enhancing international regulatory cooperation to facilitate trade in essential medical goods, such as vaccines. This work aims to build on the experiences of WTO members during the COVID-19 pandemic.

WTO members submitted a record 3,966 notifications on product requirements, providing increasing transparency.

Under the new workplan, the Committee also mandated the WTO Secretariat to enhance TBT online tools, including the ePing system for tracking alerts on TBT notifications. To facilitate tracking of sanitary and phytosanitary (SPS) and TBT measures, the Secretariat will launch an integrated ePing SPS&TBT platform in 2022. In 2021, the ePing alert system had 15,443 registered users from 184 countries/territories, up from 12,360 users in 2020.

Specific trade concerns (STCs)

In 2021, the Committee discussed a record 257 STCs, both new and previously raised concerns regarding draft or adopted TBT measures (see Figure 7). The number of new STCs (64) grew slightly compared with 2020 (57), and the number of previously raised STCs (193) increased by 24 per cent.

A significant number of STCs related to environment measures in areas such as carbon footprints, the circular economy, plant protection, plastic waste management, the classification of hazardous chemicals and vehicle emissions. Concerns covered a wide range of products, including batteries, biofuel, chemicals, cosmetics, electrical appliances, household goods, medical devices and pesticides.

Notifications

In 2021, WTO members submitted a record 3,966 notifications on product requirements (see Figure 8) and the number of notifying members increased from 82 to 83 compared with 2020. Brazil submitted the most notifications. African members were again particularly active, with the East African Community not only among the top notifiers but also demonstrating the importance of good regional coordination by submitting notifications on a regional level.

The vast majority of notifying members (89 per cent) submitted notifications through the WTO's online portal, which enables the Secretariat to publish notifications within two days of receipt, increasing the time available for comments by other members and stakeholders. The portal also allows WTO members to track the status of submitted notifications and facilitates the preparation of notifications via templates.

Figure 7: Specific trade concerns raised in the TBT Committee, 2005 to 2021

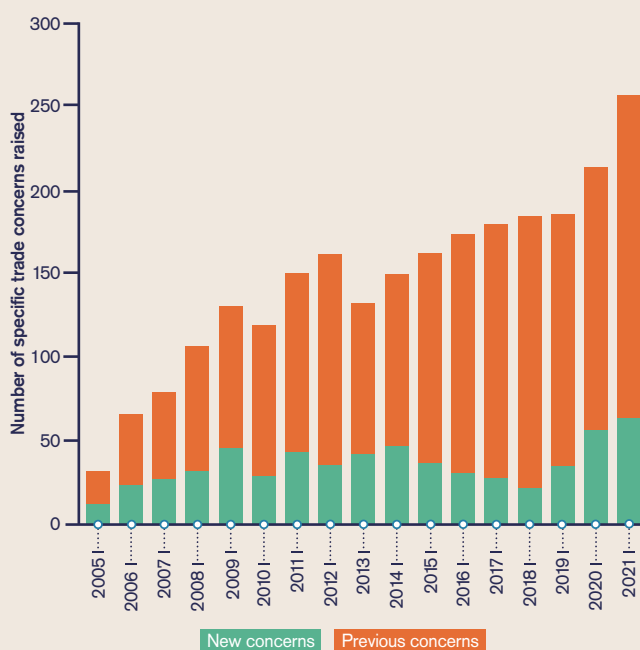
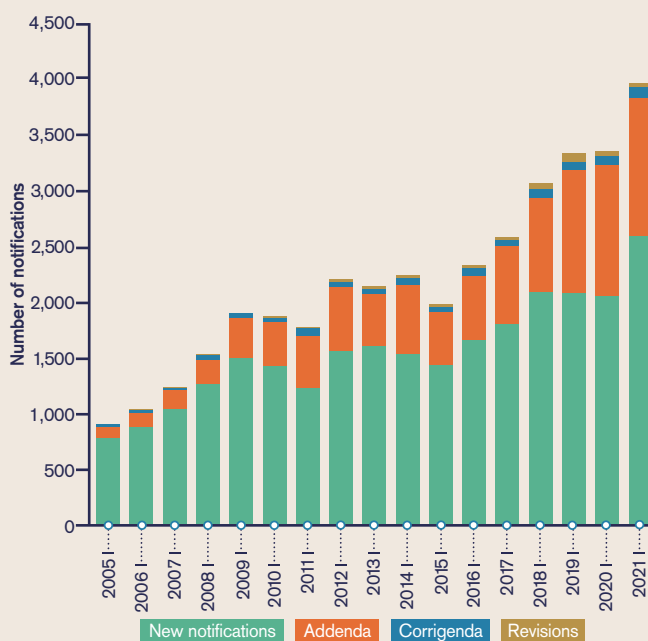


Figure 8: TBT notifications, 2005 to 2021



In November, the Secretariat reported that since March 2020, WTO members had submitted 179 COVID-19-related TBT notifications. These notifications comprised 41 per cent of all COVID-19-related WTO notifications to date. The notifications cover a range of products, including medicines, medical supplies and personal protective equipment. Most of the TBT measures notified were temporary and trade-facilitating.

Capacity-building

As in 2020, most technical assistance activities took place virtually. The Secretariat organized virtual workshops on the TBT Agreement and provided various training activities on the Agreement in dedicated national and regional activities, as well as through WTO-wide online regional trade policy courses.

By November 2021, WTO members had submitted 179 COVID-19-related TBT notifications, comprising 41% of all WTO notifications relating to COVID-19 to date.

As in previous years, there was strong demand for training on TBT transparency and on ePing. Eight virtual ePing training activities were organized. At the launch of the Vietnamese version of ePing, the Secretariat, in cooperation with International Trade Centre, organized a training activity to help Vietnamese businesses stay informed about SPS and TBT measures in target markets.

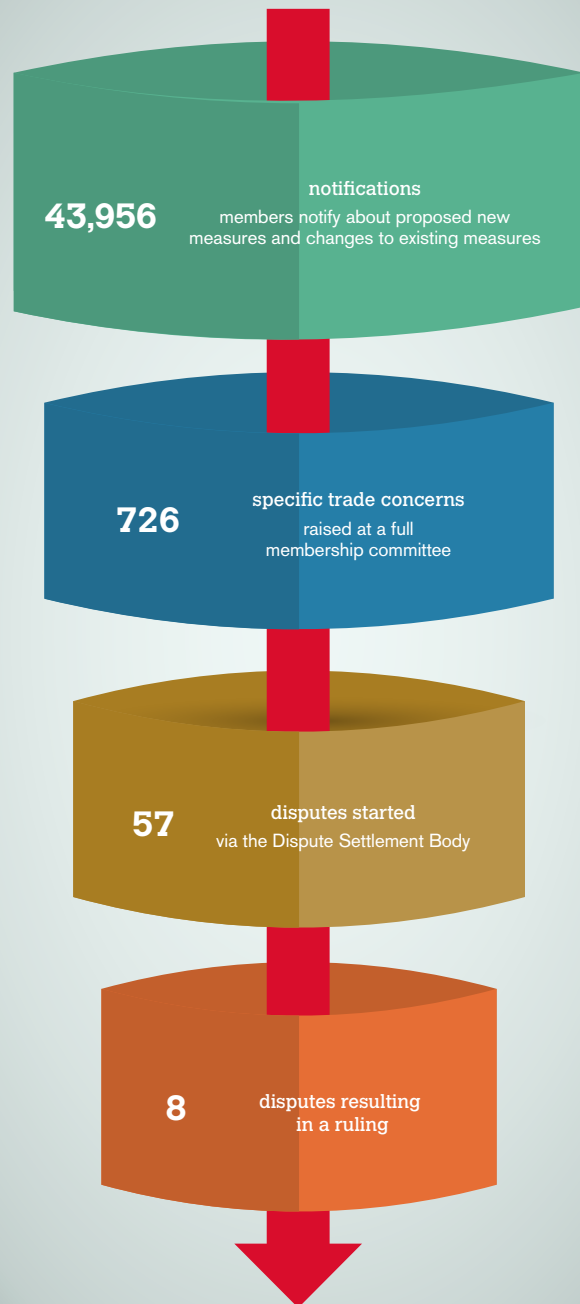
Publications

A new WTO publication provided an overview of the purpose and scope of the TBT Agreement, the types of measures it covers and its key principles. This new edition in the "WTO Agreements" series aims to enhance understanding of the TBT Agreement.

The WTO also launched a new booklet highlighting 10 key results from the 2020 annual review of the TBT Agreement and how members are implementing it.

Box 2: Easing trade tensions: 1995-2022*

Technical requirements affecting trade in all products



*until 21 February 2022.

Subsidies and countervailing measures

- Transparency remained a major topic in the Subsidies and Countervailing Measures Committee in 2021. Chairs reiterated concerns over chronic low compliance with notification obligations on subsidies.
- Members discussed a proposal to amend the procedures for review of new and full subsidy notifications.
- Initiations of countervailing duty investigations fell to 11 in the first half of 2021, down from 27 in the same 2020 period.



Background

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 reviews 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. It serves as a forum for members to discuss the implementation of the SCM Agreement and any matters arising from this.

In 2021, 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.

Committee chairs Erik Solberg (Norway) at the first meeting of the year and Noriko Teranishi (Japan) at the second drew members' attention to the chronic low compliance with the fundamental transparency obligation to notify subsidies. They noted that this constitutes a serious problem for the proper functioning of the SCM Agreement.

Only 55 of the WTO's 164 members had submitted their 2021 notifications by the end-June deadline. In addition, 78 members had not submitted their 2019 notifications. Numerous members underlined the importance of transparency, citing poor compliance with notification obligations.



The Committee continued to discuss ways to improve the timeliness and completeness of notifications and other information flows on trade measures. It returned to a revised proposal by the United States on procedures for questions and answers on subsidy programmes not included in members' notifications. At its October meeting, the Committee also discussed a joint proposal from Canada, the European Union, Japan, the United Kingdom and the United States to amend the procedures for review of new and full subsidy notifications.

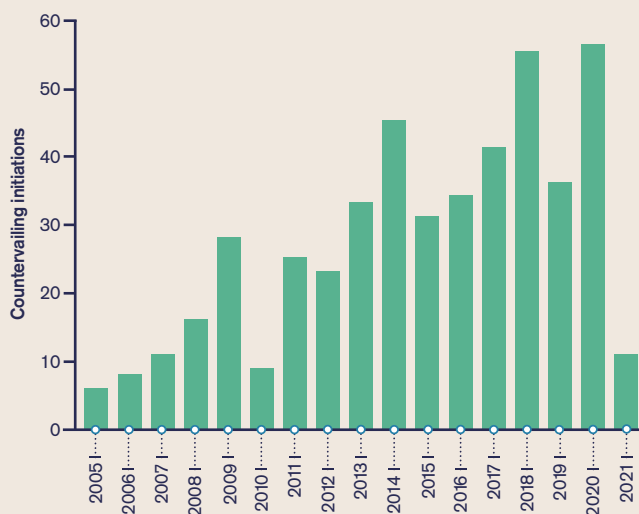
At both Committee meetings, the chairs recalled the 31 December 2015 deadline for the extended transition period given to 19 developing countries to eliminate export subsidies. They noted that the beneficiaries should have made their final transparency notifications by 30 June 2016, but only 15 had done so. The Committee agreed to continue to discuss this issue in 2022. Least-developed country members and 10 developing members listed in Annex VII(b) of the SCM Agreement continue to be exempted from the export subsidy prohibition.

The Committee also reviewed notifications of countervailing actions taken (see Figure 9). The number of initiations of countervailing duty investigations decreased to 11 in the first half of 2021, compared with 27 in the same period of 2020. As of 30 June 2021, there were 265 notified measures (definitive duties and undertakings) in force.

The Committee continued its discussions on the issue of subsidies and overcapacity raised by Canada, the European Union, Japan and the United States. It also considered requests for information from the European Union and the United States to China regarding potential steel subsidies.

The Committee returned to the issue, raised by Australia, Canada, the European Union, Japan, the United Kingdom and the United States, regarding China's publication and inquiry point obligations under China's Protocol of Accession.

Figure 9: Countervailing initiations by year, 1 January 2005 to end-June 2021



Note: Figure 9 covers initiations up to the end of June 2021. Data for the second half of 2021 are not yet available.

Anti-dumping practices

› WTO members initiated 115 new anti-dumping investigations from January to June 2021, nearly 40 per cent fewer than the 188 registered in the same period in 2020.

› India and the United States were the leading initiators, accounting for more than 30 per cent of new investigations, down from 60 per cent in the 2020 period.

› Investigations involving steel products continued to be one of the main focuses of discussion in the Committee on Anti-dumping Practices.

In the first six months of 2021, India initiated 25 new anti-dumping investigations and the United States initiated 11, down from 57 and 58 each, respectively, in the same period of the previous year.

Argentina, Brazil, the European Union, the six Gulf Cooperation Council (GCC) member states (Kingdom of Bahrain, State of Kuwait, Oman, Qatar, Kingdom of Saudi Arabia and the United Arab Emirates), Japan, the Republic of Korea, Pakistan, Philippines, South Africa, Turkey, Ukraine and the United Kingdom initiated more investigations than in the first half of 2020.

Other users of anti-dumping investigations, namely Australia, Canada, India, Malaysia, Thailand, the United States and Viet Nam, initiated fewer investigations. While Chile, Colombia, Egypt, Indonesia, Mexico and Peru did not initiate any investigations in the first half of 2021, the Eurasian Economic Union (EAEU) states (Armenia, Kazakhstan, the Kyrgyz Republic and the Russian Federation) and New Zealand initiated the same number as in the first half of 2020.

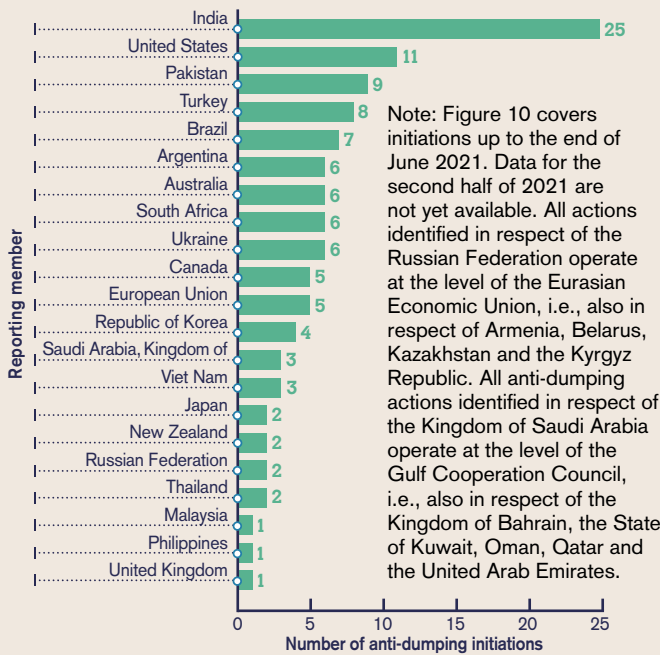
Anti-dumping investigations involving steel products were the subject of extensive debate in 2021.

Background

WTO members can apply anti-dumping measures on imports of a product where the exporting company exports the product at a price lower than its normal value, generally the price it charges in its home market, and the dumped imports cause or threaten to cause injury to the domestic industry of the like product in the importing country. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement at its meetings held in the last weeks of April and October of every year.



Figure 10: Anti-dumping investigations by reporting WTO members, 1 January 2021 to end-June 2021



After India and the United States, the top initiators in the first half of 2021 were Pakistan (nine), Turkey (eight), Brazil (seven) and Argentina, Australia, South Africa and Ukraine (six each) (see Figure 10).

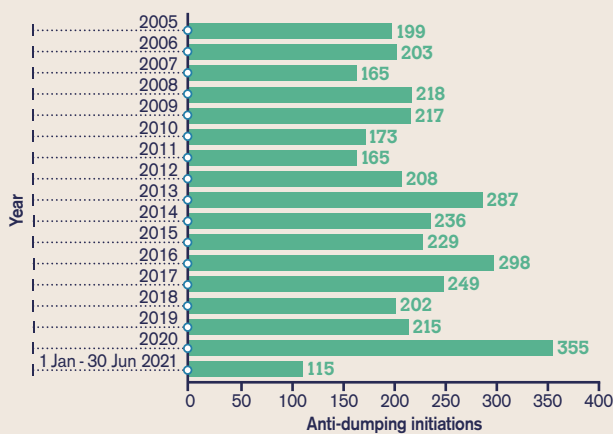
Investigations involving steel products continued to be the subject of extensive debate in the Committee on Anti-dumping Practices (see Figure 11). These products accounted for more than a quarter of all new investigations in the first six months of 2021.

Despite the COVID-19 pandemic restrictions, the Committee convened its two regular meetings in 2021. It reviewed semi-annual reports for the second half of 2020 submitted by 48 members, and semi-annual reports for the first half of 2021 submitted by 49 members. Committee chairs Maarit Keitonen (Finland) and Ahmed Al-Sulaiti (Qatar) noted at the April and October meetings, respectively, that some members had failed to submit semi-annual reports for the second half of 2020 and the first half of 2021.

The WTO Secretariat's new online portal for submission of anti-dumping semi-annual reports is now operational and 55 per cent of the circulated reports covering the first half of 2021 were submitted through it.

The Informal Group on Anti-Circumvention did not meet in 2021. The Working Group on Implementation held its first meeting since the beginning of the pandemic in October 2021.

Figure 11: Anti-dumping investigations by year, 1 January 2005 to end-June 2021



Note: Figure 11 covers initiations up to the end of June 2021. Data for the second half of 2021 are not yet available.

WTO members initiated 115 new anti-dumping investigations from January to June 2021, nearly 40% fewer than in the same period in 2020.

Customs valuation

- › The Committee on Customs Valuation experienced an encouraging increase in notifications, with first-time notifications received from six members. It continued the review of legislation of 34 members.
- › The Committee concluded its fifth triennial review of the Preshipment Inspection Agreement.

The Committee received six first-time notifications of national legislation – from Benin, El Salvador, Mongolia, Saint Kitts and Nevis, the United Kingdom and Viet Nam – bringing to 111 the number of WTO members that have notified their legislation (representing over 80 per cent of the membership). The Chair of the Committee, Buddhi Prasad Upadhyaya of Nepal, described as encouraging the increase in notifications, which were double the number in 2021 (three).



111

A total of 111 WTO members have notified their national legislation.

The Committee is currently reviewing the legislation of 34 members based on notifications provided. The Committee also received first-time notifications from Bolivia, El Salvador, Guatemala, Paraguay, Tonga and the United Kingdom of the checklist of issues related to their legislation, bringing to 77 the number of members that have submitted this notification (representing over 60 per cent of the membership).

The Committee also monitors the Agreement on Preshipment Inspection and reviews notifications from members regarding their preshipment inspection measures. This year the Committee concluded its fifth triennial review of the Agreement.

Background

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 reviews implementation and administration of the Agreement as well as the Agreement on Preshipment Inspection.



Rules of origin

- The Committee on Rules of Origin continued to consider in its discussions on non-preferential rules a proposal to enhance transparency and update notifications.
- On preferential rules of origin for least-developed countries (LDCs), members considered a note by the WTO Secretariat on the under-utilization of trade preferences.
- A webinar on the utilization of trade preferences drew 600 participants.

Background

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 preferences, 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. The Committee also reviews the implementation of the 2013 and 2015 ministerial decisions on preferential rules of origin for LDCs.



Non-preferential rules of origin

WTO members discussed a joint proposal for enhancing transparency in non-preferential rules of origin, used to define where a product is made and to implement trade policy measures, such as quotas and anti-dumping actions. The proposal aims to introduce a template to notify rules of origin used in the application of most-favoured-nation (MFN) treatment and other non-preferential commercial policy instruments, as well as any other practices with respect to certification of origin for non-preferential purposes.

The Chair, Ambassador Han-Ming Huang (Chinese Taipei), told the Committee on Rules of Origin in May 2021 that members were not far from a common understanding on the proposal, which has been on the Committee agenda for about three years.

No discussions were held on the work programme for the harmonization of non-preferential rules of origin, one of the main objectives of the Agreement on Rules of Origin.

Preferential rules of origin

The Committee continued to focus on the needs and concerns of LDCs. Members looked at recent developments in relation to preferential rules of origin for LDCs. They also examined efforts by preference-granting members to implement a 2015 Ministerial Decision setting out guidelines to make it easier for LDCs to qualify for preferential treatment and better utilize market access opportunities. Members continued to discuss ways to ensure that preferential rules of origin for LDCs are “transparent and simple”.

New Zealand, Thailand and the United Kingdom reported that they had initiated a

Rules of origin play an important role in the production of high-tech goods.

comprehensive review of their preferential rules of origin for LDCs. The European Union updated members on the introduction of a system of self-certification of origin being implemented by the European Union, Norway, Switzerland and Turkey.

Members also reviewed the latest WTO Secretariat note on utilization of trade preferences by LDCs. Unlike previous notes, which focused on individual years, the latest review covers a multi-year period (2015-19). It aimed to determine whether previously reported levels of preference under-utilization reflected circumstantial rather than structural patterns.

The Secretariat found that volatility in trade and under-utilizations were significant and that there was ample scope to improve preference utilization across schemes. While under-utilization was widespread, it was not uniform across product sectors, nor across LDCs. There had been a slight improvement in the level of preference utilization by LDCs with sea access but a deterioration in utilization by landlocked LDCs.

In May 2021, members participated in a webinar on “What Drives the Utilization of Trade Preferences”, organized by the Secretariat. The webinar looked at linkages between origin requirements and the utilization of preferences and explored the difference between preferential tariff rates and MFN rates, awareness by businesses and compliance costs. Participants learned about research conducted by other institutions and shared experiences in working with the private sector to promote fuller use of preferences. Reporting to the Committee, the Chair said the webinar, which drew 600 participants, “showed that these are complex topics and that we can all learn from each other”.

Import licensing

- › The Committee reviewed 89 notifications from WTO members under the Agreement on Import Licensing Procedures.
- › The Committee heard specific trade concerns about import licensing rules and procedures.
- › In October, the WTO held a virtual workshop for developing and least-developed countries on import licensing and notifications.

Background

The Agreement on Import Licensing Procedures establishes disciplines on import licensing systems, with the objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It aims to simplify the administrative requirements necessary to obtain licences and to ensure fair and transparent administration of the procedures. The Agreement requires WTO members to notify publications and legislation on import licensing procedures and any changes thereof as well as submit an annual questionnaire on import licensing procedures.



Pottery making in
Tunis, Egypt.

The Committee on Import Licensing Procedures received 60 notifications from 15 members on new import licensing procedures or changes in these procedures. It also reviewed 27 notifications from 24 members regarding responses to a questionnaire on import licensing procedures. Two notifications from one member were received regarding publications and/or legislation on import licensing procedures.

In 2021, Guinea submitted its first notification on import licensing procedures to the Committee. Vice-Chair Stephanía Aquilina (Malta) welcomed this development and encouraged others to improve their notification compliance.

Notifications of new import licensing procedures or changes declined compared with the 173 received in 2020. This decline could be attributed, among other things, to a lack of in-presence technical assistance activities due to the COVID-19 pandemic.

As of the end of 2021, 13 WTO members had not submitted any notification on import licensing. In addition, 22 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 2021, Guinea submitted its first notification on import licensing procedures to the Committee.

WTO members raised several new and recurring specific trade concerns before the Committee. Australia, Canada and the European Union questioned India's import requirements on certain pulses. The European Union questioned Angola's import licensing requirements, Egypt's import licensing on certain agricultural and processed products and importation of ceramics, India's import licensing regime for pneumatic tyres and Thailand's import procedures on feed wheat.

Japan and the European Union questioned Indonesia's import licensing regime for certain textiles products, its compulsory registration by importers of steel products and its import restriction on air conditioners. The United States questioned China's changes to import licensing for certain recoverable materials, India's import licensing requirement for boric acid, and Indonesia's import licensing regime for cell phones, handheld computers and tablets.

Indonesia questioned India's import licensing regime on tyres and Sri Lanka's import ban on palm oil. Australia raised a concern regarding Indonesia's import licensing restricting policies and practices.

In October, the WTO held a virtual workshop on import licensing and notifications, attended by 71 government officials from developing and least-developed countries. The workshop aimed at strengthening members' capacity to comply with notification obligations under WTO rules and to facilitate use of the WTO's import licensing website.

Safeguards

- **WTO members launched nine safeguard investigations in 2021 and applied 10 measures.**
- **Measures applied by the European Union and the United Kingdom drew the most discussion.**

Safeguard measures on steel products attracted extensive discussions in 2021.

Background

WTO members may take safeguard actions (impose temporary additional duties, quantitative restrictions or other measures on a product) to protect a specific domestic industry from an increase in imports of the product that is causing, or threatening to cause, serious injury to the industry. Under these circumstances, WTO members have the right to apply safeguard measures on imports of the product from all sources (rather than from a specific member or group of members). The Agreement on Safeguards provides rules concerning the investigation that must be conducted as well as the application of safeguard measures.

In 2021, WTO members initiated nine new safeguard investigations, with Ukraine accounting for five, and imposed 10 safeguard measures (see Figure 12). Morocco, Peru, Tunisia and Turkey were the other members to initiate investigations. Egypt, Indonesia (four each), Madagascar, South Africa, Turkey and Ukraine (two each) applied measures during the year.

In total, the Safeguards Committee reviewed notifications relating to 60 specific safeguard investigations by WTO members at its regular meetings in April and October.

Several WTO delegations expressed concern over the large number of safeguard actions taken and called on members to strictly abide by the provisions of the Safeguard Agreement. Most of those members stressed that the safeguard instrument was intended to address



60

The Safeguards Committee reviewed notifications relative to 60 safeguard investigations by WTO members.



emergency situations. Other general issues raised concerned the impact of safeguards on global trade and supply chains.

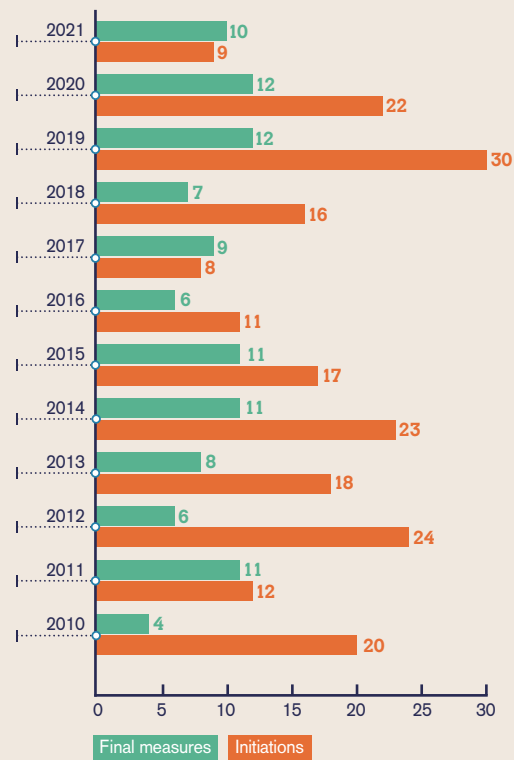
Among the various matters taken up at the April and October meetings, two notifications drew the most discussions. The European Union notified to the Committee the extension, effective as of 1 July 2021, of its safeguard measure on certain steel products for three more years. Besides expressing concern, several members explained that they proposed to suspend concessions on imports from the European Union in response.

The United Kingdom also notified the extension, effective as of 1 July 2021, of its safeguard measure on certain steel products for three more years. The United Kingdom also notified that it had initiated on 7 September 2021 a “reconsideration” process of the measure. This process allows interested parties to request that the authorities revisit the decision. Several members expressed their concerns.

Several WTO members expressed concern over the large number of safeguard actions taken.

The European Union recalled that it asked the Committee whether Turkey’s proposed suspension of concessions aimed at the European Union (in retaliation for an EU safeguard measure on certain steel products) met the relevant terms of the Safeguards Agreement. Similarly, Ecuador asked about Ukraine’s safeguard measure on fresh cut roses. Members discussed these two issues at the autumn 2021 meeting.

Figure 12: Safeguard investigations by year, 2010 to 2021 (for all WTO members)



Note: Some notifications are ambiguous about timing. For those notifications, members sometimes subsequently file an additional notification clarifying, ex post, the effective date of the measure. For this reason, the number of applications of measures indicated in the figure above can differ from the figures indicated in the most recent report.

Trade-related investment measures

› **The Committee on Trade-related Investment Measures continued to discuss concerns regarding alleged local content requirements in investment measures.**

The Committee on Trade-related Investment Measures (TRIMs) continued its discussion of investment measures raised by WTO members in previous years. The concerns expressed by members are related to local content obligations, under which governments require firms to use domestically manufactured or supplied goods and services, allegedly contained in these measures.

Background

The Agreement on Trade-Related Investment Measures recognizes that certain measures aimed at promoting foreign or domestic investments 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. An illustrative list of prohibited TRIMs, which often take the form of 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.

These concerns included measures adopted by the Russian Federation, allegedly directing private companies to give priority to Russian-sourced goods, services and works over imports. The Committee also further examined alleged implementation by Indonesia of local content requirements in a wide range of sectors – 4G mobile devices and base stations, telecommunication services, retail and franchising, and the pharmaceutical and medical device sectors – together with alleged investment restrictions in Indonesia's energy and mining sectors.

In addition, the Committee discussed new items concerning alleged import restrictions by India on tyres and air conditioners and alleged import restrictions by Indonesia on carpets and other textiles and air conditioners.

The Committee took note of notifications submitted by Turkey and Guinea 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 within their territory.

The Committee discussed alleged import restrictions by Indonesia on carpets and other textiles.



Information Technology Agreement

- In September, the Information Technology Agreement (ITA) Committee held a symposium to look back at trade opening under the ITA over the past 25 years.
- A special meeting of the Committee in November approved Lao PDR's ITA schedule, making it the first least developed country (LDC) to join the Agreement outside a WTO accession process.

An anniversary symposium – 25 Years of the ITA – was held in September to look back at trade opening under the ITA. The largely online event discussed how the ITA has helped encourage trade in information and communication technology (ICT) products and the role of ICT in combating COVID-19.

The event also looked at the latest advances in ICT and the part it is playing in economic development. The symposium underlined that the ITA brings benefits for all economies, including by facilitating developing countries' access to supply chains. However, there are still important digital divides within and across regions and countries.

In her opening remarks, DG Okonjo-Iweala said: "Joining the ITA, on its own, cannot bridge the existing digital gaps, or address power supply problems. However, it can help countries prepare the ground for the digital era."

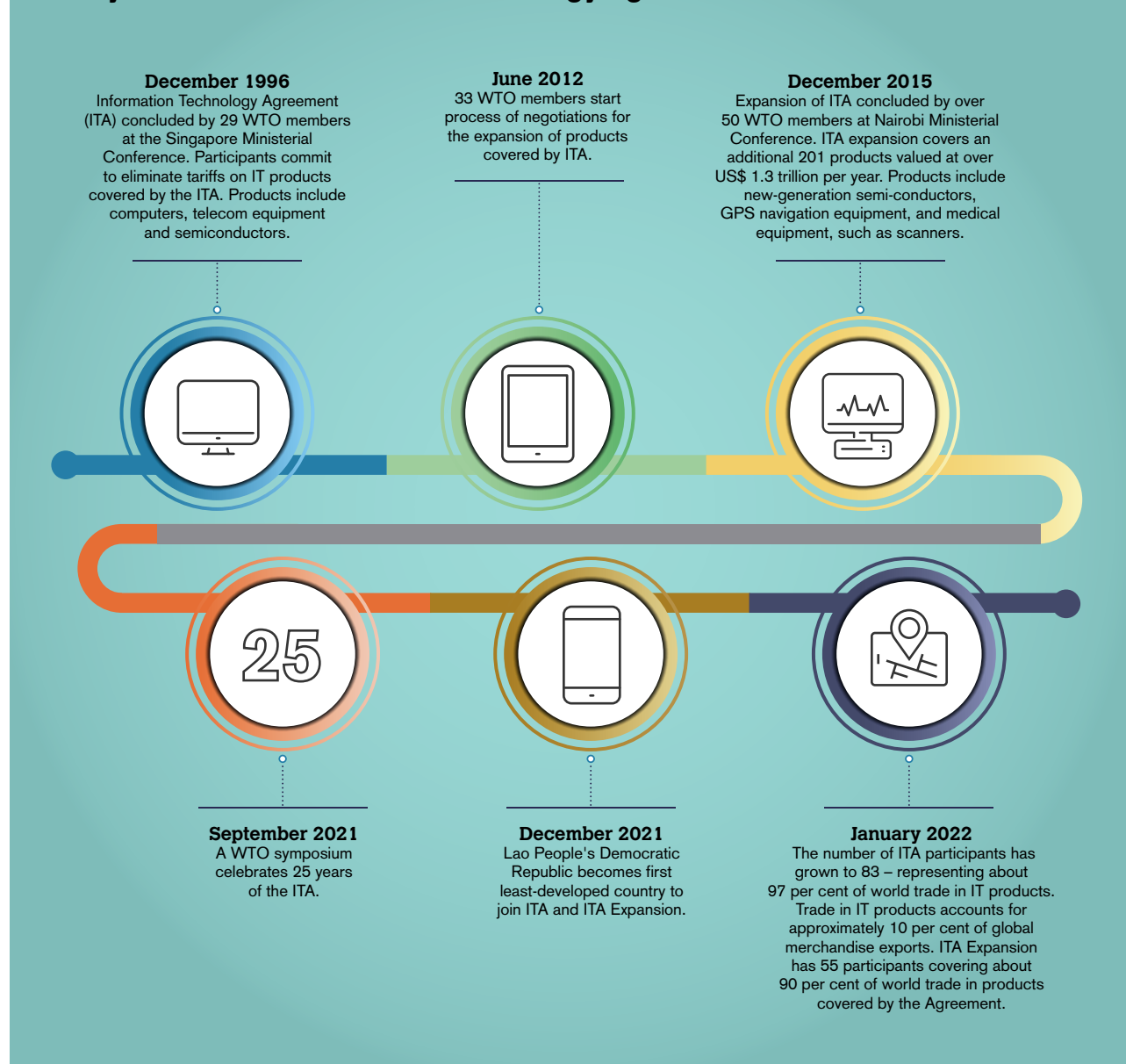
In November 2021, the ITA Committee approved Lao PDR's revised ITA schedule. Lao PDR became the first LDC to join the ITA outside an accession process. With Lao PDR, the number of ITA participants rose to 83, representing about 97 per cent of world trade in IT products.



Background

The ITA requires participants to eliminate duties on IT products on a most-favoured nation basis, meaning that all WTO members benefit from it. The ITA covers a large number of ICT products, including computers, telecommunications equipment and semiconductors. The Committee of Participants on the Expansion of Trade in Information Technology Products oversees the agreement and reviews its implementation. In 2015, over 50 members concluded the expansion of the Agreement, which now covers an additional 201 products valued at over US\$ 1.3 trillion per year.

25 years of the Information Technology Agreement



In 2021, the Committee continued a discussion on the possible HS2007 classification of “Attachment B” products of the 1996 Ministerial Declaration, for which there is no agreed tariff classification.

The Committee continued its discussions on product coverage, non-tariff barriers and improving market access for information technology products. Regarding the electromagnetic compatibility (EMC) and electromagnetic interference (EMI) pilot project, the Committee noted that 10 ITA participants had not provided survey responses and encouraged them to do so as

soon as possible. The survey is an important area of the Committee’s work programme on non-tariff barriers.

Several ITA participants expressed concerns over import duties applied by India, Indonesia and China on certain ICT products which they consider covered by the ITA.

Members of the ITA Expansion Group continued to implement tariff reduction commitments with respect to the 201 IT products covered by the Expansion Agreement reached in 2015. Lao PDR joined the group in November.

State trading enterprises

- › The Working Party on State Trading Enterprises reviewed 20 new and full notifications from 13 WTO members.
- › Compliance with notification obligations remained poor although several members provided missing notifications covering earlier periods.

At its meetings in 2021, the Working Party on State Trading Enterprises (STEs) reviewed 20 new and full notifications from 13 WTO members regarding the activities of their STEs during the most recent notification period or earlier notification periods. Members also asked questions about specific aspects of notifications made at previous meetings.

For the most recent notification period, covering 2018 and 2019, only 43 new and full notifications were received out of a total of 136 WTO members – counting the European Union as one – subject to this obligation. For the notification period covering 2016 and 2017, 53 new and full notifications were received. WTO members were encouraged by the Working Party to continue to work with their respective capitals and the WTO Secretariat to improve their notification record.



43

Compliance with notification obligations remained poor, with only 43 notifications received out of a total of 136 WTO members.

Background

State trading enterprises are defined as governmental or non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges that give them an influence on imports and/or exports of goods. 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.



Trade in civil aircraft

➤ The Committee initiated an exercise to update the product annex of the Agreement on Trade in Civil Aircraft and discussed how to strengthen transparency.

At its one regular meeting in 2021, the Committee agreed to initiate a transposition exercise of the product annex of the Agreement on Trade in Civil Aircraft – that is, to update the annex to reflect the latest amendments to the Harmonized System (HS), the system used to classify traded goods on a common basis: HS2012, HS2017 and HS2022.

The Committee also discussed how to strengthen transparency in light of certain legally complicated situations surrounding the Agreement. It elected Jean-Marie Meraldi (Switzerland) as the new Chair.

Background

The Agreement on Trade in Civil Aircraft is a plurilateral agreement that 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, among other things, eliminating tariffs on goods listed in its product annex. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.



Trade facilitation

- By the end of 2021, 94 per cent of WTO members had ratified the Trade Facilitation Agreement (TFA).
- Members updated the Trade Facilitation Committee on their implementation commitments, technical assistance/capacity-building and other trade facilitation issues, including measures to mitigate the impact of COVID-19.
- Members conducted a mandated first review of the operation and implementation of the TFA.
- The Trade Facilitation Agreement Facility completed seven project-preparation grants to assist developing country members to identify implementation assistance.



Trucks queue at the Kabanga border-crossing station between Burundi and Tanzania.

Background

The Trade Facilitation Agreement (TFA) entered into force in February 2017. It aims to expedite the movement, release and clearance of goods, including goods in transit, and 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 TFA and reviews its implementation.

Work in the Trade Facilitation Committee focused on four main areas: (i) the implementation and administration of the TFA; (ii) experience-sharing/thematic discussions; (iii) responses to the COVID-19 pandemic; and (iv) the TFA's first four-year review.

Members submitted 43 additional implementation notifications, informing the Committee of their commitments with respect to fully implementing the TFA. By the end of 2021, 95 per cent of developing and least-developed countries had provided roadmaps for its implementation. The overall rate of TFA implementation commitments stood at slightly over 70 per cent for the entire WTO membership.

Members presented 32 transparency notifications on matters such as publication of information, "single window" operations (where multiple transactions are carried out at a single point), use of customs brokers and contact points for customs cooperation. Notifications were received on technical assistance and capacity-building. A dedicated session was held on technical assistance, where members discussed

implementation challenges and reviewed progress in the provision of related support.

Members compared notes on their implementation efforts and engaged in thematic discussions on a number of TFA-related matters. The Committee discussed the impact of COVID-19 and members' responses to it. The WTO Secretariat was asked to compile all related contributions.

The Committee devoted considerable time to a first review of the operation and implementation of the TFA, which needed to be conducted four years from its entry into force, and periodically thereafter. DG Okonjo-Iweala congratulated members on the review's successful conclusion. "The constructive and cooperative Committee spirit that kicked in as members navigated their way through a first such exercise is clearly reflected in this significant outcome," she said.

TFA Facility

In 2021, members commenced a review of the governance and operations of the Trade Facilitation Agreement Facility (TFAF) and of its relationship with the Committee. The review will continue in 2022. The TFAF aims to help developing countries implement the TFA.

At the request of one member, TFAF technical assistance activities were halted in 2021, pending the result of the review. However, in October, members agreed that member-requested technical assistance activities should resume. New transparency procedures on these activity requests were implemented through the TFAF website.

The TFAF worked with external consultants to complete seven project-preparation grants for members unable to identify assistance elsewhere for their TFA commitments. The status of TFAF grants awarded can be followed online.

The TFAF website was upgraded, with the new platform providing new features and enhancing the user experience. The website provides TFA resources, case studies, ratification and notification updates, news, contact points, information on finding implementation support, and coordination of technical assistance efforts.

Trade in services

- › WTO members organized a webinar on the participation of least-developed countries (LDCs) in services trade and the operation of the LDC services waiver.
- › The Council's e-commerce discussions focused mainly on members' initiatives to improve digital capabilities.
- › The Council received 21 notifications of new or revised measures that significantly affect trade in services, down from 36 in 2020.

Background

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.

Services waiver

In June, the Council organized a webinar to discuss implementation of the services waiver allowing more favourable treatment for services and suppliers from LDCs. It brought together LDC service suppliers and consumers of LDC services in preference-granting members and illustrated the opportunities and challenges of LDC suppliers' participation in global services trade. It also highlighted the significant gaps in LDC services trade data.



After COVID-19, restoring and increasing the export performance of LDCs in services takes on even greater urgency.

DG Okonjo-Iweala

Chad's Minister of Trade and Industry, Ali Djadda Kampard, noted that LDCs have been disproportionately affected by the COVID-19 crisis. The minister called for a holistic approach to identify the challenges and barriers that LDC service providers face. DG Okonjo-Iweala warned that after COVID-19, "restoring and increasing the export performance of LDCs in services takes on even greater urgency".

The Council is under instructions from trade ministers "to review and promote the operationalization of the waiver", which ministers approved in 2011. In October, the LDC Group informed the Council that LDC trade ministers had adopted a declaration for the 12th Ministerial Conference (MC12) with a number of items related to the waiver.

Following the United Kingdom's departure from the European Union, the Council took note of the United Kingdom's independent notification of preferences under the waiver. The United Kingdom's preferences had previously been extended as part of the European Union's notification. In total, the WTO has received 25 notifications of preferential treatment for LDC services and service suppliers from 51 members (counting EU members as one).

E-commerce

The work programme on e-commerce occupied the Council throughout the year. A 2020 communication by a dozen WTO members calling for discussions on how to support digital capabilities continued to generate substantive engagement, with some delegations presenting information about their own initiatives in this area.

While they welcomed the exchange of information, a couple of members called for the Council to strengthen multilateral discussions under the work programme, including on the scope of a moratorium on customs duties on electronic transmissions, and to focus on the challenges faced by developing countries in the digital sphere.



Other issues

Japan and the United States reiterated concerns about cybersecurity measures of both China and Viet Nam. China expressed concerns about Australian 5G measures, US and Indian measures on certain mobile apps, and Indian measures on investment approval.

The United States raised concerns about Russian measures regarding the allocation of radio frequency bands for foreign satellite operators, the pre-installation of software and certain tax benefits for domestic IT companies, and about the localization of customer services in Saudi Arabia. Some of the concerns expressed were echoed by other members.

The Council received 21 notifications of new or revised measures that significantly affect trade in services where the notifying members have commitments. Twenty-seven other notifications dealt with economic integration agreements covering services trade and another two concerned recognition measures in services sectors.

Specific commitments

The Committee on Specific Commitments continued to examine conditional commitments in General Agreement on Trade in Services schedules, whose entry into force, implementation or updating is conditional on the adoption of new legislation or the review of pre-existing regimes. The objective of the exercise is to improve the transparency and legal certainty of members' specific commitments.

Based on a factual compilation of conditional commitments prepared by the WTO Secretariat, a number of members provided updates on their conditional commitments. One member submitted a request for certification of improvements of its existing commitments as a result of the implementation of conditional commitments.

The Council received 21 notifications of new or revised measures that significantly affect trade in services where the notifying members have commitments.



Trade-related aspects of intellectual property rights (TRIPS)

- **Antigua and Barbuda deposited its instrument accepting the amendment to the TRIPS Agreement. The United Kingdom confirmed its continued acceptance.**
- **Fifteen members notified the TRIPS Council of new or revised IP legislation. To date, 139 WTO members have notified their TRIPS implementing legislation.**
- **The Council discussed IP measures members have taken in response to the COVID-19 pandemic and considered the proposals submitted by members on access to vaccines, therapeutics and diagnostics.**

Background

The intellectual property system has become central to the 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 also open 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

Antigua and Barbuda deposited its instrument accepting the protocol amending the TRIPS Agreement. Following its exit from the European Union, the United Kingdom confirmed its continued acceptance. The amendment, the first to a multilateral WTO agreement, makes a special compulsory licensing system an integral part of the TRIPS Agreement and gives developing countries and least-developed countries (LDCs) an additional, secure legal avenue to procure affordable medicines from third-country sources.

To date, 133 members have accepted the protocol. The remaining members continue to benefit from a 2003 waiver decision that first established the mechanism. They have until 31 December 2023 to accept the amendment.

TRIPS and public health continued to be addressed in various technical cooperation activities organized by the WTO Secretariat as part of cooperation with the WHO and the World Intellectual Property Organization (WIPO), and with other multilateral and regional partners. The WTO and the Economic Community of West African States (ECOWAS) Commission jointly organized a three-day virtual workshop on health, intellectual property (IP) and trade policymaking in March 2021 in collaboration with WHO and WIPO.

The WTO Secretariat organized a six-week virtual course on “Trade and Public Health with a Special Focus on the COVID-19 Pandemic”, again in close collaboration with the WHO and WIPO secretariats, in June and July.

A WHO-WIPO-WTO workshop on “Innovation in and Access to COVID-19 Technologies: Intellectual Property Licensing, Technology Transfer, and Sharing of Know-how and Clinical Trial Information” took place in September. It aimed at strengthening the

capacity of policymakers and experts from WHO, WIPO and WTO members to address the COVID-19 pandemic.

In October, the TRIPS Council undertook its annual review of the operation of the special compulsory licensing system and reported to the General Council.

COVID-19

The TRIPS Council discussed IP-related measures members have taken in the context of the COVID-19 pandemic, based on “COVID-19: Measures Regarding Trade-Related Intellectual Property Rights”, a compilation maintained by the Secretariat on the WTO website.

The Council discussed, formally and informally, throughout the year, a revised proposal submitted by South Africa and India in 2020 calling for a waiver for all members of certain provisions of the TRIPS Agreement in relation to the “prevention, containment or treatment” of COVID-19. According to proponents, the objective is to avoid barriers to the timely access to affordable medical products, including vaccines and medicines, and to the scaling-up of manufacturing and supply of essential medical products (see page 62).

It also debated a proposal by the European Union, presented in June, advocating the limiting of export restrictions on COVID-19 vaccines and therapeutics, supporting the expansion of their production and facilitating the use of current compulsory licensing provisions in the TRIPS Agreement.

The TRIPS Council reported to the General Council that members had not reached consensus on the proposals, but it highlighted the shared objective of providing access to high-quality, safe, efficacious and affordable COVID-19 vaccines and medicines for all.

Promoting transparency

In March 2021, the WTO Secretariat issued the first Annual Report on Notifications and Other Information Flows, which among other content, explains TRIPS Agreement-related transparency mechanisms and notification trends.



During 2021, 15 WTO members notified the TRIPS Council of new or updated IP legislation. To date, 139 WTO members have notified their TRIPS implementing legislation. Several members provided further background on their respective notified legislation.

Additionally, 112 members have provided responses to a checklist notifying the essential elements of their systems for enforcement of IP rights and 147 have notified contact points for cooperating with each other on eliminating trade in IP-infringing goods. Members' notifications constitute an important source of information and transparency.

In May 2021, Bolivia notified the WTO that it needed to import 15 million doses of COVID-19 vaccines under Article 31bis of the TRIPS Agreement, which gives import-reliant countries access to affordable medicines, vaccines and other pharmaceutical products. Antigua and Barbuda also notified the WTO that it would be using the same special compulsory licensing system.

In July, the European Union submitted a request to China for information, under Article 63.3 of the TRIPS Agreement, regarding a number of judicial decisions and regulations relating to patents.

The Council was briefed on TRIPS-related measures covered in the DG's G20 and WTO-wide trade monitoring reports (see page 130) and on IP policy matters raised during trade policy reviews, including evolution of copyright, trademark, geographical indications (GIs) and patent regimes, enforcement online and at the border and international cooperation on IP.

The e-TRIPS gateway and the online submission system for WTO members are streamlining the submission and management of notifications and other transparency materials and providing user-friendly access to all TRIPS-related materials.

Extension of the transition period for LDCs

In June, the Council agreed to extend the transition period for LDC members to apply provisions of the TRIPS Agreement until 1 July 2034 or whenever a member ceases to be an LDC, whichever date is earlier.

Incentives for technology transfer

In March 2021, the Council concluded its 18th annual review of reports provided by developed countries on incentives granted to promote and encourage the transfer of technology to LDCs. Experts who attended a virtual workshop dedicated to the implementation of the provisions, held immediately prior to the March meeting, contributed to discussions. The Council started its 19th annual review in October.

TRIPS non-violation and situation complaints

The TRIPS Council continued its discussion of the application of so-called non-violation and situation complaints. This relates to the question whether members can bring disputes where an expected benefit from the TRIPS Agreement has been nullified, even if there is no specific violation. In November, the Council agreed to recommend to the 12th Ministerial Conference that the current moratorium on such complaints be further extended until the following ministerial conference.

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.

WTO members reiterated their positions on whether the TRIPS Agreement should be amended to prohibit the patentability of life forms and whether – and, if so, how – it 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 members' jurisdictions.

Technical cooperation and capacity-building

In March 2021, the Council concluded an annual review of technical cooperation and capacity building. In June, developed country members, intergovernmental organizations that have observer status and the WTO Secretariat were invited to supply updated information on their activities. The TRIPS Council began the 2021-22 annual review in October.

A series of TRIPS@25 webinars, which began in November 2020 to mark the 25th anniversary of the TRIPS Agreement, brought together experts to discuss the economics of intellectual property, biotechnology and biodiversity, traditional knowledge and TRIPS and competition.

IP and innovation

The Council continued its information exchange on IP and innovation, focusing on making micro, small and medium enterprises (MSMEs) more competitive in green technologies, women and intellectual property, and intellectual property for investment, financing and funding. Members shared their experiences and domestic policies in these areas.

In September, the WTO and WIPO launched a book entitled "Competition Policy and Intellectual Property in Today's Global Economy" looking at the positive linkage between IP and competition. With the WHO, the two organizations also updated their "Integrated health, trade and IP approach to respond to the COVID-19 pandemic" on health systems and responses at the global level.

Trade and environment

- **The Committee on Trade and Environment discussed a variety of topics, such as fossil fuel subsidies reform, a circular economy, plastics, climate change, sustainability and carbon border adjustment mechanisms.**
- **Many WTO members reiterated their strong support for the work of the Committee on addressing environmental issues and as a forum for discussion and experience-sharing.**
- **Several members briefed the Committee on their national efforts to combat plastics pollution and support sustainable trade.**
- **Trade can and must contribute to a comprehensive climate action agenda, DG Okonjo-Iweala said at COP26.**

Discussions and briefings took place at every Committee meeting on three member-led trade and environment initiatives – the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (IDP), the Trade and Environmental Sustainability Structured Discussions (TESSD) and the Fossil Fuel Subsidy Reform (FFSR). Co-convenors of these initiatives informed the Committee on their preparations for ministerial statements.

Several members briefed the Committee on their national efforts to combat plastics pollution. The Central African Republic outlined national policies that include a ban on non-biodegradable plastics and packaging. The Maldives presented its efforts to phase out single-use plastics by 2023. Norway informed members of its strategy for a green, circular economy and its revised strategy on plastics. The Kingdom of Saudi Arabia outlined its circular carbon economy framework while Morocco described its national strategy for a plastic-free coastline.

The Committee on Trade and Environment (CTE) discussed topics such as fossil fuel subsidies reform, the circular economy, which emphasizes reusing and recycling materials, plastics pollution, climate change, sustainability and carbon border adjustment mechanisms.

Background

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.





Trade can and must contribute to a comprehensive climate action agenda.

DG Okonjo-Iweala

At every meeting in 2021, the European Union briefed WTO members on aspects of the European Green Deal, which aims at net zero greenhouse-gas emissions by 2050. In March, it introduced its “Open, Sustainable and Assertive Trade Policy”, which it says has sustainability at its heart. It referred again to its carbon border adjustment mechanism, which seeks to address the risk of “carbon leakage,” where companies shift production to countries with lower carbon costs. Delegations stressed the importance of ensuring that the measures do not constitute a disguised restriction to international trade.

At its June meeting, members considered a joint presentation from Argentina, Brazil, Chile, Paraguay and Uruguay on sustainable food production. Paraguay said it is vital to respond to the challenges of climate change by improving the resilience of food production systems and global food security. The Maldives updated the Committee on sustainable fisheries. It suggested basing import tariffs on the fishing methods and their impact on the marine environment rather than the country’s development status, which is the current practice. Canada provided an update on trade and the circular economy.

MC12 preparation

The Chair, Ambassador Manuel A.J. Teehankee (Philippines), updated the Committee on his consultations on potential input to a ministerial declaration at the 12th Ministerial Conference (MC12). At a meeting in October, many delegations reiterated their strong support for the significant work of the Committee in the nexus of trade and environment and its role as a forum for discussion and experience-sharing.

Many members expressed their support for a general reference in an outcome document



of MC12 to trade and environment work, climate change, environmental sustainability and the work of the Committee in addressing environmental issues with an impact on trade.

Climate change and trade

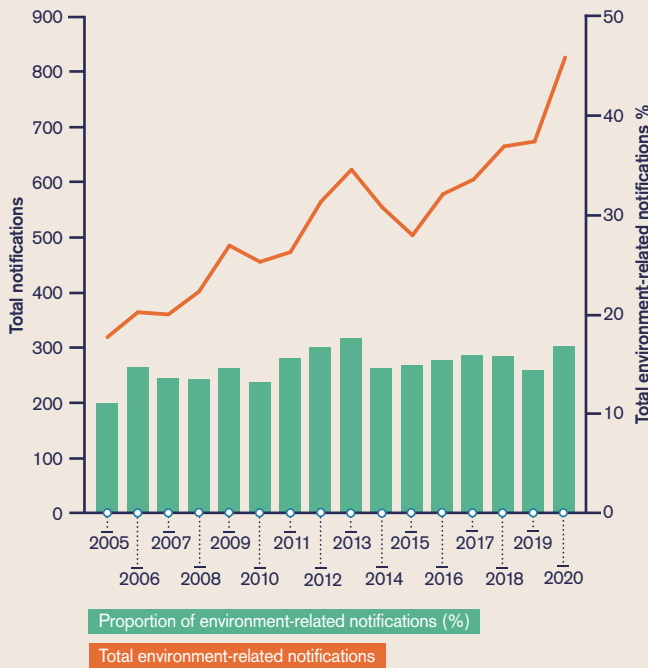
Trade can and must contribute to a comprehensive climate action agenda, DG Okonjo-Iweala declared in her engagements with world leaders and stakeholders at the COP26 UN climate change conference held in Glasgow, Scotland, in November.

The United Kingdom and the UN Framework Convention on Climate Change provided regular updates on preparations for COP26. The United Kingdom also informed members about the Forest, Agriculture and Commodity Trade Dialogue, a roadmap of actions launched during its COP26 presidency to protect forests and other vital ecosystems while promoting sustainable supply chains, trade and development.

Some members shared their experiences of climate change mitigation strategies: Switzerland on its commitment to net zero emissions by 2050; Maldives on its policies to promote the trade of energy-efficient products and environment-friendly products; and Pakistan on the experience of a tyre and footwear manufacturing and exporting company which transitioned into a more sustainable business by tapping solar power.

DG Okonjo-Iweala highlights trade’s role in ambitious and just climate action at the United Nations Climate Change Conference of the Parties (COP26) in Glasgow, Scotland.

Figure 13: Environment-related notifications, 2005 to 2020



New Zealand updated the Committee on negotiations under the proposed Agreement on Climate Change, Trade and Sustainability (ACCTS), launched by Costa Rica, Fiji, Iceland, New Zealand, Norway and Switzerland. The ACCTS would cover the removal of tariffs on environmental goods, new and binding commitments for environmental services, disciplines to eliminate harmful fossil fuel subsidies and voluntary eco-labelling programmes.

Deputy Director-General Angela Ellard highlighted the role of international trade and the WTO in helping combat climate change. Speaking on behalf of the DG at a “Global Leaders for Climate Action” event, hosted by the International Chamber of Commerce UK in October, she noted that while the WTO is not the place to establish global climate policy goals, it plays an important role because its rules govern taxes, tariffs, subsidies, regulatory measures and other instruments



827

Notifications rose to 827 in 2020, from 311 in 2005.

that are relevant for implementing climate policies. Also in October, a Trade Dialogues event looked at the role of trade in supporting climate action (see page 170).

Environmental database and new publications

The WTO Secretariat briefed members on the latest information in the environmental database, which covers all environment-related notifications (see Figure 13) and environmental measures and policies mentioned in trade policy reviews. Notifications rose to 827 in 2020 from 311 in 2005, a sign of greater transparency.

The WTO Secretariat published five information briefs on trade, climate and related issues in support of efforts to harness trade policy as part of the solution for effective and just climate action. They ranged from climate change-related provisions in regional trade agreements to trade resilience amid natural disasters and carbon emissions associated with international trade.

The WTO and the International Renewable Energy Agency launched a new publication highlighting the need for open trade policies and harmonized product standards to support the deployment of solar photovoltaic technologies. By assisting an expansion in solar energy, trade can contribute to environmental goals and support economic recovery in the aftermath of the COVID-19 crisis, the publication states.

Outreach and training activities

On the margins of Committee meetings, several side events were organized, including a high-level panel discussion on “Trade, the Environment and Sustainability: A Focus on Green Recovery in a COVID-19 Era” co-hosted by Barbados and the Maldives in March 2021. An event in partnership with the United Nations Economic and Social Commission for Asia and the Pacific and New Zealand saw the launch of the Asia-Pacific Trade and Investment Report 2021. In addition, the WTO Secretariat presented the new WTO e-learning course on trade and the circular economy.

Trade and transfer of technology

- › The Working Group continued examining the relationship between trade and technology transfer through experience-sharing.
- › Least-developed countries (LDCs) called for increased information-sharing and for advancing work on steps to increase technology flows to developing countries.
- › Some members proposed a workshop to explore technological barriers which members have faced during the COVID-19 pandemic.

Background

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”.



The Working Group on Trade and Transfer of Technology continued its examination of the relationship between trade and transfer of technology and possible recommendations that might be made within the mandate of the WTO to increase flows of technology to developing countries.

A chip processing factory in Ho Chi Minh City, Viet Nam.

At the October meeting, some members called for reinvigorating the work of the Group, including through the organization of a workshop on transfer of technology, specifically to explore technological barriers which members had been facing during the COVID-19 pandemic.

Japan presented a project conducted since 2006 in Vanuatu to promote community-based coastal resource management. The presentation focused on the management approach, instruments and tools developed for the project. Members appreciated the presentation as it provided concrete experience with views from the field.

Viet Nam described policy actions it had taken to match buyers and sellers of technology, which revolved around four pillars: an enabling legal framework, improved understanding of the demand side, widening the supply side, and supporting intermediaries.

The LDC Group stressed the critical role technology plays in development and called for increased information-sharing between members and for advancing work on recommendations of steps to increase flows of technology to developing countries.

Regional trade agreements

- › The Committee on Regional Trade Agreements held a landmark 100th session on 21 June 2001 at which its work was praised by DG Okonjo-Iweala.
- › The WTO received 32 notifications of regional trade agreements (RTAs) currently in force, compared with 59 in 2020. Of these notifications, 14 involved the United Kingdom.
- › The 32 notifications concern 21 RTAs, of which nine involve the United Kingdom.
- › Over 215 RTAs (including accessions to existing RTAs) were reviewed by WTO members under the transparency mechanism for RTAs, involving 133 members.

Background

The Committee on Regional Trade Agreements (CRTA) monitors all 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 considers RTAs individually and considers the systemic implications of RTAs for the multilateral trading system.

Committee holds landmark 100th session

The Committee on Regional Trade Agreements held a landmark 100th session on 21 June at which its work was praised by DG Okonjo-Iweala as especially valuable at a time when trading relationships are becoming more complex under new RTAs.

“There has always been a close relationship between RTAs and the multilateral trading system,” she said. “The work done by the Committee helps us understand how this relationship is evolving and is a regular reminder of how important it is for RTAs and the multilateral trading system to work towards the same goals,” she added.

Notifications

WTO members submitted 32 notifications of RTAs, which are reciprocal preferential trade agreements between two or more partners. Fourteen of the notifications involved the United Kingdom, which left the European

Dover port terminal, United Kingdom.



Union in 2020. The 32 notifications, compared with 59 in 2020 (45 involving the United Kingdom), concern 21 RTAs, of which nine cover trade in goods only and 12 cover trade in goods and services.

Ten of the RTAs are between developing and developed partners while eight are between developing partners and three involve developed partners only. The European Union was involved in the highest number of RTAs (13), followed by the Asia Pacific region (seven), Africa (six), the Americas (three), the Middle East (two) and the Commonwealth of Independent States (one). Eleven of the agreements covered members from two different regions. Total RTA notifications stood at 790 on 31 December 2021, of which 572 concern RTAs in force (see Figure 14).

The goods and services aspects of RTAs and accessions to existing RTAs are notified and counted separately. If all three elements are counted together, the

notifications involved 551 individual RTAs, of which 353 were in force.

The number of RTAs not notified rose by two to 56 compared to November 2020. The WTO Secretariat issues a list of RTAs in force but not notified before each meeting of the Committee.

Monitoring RTAs

All RTAs are subject to the WTO's transparency mechanism for RTAs, which entered into force in December 2006. 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 for each RTA to be reviewed by WTO members.

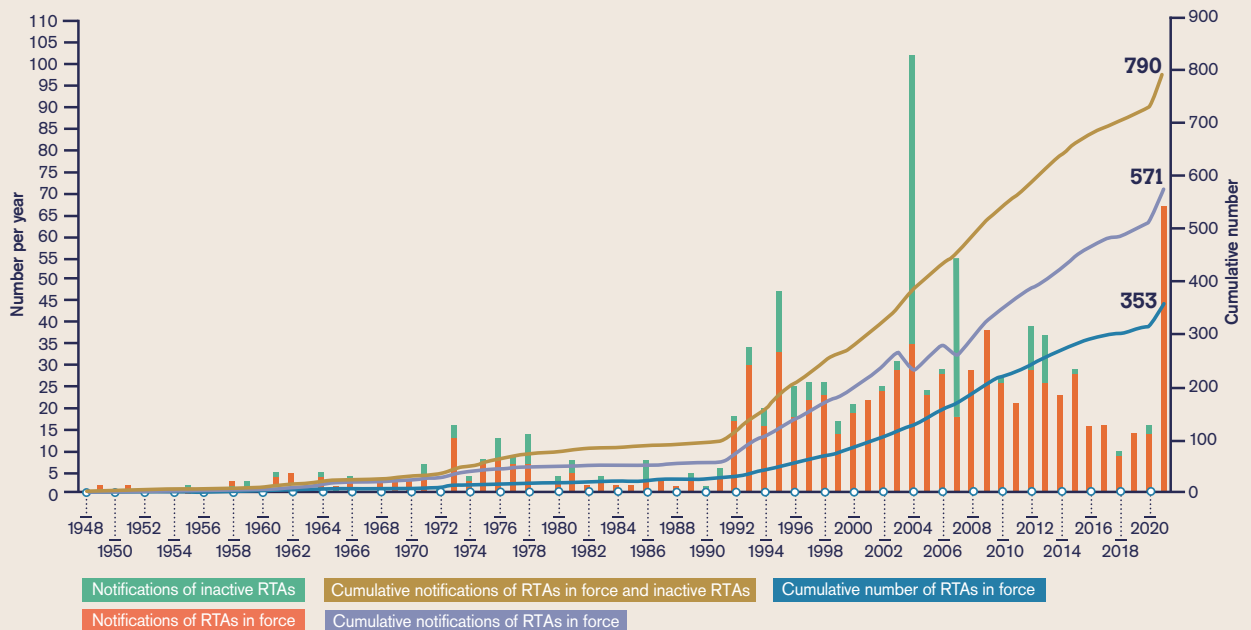
By the end of 2021, over 215 RTAs currently in force (including accessions to RTAs), involving 133 WTO members, had been reviewed.



32

WTO members submitted 32 notifications of RTAs. Fourteen of these involved the United Kingdom.

Figure 14: RTAs notified to the GATT/WTO (1948 to 2021) by year of entry into force



Note: For notifications, goods, services and accessions to an RTA are counted separately. The cumulative lines show the number of RTAs/notifications in force for a given year. The notifications of RTAs in force are shown by year of entry into force and the notifications of inactive RTAs are shown by the year they became inactive.

RTAs notified under the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade in Services (GATS) are considered by the Committee on Regional Trade Agreements (CRTA) while RTAs notified under the Enabling Clause (see page 148) are considered by the Committee on Trade and Development (CTD), based on the WTO Secretariat's factual presentation (see Table 3).

Under the transparency mechanism, WTO members are encouraged to inform the Secretariat of any agreements being negotiated or that have been signed but have not entered 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.

In 2021, the CRTA considered 12 notifications of RTAs, counting goods, services and accessions separately, compared with 17 in 2020 and 20 in 2019. The CTD considered six RTAs. In 2021, no early announcements were received from members.

Under the transparency mechanism, the CRTA also discusses end-of-implementation reports for RTAs, which are short written reports on how the liberalization commitments have been put into effect. They are important for understanding whether RTAs accomplish what they set out to do. No such report was received during the year. Chair Cleopa Kilonzo Mailu (Kenya) noted that reports had been due for 156 RTAs as of 8 February 2021, up from 145 the year before.

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. At the 10th Ministerial Conference in Nairobi in December 2015, ministers called on WTO members to work towards making the mechanism permanent.

Table 3: RTAs (including accessions to existing RTAs) considered in 2021

Considered in the CRTA
European Union – Singapore (goods and services)
Peru – Australia (goods and services)
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (goods and services)
European Union – Viet Nam (goods and services)
Indonesia – Australia (goods and services)
United States – Mexico – Canada (USMCA/CUSMA/T-MEC) (goods and services)
Considered in the CTD
India – Nepal (goods)
Mexico – Paraguay (goods)
Mexico – Brazil (goods)
Indonesia – Pakistan (goods)
El Salvador – Cuba (goods)
Mexico – Ecuador (goods)

Note: The table refers to 12 agreements, six of which covered goods and services and six covered only goods.

Further information on these agreements may be found in the WTO Database on RTAs: <http://rtais.wto.org>.



Trade Policy Reviews

- In 2021, the Trade Policy Review Body reviewed the trade policies of 18 WTO members. Three reviews were rescheduled for 2022-23 because of COVID-19.
- In 2022, 23 members are scheduled for review, including one deferred from 2021.

The Trade Policy Review Body (TPRB) reviewed the trade policies of 18 members, including Tajikistan for the first time (see Table 4). Most of the reviews were held virtually or in hybrid format.

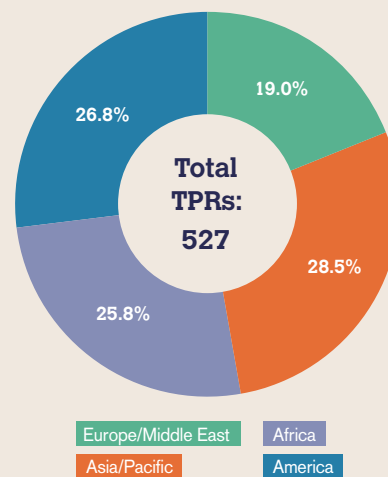
The TPRB rescheduled a review of one member for 2022 on account of the pandemic. Two further reviews – covering WTO members in the Economic Community of Central African States (CEMAC) and in the Organisation of Eastern Caribbean States (OECS) – were rescheduled for 2022-23 for the same reason. The TPRB has conducted 527 reviews since 1989, with a balanced regional representation (see Figure 15).

The COVID-19 pandemic was a common theme across all TPRs. Most members suffered an economic downturn and responded with a variety of protective measures, including fiscal and monetary stimuli, border measures and prohibitions but also with trade-opening measures, such as lower customs duties. Many members commented that such measures were often prudent but they should avoid creating unnecessary barriers to trade or disrupting

Background

The Trade Policy Review Mechanism enhances the transparency of WTO members' trade policies and practices, with the aim of improving members' adherence to WTO rules and the functioning of the multilateral trading system. 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. Reviews are not intended to serve as a basis for the enforcement of obligations or for dispute settlement procedures.

Figure 15: Trade policy reviews, by region, 1989 to 2021





global supply chains. Those members reliant on the travel and tourism sector, often small island economies, were particularly negatively impacted by the pandemic.

Many members were commended for taking an active role in the various joint statement initiatives (see page 66). Another common theme in the TPRs was the issue of women and trade, participation in the Buenos Aires Declaration on Women's Economic Empowerment and the Informal Working Group on Trade and Gender (see page 74).

The TPR of China, on the 20th anniversary of its accession, attracted high interest, with 65 members taking the floor and more than 1,600 questions posed ahead of the meeting. Members praised China's active participation in the WTO and noted that it had benefited enormously from it. Some questioned whether China was assuming the responsibilities commensurate with its weight in global trade.

Programme for 2022

In 2022, 23 WTO members are scheduled for review, including one deferred from 2021. They are: Barbados; Brazil; Djibouti; Dominican Republic; Georgia; Ghana; Guyana; Kazakhstan; Mexico; Republic of Moldova; New Zealand; Pakistan; Panama; Seychelles; United Arab Emirates; the United States; Switzerland and Liechtenstein (grouped); and Botswana, Eswatini, Lesotho, Namibia, and South Africa (grouped as members of the Southern African Customs Union (SACU)).

Cotton production in Tajikistan. A Trade Policy Review of Tajikistan was conducted for the first time in 2021.

The COVID-19 pandemic was a common theme across all TPRs. Most members suffered an economic downturn and responded with a variety of protective measures.

Table 4: Key issues raised in TPRs of 2021

Member	Key issues
Argentina	Strong agricultural sector, fiscal situation, export taxes, trade facilitation, exchange restrictions, import licensing, tariffs exceeding the bound rate, transparency, competition and price controls, micro, small and medium-sized enterprise (MSMEs), government procurement, intellectual property rights (IPRs)
Bahrain, Kingdom of	Diversification of the economy, investment, notifications, regional integration, customs procedures, business requirements, government procurement, competition
China	Trade liberalization, trade facilitation, investment environment, support to developing and least-developed countries (LDCs), transparency of state measures, support to state-owned enterprises (SOEs), clean energy, sanitary and phytosanitary (SPS) standards, IPR protections, fisheries, discriminatory measures
India	Transparency in regulations, business and investment environment, trade facilitation, tariff rates, trade remedies, goods and service tax, SPS regulations, government procurement and local preferences, government intervention in services, services sector
Republic of Korea	Economic resilience, digital trade, regulatory matters, relatively high and complex tariffs, trade facilitation, market access for agricultural products, services liberalization, energy, Korean New Deal
Kyrgyz Republic	High reliance on mining sector and remittances, accession to Eurasian Economic Union, market access, customs valuation, foreign investment regime, business environment reforms, IPR, notifications
Mauritius	Diversification towards services economy, trade openness, regional trade agreements, state participation in economic activities, strengthening of IP regime, agriculture and fisheries policies, trade facilitation measures
Mongolia	Economy and trade concentrated in a few sectors and markets, regional trade agreements, improvements in investment regime, trade facilitation, SPS standards, strengthening good governance
Myanmar	Significant reforms undertaken but concerns about political developments, integration with ASEAN and regional initiatives, investment regime, trade facilitation, import licensing, competition law
Nicaragua	Solid economic growth before the pandemic, regional cooperation, trade policy largely unchanged, regulatory reforms and institutional framework, foreign direct investment reforms
Oman	Diversification of the economy, digital transformation, foreign investment improvements, incentives for agriculture, IPR protection, regional integration
Qatar	Resilient economic performance, numerous reforms in institutional and regulatory framework, eGovernment, opening of foreign investment, Qatar National Vision 2030, notifications
Russian Federation	Policy reforms in several trade areas, simplifying the tariff structure, support for developing countries, procurement including local content requirements, improvements to the business and investment climate, transparency of SOEs, technical barriers to trade, SPS, export restrictions
Kingdom of Saudi Arabia	Leadership at G-20 and WTO reforms, comprehensive reforms, diversification of the economy, localization requirements, IP enforcement, government procurement, notifications
Singapore	Positive economic performance, open markets, commitment to the WTO and participation in joint statements, increase in tariff bindings, tax and non-tax incentives, role of services in the economy, changes in IP regime
Tajikistan	Efforts to minimize the negative impacts of the pandemic, high dependency on commodity exports and remittances, reform initiatives for businesses, National Development Strategy, SOE market dominance
Tonga	Highly vulnerable natural hazards and effects of climate change, tax reform, finance management, investment climate, transparency, customs clearance
Viet Nam	Global value chains and business environment, structural reform, notifications, robust manufacturing sector, information and communication technologies, SOEs, public procurement, IP, e-government, customs modernization, harmonization of standards.

Trade monitoring reports

- WTO members showed restraint in the imposition of new trade-restrictive measures related to COVID-19 and continued to roll back restrictions adopted earlier in the pandemic, according to the latest WTO Trade Monitoring Report on trade-related developments covering mid-October 2020 to mid-October 2021.
- As at mid-October 2021, 205 COVID-19 related trade-facilitating measures on goods, with an estimated trade coverage of US\$ 112 billion, were still in force, compared to 56 trade-restrictive measures, with an estimated trade coverage of US\$ 92 billion.
- Many economic support programmes implemented by WTO members to alleviate the economic and social disruption caused by COVID-19 have been phased out or adjusted to take into account new circumstances and to prepare for the post-pandemic recovery.
- Fewer non-COVID-19 trade restrictions were introduced during the review period, but the stockpile of existing restrictions remained large.



The monitoring report makes clear that the multilateral trading system has been, and continues to be, an important factor in our response to the pandemic.

DG Okonjo-Iweala

Since the outbreak of the pandemic, 399 COVID-19 trade and trade-related measures in goods had been implemented by WTO members and observers by mid-October 2021. Of these measures, 262 (66 per cent) were trade-facilitating and 137 (34 per cent) could be considered trade-restrictive (see Figure 16), according to the latest WTO Trade Monitoring Report released in November.

“The monitoring report makes clear that the multilateral trading system has been, and continues to be, an important factor in our response to the pandemic,” DG Ngozi Okonjo-Iweala said.

Export restrictions accounted for 85 per cent of all restrictive measures recorded, of which 59 per cent had been repealed by mid-October 2021. Hence, 56 trade restrictions remained in place, and of these, 45 restricted exports. “I urge members to roll back these restrictions as soon as possible as they may be hampering the COVID-19 response, including vaccine production and deployment,” the DG said.

Background

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 crisis, the trade monitoring exercise has become a regular function in the WTO. It further strengthens the transparency aims of the Trade Policy Review Mechanism by shedding light on the latest trends in the implementation of policy measures that facilitate as well as restrict the flow of trade. The trade monitoring is overseen by the Trade Policy Review Body.

Around 22 per cent of COVID-19 trade-facilitating measures have been terminated. The trade coverage of the 205 COVID-19 trade-facilitating measures still in place was estimated by the WTO Secretariat at US\$ 112.1 billion while the coverage of the trade-restrictive measures stood at US\$ 92.3 billion (see Figure 17).

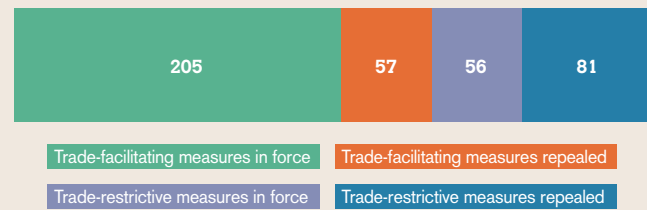
A limited number of new COVID-19 trade and trade-related measures on goods were recorded in the period for WTO members. Most of the measures consisted of extensions of existing measures implemented in the early stages of the pandemic or the termination of some. Similarly, the flow of new COVID-19-related support measures by WTO members and observers to mitigate the social and economic impacts caused by the pandemic has decreased.

Services sectors were heavily impacted by the pandemic and 138 (90 per cent) of the 153 reported COVID-19-related measures affecting trade in services put in place were still in force as of mid-October 2021. During the review period, 29 new COVID-19-related services measures were recorded by the WTO Secretariat.

With respect to non-COVID-19-related trade measures, 124 new trade-facilitating and 103 trade-restrictive measures on goods were recorded. The trade coverage of the import-facilitating measures introduced during the review period was estimated by the Secretariat at US\$ 481.6 billion, down sharply from US\$ 731.3 billion the previous year. The reduction or elimination of import tariffs make up the bulk of trade-facilitating measures.

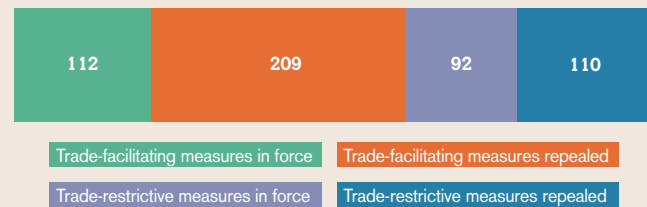
The trade coverage of import-restrictive measures tumbled to US\$ 105.9 billion (see Figure 18), from US\$ 440.9 billion in 2020. Restrictive measures mostly included tariff increases, stricter customs procedures, quantitative restrictions and bans.

Figure 16: COVID-19 trade and trade-related measures on goods, by mid-October 2021 (by number)



Note: Values are rounded.

Figure 17: Trade coverage of COVID-19 trade and trade-related measures on goods, by mid-October 2021 (US\$ billion)



Note: Values are rounded.

Although the trade coverage of new import restrictions is relatively low (see Figure 18), the stockpile of import restrictions implemented since 2009, and which are still in force, was estimated at US\$ 1.5 trillion, representing some 8.7 per cent of world imports as at mid-October 2021.



1.5

The stockpile of import restrictions implemented since 2009 and still in force totals US\$ 1.5 trillion.

The trade coverage of import-restrictive measures tumbled to US\$ 105.9 billion, from US\$ 440.9 billion in 2020.

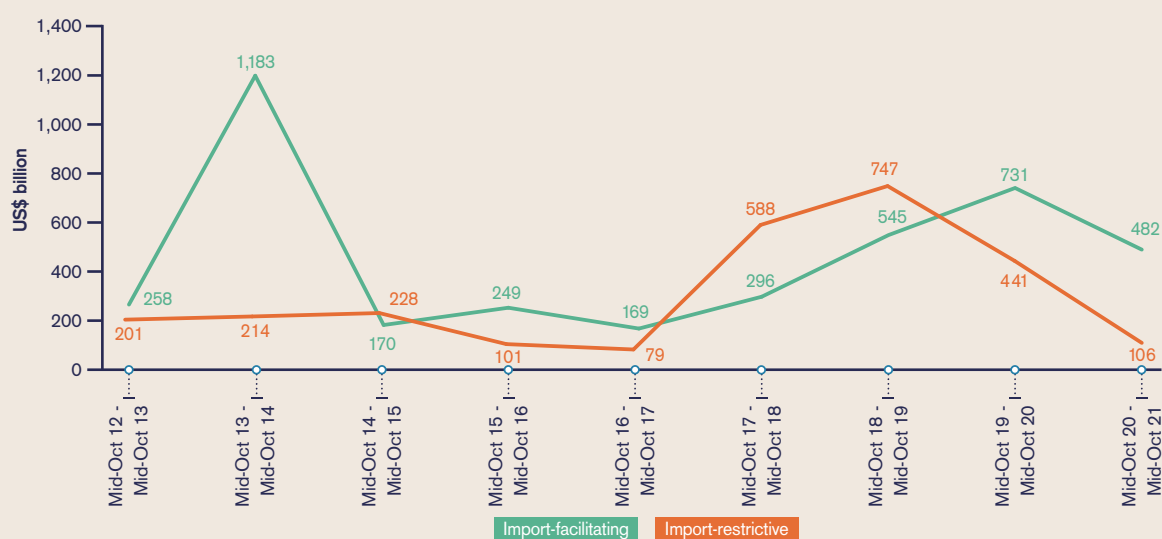


Initiations of trade remedy investigations by WTO members declined during the review period to US\$ 26.9 billion after reaching a record US\$ 68.8 billion in 2020. Trade remedy actions remain an important trade policy tool, accounting for 66 per cent of all non-COVID-19-related trade measures on goods recorded in the report, down from 75 per cent the previous year. As of 8 October 2021, only two members had notified anti-dumping actions referring to the COVID-19 pandemic.

Status of the reports

The WTO Secretariat prepared four reports on global trade policy developments in 2021, including two on trade measures by G20 economies. The trade monitoring reports have no legal effect on the rights and obligations of WTO members and do not seek to pronounce on whether a trade measure is protectionist or question the explicit right of members to take certain trade measures.

Figure 18: Trade coverage of new import measures in each reporting period (not cumulative)



Note: These figures are estimates and represent the trade coverage of the measures (i.e., annual imports of the products concerned from economies affected by the measures) introduced during each reporting period, and not the cumulative impact of the trade measures. COVID-19 trade and trade-related measures are not included.

Trade, debt and finance

- WTO members discussed access to trade finance during the pandemic, based on proposals by Côte d'Ivoire and the African, Caribbean and Pacific (ACP) Group.
- DG Okonjo-Iweala and International Finance Corporation (IFC) Managing Director Makhtar Diop agreed to enhance cooperation on identifying trade finance gaps and on directing capacity-building and other resources where unmet demand is greatest.

The recovery of global merchandise trade and easy monetary conditions normalized trade finance markets in the main routes of trade in 2021. However, in many low-income countries, difficulties remained. Up to 80 per cent of global trade transactions involve trade finance, which takes the form of a credit, guarantee or credit insurance.

The 2021 Asian Development Bank's global trade finance gap survey reported an increased trade finance gap – financing requested but rejected by lenders or donors – of US\$ 1.7 trillion in 2020. The gap mostly affected developing countries, especially micro, small and medium-sized enterprises (MSMEs). Women-led MSMEs suffered the highest rejection rate – 70 per cent. A 2021 survey by the African Development Bank and African Export Import Bank also found increased rejection rates and a growing reluctance by international banks to take on trade payment risk in countries where economic conditions had been deteriorating.



1.7

The trade finance gap totalled US\$ 1.7 trillion in 2020.

Women-led MSMEs in low-income countries suffer the highest rejection rates for trade financing.

Background

WTO ministers decided 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 focused its attention on a range of financial issues with an impact on trade, including issues related to the availability of trade finance and the relationship between exchange rates and trade.



Côte d'Ivoire proposed to the WTO Working Group on Trade, Debt and Finance a work programme aimed at facilitating the availability of trade finance, particularly for MSMEs, with a focus on developing countries affected by the COVID-19 pandemic. The proposal was endorsed in a proposal from the ACP Group, with the latter extending it to other areas of trade finance and to debt-servicing.

Members generally acknowledged the difficulties in accessing trade finance encountered by developing countries at the peak of the COVID-19 pandemic. However, they noted that trade finance gaps were to a large extent structural and had existed before COVID-19. Progress was made in identifying potential areas of consensus in several areas of the new proposals.

DG Okonjo-Iweala and IFC Managing Director Makhtar Diop agreed in November to enhance cooperation to explore ways to improve the availability of trade finance for regions in need. In their joint statement, the WTO and the IFC heads agreed to work with small traders and financial institutions at the local level, particularly in Africa, to better understand the ecosystem of trade finance.

They also pledged to improve access to trade finance training programmes. They agreed to help local financial institutions meet compliance challenges and to facilitate knowledge and awareness among exporters and importers of trade finance support available from multilateral development banks. "Working together, experts from our two organizations will be able to better analyse, detect and explain trade finance gaps, with a view to directing finite resources where they are needed the most. I believe that a significant share of trade finance gaps results from knowledge gaps," the DG said.

The presence of multilateral development banks has had a stabilizing effect on trade finance markets since the beginning of the pandemic, notably in low-income and developing countries. In 2021, multilateral development banks supported more than 10,000 trade transactions, many of them for essential goods and medicines, worth more than US\$ 30 billion.



DG Okonjo-Iweala and IFC Managing Director Makhtar Diop met virtually in November to explore ways of improving availability of trade finance.



Working together, experts from our two organizations will be able to better analyse trade finance gaps, with a view to directing resources where they are needed the most.

DG Okonjo-Iweala

Agreement on Government Procurement

- › The GPA celebrated dual anniversaries.
- › Brazil submitted initial and revised market access offers. It could become the first Latin American country to join the GPA.
- › China submitted replies to the comments and questions by parties on its sixth revised market access offer.
- › Discussions continued on the accessions of Kazakhstan, the Kyrgyz Republic, North Macedonia, the Russian Federation and Tajikistan.

Background

GPA 2012 aims to open up, based on principles of reciprocity, and to the extent agreed between its parties, government procurement markets to foreign competition, and to make government procurement more transparent. It provides legal guarantees of non-discrimination for the products, services and suppliers of GPA parties in procurement covered by the Agreement. GPA 2012 is a plurilateral agreement — open to all interested WTO members and binding only the parties to it. Currently, 48 WTO members are covered by the Agreement and 35 members are observers to the Committee on Government Procurement, which administers GPA 2012.



25

In 2021, the WTO marked 25 years since the entry into force of the first WTO Agreement on Government Procurement.

Celebrations to mark dual anniversaries of the GPA

In 2021, the WTO marked 40 years since the entry into force of the GATT Tokyo Round Agreement on Government Procurement (1981) and 25 years since the entry into force of the first WTO Agreement on Government Procurement (1996). In 2012, a revised WTO Agreement on Government Procurement (known as GPA 2012) was adopted to further expand GPA market access opportunities and to improve the text of the Agreement, including by strengthening its role in promoting good governance. To celebrate the dual anniversaries, the WTO Secretariat created a dedicated webpage, with key figures, accessions and milestones in the evolution of the GPA.

Switzerland's acceptance of GPA 2012

On 1 January 2021, GPA 2012 entered into force for Switzerland, which had submitted its instrument of acceptance on 2 December 2020. As a result, GPA 2012 is in force for all parties and replaces GPA 1994.

Accessions to the GPA

From 1 January 2021, the United Kingdom became a party to GPA 2012 in its own right following its exit from the European Union. Progress was also achieved with respect to the accessions of several other WTO members. Since submitting its accession application in May 2020, Brazil has circulated its responses to the checklist of issues and its initial and revised market access offers. This was followed by written exchanges between Brazil and the GPA parties.

The Committee on Government Procurement said that Brazil's accession, on mutually agreeable and appropriate terms, would be significant for GPA 2012, for the WTO and

for the world economy. Brazil would be the first Latin American country to join and, as such, would raise interest in the GPA among countries in the region and beyond. Brazil was eager to prove that “the benefits of becoming a party to the GPA are accessible to all members of the WTO,” said Brazil’s WTO Ambassador, Alexandre Parola.

The Committee continued to discuss China’s sixth revised market access offer and thanked China for the submission of its replies to the comments and questions by parties and for the update on the ongoing government procurement reform.

Discussions on the accessions of Kazakhstan, the Kyrgyz Republic, North Macedonia, the Russian Federation and Tajikistan also continued although progress was affected by the COVID-19 pandemic. Albania, Georgia, Jordan and Oman initiated the process of acceding to GPA 2012 several years ago. Four other WTO members – Afghanistan, Mongolia, the Kingdom of Saudi Arabia and Seychelles – have GPA-related commitments in their respective protocols of accession to the WTO.

Construction of a viaduct in Skomielna Biata in southern Poland.

Work programmes

Attention in the Committee’s work programmes focused on sustainable procurement, the collection and reporting of statistical data, and small and medium-sized enterprises. The work programmes are intended to promote transparency, improve implementation and administration of GPA 2012, and assist with preparations for possible future negotiations.

GPA 2012 and other WTO rules can help governments minimize corruption, tackle illicit trade and enhance transparency.
DG Okonjo-Iweala



25 years of the WTO Government Procurement Agreement (GPA) and 40 years since the GATT GPA

6-20%

Government procurement accounts for 6-20% of the national GDP in different regions of the world.



US\$ 1.7 trillion

Government procurement markets worth US\$ 1.7 trillion are covered by the current GPA.



48

48 WTO members are currently bound by the GPA.



166.5%

The number of WTO members covered by the GPA has increased by 166.5% in relative terms since 1981, when the first GPA entered into force.



9

The fastest first-time accession to the GPA since the WTO's establishment was 9 months from the date of the initial negotiating offer.



3

3 dispute settlement panel reports on GPA disputes have been adopted since 1981.



159

The Committee on Government Procurement has held 159 formal meetings since January 1981.



GPA 2012 and other WTO rules can help governments minimize corruption in how public contracts are awarded, tackle illicit trade, and enhance transparency, DG Okonjo-Iweala said in the Transparency International United Kingdom annual anti-corruption lecture, given virtually on 15 December.

Technical assistance and international cooperation

The WTO Secretariat delivered several technical assistance events in virtual mode due to the pandemic. A regional workshop was held for the Central and Eastern Europe,

Central Asia and the Caucasus region in April 2021. The Secretariat delivered an online version of its Advanced Global Workshop on GPA 2012 from October to November. In delivering technical assistance, the Secretariat partnered with international organizations and academic institutions active in government procurement.

In addition, the Secretariat organized a session on green government procurement within the scope of the Public Forum (see page 172) in September and partnered with the International Telecommunication Union to deliver a masterclass for small and medium-sized enterprises in July 2021.



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.

Didier Chambovey
chaired the Dispute
Settlement Body in 2021.



140
Dispute settlement
activity



CHAIRPERSON

Dispute settlement activity in 2021

- › WTO members filed nine requests for consultations, the first stage of the dispute process, up from five in 2020.
- › Seven dispute settlement reports relating to nine separate disputes were circulated in 2021. The Dispute Settlement Body adopted one panel report. The other six panel reports were appealed.
- › Members were unable to agree on launching a selection process for the Appellate Body; the Appellate Body could hear no appeals.
- › Parties in four disputes agreed to resort to arbitration under Article 25 of the Dispute Settlement Understanding to decide on appeals of final panel reports issued in the disputes.

Background

WTO members can bring disputes when they consider their rights are being infringed 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 General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes. The DSB has authority to establish dispute settlement panels, to adopt panel and Appellate Body reports, to maintain surveillance over the implementation of recommendations and rulings, and to authorize suspension of concessions and other obligations in the event of non-compliance with those recommendations and rulings.



24

Panel proceedings in 22 disputes and two arbitrations were ongoing as of end-December 2021.

Activities in 2021

Lockdowns, travel restrictions and limited access to WTO premises due to the COVID-19 pandemic meant that panelists, arbitrators and delegations of WTO members were unable to participate in in-person meetings in Geneva.

However, in cooperation with the parties, and with assistance from the WTO Secretariat, panels and arbitrators developed procedures which allowed work to continue in most disputes. These procedures include additional exchanges of written submissions in place of substantive in-person meetings or substantive meetings conducted virtually.

During 2021, panels and arbitrators held 23 virtual substantive meetings with parties in 21 separate disputes. As of the end of December 2021, panel proceedings in 22 disputes and two arbitrations on the level of suspension of concessions – as a temporary remedy in the event of non-compliance with Dispute Settlement Body (DSB) rulings – were ongoing.

In the absence of consensus among WTO members to launch the Appellate Body selection process (see page 143), all seven positions on the Appellate Body remained vacant in 2021 and the Appellate Body was unable to hear appeals.

Table 1: Disputes initiated in 2021
(requests for consultations)

Dispute settlement number	Short title	Date of initial request	Status on 31 December 2021
DS599	Panama – Import Measures (Costa Rica)	11/01/2021	Panel established but not composed
DS600	EU and Certain Member States – Palm Oil (Malaysia)	15/01/2021	Panel composed, panel proceedings ongoing
DS601	China – AD on Stainless Steel (Japan)	11/06/2021	Panel established but not composed
DS602	China – AD/CVD on Wine (Australia)	22/06/2021	Panel established but not composed
DS603	Australia – AD/CVD on Certain Products (China)	24/06/2021	In consultations
DS604	Russia – Domestic and Foreign Products and Services	22/07/2021	Panel established but not composed
DS605	Dominican Republic – AD on Steel Bars (Costa Rica)	23/07/2021	Panel established but not composed
DS606	EU – Provisional AD Duty on MEG (Saudi Arabia)	17/08/2021	In consultations
DS607	EU – Poultry Meat Preparations (Brazil)	08/11/2021	In consultations



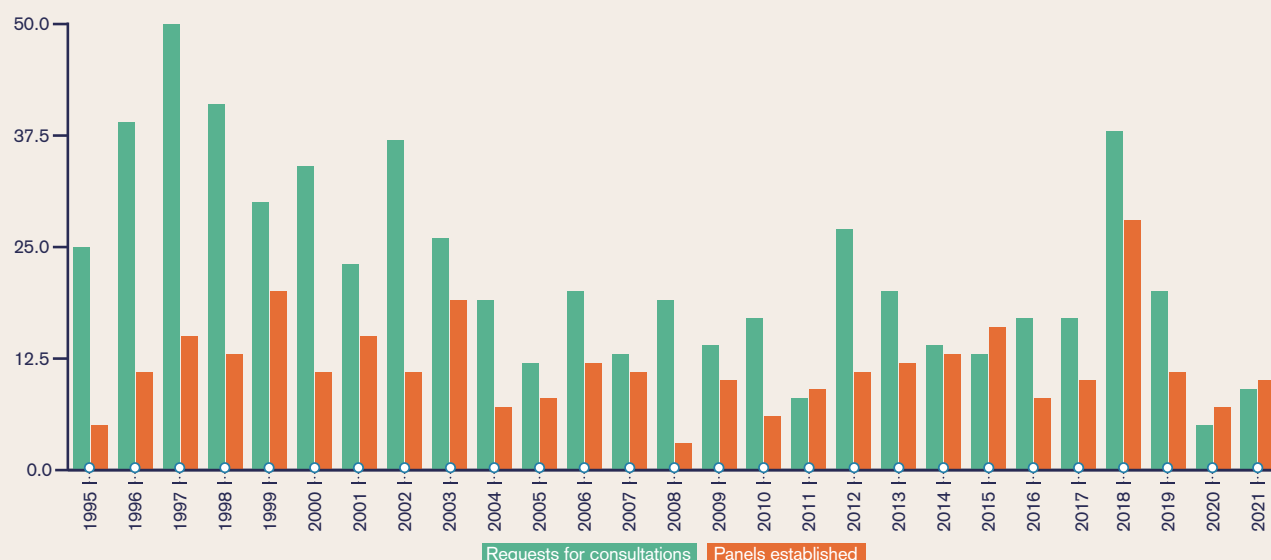
607

By the end of 2021, 607 disputes had been initiated since the entry into force of the WTO agreements in 1995.

Requests for consultations

During 2021, WTO members filed nine requests for consultations concerning allegedly WTO-inconsistent measures (see Table 1), up from five in 2020. This is the first stage in the dispute settlement process.

By the end of 2021, a total of 607 disputes had been initiated under the WTO dispute settlement procedures since the entry into force of the WTO agreements in 1995 (see Figure 1).

Figure 1: Total number of disputes initiated and original panels established, 1995 to 2021

Dispute settlement proceedings

If the parties to a dispute are unable to resolve their differences through consultations, the complainant can ask for a dispute settlement panel to be established by the DSB.

In 2021, the DSB established panels in 10 proceedings (see Table 2). In addition, a compliance panel ("China – TRQs", DS517) was established to determine whether China had complied with previous recommendations and rulings. A request by China in this dispute on the permissible level of suspension of concessions was referred to arbitration.

Five panels were composed during 2021 (see Table 3). Four of the panels were composed by DG Okonjo-Iweala at the request of the complainants. In "China – Canola Seed" (DS589), a dispute initiated by Canada, the parties agreed on the composition of the panel.

In June, the United States and the European Union announced an "understanding" regarding their WTO disputes over subsidies for large civil aircraft, which, among other things, suspended retaliatory tariffs related to this dispute for five years.

"I am delighted that the European Union and the United States have resolved their dispute over the production of large commercial aircraft. This has been one of the longest running and most taxing disputes in the history of the WTO and the two sides have shown that even the most seemingly intractable differences can be resolved," DG Okonjo-Iweala said in a statement.

During 2021, the parties in four disputes informed the DSB that they had agreed to use the so-called Multi-party Interim Appeal Arrangement (MPIA – see Table 4).

Under the MPIA, the parties to the disputes in question have agreed to resort to arbitration under Article 25 of the Dispute Settlement Understanding (DSU) to decide on appeals of any final panel report issued in the dispute if the Appellate Body continues to be unable to hear an appeal under Articles 16.4 and 17 of the DSU.

Table 2: Original panels established in 2021

Dispute settlement number	Short title	Complainant	Panel established
DS597	US – Origin Marking (Hong Kong, China)	Hong Kong, China	22/02/2021
DS592	Indonesia – Raw Materials	European Union	22/02/2021
DS600	EU and Certain Member States – Palm Oil (Malaysia)	Malaysia	28/05/2021
DS598	China – AD/CVD on Barley (Australia)	Australia	28/05/2021
DS589	China – Canola Seed (Canada)	Canada	26/07/2021
DS599	Panama – Import Measures (Costa Rica)	Costa Rica	27/09/2021
DS601	China – AD on Stainless Steel (Japan)	Japan	27/09/2021
DS602	China – AD/CVD on Wine (Australia)	Australia	26/10/2021
DS605	Dominican Republic – AD on Steel Bars (Costa Rica)	Costa Rica	20/12/2021
DS604	Russia – Domestic and Foreign Products and Services	European Union	20/12/2021

Table 3: Panels composed in 2021

Dispute settlement number	Short title	Date of constitution of panel
DS597	US – Origin Marking (Hong Kong, China)	29/04/2021
DS592	Indonesia – Raw Materials	29/04/2021
DS600	EU and Certain Member States – Palm oil (Malaysia)	29/07/2021
DS598	China – AD/CVD on Barley (Australia)	03/09/2021
DS589	China – Canola Seed (Canada)	10/11/2021

Table 4: Disputes in which parties have agreed to use the MPIA

Dispute settlement number	Short title	Date of notification of agreed procedures
DS602	China – AD/CVD on Wine (Australia)	WT/DS602/3 16 December 2021
DS524	Costa Rica – Avocados (Mexico)	WT/DS524/5/Rev.1 26 November 2021
DS589	China – Canola Seed (Canada)	WT/DS589/5 24 September 2021
DS598	China – AD/CVD on Barley (Australia)	WT/DS598/5 29 July 2021

Reports and decisions

Seven dispute settlement reports relating to nine separate disputes were circulated in 2021. The DSB adopted one panel report during this period; the other six reports were appealed (see Table 5).



7

Seven dispute settlement reports were circulated in 2021.

Table 5: Panel reports circulated and/or adopted in 2021

Dispute settlement number	Short title	Report circulated	Report appealed or adopted
DS538	Pakistan – BOPP Film (UAE)	18/01/2021	Report appealed 22/02/2021 (Pakistan)
DS539	US – Anti-Dumping and Countervailing Duties (Korea)	21/01/2021	Report appealed 19/03/2021 (US)
DS537	Canada – Measures Governing the Sale of Wine (Australia)	25/05/2021	Mutually agreed solution. Report circulated 25/05/21
DS578	Morocco – Definitive AD Measures on Exercise Books (Tunisia)	27/07/2021	Report appealed 28/07/2021 (Morocco)
DS562	US – Safeguard Measure on PV Products (China)	02/09/2021	Report appealed 16/09/2021 (China)
DS577	US – Ripe Olives from Spain	19/11/2021	Report adopted 20/12/2021
DS579	India – Sugar and Sugarcane (Brazil)	14/12/2021	Report appealed 24/12/2021 (India)
DS580	India – Sugar and Sugarcane (Australia)	14/12/2021	Report appealed 24/12/2021 (India)
DS581	India – Sugar and Sugarcane (Guatemala)	14/12/2021	Report appealed 24/12/2021 (India)

*Some panel reports were issued as a single document covering two or more disputes.

Appeals

Notices of appeal were filed in eight disputes in 2021 (see Figure 2 and Table 6). As of 31 December 2021, appeals in 24 disputes were pending before the Appellate Body, which is currently unable to hear appeals.

Background

Under the Dispute Settlement Understanding, the Appellate Body is composed of seven members appointed by the DSB. Any party to a dispute may appeal the panel report to the Appellate Body.

Dispute settlement activity levels

Figure 3 shows the average of monthly dispute settlement proceedings since the inception of the WTO in 1995.

For the purposes of Figure 3, each proceeding (original panel or appeal, Article 21.5 panel on compliance or appeal and arbitration) is counted as a single instance where it relates to the same matter, regardless of the number of complainants involved. Figure 3 does not seek to reflect the relative complexity of different proceedings, which has also tended to increase over time.

WTO launches interactive GATT dispute settlement database

In 2021, the WTO launched a new GATT disputes database that allows users to search for information relating to the 317 GATT disputes brought by contracting parties from 1948 to 1995. The information provided includes documents, such as consultation requests and reports, serving adjudicators, the disputing parties, claims and defences of the parties, the procedural legal basis cited by the complainants, and products at issue in the proceedings.

Table 6: Notices of appeals filed in 2021

Panel report appealed	Date of appeal	Appellant	Document symbol
India – Sugar and Sugarcane (Brazil)	24 December 2021	India	WT/DS579/10
India – Sugar and Sugarcane (Australia)	24 December 2021	India	WT/DS580/10
India – Sugar and Sugarcane (Guatemala)	24 December 2021	India	WT/DS581/11
US – Safeguard Measure on PV Products (China)	16 September 2021	China	WT/DS562/12
Morocco – Definitive AD Measures on Exercise Books (Tunisia)	28 July 2021	Morocco	WT/DS578/5
US – Anti-Dumping and Countervailing Duties (Korea)	19 March 2021	United States	WT/DS539/9
Pakistan – BOPP Film (UAE)	22 February 2021	Pakistan	WT/DS538/5
Korea – Stainless Steel Bars	22 January 2021	Korea	WT/553/5

Figure 2: Number of disputes in which notices of appeal were filed, 1995 to 2021

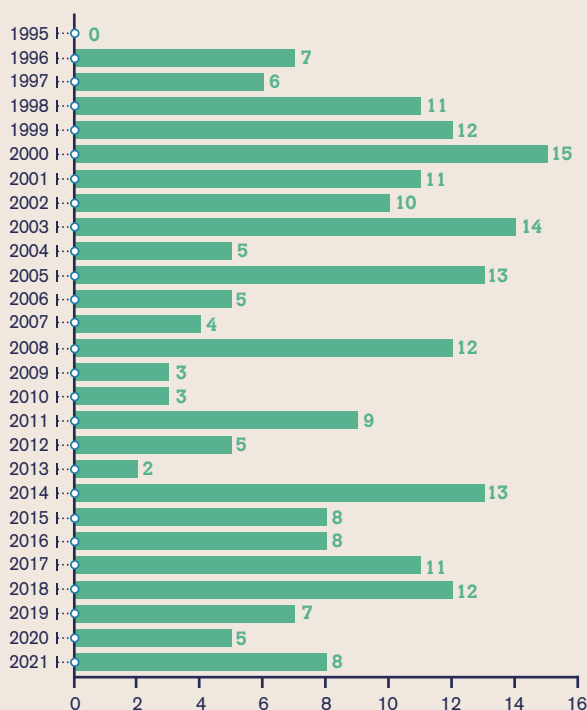


Figure 3: Average of monthly active proceedings, 1995 to 2021



Note: The figures for 2020-21 do not include any appellate proceedings.

One-page case summaries

In July, the WTO issued an updated edition of “One-Page Case Summaries”. The latest version provides a succinct summary of the key findings of every dispute panel report up to the end of 2020 and, where applicable, the subsequent Appellate Body report.

John H. Jackson Moot Court Competition

Eighty-one universities representing 33 WTO members and observers participated in the regional rounds of the annual John H. Jackson Moot Court Competition, held from February to May 2021. The top 26 teams from the regional rounds qualified for the final round. Due to the COVID-19 pandemic, all rounds took place virtually.

Sri Lanka’s University of Colombo emerged as the winner while Belgium’s Katholieke Universiteit Leuven was the runner-up. The competition is organized by the European Law Students Association (ELSA) with the technical support of the WTO.

To mark 20 years of collaboration, the WTO and ELSA agreed to strengthen and expand their cooperation in organizing the annual competition. A memorandum of understanding was signed by WTO DDG Zhang and ELSA Vice President Louis Bremond on 23 July.



The winning team from the University of Colombo, Sri Lanka.

8

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.





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development

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Trade and women's
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Trade and development

- **Developing countries' share of merchandise exports grew from 43.0 per cent in 2018 to 43.9 per cent in 2020, according to a note by the WTO Secretariat on the participation of developing economies in the global trading system.**
- **Addressing the Committee on Trade and Development in November, DG Okonjo-Iweala stressed the important role it plays in the multilateral trading system.**
- **A WTO publication highlighted the high trade costs faced by landlocked developing countries (LLDCs). Implementing the WTO's Trade Facilitation Agreement was critical for easing the flow of goods, it said.**

Background

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.

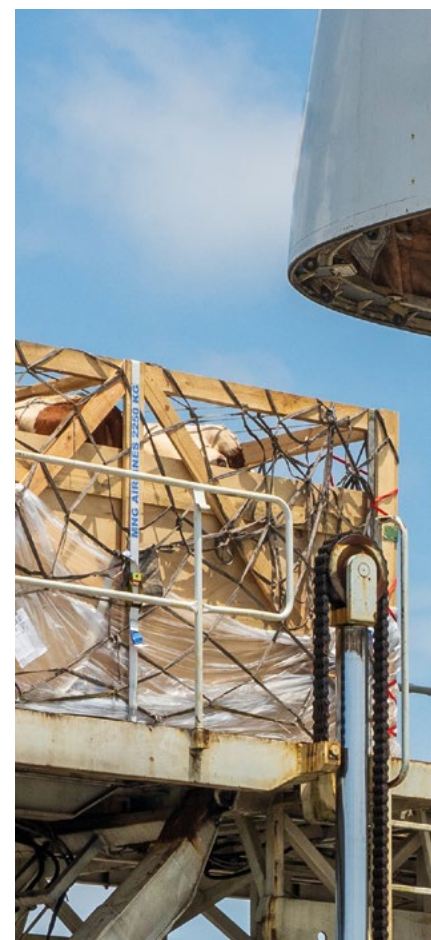
The Committee continued work on the link between trade and development, as instructed by trade ministers. In particular, it looked at how to operationalize fully the mandate of the Committee as the focal point for development work within the WTO. Chair Ambassador Muhammad Mujtaba Piracha (Pakistan) encouraged continued engagement among members in order to make progress.

The Committee also continued discussions on e-commerce and duty-free, quota-free (DFQF) market access for least-developed countries (LDCs). It considered a report by the WTO Secretariat on the implementation of special and differential treatment provisions (S&D) for developing countries in WTO agreements and decisions, which updated a 2018 report. Provisions range from increasing trade opportunities for developing countries and LDCs to providing technical assistance.

The Committee held two dedicated sessions on the monitoring mechanism on S&D, which acts as a focal point to review the implementation of S&D. The Chair observed that there were still no written submissions, which are required for the monitoring mechanism to become fully operational.

The WTO Secretariat presented an updated note on the participation of developing economies in the global trading system. Due to the COVID-19 pandemic, developing economies' merchandise and commercial services trade fell in 2020. However, the share of developing economies in world merchandise exports grew from 43.0 per cent in 2018 to 43.9 per cent in 2020, and the share of imports from 40.5 per cent to 41.7 per cent.

The contribution of developing economies to world exports of commercial services declined from 30.9 per cent to 29.5 per cent.





Participation in global services imports also fell, from 37.8 per cent to 35.2 per cent.

Among regional trade agreements, the Committee considered the Revised Treaty of Trade between India and Nepal, the Partial Scope Agreement between Mexico and Paraguay, the Economic Complementarity Agreement between Mexico and Brazil, the Preferential Trade Agreement between Indonesia and Pakistan and partial scope agreements between El Salvador and Cuba and Mexico and Ecuador. Thailand's DFQF scheme for LDCs was considered in a session on preferential trade arrangements.

Addressing the Committee in November, DG Okonjo-Iweala stressed the key role played by the Committee in the multilateral trading system. She highlighted the importance of technical assistance and encouraged developing countries, in particular LDCs, to take maximum advantage

Offloading livestock from a cargo plane in Garoua, Cameroon.

“

At the end of the day, our work in the WTO must have real impact on people's lives and must produce real benefits, particularly for poorer countries.

DG Okonjo-Iweala

of the assistance offered by the WTO. “At the end of the day, our work in the WTO must have real impact on people's lives and must produce real benefits, particularly for poorer countries,” the DG declared.

Landlocked LDCs

A new WTO publication launched in December highlighted the high trade costs faced by landlocked developing countries (LLDCs) due to their isolation from the world's largest markets. The report stresses that implementing the Trade Facilitation Agreement (see page 113) is critical for easing the flow of goods across borders. It also underlines the importance of improving transport connectivity and putting digital technology at the forefront of policy objectives.

Technical cooperation and training

The annual performance report on technical assistance and training for 2020 was presented to the Committee. Despite a 22 per cent increase in e-learning opportunities and the rolling out of virtual activities, the number of WTO technical assistance events in 2020 decreased by 22 per cent compared to 2019.

Overall participation in technical assistance activities remained stable, as virtual activities tended to attract larger audiences. The biennial technical assistance and training plan for 2022 and 2023, which defines priorities, was adopted by the Committee.

Least-developed countries

- › In 2020, the decline in exports due to the COVID-19 pandemic was steeper for least-developed countries (LDCs) than for the rest of the world.
- › LDCs' share in global exports of goods and commercial services decreased from 0.96 per cent in 2019 to 0.91 per cent in 2020.
- › The LDCs reiterated the importance of continued and improved preferential market access for LDC products and services.

COVID-19 discussions

In 2021, several international organisations shared analyses of the pandemic with the Sub-Committee on LDCs. The United Nations Conference on Trade and Development (UNCTAD) presented its Least Developed Country Report 2020, emphasizing that the COVID-19 crisis was expected to increase extreme poverty by 35 per cent and to result in the worst economic performance of LDCs in three decades.

Background

The Sub-Committee on LDCs, established in July 1995 as a subsidiary body to the Committee on Trade and Development, focuses its work on an agreed WTO work programme for LDCs. This programme looks at several systemic issues of importance to LDCs in the multilateral trading system, such as market access, technical assistance, and accession to the WTO.



A pottery workshop in Bangkok, Thailand.

The LDCs highlighted the need for global cooperation to support their recovery from the crisis and promote their socio-economic development. Joint efforts were needed on many fronts to build resilience, including healthcare, structural transformation processes, technological upgrading and export diversification.

Market access for LDCs

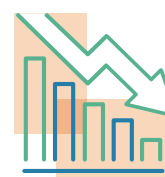
The WTO Secretariat's 2021 annual report showed that LDC exports declined more than those of the rest of the world. In 2020, LDC commercial services exports contracted by 35 per cent, compared to 20 per cent worldwide. Travel exports were hardest hit, down 62 per cent. Overall, the share of the 46 LDCs in global exports fell to 0.91 per cent in 2020, from 0.96 per cent in 2019.

LDCs called on WTO members to continue making progress in the implementation of ministerial decisions on duty-free and quota-free market access (see page 148), preferential rules of origin (see page 103) and the LDC services waiver (see page 115) to enhance their exports and economic diversification. They called for further analytical work and efforts to close existing data gaps to better understand the impact of rules of origin requirements (see page 103) and factors determining under-utilization of trade preferences (see page 104).

"Boosting Trade Opportunities for Least-Developed Countries", a new WTO publication launched in January 2022, stressed that more support will be needed from the international community in the next decade to strengthen the participation of LDCs in world trade.

Fifth UN Conference on the LDCs (LDC5)

The Fifth UN Conference on the LDCs (LDC5), planned for 23 to 27 January 2022 in Doha, Qatar, was postponed due



0.91

LDCs' share in global exports of goods and services declined to 0.91%, from 0.96% in 2020.



“

Enabling LDCs to become more resilient and more integrated into the global economy is critical for meeting international development goals.

DG Okonjo-Iweala

to COVID-19. The UN General Assembly decided to reconvene LDC5 in two parts: on 17 March 2022 in New York and from 5 to 9 March 2023 in Doha. International trade remains a central theme of the Doha Programme of Action for LDCs for 2022-31, with a focus on building back better in response to the COVID-19 pandemic and guided by the Sustainable Development Goals.

LDC graduation

December 2021 marked the end of a joint WTO-Enhanced Integrated Framework (EIF) effort (see page 156), launched in 2019, to help LDCs assess the trade impact of graduation from LDC status. Seven reports were published. After the outbreak of the COVID-19 pandemic, trade and health impacts of COVID-19 on graduating LDCs were also examined.

Scarf weaving in the Azuay province of Ecuador.



In cooperation with the UN Department of Economic and Social Affairs (DESA), ITC and UNCTAD, the WTO published “Textiles and Clothing in Asian Graduating LDCs: challenges and options”. In a briefing note, “Rethinking LDC Trade Priorities”, the WTO offered some perspectives on opportunities for LDCs arising from the digital economy and services trade.

LDC representatives exchanged views and experiences on graduation on 10-11 November at an event bringing together trade and development partners, international organizations and trade experts. DG Okonjo-Iweala said: “The interests of graduating LDCs, and those of all LDCs” will be best served by “a strong WTO that delivers negotiated outcomes.”

South-South dialogue

The fourth South-South Dialogue on LDCs and Development under China’s LDCs and Accessions Programme was held in Montreux, Switzerland, in September. Themed “Reinforcing the multilateral trading system for development”, it brought together over 80 Geneva-based delegates.

“Enabling LDCs to become more resilient and more integrated into the global economy is critical for meeting international development goals and for building a trading system fit for the 21st century,” DG Okonjo-Iweala said in an opening address.

The discussions revolved around priorities for the 12th Ministerial Conference (MC12), the WTO’s response to the pandemic and WTO reform. A multilateral response to the pandemic was the most recurrent theme.

LDC priorities

Trade ministers from close to 30 LDCs adopted a declaration outlining LDCs’ trade priorities at a virtual meeting on 19 October where they also discussed the state of play in the WTO negotiations. “MC12 should respond adequately to mitigate the social and economic consequences of the COVID-19 pandemic,” said Ali Djadda Kampard, Chad’s Minister for Trade and Industry and Coordinator of the WTO’s LDCs Group.

Small economies

- The Committee discussed the economic and trade impact of natural disasters on small, vulnerable economies (SVE) and heard about the scope under WTO agreements to take measures to facilitate resilience to disasters.
- The SVE Group urged ministers to instruct WTO members to address integrating small economies into post COVID-19 economic recovery.

The Committee on Trade and Development held a dedicated session on small economies in July 2021 to discuss the economic and trade impact of natural disasters. Presentations were made by representatives of the Food and Agriculture Organization (FAO), ITC, UNCTAD and the WTO. Two members of the SVE Group – Ecuador and Saint Vincent and the Grenadines – shared their experiences with natural disasters. A number of SVE Group members called for further discussions.

Background

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.



Rice harvesting in Kathmandu, Nepal.

The WTO Secretariat highlighted its “WTO Natural Disasters and Trade” study, which focuses on six disaster-affected members: Fiji, Dominica, Nepal, St Lucia, Tonga and Vanuatu. It shows that these countries are likely to be either hit by, or recovering from, a significant natural disaster in any given year. There is scope under WTO agreements, including those on agriculture and subsidies, to take measures to facilitate resilience and the entry of relief in the form of goods and services, the Secretariat said.

At a meeting in October, the Committee took note of an updated compilation paper on the WTO’s Work Programme on Small Economies. It agreed to a proposal by the SVE Group for a ministerial decision at the 12th Ministerial Conference (MC12) on the work programme.

The decision calls, among other things, for WTO members to address integrating small economies into post COVID-19 economic recovery by looking at the impact of the pandemic and the underlying challenges and opportunities faced by small economies. It also calls for the dedicated session to continue monitoring the progress of the small economies’ proposals in WTO bodies and negotiating groups.

Aid for Trade

- Aid for Trade disbursements rose to US\$ 45.7 billion in 2019, from US\$ 45.3 billion in 2018. US\$ 493.4 billion has been disbursed since 2006.
- The WTO held an Aid for Trade stocktaking event in March 2021, including a high-level plenary session attended by six heads of intergovernmental organizations. Over 1,000 people participated in the event, which reviewed members' Aid for Trade needs arising from the COVID-19 pandemic.
- The Committee on Trade and Development continued implementation of the Aid for Trade work programme for 2020-22 on "Empowering Connected, Sustainable Trade".

Background

Aid for Trade helps developing countries, and particularly least-developed countries, trade. The WTO-led Aid for Trade initiative encourages developing country governments and donors to recognize the role that trade can play in development. In particular, the initiative seeks to mobilize resources to address the trade-related constraints identified by developing and least-developed countries.

Aid for Trade financing

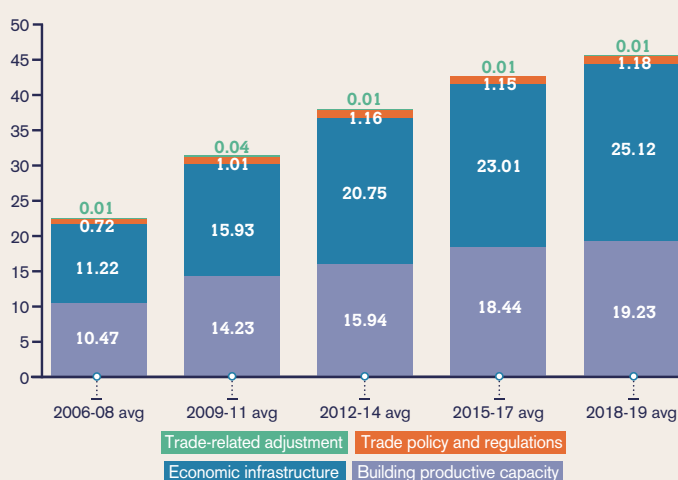
The most recent Aid for Trade data published by the OECD shows that total disbursements rose to US\$ 45.8 billion in 2019 from US\$ 45.3 billion in 2018 (see figures 1 and 2). Commitments reached US\$ 53.0 billion in 2019, down from US\$ 56.6 billion in 2018. Aid for Trade figures are all in 2019 US dollar constant prices. This may account for slight variations as compared to previous reports.

Aid for Trade disbursements rose to US\$ 45.8 billion in 2019 from US\$ 45.3 billion in 2018.

Between 2006 and 2019, the total amount of Aid for Trade, part of official development aid, disbursed to developing countries reached US\$ 493.4 billion. Over US\$ 300 billion in development finance was also provided at non-concessional rates.

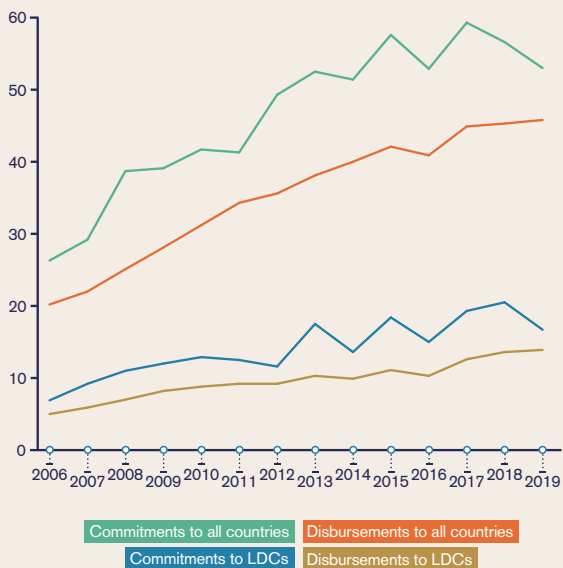
Disbursements have increased in every region since the launch of the Aid for Trade initiative (see Figure 3). In 2019, they continued to increase in Africa, Asia and Oceania. Support targeting least-developed countries (LDCs) also grew to reach US\$ 13.9 billion in 2019, up from US\$ 13.6 billion in 2018. In 2019, 40 per cent of the support was provided in grants rather than loans, up from 30 per cent on average in previous years since 2014.

Figure 1: Aid for Trade disbursements by category
(in US\$ billion, 2019 prices)



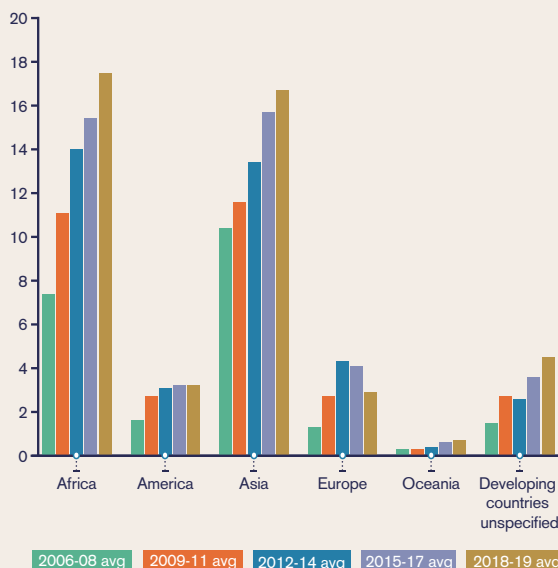
Source: OECD-CRS (Creditor Reporting System).

Figure 2: Aid for Trade commitments and disbursements by income group (in US\$ billion, 2019 prices)



Source: OECD-CRS (Creditor Reporting System).

Figure 3: Aid for Trade disbursements by continent (in US\$ billion, 2019 prices)



Source: OECD-CRS (Creditor Reporting System).



Aid for Trade work programme

The Committee on Trade and Development continued to review the implementation of Aid for Trade. Members, development institutions, UN agencies and multilateral development banks reported on their activities. The Committee organized two thematic workshops on the implications of LDC graduation (see page 151) for Aid for Trade and on the circular economy, economic diversification and Aid for Trade.

In October, WTO members launched the 2022 Aid for Trade monitoring and evaluation exercise to gather information on members' Aid for Trade priorities, their transition towards sustainable development and the role that Aid for Trade can play to support environmental sustainability and women's economic empowerment. The WTO Secretariat will present the results at the Aid for Trade Global Review in 2022.

Aid for Trade stocktaking event

The WTO held an Aid for Trade stocktaking event in March 2021 on the challenges arising from the COVID-19 pandemic. In 35 sessions, spread over three days, more than 1,000 participants discussed trade and development, with the role that trade can play in economic recovery from COVID-19 as the main thread.

The sessions examined seven main themes: adapting trade formalities, such as customs and conformity assessment, to COVID-19 and future pandemic risk; COVID-19, debt and financing; digital connectivity and e-commerce; global value chains, supply-side capacity and the pandemic; promoting an inclusive, green recovery; promoting recovery among micro, small and medium-sized enterprises (MSMEs), including in tourism; and regional approaches to COVID-19 recovery.

Speakers at a high-level plenary session on the opening day, attended by the heads of the IMF, OECD, UNCTAD, the WHO, the World Bank and the WTO, said that the global trade community must act swiftly to mitigate the severe impact of the COVID-19 crisis on developing countries, and in particular on LDCs. “The post-COVID recovery must not leave anyone, or any country, behind. The first step towards this goal must be a rapid, global vaccine rollout that ends the pandemic,” said DG Okonjo-Iweala.

Sessions examined the impact of COVID-19 on women’s participation in trade. One focused on Southern Asian countries while another looked at difficulties women entrepreneurs face in accessing digital tools to move their businesses online. Many other sessions also considered the impact of COVID-19 on women’s economic empowerment.



493.4

A total of
US\$ 493.4 billion
has been disbursed
since 2006.



The post-COVID recovery must not leave anyone, or any country, behind. The first step towards this goal must be a rapid, global vaccine rollout that ends the pandemic.

DG Okonjo-Iweala

A vaccination centre in Manila, the Philippines.



Enhanced Integrated Framework

- › Thirty-six new projects were approved in 2021, with a combined value of over US\$ 10 million, aimed at harnessing trade to promote the development of least-developed countries (LDCs).
- › The EIF partnership undertook an independent evaluation of its work, which concluded in early 2022.
- › Capacity-building remained a central feature of EIF support, with a focus on building skills around monitoring, evaluation and learning as well as communication of results.

Background

The EIF is the only multilateral partnership dedicated exclusively to assisting LDCs in their use of trade as an engine for growth, sustainable development and poverty reduction. The EIF partnership of 51 countries, 24 donors and eight partner agencies works closely with governments, development organizations, civil society and academia. Together, they leverage know-how to tackle the world's most pressing trade-for-development issues. The WTO houses the Executive Secretariat of the EIF.



Results

The EIF continued to support mainstreaming trade and building productive capacity in LDCs. Since the start of EIF operations in 2010, more than 37,000 government officials and private sector representatives have participated in EIF training activities. It has also assisted the adoption of over 40 trade and investment regulations, such as a new foreign trade law and investment code in the Comoros.

Over 13,000 micro, small and medium-sized enterprises (MSMEs) have received support, contributing towards the creation of more than 31,000 jobs. EIF projects have a good balance in terms of gender, with women constituting over 55 per cent of beneficiaries. Every EIF dollar invested in LDCs has resulted in US\$ 0.6 of additional resources from LDC governments, development partners and the private sector.

Workers in Burkina Faso processing shea butter for the production of organic cosmetic products at Karibel, a local company supported by EIF.

Increasing support to LDCs

Thirty-six new projects were approved in 2021, with a combined value of over US\$ 10 million. A total of US\$ 6 million was financed through the EIF Trust Fund while US\$ 4.2 million was leveraged through other partners. EIF donors have disbursed US\$ 134 million to the EIF's phase two programme (2019-22), of which 98 per cent has been allocated.

Targeting a wide range of LDC priorities, projects include institutional and policy support, such as assisting Somalia in its accession to the WTO. Other projects have supported LDC participation in the African Continental Free Trade Area, digitalization of cross-border trade, investment promotion, alignment of climate and trade policy, and women's economic empowerment.

Independent evaluation

The EIF partnership undertook an independent evaluation of the EIF, which concluded in January 2022. It included a programme wide assessment and 25 country case studies.

The evaluation provided an assessment of results achieved, lessons learned and ideas for future support for LDCs. The relevance of the EIF was particularly highlighted along with the need for further support to LDCs to help them recover from the impact of COVID-19.



A worker at the Rwanda E-Waste Recycling and Dismantling Facility in Bugesera District.

CASE STUDY

Rwanda sets an example in e-waste management

Following the development with EIF support of an e-waste policy in 2016, Rwanda has established an e-waste recycling facility, managed and operated by EnviroServe Rwanda through a public-private partnership with the Government of Rwanda.

In 2019, the new facility collected 3,000 tonnes of e-waste and sold or donated nearly 2,000 refurbished computers to schools while creating over 400 jobs. EIF Coordinator Peter Donelan said: "The EIF worked with the Government to get trade into its national development agenda, and that included helping with the creation of this e-waste policy. With the environmental gains, the job creation and the income generation, I am pleased that Rwanda is now leading the region on e-waste."

E-waste is generated from discarded mobile phones, computers, stereos and large household appliances. In Africa, it is predominately discarded through open dumping, burning and landfilling, with potentially serious implications for human health and the environment.

The recycling facility offers collection services for neighbouring Burundi, the Democratic Republic of the Congo and Uganda. Circuit boards are exported to Dubai for their precious metals. "Rwanda is among the few countries with an electronic waste policy and regulations. It is only the second in Africa to have a state-of-the-art e-waste dismantling and recycling facility," said Olivier Mbera of EnviroServe Rwanda.



With support from the EIF, Zambia's honey industry is providing new export opportunities for women and small businesses.

Delivering strong support systems

Capacity-building remained a central feature of EIF support, with a focus on building skills around monitoring, evaluation and learning (MEL), project implementation, communication and the response to COVID-19.

Capacity-building included training through webinars and the development of new e-learning courses. It also included a secondment programme for MEL officials from LDCs. Idrissa Yahaya, a participant from Niger, said: "The work environment was very positive and enabled me to strengthen my skills."

In partnership with the Thompson Reuters Foundation, the EIF delivered training on media engagement along with other activities aimed at helping ministries of trade in LDCs raise the profile of trade in their countries.

Trade and the environment

The EIF stepped up work in LDCs around trade and climate change. A cornerstone of this work has been the "Aligning Climate and Trade Policy for LDCs and Graduates" initiative, funded by the EIF and implemented by the Overseas Development Institute. It brings together LDC trade and climate negotiators to explore climate-trade linkages, with much work completed in the lead up to the United Nations Climate Change Conference of the Parties (COP26) at the end of October in Glasgow, Scotland (see page 177).

Other activities included creating better linkages for Aid for Trade (see page 153) and climate finance, looking at ways to unlock technology transfer and supporting LDC engagement in carbon markets and standards.

Standards and Trade Development Facility

- The STDF's guide on good regulatory practices was launched in November. It sets out practical tools and tips to improve the quality and effectiveness of sanitary and phytosanitary (SPS) measures.
- The STDF Working Group approved two new projects and four new project preparation grants, totalling US\$ 1.6 million, to help developing countries meet international standards on food safety, plant and animal health and access international markets.
- Over 4,100 stakeholders joined STDF online events on e-certification, SPS investment priorities, public-private partnerships, food safety and more.

Background

The STDF is a global partnership helping developing countries improve food safety, animal and plant health and meet sanitary and phytosanitary (SPS) requirements for trade, based on international standards. Established by the UN Food and Agriculture Organization (FAO), the World Organisation for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the WTO, the STDF contributes to sustainable economic growth, poverty reduction and food security. It is financed by voluntary contributions from Australia, Canada, Denmark, the European Union, Finland, Germany, France, Ireland, the Netherlands, Norway, Sweden, the United Kingdom and the United States. Further information: www.standardsfacility.org.

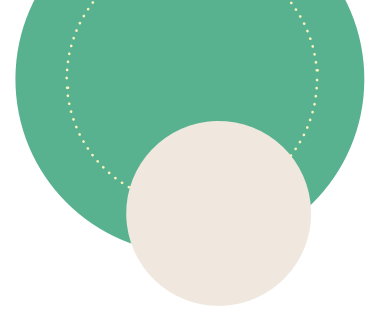
Keeping trade flowing

In 2021, the Standards and Trade Development Facility (STDF) continued to help developing countries facilitate safe trade, acting as a global platform for dialogue and learning on SPS capacity developments.

Under the STDF's strategy for 2020-24, "Safe and Inclusive Trade Horizons for Developing Countries", members of the global partnership delivered results that benefited producers, processors, exporters and governments in developing countries. Investing in safer food and agricultural systems is key to economic recovery and resilience against COVID-19 and future shocks.

An asparagus-packing factory in Ica, Peru.





Delivering results

Digital tools play a major role in making trade more secure, faster and less costly. For example, replacing paper certificates with electronic phytosanitary certificates (ePhytos) standardizes and simplifies the data-exchange process.

More than 100,000 ePhytos, developed with STDF funding, are already exchanged worldwide every month, double the figure in 2020. With the World Bank, the public-private partnership Global Alliance for Trade Facilitation and others scaling up the ePhyto approach, more traders and governments will benefit.

Over 87 experts from 44 organizations are connected through the STDF Practitioner Groups, which aim to support and improve the planning, delivery and dissemination of the STDF's work on public-private partnerships, SPS e-certification and the use of evidence to prioritize SPS investments. These online communities have identified opportunities for synergies, innovation and collaboration to benefit their own organizations and SPS stakeholders on the ground.

In 2021, partners worked together on projects driving SPS improvements. For instance, in Cameroon, public and private sector stakeholders rolled out good practices for Penja pepper, a sought-after ingredient in high-end restaurants worldwide, offering new market opportunities for small-scale farmers.

Figure 4: STDF projects and PPGs, 2004 to 2021

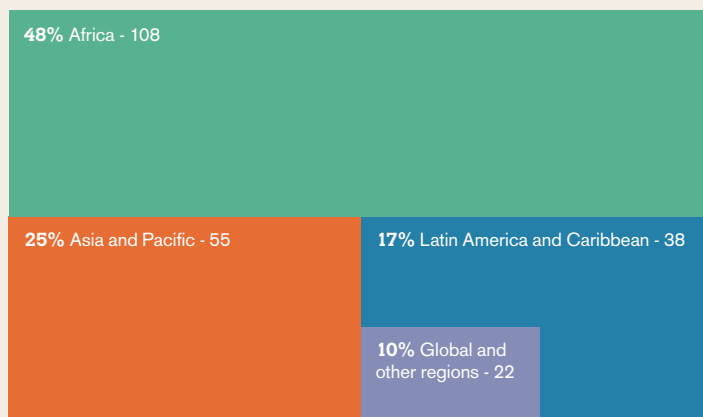
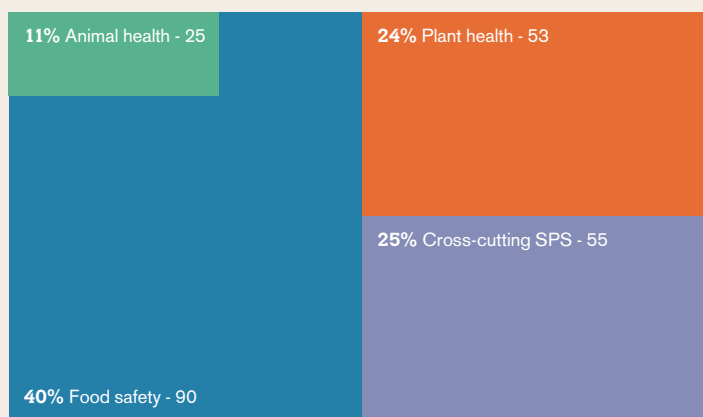


Figure 5: STDF projects and PPGs by topic (number), 2004 to 2021



The STDF's guide on good regulatory practices was launched at the SPS Committee in November. It sets out practical tools and tips to improve the quality and effectiveness of SPS measures to help reduce costs and eliminate unnecessary barriers to trade.

In 2021, members also strengthened the STDF's operational capacity through the implementation of a new monitoring, evaluation and learning framework and a communications plan to build greater awareness of the importance of investing in safe trade.

Public and private stakeholders in Ethiopia, Kenya, Malawi, Rwanda and Uganda, members of the Common Market for Eastern and Southern Africa (COMESA), used the STDF's evidence-based approach to prioritize agri-food investments and boost exports. Partners identified more than 50 investment options across diverse value chains, including livestock, honey and horticulture.

"The STDF works to enable small-scale farmers to meet international health and safety standards for their products. This opens the door to new markets and means higher incomes and more jobs and economic opportunities, particularly for women," said DG Okonjo-Iweala at the launch of the STDF annual report in August.

Launching new projects

The STDF Working Group approved two new projects and four new project preparation grants, totalling US\$ 1.6 million, down from US\$ 3.7 million in 2020.

Project grants:

- Dominican Republic and Haiti: Strengthening food safety and plant health for selected value chains.
- Cambodia, Lao PDR, Philippines, Viet Nam: Improving biosecurity and control of African swine fever.

Project preparation grants (PPGs):

- Burundi: Evaluating food safety and plant health needs to expand horticultural exports.
- Zambia: Capacity-building on SPS measures to improve compliance of small-scale cross-border traders.
- Eastern and Southern Africa: Taking a regional approach to address invasive potato pests.
- Nigeria: Applying the phytosanitary capacity evaluation tool to improve plant health systems for trade.

The total amount of STDF project funds allocated since its founding in 2004 stands at over US\$ 60 million. Sixty per cent of STDF project funds have benefited least-developed countries (LDCs).



CASE STUDY

Controlling fruit flies to boost trade from Southern Africa

An STDF project is connecting both horticulture producers and policymakers in Mozambique and South Africa to build capacity and advance work on pest-free areas. The project is enabling farmers and officials in Mozambique, an LDC, to benefit from South Africa's expertise in controlling fruit flies.

Rising fruit fly populations disrupt production of fruits, vegetables and plants, threatening livelihoods and exports. Rolling out this collaborative approach will benefit fruit exporters across the region. The project leveraged over US\$ 2 million in funding and strong commitment from the public and private sectors.

Another successful public-private partnership from the same region – promoted by the STDF as an example of best practice – involves South African industry groups and the government working together to strengthen producers' capacity to control fruit flies and facilitate safe trade. Collaboration on the use of sterile insect techniques, where large numbers of sterile insects are released into the wild, is reducing the incidence of medfly, one of the most destructive fruit pests in the world. It is also leveraging financing and commitment for more sustainable solutions to the problem.

Since 2019, importing partners have found no medfly in exports from areas where these techniques are being used. By 2021, average wild medfly populations fell by over 70 per cent in these areas. This has improved productivity, cut fruit losses and reduced the number of rejected export shipments.

Technical cooperation and training

- › The WTO Secretariat consolidated its virtual delivery of national, regional and global technical assistance activities in response to the challenges posed by the COVID-19 pandemic.
- › The number of e-learning courses increased by approximately 25 per cent over the previous year to 132.
- › Some 11,700 participants benefited from national, regional and global activities, including new e-learning courses.
- › Africa remained the region with the highest participation in e-learning courses, with 38 per cent of total participants.

Background

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.



Dr Okonjo-Iweala and French Finance Minister Bruno Le Maire at a signing ceremony to mark France's donation of EUR 6 million to finance WTO technical assistance programmes.


The WTO Secretariat continued to implement virtual national, regional and global seminars and workshops, including long-duration regional trade policy courses adjusted for a virtual format. Eighty technical assistance activities were conducted, little changed from 2020.

The number of e-learning courses increased by approximately 25 per cent to 132. As in previous years, around 50 per cent of participants accessed their training through the WTO's online platform.

The WTO Secretariat undertook 211 technical assistance activities, including e-learning courses, to help government officials better understand WTO rules and the multilateral trading system, attracting approximately 11,700 participants, some 9 per cent lower than in 2020.

New initiatives included the first WTO Virtual Executive Trade Course from 25 January to 12 March, which was attended by 62 senior government officials from developing and least-developed countries (LDCs). The course explored linkages between WTO rules and governments' trade policies.

Africa had the highest percentage of overall technical assistance activities (18 per cent), followed by Asia-Pacific (15 per cent). Africa

 **The WTO Secretariat undertook 211 technical assistance activities to improve understanding of trade rules.**



also had the highest participation in e-learning courses (38 per cent), followed by Asia-Pacific (26 per cent). Thirty per cent of e-learning courses were undertaken by participants from least-developed countries (LDCs).

Activities were implemented under the 2020-21 technical assistance and training plan, with its results-based management approach. Guidelines and benchmarks helped to maintain a high standard of content, consistent teaching methods and regular evaluation.

Members, partners and others tracked programme implementation through electronic dashboards, which were launched in 2020 to display the level of training provided, the objectives, the nationality of participants and the gender breakdown.

The largest number of activities implemented (35 per cent) was aimed at participants from all WTO beneficiary members and observers. The remaining 65 per cent were covered by national and regional activities (see Figure 6).

Participation in technical assistance activities

Women represented 48 per cent of participants for all WTO technical assistance activities. Roughly 47 per cent of the activities (including e-learning courses) were delivered in English, 24 per cent in Spanish, 23 per cent in French and the remaining 6 per cent used interpretation. Technical assistance continued to be provided for countries seeking to join the WTO (see page 42).



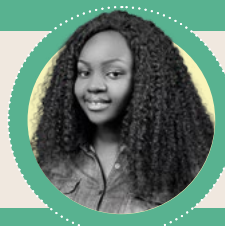
Testimonial: French and Irish Mission Internship Programme (FIMIP)



Desmond Idu-Odaiche
FIMIP intern, Nigeria Trade Office,
Permanent Mission of Nigeria

“The FIMIP significantly exceeded my expectations as it has exposed me to practical skills, knowledge and first-hand experience in handling various aspects of trade and the day-to-day work of the WTO. The internship also allowed me to network, meet diverse people and gain valuable shared experience. The FIMIP also provided me with the opportunity to support and contribute to the daily activities of the Nigerian Mission on various issues in the WTO’s regular bodies and their work programme. My participation in the negotiating groups’ special sessions provided valuable insights and deepened my understanding of the multilateral trading system.”

Testimonial: Netherlands Trainee Programme (NTP)



Brenda Bvalani
NTP intern, Malawi

“The internship programme has been a great learning experience for me. I have gained hands-on experience in the ongoing work of the WTO Secretariat. I also had an opportunity to sit in multilateral trade negotiations and to learn how negotiations are done and members’ considerations in coming up with their positions. Through this internship, I have built a network of WTO experts and fellow interns who can offer me advice on various issues.

“As a participant from an LDC, I have learnt of the technical assistance available to LDCs and I have developed a deeper understanding of special and differential treatment available in WTO agreements.”

Testimonial: WTO Virtual Executive Trade Course



Imsouchivy Suos (Cambodia)

Deputy Director of the Department of Notifications and Legal Compliance (WTO Affairs), Ministry of Commerce

“There are a lot of key takeaways that I have gained from this executive course, especially in terms of ongoing international trade policy issues and the interests of the members, including LDCs during and post the COVID-19 pandemic. I have already started applying what I have learned in my daily work, especially during the preparation for MC12. On a personal level, I am also delighted that this executive course allows me to meet new colleagues from different countries.

“I strongly recommend this course to all colleagues who are directly involved in WTO-related work, especially busy senior professionals who need to further enhance their knowledge in this field.”

Testimonial: E-learning



Dominic Osei Bonsu (Ghana)

Records Officer, Office of the Head of Civil Service

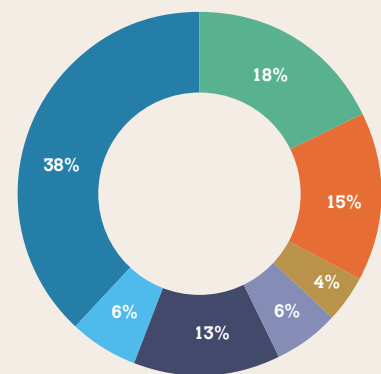
“I am really glad to have had the opportunity to participate in the WTO e-learning courses. The courses and the materials used during the sessions helped me to understand the processes of the WTO. Furthermore, the practical illustrations used in sessions made it easy and simple to understand the courses. This has all helped me in my workplace.”



Internship programmes

As in previous years, most government officials completing WTO internships were from LDCs and other low-income countries. Twenty participants completed the French and Irish Mission Internship Programme, which offers a 10-month placement to a capital-based official at the selected country's mission in Geneva. Fifteen participants completed the Netherlands Trainee Programme, which also lasts 10 months. Four interns participated in the Regional Coordinator Internship Programme and three in the Accession Internship Programme.

Figure 6: Technical assistance activities (national and regional) by region in 2021



Africa - 15 | Asia and the Pacific - 12 | Caribbean - 3
 Central and Eastern Europe and Central Asia - 5
 Latin America - 11 | Middle East - 5 | Global - 31



DG Okonjo-Iweala welcomes Young Professionals Programme participants to the WTO on 2 February 2022.

Young Professionals Programme

Fourteen young professionals (seven women and seven men) were recruited for the Young Professionals Programme (YPP) in 2021, using a merit-based selection process. They were recruited from WTO members with currently no more than one professional staff member at the WTO Secretariat. Funded by the Global Trust Fund, the programme aims to improve the opportunities for young professionals from nationalities under-represented at the WTO to be recruited by the WTO or other international organizations.

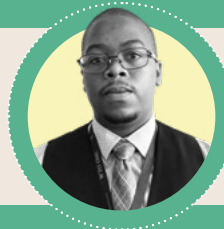
Financing technical assistance

The bulk of the technical assistance programme is financed by the Global Trust Fund through voluntary contributions from WTO members. There has been a gradual decrease in voluntary contributions for a decade. In 2021, total contributions were CHF 5.4 million, down from CHF 5.6 million in 2020.

Other funding sources include the WTO regular budget for Geneva-based courses and national technical assistance activities – CHF 4.8 million for 2020 – and contributions from other trust funds (such as the French and Irish Mission Internship Programme and the Netherlands Trainee Programme), which totalled CHF 2.1 million in 2020.



Testimonial: Young Professionals Programme (YPP)



Mkhosi Mdhluli

Young Professional
2021, Eswatini

“Through the YPP, I have obtained an invaluable understanding of the importance of accountability through a results-based management programme. I have also gained insight into different trade-related issues, including WTO agreements that my country is signatory to. Coming from a developing country, I am confident that the knowledge and skills I have accumulated will be beneficial to me individually and to my country in the immediate future.”



14

A total of 14 young professionals were recruited for the Young Professionals Programme in 2021.

Trade and women's empowerment

- › A five-year plan was approved to transform the WTO from being gender-aware to gender-responsive.
- › The WTO launched the Gender Research Hub, a global network of trade and gender experts, to share research and foster partnerships.
- › On International Women's Day 2021, DG Okonjo-Iweala said COVID-19 had deepened inequalities, but none deeper than those between men and women.



A new five-year Action Plan on Trade and Gender was launched in January 2021, with the aim of transforming the WTO from a gender-aware organization to a gender-responsive one. Building on the 2017-19 plan (extended to 2020), it has seven key objectives. These include supporting WTO members in integrating gender into their trade policies to make them gender-responsive, strengthening women entrepreneurs' capacity to trade, and furthering research and data collection.

Inclusive trade is at the heart of the WTO's work, and supporting the integration of women into international trade is one of its key components, as shown by the establishment of the Informal Working Group on Trade and Gender in 2020 and a new Ministerial Declaration on Trade and Gender Equality (see page 74).

The WTO Secretariat actively supports WTO members on trade and gender through its Trade and Gender Unit. In May, the WTO launched the Gender Research Hub, a global network of trade and gender experts, to share research findings and foster partnerships.

Core participants in the Hub include the OECD, UNCTAD, the IMF, the World Bank, the ITC, the UN Economic Commission for Latin America and the Caribbean, the

WTO Chairs Programme and prestigious universities (see page 192). The Hub can help WTO members respond to the ministerial call, contained in the new declaration, for research initiatives on trade policy instruments to increase women's participation and leadership in trade.

On International Women's Day on 8 March 2021, the WTO held a virtual event, "Women in Leadership: Achieving an equal future in a COVID-19 world". Participants said that WTO members must act swiftly to address the disproportionate impact of the COVID-19 crisis on women.

"The COVID-19 pandemic has deepened inequalities of every kind. But perhaps no divide has deepened more than that between men and women," DG Okonjo-Iweala said in her address at the event. Trade can be a source of more and better jobs, and increased purchasing power for women. Overall, countries that are more open to trade, as measured by the ratio of trade to gross domestic product, have higher levels of gender equality, she said.

The WTO Trade and Gender Unit offers training on trade and gender for government officials, collecting data or providing WTO members with various policy tools to help them integrate gender considerations into



The COVID-19 pandemic has deepened inequalities of every kind. But perhaps no divide has deepened more than that between men and women.

DG Okonjo-Iweala

their programmes and policies. It has also developed a comprehensive WTO database detailing all gender-related provisions included in trade agreements.

Overall, out of 500 regional trade agreements (RTAs – see page 124), 104 include gender-related provisions, with some devoting full chapters to them. The plurilateral agreement on domestic regulation in services (see page 71) became in 2021 the first accord adopted in the WTO to include a gender equality provision – in this case, with regards to authorization procedures for service suppliers.

The Unit collaborated with WTO chairs from Mexico, Chile and Barbados in a series of webinars and training activities as part of their trade and gender programme. They are also jointly delivering a “Handbook on Trade Policy and Gender Equality”, aimed at improving understanding of why mainstreaming gender equality in trade policy is of crucial importance.

In an opening address to launch a research and outreach project on “Gender and Trade in the Americas” on 3 August, DDG Anabel González emphasized the central role of women in the region’s economic and social lives and the WTO’s work in supporting gender-responsive trade policies.



CASE STUDY

Making trade work for women

Members of the WTO Chairs Programme (WCP – see page 192) in Mexico, Barbados and Chile set up, in partnership with the WTO Secretariat, in 2021 a project bringing together research, curriculum development and outreach events on “Trade and Gender in the Americas”. The WTO’s Trade and Gender Unit closely collaborated with the WTO Chairs on this project.

The project consisted of a series of seminars on trade and gender with the participation of ministers, permanent representatives to the WTO and negotiators working in the governments of Mexico, Chile and the Secretariat of the Caribbean Community (CARICOM). It also encompassed a course on “Women and Trade in the Americas” taught by negotiators with experience of trade and gender provisions in trade accords and by representatives of international organizations, such as UNCTAD and the World Bank. The nine-day online course was attended by 35 students from 11 countries.

“Gender perspectives have to be at the core of international negotiations. This project presents an incredible opportunity for the WCP to work with both member states and international organizations to achieve this,” said Ambassador Chad Blackman, Permanent Representative of Barbados to the WTO.

DDG Angela Ellard said: “I cannot emphasize enough the importance of the research on trade and gender conducted under the auspices of our Chairs Programme. The WTO is acting to make trade work for women, and when women do better, societies do better.”



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.

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Contact with the business community

› A Trade Dialogue with business attracted over 80 business representatives to discuss the WTO's response to COVID-19 and its future work.

› At a "Trade for Climate" event, WTO members, business representatives and NGOs debated mainstreaming trade into climate policy.

Trade Dialogue with business

On 23 June 2021, the fourth Trade Dialogue with business was held in collaboration with the International Chamber of Commerce (ICC). Over 80 business representatives discussed their priorities for the WTO's work and engaged with a number of WTO members on the WTO's response to COVID-19, deliverables for the 12th Ministerial Conference (MC12) and the future work programme of the WTO.

Business representatives voiced strong support for an early conclusion of the fisheries subsidies negotiations (see page 56), called for urgent resolution of the Appellate Body impasse (see page 143) and urged members to make progress on agriculture at MC12.

Background

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.

Participants also discussed priorities for the future agenda of the WTO, which should take into consideration challenges related to the environment and sustainability.

Trade for Climate

A second Trade Dialogue on climate change was held on 26 October, ahead of the 26th United Nations Climate Change conference (COP26). Key stakeholders, including business representatives, discussed how to mainstream trade into climate policy.

The "Trade for Climate" event was opened by DG Okonjo-Iweala and ICC Secretary-General John Denton. "We must act now across every economic sector and every country to shift the global economy to a low-carbon development pathway," the DG said. "If there are two issues that matter most to the business community, two issues that are inextricably linked, they are trade and climate," Mr Denton declared.

Vaccine manufacturers

As part of the Multilateral Leaders Task Force on COVID-19, DG Okonjo-Iweala, the heads of the IMF, World Bank Group and WHO met with the top executives of leading vaccine manufacturing companies to discuss improving access to COVID-19 vaccines, especially in low- and lower middle-income countries.

The talks included how to tackle trade-related bottlenecks and additional steps to reach the WHO vaccination target of 40 per cent of people in all countries by the end of 2021 (see page 179).

Other contact with businesses

At a session at the Public Forum (see page 172) entitled "The future WTO work programme: Insights from business", the ICC and B20 Italy, representing the global business community, highlighted the pressing need for reform of the WTO (see page 51) so that it can meet the challenges of the 21st century.



80

Over 80 businesses took part in a Trade Dialogue in June 2021 to discuss priorities for the WTO's work.

Relations with non-governmental organizations

- DG Okonjo-Iweala held four briefings with non-governmental organizations (NGOs) on topics including the fisheries subsidies negotiations and the 12th Ministerial Conference (MC12).
- In papers and petitions, NGOs urged WTO members to scale-up access to COVID-19 vaccines by addressing intellectual property rights issues.



35

NGOs co-organized
35 sessions at
the WTO's annual
Public Forum.

Background

The WTO maintains regular dialogue with civil society organizations to enhance cooperation and increase their awareness of WTO activities and the multilateral trading system. Continuing and strengthening the relationship with civil society remains important for increasing transparency and increasing public awareness of the work of the WTO.

DG Okonjo-Iweala held four briefings with NGO representatives, encouraging NGOs to share their views on how the WTO could improve and strengthen its collaboration with them. Topics of the briefings included the fisheries subsidies negotiations (see page 56) and MC12 (see page 78).

A working session organized by CUTS International and the United Nations Economic Commission for Europe (UNECE) at the 2021 Public Forum.

Civil society groups continued to put forward papers and petitions highlighting the negative impact of COVID-19. They called on WTO members to address the issue of intellectual property rights, which they consider critical to help scale-up vaccine production and achieve equitable access to the medical goods needed to deal with the pandemic. These papers are available on the WTO webpage dedicated to the business and civil society response to COVID-19.

As usual, NGOs played an active part in the WTO's annual Public Forum (see page 172), co-organizing 35 sessions.

In 2021, NGOs were invited to eight WTO Secretariat virtual briefings on the Trade Negotiations Committee and the General Council. In all, representatives from 45 NGOs benefitted from briefings on the WTO's work – a 38 per cent increase on 2020 (28 NGOs).

SPOTLIGHT

Public Forum 2021

Under the theme “Trade beyond COVID-19: Building Resilience”, the 2021 Public Forum was held from 28 September to 1 October in hybrid format. Nearly 350 participants attended in person and over 2,600 people participated virtually via a dedicated Public Forum platform. A total of 105 sessions were organized, including three high-level sessions.



Enhancing resilience beyond COVID-19

DG Okonjo-Iweala opened the Forum, highlighting the importance of the multilateral trading system in contributing to reducing vaccine inequity and tackling other pressing challenges, from the depletion of marine resources to climate change. “But even as we fight to end the pandemic ... we must engage in serious thinking about what it will take to build back a better world economy,” she said.

In his keynote address, South African President Cyril Ramaphosa called for global solidarity in tackling

the pandemic. He urged WTO members to take bold steps to deliver a coordinated response and to centre actions on an inclusive post-pandemic economic recovery. WHO Director-General Tedros Adhanom Ghebreyesus highlighted that COVID-19 restrictions, particularly travel restrictions, may have delayed spread of the virus but “they have also come at the highest social and economic costs, exacerbating pre-existing inequities”.

A panel of experts from civil society, the private sector and international organizations discussed how the multilateral trading system can help countries build resilience to

A session organized by the International Chamber of Commerce and B20 Italy, representing the global business community.

Background

The Public Forum is the WTO's largest annual outreach event. It provides a unique platform for heads of states, parliamentarians, business people, students, academics and civil society to come together and debate a wide range of trade and development topics.



“

Nearly 350 participants attended the 2021 Public Forum in person, and over 2,600 people participated virtually.



COVID-19 and promote an inclusive recovery. Panellists emphasized the interconnectedness of the health, social and economic aspects of the pandemic and stressed the need for a multi-stakeholder approach to expedite global access to vaccines and ensure an inclusive economic recovery.

Strengthening the multilateral trading system

A high-level debate involving ministers and experts on “Strengthening the Multilateral Trading System” tackled WTO reform and how to make the organization fit for purpose. The priorities included not only handling new issues like climate change, pandemic response and the digital economy but ensuring the WTO can better address matters that have been on its agenda for years, such as agriculture, disciplines on fisheries subsidies (see page 56) and special and differential treatment for developing and least-developed countries (see page 59).

MSMEs and COVID-19

A panel of entrepreneurs and policymakers discussed the impact of COVID-19 on micro, small and medium-sized enterprises (MSMEs). Participants noted the importance of digitization in helping small businesses navigate the crisis. Speakers highlighted the need to support MSMEs’ integration into global value chains by facilitating training, certification and access to finance. “We cannot afford to leave small businesses behind,” International Trade Centre Executive Director Pamela Coke-Hamilton told the session.

Public Forum: SME case stories

SMEs use trade to build resilience during COVID-19: Recycling plastic – Austria

Plasticpreneur, an Austrian company employing 11 staff, develops, produces and distributes technology, services and products for recycling plastic waste. It creates simple, user-friendly and cost-efficient plastic recycling machines, making plastic part of the circular economy and positively impacting the planet.

The company also provides entrepreneurship training to low-income communities, enabling them not only to turn plastic waste into new products but also assisting them in setting up income-generating projects and social businesses.

When COVID-19 hit, the company’s customers postponed their orders. But Plasticpreneur saw an opportunity. It quickly adapted its expertise and specialist technology to produce face shields out of recycled plastic. It produced, sold and donated thousands of face shields in Austria alone. More importantly, it distributed face shield production kits to other countries, such as Uganda, Kenya and Nigeria, helping them produce large amounts of protective equipment locally.

The advice of Sören Lex, Plasticpreneur’s CEO and co-founder, to fellow SMEs – always watch out for opportunities and needs in markets or societies.

“Always watch out for opportunities and needs in markets or societies.”

Sören Lex
CEO and co-founder of Plasticpreneur



Public Forum: SME case stories

Eco-ethical fashion – the Philippines

Rags2Riches is a fashion and design house empowering community artisans from the Philippines. It collects overstocked fabrics and textiles from factories and, in partnership with local artisans, turns out eco-ethical fashion.

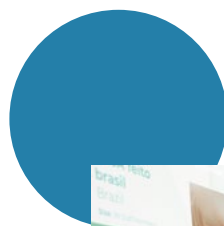
When COVID-19 hit, the company, which employs 30 staff, experienced significantly lower demand, both retail and corporate, and its supply chain and production were greatly hampered by the pandemic-provoked lockdowns.

It quickly re-instituted a decentralized supply chain, with artisans working, weaving and sewing from home. It pivoted to fully online operations, which was relatively easy because the company had existing online channels. As a result, its online sales increased by 50 per cent compared to pre-pandemic levels.

The advice of Reese Fernandez-Ruiz, Rags2Riches' president and co-founder, to fellow SMEs – make your operations as lean and agile as possible. Know your purpose!

“Make your operations as lean and agile as possible. Know your purpose!”

Reese Fernandez-Ruiz
President and co-founder of Rags2Riches



A photo exhibition entitled “Building resilience through trade during COVID-19: SME stories” portrayed SMEs' resilience stories during the pandemic and their advice to others on how to build resilience in future crises (see side panels). A number of these stories were featured in the first season of the new WTO podcast “Let's Talk Trade” (see page 183).

Sustainable trade

Twenty-five sessions were held under the sub-theme “Collective Action towards Sustainable Trade”, with participants underlining the important role the WTO should play in paving the way for a stronger trade and environment agenda.

A video series entitled “Fresh Takes on Green Business. Helping People and Planet” showcased the stories of three young environmental entrepreneurs from Asia, Africa and Europe/Oceania.

Exhibitors

Six exhibitors virtually showcased their inventions and environmental solutions, including innovative recycled plastic products, sustainable waste-based biofuels and reusable packaging for online retail.



Contact with parliamentarians

- › Despite the COVID-19 constraints, the WTO continued its outreach to parliamentarians, mainly through virtual contacts.
- › DG Okonjo-Iweala and the Chair of the General Council briefed parliamentarians on various occasions on developments at the WTO.

Ahead of the 12th Ministerial Conference (MC12), which had been due towards the end of 2021, but which, due to the rapid spread of the Omicron variant, was postponed to 12 to 15 June 2022, the DG briefed parliamentarians during a webinar – “Trade and health: Parliamentary perspectives on MC12” – organized by the Inter-Parliamentary Union (IPU) and the European Parliament. “By contributing to a well-informed, fact-based public debate on trade, you have crucial roles to play in achieving the robust, inclusive, and sustainable future growth path we all need,” she said.

Background

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.

General Council Chair Ambassador Dacio Castillo (Honduras) addressed a second webinar – “The WTO negotiations agenda at the MC12: Towards a sustainable recovery”. The webinars replaced the Parliamentary Conference on WTO that usually takes place during WTO ministerial conferences.

The DG also spoke at the European Parliament Committee on International Trade in May 2021 when she argued for expanding COVID-19 vaccine production and ending export restrictions.

The Steering Committee on WTO matters of the IPU, the international organization of parliaments, met twice in virtual format in April 2021, with the participation of the DG. It also met in September on the sidelines of the WTO Public Forum (see page 172), where the IPU and the European Parliament organized a session.

Deputy Director-General Jean-Marie Paugam told the EU Parliament Committee on International Trade’s annual Trade Policy Day on 9 November in Brussels that “the WTO acted as an automatic stabilizer in the face of geopolitical instability and the COVID-19 crisis, and now it needs to act as an enabler of the world economy”.

The Secretary-General of the IPU, Martin Chungong, spoke at an event for Asian parliamentarians co-organized by the WTO and the Singapore-based Temasek Foundation in May 2021. He highlighted the increased engagement of parliamentarians with WTO issues.

With the help of the Konrad-Adenauer-Stiftung, a group from the European Parliament was briefed in November by WTO spokesperson Keith Rockwell on the latest WTO developments.

Trade for Peace Programme

- The WTO Trade for Peace Programme co-hosted a high-level session on trade and peace at the annual Geneva Trade Week in September and held a side event at the UN High-Level Political Forum on Sustainable Development 2021.
- The Trade for Peace Network was launched in March to help policymakers and experts identify areas of collaboration on effective action in fragile and conflict-affected states.

The WTO Trade for Peace Programme co-hosted the opening plenary of the 2021 Geneva Trade Week. The session on 27 September was addressed by DG Okonjo-Iweala and Jose Ramos Horta, former President of Timor-Leste and Nobel Peace Prize laureate.

“Trade and peace are completely intertwined in the history of the multilateral trading system,” said DG Okonjo-Iweala. In his keynote address, Mr Horta stressed that peace and stability in conflict-affected countries are a pre-condition for trade and development.

In July, the programme also hosted a side-event at the UN High-Level Political Forum on Sustainable Development 2021 under the theme “Trade for Peace:



Addressing Fragility Through Economic Integration and Shared Prosperity: The case of WTO membership for Liberia and Afghanistan”. In October, WTO members and acceding governments met to stress that trade and WTO membership are drivers of peacebuilding and greater resilience.

The WTO, the International Trade Centre (ITC) and the Government of Liberia marked the fifth anniversary of Liberia’s accession to the WTO with the launch in October of a study on the critical importance of the multilateral trade system for post-conflict states. Liberia’s accession “has brought inspiration” to the group of countries in the queue to join the WTO, said DG Okonjo-Iweala.

Another fragile and conflict-affected LDC, Afghanistan, also marked its fifth WTO anniversary in July with the launch of a study examining its membership experience.

Other key developments in 2021 included the inauguration in March of the Trade for Peace Network at a meeting attended by heads of international organizations. The network will allow policymakers and experts to identify areas of collaboration, with the aim of leading to effective action in fragile and conflict-affected states.

July saw the launch of the Research and Knowledge Hub of the Trade for Peace Programme. It will act as a coordinating unit to gather and disseminate research on the trade-peace connection. In November, the second Trade for Peace Week was held, focusing on the Eurasian region.

Background

The Trade for Peace Programme aims at promoting the rules-based system as a peacebuilding tool by highlighting the role of trade and economic integration in the security, humanitarian and development fields. It followed the establishment of the g7+ WTO Accessions Group in 2017. Having suffered from fragility and instability caused by conflicts, the group saw integration into the multilateral trading system as a chance to promote sustainable and inclusive peace.



Trade and peace are completely intertwined in the history of the multilateral trading system.

DG Okonjo-Iweala

Cooperation with other intergovernmental organizations

- DG Okonjo-Iweala highlighted trade's role in ambitious and just climate action at the UN Climate Change Conference of the Parties (COP26) in Glasgow, Scotland.
- The WTO worked intensely with other intergovernmental organizations to accelerate the rollout of COVID-19 vaccines and to promote a fair economic recovery from the pandemic.
- G20 leaders recognized the contribution of the multilateral trading system to a global recovery from the pandemic.
- The DG took part in G20 and G7 summits and events organized by the United Nations.

UN climate summit

DG Okonjo-Iweala highlighted trade and the WTO's role in a wide range of approaches to climate action, including carbon emission reductions, climate adaptation and trade finance. In meetings with world leaders and stakeholders at the United Nations Climate Change Conference of the Parties (COP26) in November in Glasgow, Scotland, she called for ambitious yet fair commitments that ensure a green transition that is just and inclusive to all economies (see page 121).

G20

The DG attended the G20 Heads of State and Government Summit in October in Rome. With the heads of the IMF, World Bank and the WHO she discussed strategies to accelerate the supply and deployment of COVID-19 vaccines, especially in low- and lower middle-income countries.

DG Okonjo-Iweala attended a summit of G20 leaders in October in Rome.

Background

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.





DG Okonjo-Iweala meets with Italy's Prime Minister Mario Draghi in May in Rome during Italy's presidency of the G20.

G20 leaders declared they “will work with all WTO members in the lead-up to the 12th Ministerial Conference and beyond to enhance the capacity of the multilateral trading system to increase our pandemic and disaster preparedness and resilience through a multifaceted response”.

Speaking to G20 leaders and the heads of international organizations at the Global Health Summit on 21 May, the DG said WTO members could contribute to greater equity in the global distribution of COVID-19 vaccines by lowering supply chain barriers, fully using existing production capacity and addressing issues related to intellectual property, access and innovation. The pandemic had made clear that “policymakers need to think of preparedness, response, and resilience as one interconnected package,” she said.

The WTO also took part in meetings of G20 trade ministers, the G20 Trade and Investment Working Group and G20 agriculture ministers. It continued to monitor food crop policies under the G20 Agriculture Market Information System initiative, which aims to increase transparency in international commodity markets and improve policy coordination.

With UNCTAD and the OECD, the WTO continued to publish six-monthly reports on trade and investment measures in G20

countries. The WTO Trade Monitoring Report on G20 trade measures, issued in October, shows restraint in new pandemic-related trade restrictions. However, the value of trade covered by pandemic-related restrictions still in place exceeds that of trade-facilitating measures (see page 130).

G7

In March 2021, DG Okonjo-Iweala took part in the inaugural meeting of G7 Trade Track, designed to make the global case for free and fair trade. Trade ministers underlined the vital role global trade has played in tackling the impact of COVID-19 and welcomed the contribution trade can make to a strong economic recovery.



Trade played an important role in the historic development achievements and poverty reduction we saw during the 30 years before COVID-19. And trade will be at the centre of our efforts to end the pandemic.

DG Okonjo-Iweala

COVID-19

The heads of the IMF, World Bank, WHO and WTO announced on 30 June 2021 that they will lead a Multilateral Leaders Task Force on COVID-19. “We have formed a Task Force ... to help track, coordinate and advance delivery of COVID-19 health tools to developing countries and to mobilize relevant stakeholders and national leaders to remove critical roadblocks,” they said in a joint statement.

Also in June, the heads of the WHO, the World Intellectual Property Organization (WIPO) and the WTO agreed to collaborate on a series of workshops to increase the flow of information on the pandemic and to launch a platform for tripartite technical assistance to member governments concerning their needs for medical technologies. They gathered again in Geneva on 1 February 2022 to review progress on the initiatives.

In July 2021, the WHO and the WTO hosted a high-level dialogue on “Expanding COVID-19

vaccine manufacture to promote equitable access”, with the participation of senior policymakers, heads of multilateral agencies, vaccine manufacturers, development finance institutions, global health initiatives and public health activists. The DG said: “Unequal access to vaccines is a major reason ... advanced economies and a few others are surging ahead, while the rest lag behind amid rising poverty, hunger and unemployment.”

High-level meetings

In August, the DG attended a meeting hosted by then German Chancellor Angela Merkel on how to boost a fair economic recovery from the COVID-19 pandemic. The heads of the International Labour Organization (ILO), IMF, OECD and the World Bank also attended. The DG also participated in the sixth “1+6” Roundtable, held by Chinese Premier Li Keqiang and leaders from other international organizations (IMF, World Bank, OECD, ILO, the Financial Stability Board) to discuss how to promote strong, inclusive and sustainable growth.

DG Okonjo-Iweala with the Directors-General of the World Health Organization, Dr Tedros Adhanom Ghebreyesus, and of the World Intellectual Property Organization, Daren Tang.



OECD

The OECD and the WTO cooperate in a range of areas, including in the trade in value-added (TiVA) database and in improving the measurement of digital trade (see page 191). They are developing trade facilitation indicators, with an interactive web tool covering 152 countries.

The WTO and OECD have started preparing the next Global Review of Aid for Trade to be held in 2022. The meeting will build on insights from the Aid for Trade stocktaking exercise, which was held in March 2021 (see page 155).

United Nations

DG Okonjo-Iweala attended the spring and autumn meetings of the United Nations Chief Executives Board (CEB), composed of the executive heads of UN agencies, funds and programmes and the executive heads of the IMF, the World Bank and the WTO.

The WTO is part of the UN Secretary General-led High-Level Task Force, which brings together 23 UN agencies and international organizations to provide policy coordination and political leadership to achieve the UN Sustainable Development Goals.

In a speech to the United Nations High-level Political Forum in July 2021, the DG said: “Trade played an important role in the historic development achievements and poverty reduction we saw during the 30 years before COVID-19. And trade will be at the centre of our efforts to end the pandemic.”

In a video message to the UN Food Systems Summit on 23 September, she underscored the importance of international trade in building sustainable food systems.

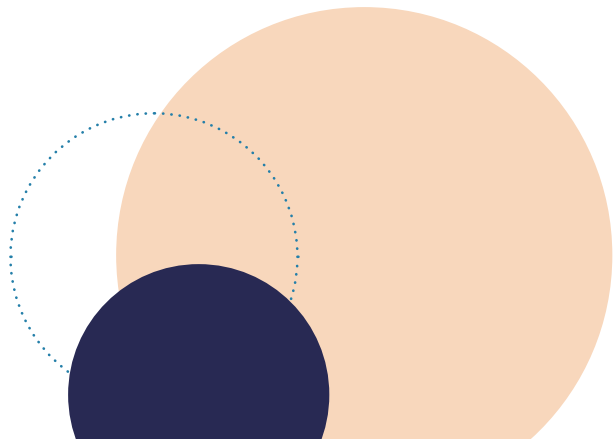


UNCTAD, ITC and UN regional commissions

UNCTAD, the International Trade Centre (ITC) and the WTO jointly produce the annual “World Tariff Profiles” (see page 190) and quarterly and annual statistics on international trade in services. They also combine in statistical capacity-building, including training and e-learning courses.

The WTO’s cooperation with the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) has grown, particularly in helping least-developed countries (LDCs) that are graduating from LDC status to adapt (see page 151) and in helping developing countries prepare for ministerial conferences.

DG Okonjo-Iweala addresses the UN Climate Change Conference (COP26) in Glasgow, United Kingdom in November.



Contact with the media

➤ The appointment of Ngozi Okonjo-Iweala as Director-General sparked an increase in media coverage of the WTO.

➤ Despite COVID-19, journalists were able to attend 50 press conferences, briefings and other events in virtual or hybrid format.

The appointment of DG Okonjo-Iweala sparked a surge in media interest in the WTO. Hundreds of journalists worldwide sought to interview the first African and the first woman to head the organization, with the media team handling the requests. The DG's close involvement in discussions to facilitate access to COVID-19 vaccines and medical supplies in developing countries also attracted widespread coverage throughout the year.

The ongoing pandemic continued to pose challenges to the work of the media team. Extensive preparations for the 12th Ministerial Conference (MC12) were suddenly put on hold when the meeting was postponed in late November due to the rapid spread of the Omicron variant.

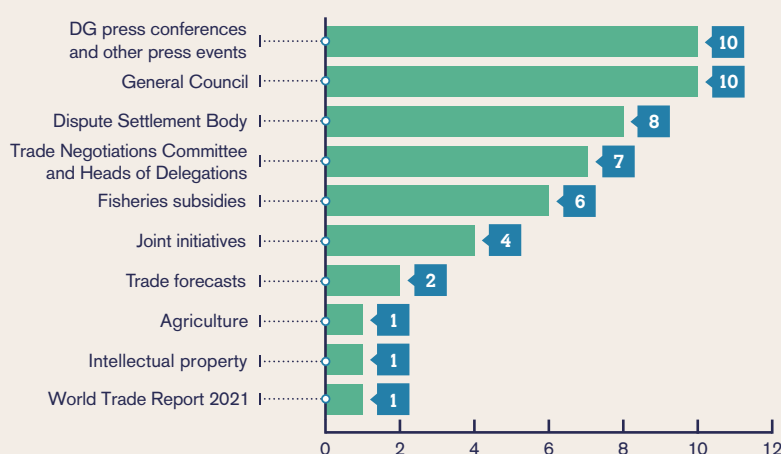
In advance of MC12, the media team organized two virtual seminars for journalists in cooperation with the Friedrich-Ebert-Stiftung. The first, attended by 21 Latin American journalists, took place on 19-22 April and was conducted in Spanish. The second, for 20 English-speaking journalists from Africa and Asia, took place on 31 May-3 June.

The media team continued to organize virtual press conferences and briefings, occasionally in hybrid format when conditions permitted. These included the annual trade forecast and revised forecast, meetings of key WTO councils and bodies, briefings with the DG and the launch of new trade-related initiatives by proponent members.

In total, journalists were invited to 50 press conferences, briefings and other events in 2021. Press officers also continued to assisted colleagues with organizing webinars and online conferences.

The WTO approved 256 requests for registration to the online newsroom, where journalists can access press releases and publications under embargo. The total number of accredited journalists registered stood at 2,075 as of the end of 2021.

Figure 1: Press briefings and conferences, by issue, 2021



Contact with the public

- The WTO website attracted 3.23 million monthly visits, 4 per cent more than in 2020.
- The “COVID-19 and world trade” section on the website, covering measures taken by WTO members in response to the pandemic, was viewed over 862,000 times.
- The WTO launched a podcast called “Let’s Talk Trade” and a TikTok account.
- The WTO issued 66 publications, up from 51 in 2020.

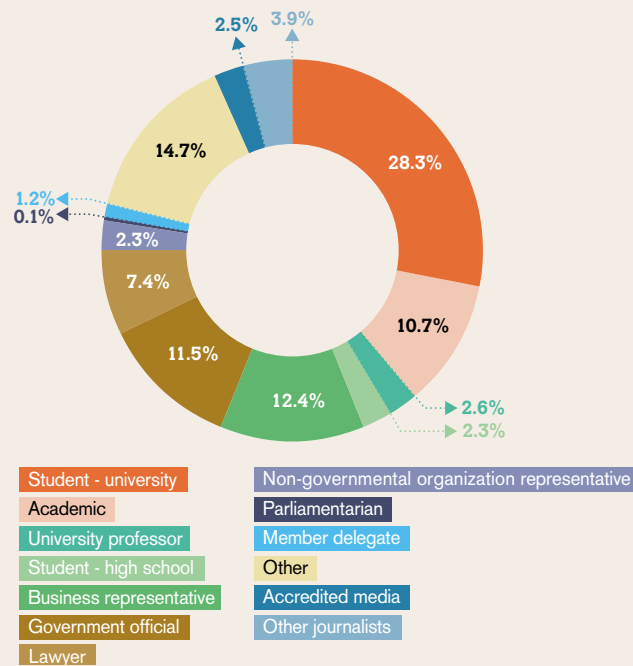
WTO website

The WTO website attracted over 3.23 million monthly visits in 2021, over 4 per cent more than the year before. The United States accounted for the most visits, with 16.5 per cent, followed by China (12.3 per cent) and Russia (7.26 per cent). Total page views rose to 94.6 million, from 86.3 million in 2020. Over 530 news items were published on the site, 20 per cent more than in 2020.

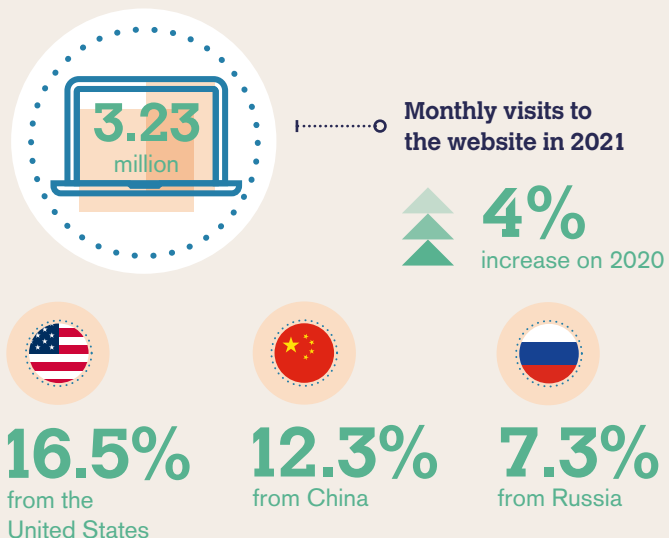
Some of the most downloaded files were the WTO’s flagship publications, the “World Trade Statistical Review 2021” (64,300 downloads), the “Annual Report 2021” (over 43,000 downloads) and the “World Trade Report 2021” (23,800 downloads). The publication “The History and Future of the World Trade Organization” was another popular publication, downloaded almost 64,000 times.

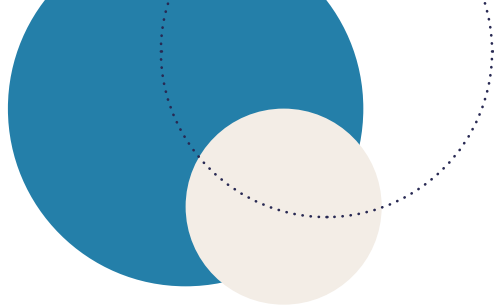
WTO videos were viewed over 354,000 times in 2021. The most popular video, with over 29,000 views, was the press conference by Dr Ngozi Okonjo-Iweala following the confirmation of her appointment as WTO Director-General. The second most popular was her first day as WTO DG, which was viewed 16,840 times.

Figure 2: Users registered for email alerts by occupation, as of end-2021



Visitors to the WTO website





Some 83,700 people have registered to receive email alerts for WTO news items (see Figure 2). The largest numbers of registrations are from India (10.5 per cent), followed by the United States, Mexico, Colombia, Peru and France.

The WTO's "COVID-19 and world trade" section on the website, providing up-to-the-minute information on the impact of the pandemic on world trade and measures members have taken in response to it, was viewed over 862,000 times.

The most downloaded WTO Secretariat reports about COVID-19 and trade were "Developing and delivering COVID-19 vaccines around the world: An information note about issues with trade impact" (57,000 downloads), "E-commerce, trade and the COVID-19 pandemic" (43,000) and "Export prohibitions and restrictions" (16,800).

Social media

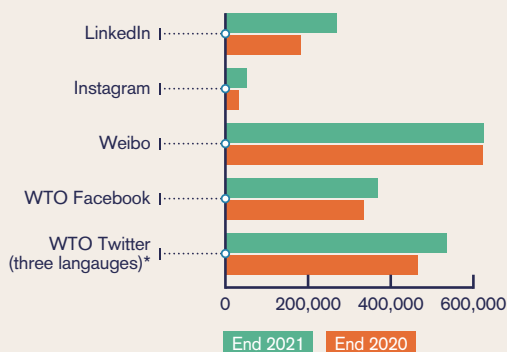
The number of WTO followers on Twitter, LinkedIn, Facebook, Instagram and Weibo grew by 13 per cent to close to 2 million (see Figure 3). The posts announcing the appointment of Dr Ngozi Okonjo-Iweala as Director-General were the most popular ever on WTO social networks. Other popular topics concerned the Public Forum (see page 172) and the Aid for Trade stocktaking event (see page 155) in March 2021.

In line with the aim of reaching out to younger people, the WTO started a TikTok account, sharing information in short videos adapted to the style of this platform.

Audio-visual products

Overall video production grew by 35 per cent in 2021. The most viewed videos were connected to the appointment of Dr Ngozi Okonjo-Iweala as Director-General and her first day in office, followed by videos on the

Figure 3: Percentage of growth in the number of followers of the WTO on social media platforms



fisheries subsidies negotiations and the popular, ongoing "Let's Talk Trade" series of videos aimed at explaining trade topics in everyday language.

The WTO launched a "Let's Talk Trade" podcast to dive into specific topics. The first two seasons focused on small businesses using trade to navigate the effects of the COVID-19 pandemic and on the history of WTO ministerial conferences.

Student group presentations

The WTO arranged presentations for 34 groups, totalling just under 1,000 people. All but three of these events took place via virtual platforms. The presentations, which covered the history, functions and work of the WTO, were given in four languages. The majority of them (30) were in English, two were in German and one each was in Chinese and Russian.

The WTO's "COVID-19 and world trade" section on the website was viewed over 862,000 times in 2021.



3.23
The WTO website attracted over 3.23 million monthly visits in 2021.



35%
Overall production of WTO videos grew by 35 per cent in 2021.

WTO publications

The WTO issued 66 publications in 2021, up from 51 the year before. Most WTO publications can be downloaded from the WTO's website in the three official languages – English, French and Spanish. Printed copies can be purchased from the WTO Online Bookshop. The WTO's apps are available free from the App Store and Google Play. The WTO Publications Facebook page has over 51,600 followers and its Twitter page over 70,600.

The WTO iLibrary was expanded and revamped. It currently includes over 1,800 titles published by the WTO or co-published with other international organizations, over 30 titles co-published with Cambridge University Press, over 300 WTO working papers, comprehensive statistical data on world trade, and every dispute settlement report issued since the WTO was established, comprising over 800 reports.



Flagship publications

Annual Report 2021
 ISBN 978-92-870-5130-1 | CHF 50
 The report provides a comprehensive account of the WTO's activities and provides details on its current structure, staff and budget.

World Trade Report 2021: Economic resilience and trade
 ISBN 978-92-870-5139-4 | CHF 50
 The report examines why the interconnected global trading system is both vulnerable and resilient to crises and how it can help countries to be more economically resilient to shocks in the future (see page 187).



World Trade Statistical Review 2021
 ISBN 978-92-870-5148-6 | CHF 50
 A comprehensive overview of the latest developments in world trade, covering both merchandise trade and trade in commercial services.



Other annual publications

Trade Profiles 2021
 ISBN 978-92-870-5157-8 | CHF 50
 Key indicators on trade in goods and services for 197 economies. Highlights each economy's major exports and imports and its main trading partners.

World Tariff Profiles 2021
 ISBN 978-92-870-5166-0 | CHF 50
 Comprehensive information on tariffs and non-tariff measures imposed by over 170 countries and customs territories. Co-published with ITC and UNCTAD.



Trade Policy Reviews 2021
 The trade policy reviews for Saudi Arabia, Mongolia, Qatar, Tonga, China, India, Nicaragua, Myanmar, Kyrgyz Republic and Viet Nam were published in 2021, analysing their trade policies and practices (see page 127).

Dispute Settlement Reports 2020
 Five volumes were issued in 2021, providing the full texts of panel reports issued by the WTO in 2020. Co-published with Cambridge University Press.



New publications



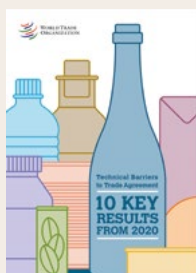
Adapting to the Digital Trade Era: Challenges and opportunities

Edited by Maarten Smeets
 ISBN 978-92-870-4302-3 | CHF 40
 This study looks at how the rapid adoption of digital technologies could help developing countries increase their participation in world trade.



Strengthening Africa's Capacity to Trade

ISBN 978-92-870-4835-6 | CHF 30
 Open global trade has had positive effects for African industrialization and development. This report looks at efforts to help African countries strengthen their trading capacity and take fuller advantage of the benefits that trade brings.



Technical Barriers to Trade Agreement: 10 key results from 2020

ISBN 978-92-870-5270-4 | Free
 The WTO Committee on Technical Barriers to Trade (TBT) conducts an annual review of the implementation of the TBT Agreement. This brochure provides 10 key results from the 2020 review.

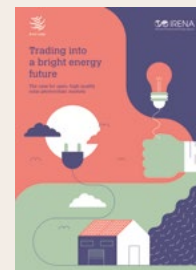


WTO Dispute Settlement: One-Page Case Summaries (1995-2020)

ISBN 978-92-870-5224-7 | CHF 40
 The publication covers all panel and Appellate Body reports adopted by the WTO's Dispute Settlement Body (DSB) up to 31 December 2020, devoting a single page to each dispute to provide a succinct summary of the key findings.

Trading into a bright energy future: The case for open, high-quality solar photovoltaic markets

ISBN 978-92-870-4994-0 | CHF 30
 Open global trade has been an important factor in the rapid deployment of solar photovoltaic technologies around the world. The need to keep markets open and to develop harmonized product standards across the world is examined in this new joint report with the International Renewable Energy Agency (IRENA).



Technical Barriers to Trade – Third Edition

The WTO Agreements Series
 ISBN 978-92-870-4998-8 | CHF 30
 Prepared by the WTO Secretariat, this new edition in the “WTO Agreements” series aims at enhancing understanding of the WTO Agreement on Technical Barriers to Trade (TBT).



Accelerating Trade Digitalization to Support MSME Financing

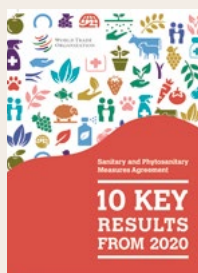
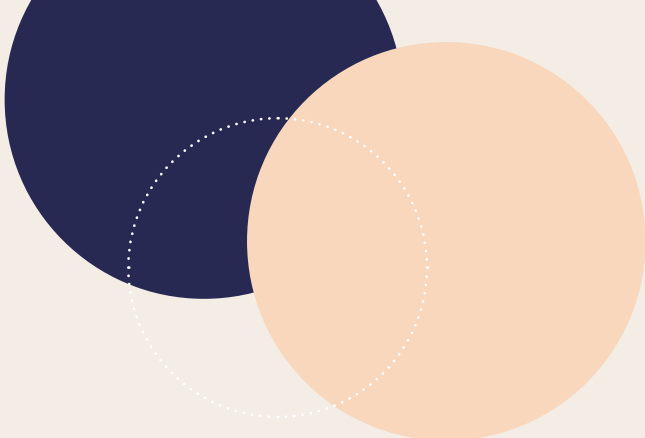
Digital only | Free
 This publication seeks to identify some of the challenges that micro, small and medium-sized enterprises (MSMEs) face in acquiring financing, and explores the potential of digital technologies to address these challenges. Co-published with Trade Finance Global.



Status of WTO Legal Instruments

ISBN 978-92-870-5260-5 | CHF 40
 The “Status of WTO Legal Instruments” is the WTO Secretariat's flagship publication on WTO treaties. The latest edition was published in 2021.





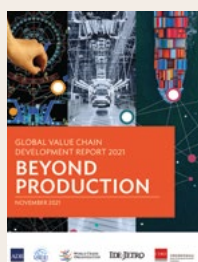
Sanitary and Phytosanitary Measures Agreement: 10 key results from 2020

ISBN 978-92-870-5325-1 | Free
The WTO Committee on Sanitary and Phytosanitary Measures (SPS) conducts an annual review of the implementation of the SPS Agreement. This brochure provides 10 key results from the 2020 review.



Competition Policy and Intellectual Property in Today's Global Economy

Edited by Robert D. Anderson, Nuno Pires de Carvalho and Antony Taubman
ISBN 9781316645680 | CHF 80
This book looks at the positive linkages between IP and competition in jurisdictions around the world, surveying developments and policy issues from an international and comparative perspective. Co-published in 2021 by Cambridge University Press, the WTO and WIPO.



Global Value Chain Development Report 2021: Beyond Production

ISBN 978-92-870-5429-6 | CHF 60
The report shows how the rise of services value chains offers a new path to development and how protectionism and geopolitical tensions, environmental risks, and pandemics are undermining the stability of global value chains. Co-published by the WTO, ADB, UIBE, IDE-JETRO and the China Development Research Foundation.

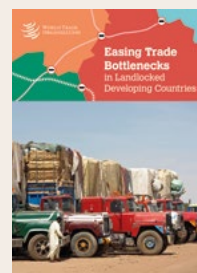
Promoting Access to Medical Technologies and Innovation – Extract: An integrated health, trade and IP approach to respond to the COVID-19 pandemic

ISBN 978-92-870-5337-4 | Free
As part of their efforts to help countries develop the capacity to deal with multi-dimensional challenges in the public health sector, the WHO, WIPO and WTO have launched an updated extract of the second edition of this trilateral study.



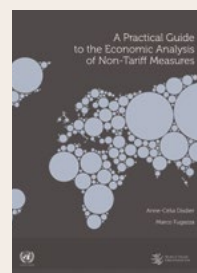
Easing Trade Bottlenecks in Landlocked Developing Countries

ISBN 978-92-870-5421-0 | CHF 35
Landlocked developing countries (LLDCs) face many challenges to integrate into global supply chains. This report identifies trade bottlenecks in LLDCs and provides recommendations on how to keep trade flowing smoothly across borders.



A Practical Guide to the Economic Analysis of Non-Tariff Measures

ISBN 978-92-870-4883-7 | CHF 45
The third volume of the series of Practical Guides to Trade Analysis co-published by UNCTAD and the WTO.



Economic research activities

- The WTO's flagship "World Trade Report" examines why the interconnected global trading system is both vulnerable and resilient to crises and shows how trade policy and the WTO can support resilience.
- The WTO issued the Trade Cost Index, which for the first time gives members a detailed breakdown of trade costs and who pays them.
- The WTO and the World Bank issued "The Role of Trade in Developing Countries' Road to Recovery", which discusses how international trade can help developing countries recover faster from the COVID-19 pandemic.

World Trade Report 2021: Economic Resilience and Trade

The WTO's flagship publication, the "World Trade Report 2021", examines why the interconnected global trading system is both vulnerable and resilient to crises such as the COVID-19 pandemic. It shows that a more open, inclusive and predictable trade environment is needed to promote diversification and contribute to economic resilience. The WTO already plays a key role in making economies more resilient by promoting lower trade barriers and greater transparency in trade policies. Further international cooperation at the WTO can help governments to be better prepared and more resilient in the future.



Background

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.

Key findings from the 2021 World Trade Report

- Most trade measures taken by WTO members in response to the COVID-19 crisis were trade-facilitating. The rapid trade recovery after the pandemic underlines how liberalizing trade policies can support resilience.
- Trade can strengthen resilience by boosting productivity and growth and by increasing access to goods and services to prepare for, cope with and recover from the impact of shocks.
- Trade policies, such as easing trade controls to support the flow of emergency goods and limiting the use of export restrictions to promote the availability of essential goods globally, can be highly beneficial at times of crisis.
- A diversified trade and production structure makes it more likely that trade can play a positive role in coping with shocks.
- International cooperation can play an important role in increasing the resilience of global value chains and securing essential goods and services, including COVID-19 vaccines, at a reasonable cost.
- WTO members could make an even greater contribution to building economic resilience by strengthening their cooperation on various issues, such as export restriction, electronic commerce and transparency on trade measures.



“Policies that aim to increase economic resilience by unwinding trade integration and promoting self-sufficiency can backfire, effectively reducing economic resilience,” DG Okonjo-Iweala said at the launch of the report in November. “Global policy coordination has an important role to play in fostering economic resilience. The WTO has been able to enhance transparency about international market conditions by monitoring COVID-related trade measures and using its convening power to push for more vaccine manufacturing in developing countries,” she added.

Global value chains

Early evidence emerging from the ongoing pandemic indicates that global value chains have played a key role in supporting economic recovery and are evolving in important ways, according to the “Global Value Chain Development Report 2021: Beyond Production”. The report was co-published in November by the WTO, the Asian Development Bank, the Research Institute for Global Value Chains at the University of International Business and Economics, the Institute of Developing Economies and the China Development Research Foundation.

Trade Cost Index

In 2021, the Economic Research and Statistics Division issued the WTO Trade Cost Index. Based on estimates of bilateral trade costs for 43 economies and 31 sectors between 2000 and 2018, the index allows

users for the first time to monitor the evolution of global trade costs by economy and sector, to understand the main components of trade costs such as tariffs, non-tariff measures and infrastructure, and to determine who in terms of gender, income and skill-set faces the largest trade costs.

Role of trade in developing countries’ recovery from COVID-19

A joint WTO-World Bank policy note, “The Role of Trade in Developing Countries’ Road to Recovery”, discusses how international trade can support the recovery from the COVID-19 pandemic and future global shocks.

Trade and global value chains have proven to be resilient and are driving the recovery from the COVID-19 pandemic, the report notes. The pandemic has, however, highlighted some developing countries’ vulnerabilities that need to be addressed, including limited economic diversification and access to trade finance. Governments can – individually and collectively – act to ensure that trade facilitates the transition to green, resilient and inclusive development.

DG Okonjo-Iweala launches the World Trade Report 2021 on 16 November.

The pandemic has highlighted some developing countries’ vulnerabilities that need to be addressed, including limited economic diversification and access to trade finance.



Swapnika Rachapalli,
joint winner of the
2021 Essay Award for
Young Economists.

WTO Essay Award for Young Economists

The winners of the 2021 WTO Essay Award for Young Economists were Tomas Dominguez-lino for his paper “Efficiency and Redistribution in Environmental Policy: An Equilibrium Analysis of Agricultural Supply Chains”, and Swapnika Rachapalli for her paper “Learning between Buyers and Sellers Along the Global Value”. The winners will share the prize of CHF 5,000.

Tomas Dominguez-lino's paper looks beyond carbon taxes to consider the possibilities for regulating trade-oriented and imperfectly competitive industries that contribute to climate change. He shows that imposing environmental tariffs on agricultural imports from South America would perform poorly due to “carbon leakage”, whereby emissions reductions achieved by regulated markets are mostly offset by increased trade flows to non-regulated markets. The paper is useful in cautioning policymakers about unintended consequences of policy decisions.

Tomas Dominguez-lino is from Argentina. He earned his PhD from New York University in 2021. He is a postdoctoral researcher at the University of Chicago Booth School of Business and will join the Federal Reserve Board as of 2022.

Swapnika Rachapalli's paper asks whether input suppliers learn how to make downstream products from their buyers and, if so, what the role

of international trade is in providing access to better downstream foreign knowledge through buyer-seller interactions. The study finds that gains from opening up are larger for firms/countries with less technological know-how and which were previously more closed to foreign markets. The paper identifies a very important mechanism by which developing countries can gain from trade with industrialized countries through technology upgrading.

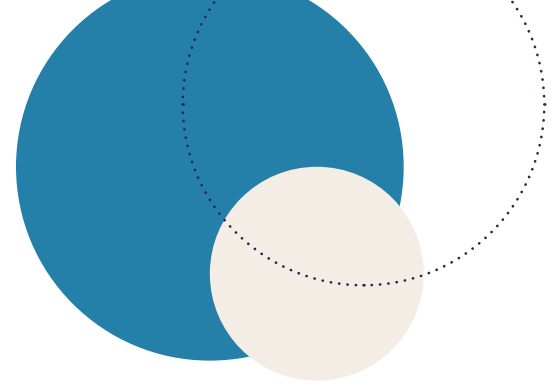
Swapnika Rachapalli is from India. She earned her PhD from the University of Toronto, Canada, in 2021. She is a postdoctoral fellow at Princeton University's International Economics Section, and as of July 2022, will be Assistant Professor at the University of British Columbia.

Selection panel

The selection panel for 2021 was comprised of Beata Javorcik (Professor of Economics, University of Oxford), Robert Koopman (Director, Economic Research and Statistics Division, WTO), Robert Staiger (Professor of Economics, Dartmouth University) and Alberto Trejos (Professor of Economics, INCAE Business School). Roberta Piermartini (Chief of Trade Cost Analysis, Economic Research and Statistics Division, WTO) coordinated the work of the panel.

Tomas Dominguez-lino,
joint winner of the 2021
Essay Award for Young
Economists, with
Roberta Piermartini,
WTO Economic Research
and Statistics Division.





Statistics activities

- **WTO statisticians monitored trade trends in merchandise and services and the impact of COVID-19, particularly on developing economies. The WTO issued statistical notes on trade in medical goods and COVID-19 vaccine availability.**
- **The “World Trade Statistical Review”, the WTO’s flagship statistical publication, looked into the trade impact of COVID-19. It was complemented by the WTO’s two other annual statistical publications, “Trade Profiles” and “World Tariff Profiles”.**
- **The WTO, with the Organisation for Economic Co-operation and Development (OECD), published the first Balanced Trade in Services dataset, providing a complete and balanced matrix of export and import data.**

Background

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 developments related to COVID-19

WTO statisticians monitored the impact of the COVID-19 pandemic on international trade and global supply chains, providing reports and analytical insights to support decision-making on trade policies.

In 2021, the WTO issued two updates on “Trade in Medical Goods in the Context of Tackling COVID-19”, first issued in April 2020, and a new report on “COVID-19 Vaccine Production and Tariffs on Vaccine Inputs”. Product coverage for the latter was based on a project developed in cooperation with other international organizations and the private sector – the “Joint Indicative List of Critical COVID-19 Vaccine Inputs”. Another information note on “Improving Trade Data for Products Essential to Fight COVID-19” was also published.

Together with the IMF, the WTO launched the WTO-IMF COVID-19 Vaccine Trade Tracker in November to monitor trade and supply and to provide greater transparency on the cross-border flow of vaccines.

The WTO Secretariat continued to enhance the coverage and dissemination of monthly and quarterly data on merchandise and services trade, producing a series of news items and information notes highlighting the most recent trends in international trade and global supply chains. Quarterly information notes on trade in intermediate goods were released to reflect trends in global supply chains.

Statistical publications and data series

The “World Trade Statistical Review 2021”, the WTO’s flagship statistical publication, provides insights into the trade impact of COVID-19. “Trade Profiles 2021” contains a series of key indicators on trade in goods and services while “World Tariff Profiles 2021” provides information on tariffs and non-tariff measures.



The WTO Data Portal on the WTO website was expanded to give access to a selection of key databases offering statistics on various trade-related measures.

A new dataset covering bilateral services trade of 200 economies in 2005-19 – Balanced Trade in Services – was produced in cooperation with the OECD. It offers a complete and balanced matrix that reconciles previously asymmetrical export and import data.

With the support of the World Customs Organization, WTO statisticians launched an online tool – the HS Tracker – to help customs officials and traders prepare for changes in the Harmonized System (HS – see page 87).

Statistical capacity-building

A project on developing statistical capacity in Africa, launched in 2020 with the OECD and the United Nations Economic Commission for Africa, strengthened relationships with national statisticians in African countries.

The WTO Secretariat participated in various workshops to raise awareness on how to measure digital trade, as outlined in the “Handbook on Measuring Digital Trade”, published in 2020 with the OECD and the IMF.

WTO statisticians contributed to joint online courses and webinars with the UN Conference on Trade and Development, the United Nations and regional statistical agencies for developing economies, exchanging knowledge on best practice in data collection, compilation and analysis of merchandise trade and trade in services statistics.

Online tools to disseminate market access information and trade statistics were regularly presented in thematic, regional and trade policy courses and in seminars tailored to national needs.

The WTO provided technical assistance in trade in services to countries in Asia-Pacific Economic Cooperation and the Organisation of Islamic Cooperation. The WTO Secretariat also offered capacity-building on global value chain indicators.

International cooperation

The WTO Secretariat, with the OECD, was a lead contributor to the first Eurostat “Compilers’ Guide on Trade in Services by Mode of Supply”. These guidelines help countries to produce official statistics on trade in services by the four modes of supply under the WTO’s General Agreement on Trade in Services.

Data for the portal on trade-related Sustainable Development Goals were updated. The initiative streamlines reporting and has led to enhanced cooperation with the International Trade Centre and UNCTAD.

I-TIP

The WTO’s Integrated Trade Intelligence Portal (I-TIP), which provides the most comprehensive information on non-tariff measures (NTMs), was regularly updated with new information on services trade policies and trade statistics. By the end of 2021, more than 65,000 NTMs on trade in goods had been included, up from 62,000 the previous year.

DG Okonjo-Iweala presents the WTO’s trade forecast at a press conference in October 2021.

Cooperation with academic institutions

- Seventeen universities from least-developed and developing country members joined the WTO Chairs Programme (WCP), almost doubling its size.
- The WTO provided funding to existing WCP chairs for 11 research projects selected on a competitive basis.
- Six students from Burkina Faso, Ethiopia, Kazakhstan, Lesotho, Senegal and Thailand participated in the WTO's PhD support programme while 81 universities took part in the regional rounds of the annual John H. Jackson Moot Court Competition.

Background

The WTO Chairs Programme (WCP), launched in 2010, aims to promote research into the trading system among academics and respond to the needs of policymakers in developing and least-developed countries. Chair-holders are selected through a competitive process. The main objectives of the WCP are to create a network fostering research on trade issues, to provide teaching support for the development of courses on trade policy, to organize outreach activities to disseminate research, and to provide policy advice to governmental and other stakeholders. The WCP is housed in the WTO's Knowledge and Information Management, Academic Outreach and WTO Chairs Programme Division.

Third phase of the WTO Chairs Programme

Seventeen universities from least-developed and developing country members were chosen to join the WTO Chairs Programme (WCP) in November 2021, effectively doubling its size to 36 institutions. The WTO received a total of 126 applications from universities in 54 members across all continents for the new cycle of the programme. The successful candidates include universities from countries and regions previously under-represented in the programme.

Following the recommendation of an independent external evaluation of the WCP, commissioned at the conclusion of the previous cycle in 2018, the WTO decided to significantly scale up the programme. A call for applications for chairs for phase III of the programme was issued in December 2020.

The large number of applications allowed for a highly competitive selection process conducted by the WCP team, with the support of experts from several other divisions of the WTO and in collaboration with the WCP Academic Advisory Board.

The 17 new WTO chairs are from Cameroon, China, Colombia, Costa Rica, Ecuador, Egypt, Ethiopia, India, Lesotho, Nepal, Pakistan, Peru, Rwanda, Chinese Taipei, Tanzania, Uzbekistan and Viet Nam.

Announcing the result, DG Okonjo-Iweala declared her intention to admit institutions to the WCP on a rolling basis in the future. "Having looked closely into the existing structure ... I believe there is greater benefit to be had if we are to admit a smaller number of candidates more frequently. This will allow us to make the programme even more representational, enhance its visibility and generate more momentum in the chairs network and with members," she said.



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universities from least-developed and developing country members were chosen to join the WTO Chairs Programme.

Impact of the WTO Chairs Programme

“The WCP directly builds up members’ capacity to fully participate in the multilateral trading system through direct partnerships with beneficiary institutions. Through the WCP, governments gain direct access to the trade policy expertise of chair-holders. Their high-quality research and impactful advice are translated into policy actions of the government.”

Deputy Director-General Xiangchen Zhang

“With the newly selected institutions, the WCP offers a better geographical representation in less developed countries in Central America, Central and South Africa, and Central and South Asia, which were previously under-represented regions. This diversity lends a richness to the programme that makes its whole much more than the sum of its parts.”

Marcelo Olarreaga, Professor of Economics at the University of Geneva and member of the WCP Academic Advisory Board

“This programme aims to enable LDCs, which face numerous challenges on trade issues, to participate fully in the multilateral trading system and to benefit from it through the analysis of the challenges that our economies face. The WCP makes it possible to raise awareness on international trade among several strata of society: the private sector, political decision-makers and the negotiators of tomorrow.”

Ambassador Ahmad Makaila of Chad, Chair of the LDC Group

“Chairs produce relevant and high-quality research and training programmes in expert competencies through regularly updated trade course curricula and outreach activities. They have been successful in providing policymakers and other stakeholders with evidence-based and custom-made advice that, as demonstrated from prior performance, translates into concrete policy action in beneficiary countries.”

Ambassador Mujtaba Piracha of Pakistan, Chair of the Committee for Trade and Development

“Austria is a donor of the Chairs Programme because it generates excellent long-term sustainability by capitalizing on academic specialization. I also think it is very important for the programme to focus on topics most relevant to policymakers and stakeholders, including those covered by WTO committee work and negotiations.”

Cynthia Zimmermann, Austrian Deputy Federal Minister for Trade and Digitalization

“The WCP has become a community of practice, learning and collaboration across academic institutions, regions and trade-related disciplines. The three pillars of the programme are closely interconnected and the respective feedback loops serve to enrich the activities and outputs of each pillar.”

Trudi Hartzenberg, Executive Director of the Trade Law Centre and a member of the Academic Advisory Board

The existing WCP network consists of 14 institutions selected as WTO Chairs for a four-year term in the first phase in 2009 and an additional six Chairs selected in the second phase that commenced in 2014. The WCP is funded by the WTO’s Global Trust Fund, with contributions from Australia, Austria, France and the Netherlands.

Activities of the Chairs Programme

In 2021, the WTO provided the existing Chairs with funding for 11 research projects selected on a competitive basis. They focused on building capacity for important issues linked to recent joint declarations made by WTO members. These include trade and women’s economic empowerment, economic resilience during the COVID-19 pandemic, sustainable development and the blue economy, regional integration, micro, small and medium-sized enterprises (MSMEs), and the digital economy.

The academic diversity of the Chairs and their teams generated wide-ranging legal and economic analysis of the issues, helping to inform national and regional policy-making. The projects demonstrate the capacity-building

impact of the Chairs Programme and the importance of the results-based management framework implemented to monitor it.

Academic support programmes

In 2021, six students from Burkina Faso, Ethiopia, Kazakhstan, Lesotho, Senegal and Thailand participated in the WTO’s PhD support programme, which aims to support the development of academic expertise on WTO issues in developing countries. Due to the pandemic, the programme was carried out virtually. The PhD dissertations contribute significantly to building expertise on international trade and WTO-related matters in developing countries.

The WTO signed a memorandum of understanding with the European Law Students Association, formalizing the 20-year-long fruitful relationship between the two entities in organizing the John H. Jackson Moot Court Competition on WTO Law, which attracted 81 universities in 2021 (see page 144). The competition has grown into a truly global event, reaching hundreds of trade law students as well as the academics and practitioners who serve as panellists and promoting engagement with WTO matters across the world.

Universities participating in the WTO Chairs Programme

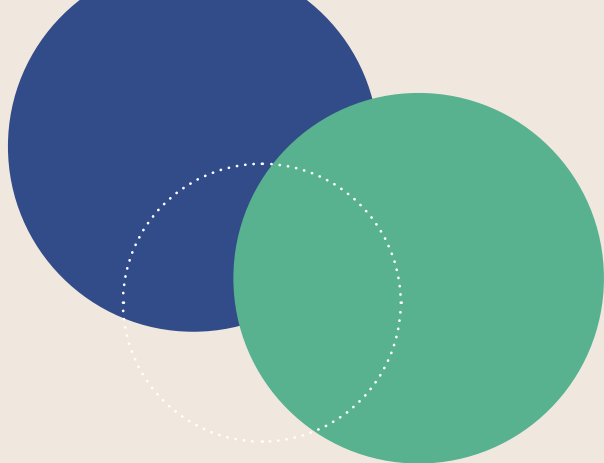


Phase I and II chairs established in 2010 and 2014

- 1 Argentina**
Latin American Faculty of Social Sciences
- 2 Barbados**
University of the West Indies
- 3 Benin**
University Abomey-Calavi
- 4 Brazil**
Getulio Vargas Foundation, Sao Paulo School of Economics
- 5 China**
Shanghai University of International Business and Economics
- 6 Chile**
University of Chile
- 7 Indonesia**
Universitas Gadjah Mada
- 8 Jordan**
University of Jordan

- 9 Kenya**
University of Nairobi
- 10 Mauritius**
University of Mauritius
- 11 Mexico**
Instituto Tecnológico Autónomo de México
- 12 Morocco**
Mohammed V University Souissi
- 13 Oman**
Sultan Qaboos University
- 14 Russian Federation**
St Petersburg State University
- 15 Senegal**
Cheikh Anta Diop University
- 16 Singapore**
National University of Singapore
- 17 South Africa**
North-West University
- 18 Tunisia**
University of Tunis, Tunis Business School
- 19 Turkey**
Istanbul Bilgi University





Phase III chairs established in 2021

- Phase I and II chairs established in 2010 and 2014
- Phase III chairs established in 2021

20 Cameroon
Université de Yaoundé II

21 China
University of International Business and Economics

22 Colombia
Universidad de los Andes

23 Costa Rica
Universidad Nacional

24 Ecuador
Universidad Andina Simón Bolívar Sede

25 Egypt
Cairo University

26 Ethiopia
Addis Ababa University

27 India
Indian Institute of Foreign Trade

28 Lesotho
National University of Lesotho

29 Nepal
Kathmandu University School of Management

30 Pakistan
Lahore School of Economics

31 Peru
Pontificia Universidad Católica del Peru

32 Rwanda
University of Rwanda

33 Chinese Taipei
National Taiwan University

34 Tanzania
Trade Policy Training Centre in Africa

35 Uzbekistan
The University of World Economy and Diplomacy of Uzbekistan

36 Viet Nam
Foreign Trade University



Knowledge management

- The WTO's knowledge management section worked to promote knowledge-sharing within the WTO and with members to increase the effectiveness of the Secretariat.
- Visits to the WTO Library's website have risen over 500 per cent since the site was launched in 2019.
- In 2021, the Library created a "WTO staff & WCP research portal" to facilitate access to research by the WTO Chairs Programme (WCP).

Two knowledge-sharing series were launched in 2021. "Thinkers Thursdays" aims to provide an overview of knowledge management and how it can assist the daily work of the WTO Secretariat. "On the Road to MC12" introduces key negotiating issues and challenges facing trade negotiators in the run-up to the 12th Ministerial Conference (MC12).

The Secretariat participates in a global network of knowledge management focal points from many international organizations. Convened by the UN Development Coordination Office, the forum meets regularly to exchange good practices, lessons learned and common challenges faced by UN entities on various aspects of knowledge management.

In 2021, the knowledge management section organized an African art exhibition originally planned as a side event to MC12. The showcase of young African talent featured works from the Africana Foundation in Geneva. The first theme of the exhibition was entitled "Ubuntu: I AM because WE ARE", which comes from a South African term referring to shared humanity, generosity, togetherness and even vulnerability. The second theme was the importance of promoting a more sustainable environment.

Records and archives management

The records and archives management section (RAMS) is an integral part of KMD and aims at guaranteeing the good management of the Secretariat's records and archives.

In July 2021, with support from the Information Technology Solutions Division, RAMS rolled out a new electronic document and records management system based on M-Files technology, which generates efficiency gains as well as better searchability and accessibility of records, enabling the Secretariat to better assist members.

Background

The knowledge management section, which forms part of the Knowledge and Information Management, Academic Outreach and WTO Chairs Programme Division (KMD), was created in 2020 to promote knowledge-sharing within the WTO and with members. Improved knowledge management increases the effectiveness of the Secretariat in serving members in the WTO's key fields of activity.

RAMS is a member of the International Council on Archives and actively participates in the network of Records Managers and Archivists of International Organizations. This involvement gives international visibility to the WTO's historical records.

WTO Library

In 2021, the WTO Library provided a full range of both onsite and increasingly online services to WTO bodies, missions, Secretariat staff, members' capitals, other inter-governmental organizations, NGOs and academics around the world. Visits to the library website have risen over 500 per cent since the site was launched in 2019, with users from 171 countries.

Among its innovations in 2021, the Library created a "WTO staff & WCP research portal" to facilitate access to research by WTO staff, past and present, and by academics in the WTO Chairs Programme (WCP – see page 192). It includes regular posts about WCP activities.

The WTO Library trade news resources portal was launched in December 2021. It provides easy access to over 1,600 mostly



free trade and news resources, including WTO and external data on regional trade agreements.

DG Okonjo-Iweala views exhibits in an African art exhibition held at the WTO in December.

The WTO Library's upgraded website provides access to an online catalogue of electronic journals, news resources, reading recommendations and bibliographies, with many resources that can be used for free anywhere in the world. The onsite reading room is open Monday to Friday (except official holidays).

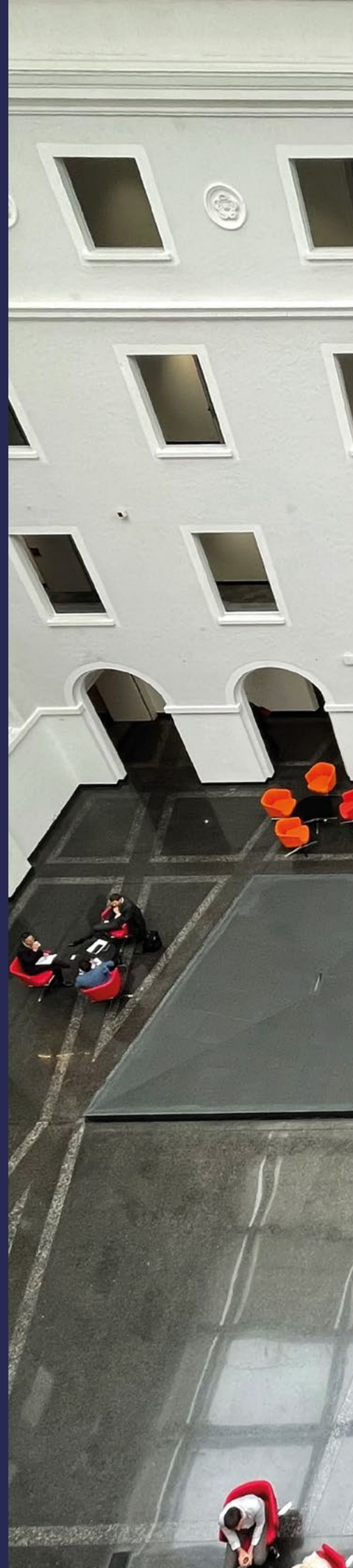


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Secretariat and budget

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.

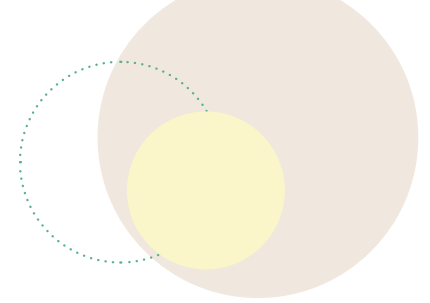
The Atrium of the
WTO's headquarters
in Geneva.





200
WTO Secretariat

208
Budget, finance
and administration



WTO Secretariat

- **DG Okonjo-Iweala appointed Angela Ellard (United States), Anabel González (Costa Rica), Jean-Marie Paugam (France) and Xiangchen Zhang (China) as Deputy Directors-General.**
- **Support was provided to staff during the COVID-19 pandemic via a health task force and through the medical service.**
- **WTO recruitment activity remained high, with 55 vacancies filled in 2021. The Human Resources Division continued to reallocate resources to high-priority areas.**
- **A new unit – the WTO Delivery Unit – was created to work closely with the Director-General and with divisions to support members in reaching concrete outcomes at the 12th Ministerial Conference (MC12) and beyond.**
- **The DG launched an external assessment of the WTO Secretariat to identify areas for efficiency gains.**

After taking office on 1 March 2021, DG Okonjo-Iweala announced on 4 May the appointment of Angela Ellard (United States), Anabel González (Costa Rica), Ambassador Jean-Marie Paugam (France) and Ambassador Xiangchen Zhang (China) as her four Deputy Directors-General.

A new unit – the WTO Delivery Unit – was created in April 2021 to work closely with the DG and with WTO Secretariat divisions to better support WTO members in reaching concrete outcomes at MC12 and beyond. Key areas of immediate focus include working with relevant divisions on an effective WTO response to the COVID-19 pandemic, fisheries subsidies, dispute settlement, agriculture, development issues and a coordinated approach to WTO reform.

On 16 April 2021, the DG informed WTO members that she was seeking external

consultants to provide an independent and objective assessment of the WTO Secretariat. Following a competitive tender process, McKinsey & Company was chosen to conduct a “Structural Review of the WTO Secretariat”. In June and July, a core team from McKinsey worked on site at WTO headquarters to build a fact-based assessment.

McKinsey asked staff to complete two surveys and conducted a series of meetings with staff via focus groups, workshops and one-to-one interviews. McKinsey also held three consultation sessions with members. It subsequently finalized a report setting out its diagnosis of the Secretariat’s strengths and identifying areas for improvement.

The DG and McKinsey consultants presented an overview of the work undertaken and future action at a Town Hall meeting in July 2021. On 1 February 2022, the DG announced the establishment of the Transformation Office to drive forward work in the areas identified during the diagnostic phase.

COVID-19

The Health Task Force (HTF), established in 2020 in response to the pandemic, continued to play a key role in ensuring the health and safety of WTO staff and the smooth running of the organization.

The HTF included representatives from various divisions, the Medical Service and the Staff Council. Its role included keeping staff abreast of new COVID-19 developments, following up with staff suffering from COVID-19 symptoms, and coordinating with other international organizations and the Swiss authorities.

The Medical Service continued to support staff affected by the pandemic and to keep the premises safe. It also provided statistics on COVID-19 cases within the WTO and proposed measures to mitigate risks to staff.

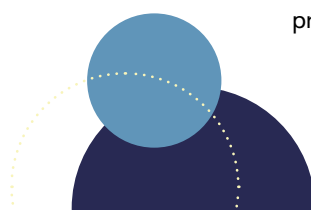
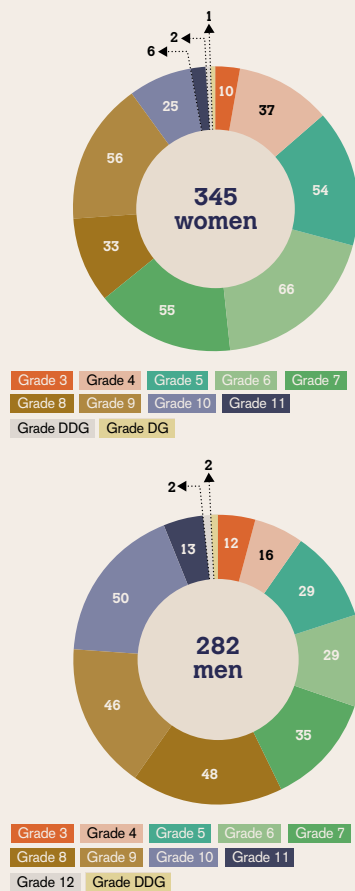


Figure 1: WTO staff on regular budget by grade and gender, as of 31 December 2021



Staffing

The WTO's recruitment activity remained high, with 55 vacancies filled in 2021. The overall number of staff increased to 627 (see Figure 1 and Figure 2). Secretariat staff come from 81 WTO members (see Figure 4), two more than in 2020.

The WTO Secretariat is composed mostly of economists, lawyers and specialists in international trade policy. There are also specialists in IT, communications, statistics, finance, human resources and language services (see Table 1). The working languages of the WTO are English, French and Spanish.

Secretariat staff on the regular budget comprise professional and support service categories (see Figure 2). Professional staff account for 63 per cent of the total and support service staff 37 per cent. Women continue to outnumber men at the WTO, by 345 to 282 (see Figure 1). Among professional staff, 47 per cent are female and 53 per cent male, compared with 42 per cent and 58 per cent, respectively, in 2014.

New recruit

Pamela Bayona

Statistical Officer,
Trade Policy
Review Division

Nationality:
Philippines
Joining date:
10 January 2022



My first contact with the WTO was as a young delegate working on the Information Technology Agreement expansion negotiations for the Philippines. My job then was to keep track of tariff duties and trade data for high-technology goods, which was then used to inform discussions in Geneva.

Little did I know that I would later have a similar role with the WTO Secretariat. I work as a statistical officer in the Trade Policy Review Division, preparing and analysing tariff and trade data for the Committee on Regional Trade Agreements.

In between, I worked at the Asian Development Bank, the ITC and WIPO. These roles have allowed me to bring different perspectives to the WTO – especially as a woman working with data – on the outlook for international trade, in particular in terms of the ways we use data, and how technology is changing it.

I have a master's degree in International Economics from the Graduate Institute in Geneva, and I am currently completing an Applied MSc in Data Science and Artificial Intelligence at the Data ScienceTech Institute in Paris.

New recruit

Anastasia Smirnova

Dispute Settlement Lawyer, Rules Division

Nationality:
Russia

Joining date:
14 September 2021



I became familiar with WTO law when I was completing my master's degree at the Graduate Institute in Geneva. I had the good fortune to participate in the Moot Court Competition, a simulated dispute settlement proceeding on WTO law. Having dived into the intricacies of trade law and met inspiring professionals during the competition, I knew that trade law was the path I wished to follow in my professional life.

Before joining the WTO, I provided legal advice in Russia on foreign trade remedy investigations. As Russia was a new WTO member, trade lawyers were a rare species, so even as a junior lawyer I got to tackle challenging projects.

As a dispute settlement lawyer, I advise WTO panels on trade remedy matters. This job requires constant working out of intricate issues and complex drafting. Among the things I appreciate the most are my skillful, kind and supportive colleagues. In my view, it is team spirit that enables us to provide such high-quality legal advice and to help panels resolve disputes between WTO members in a peaceful way. This is what I find so rewarding.

The HR Division continues to respond to the evolving needs of the Secretariat by reallocating resources to high-priority areas, such as the legal sections. Staffing measures take into account the limitations imposed by WTO members, including the overall cap on the budget and personnel.

Various methods of informal resolution of workplace disputes are available to staff. The WTO has an independent psychologist for staff seeking assistance with psychological and social support. This is in addition to the external and internal mediators, the Head of the Office of Internal Oversight and the Legal Counsel to the Administration.

Fourteen young professionals joined the Young Professionals Programme in January 2021. The group included professionals from Bangladesh, Belize, Dominican Republic, Eswatini, Guatemala, Georgia, Indonesia, Malawi, Mauritania, Namibia, Nicaragua, Nigeria, Chinese Taipei and Thailand. They were selected from more than 2,400 candidates following a competitive selection process.

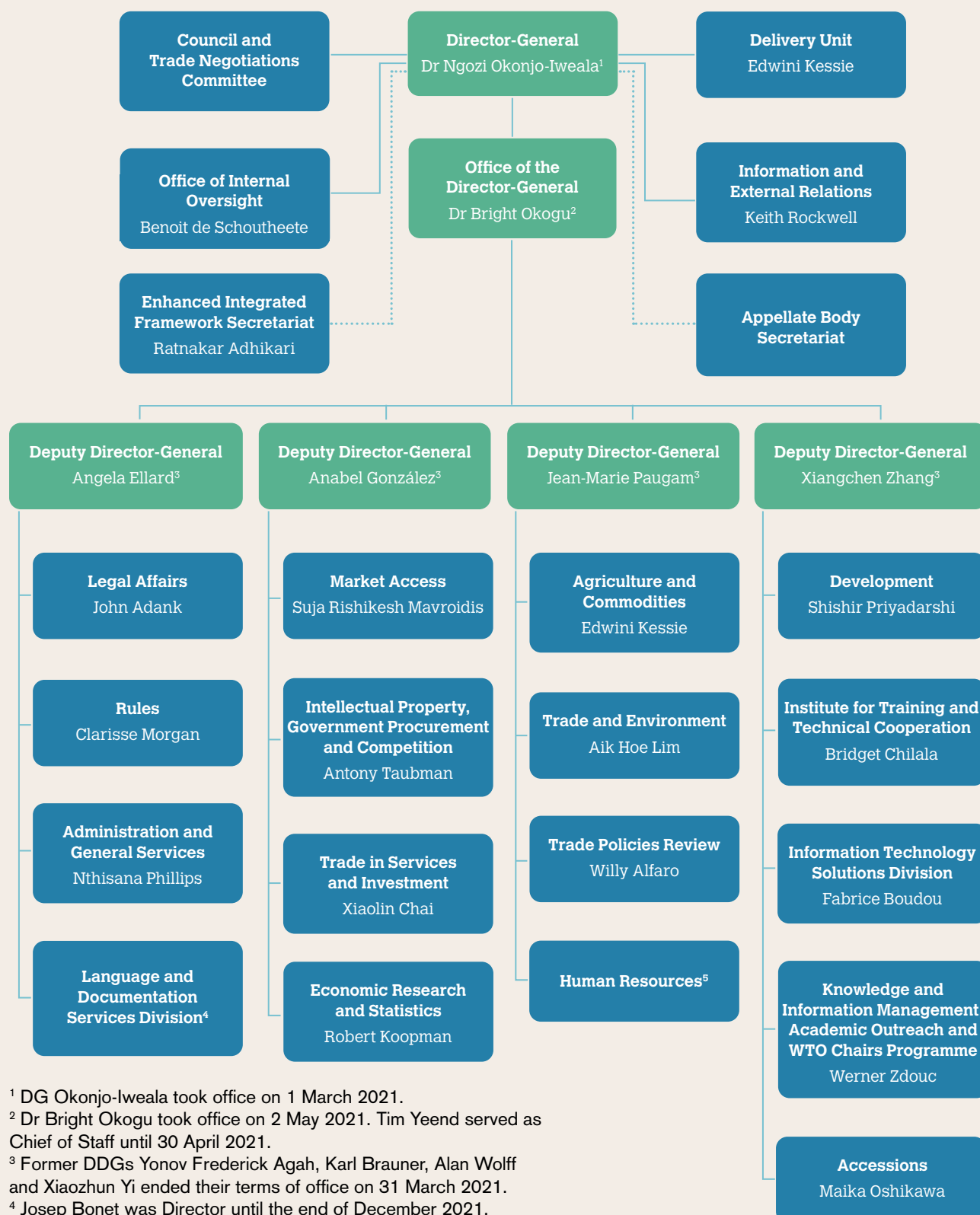
The programme aims to increase the number of professionals in the WTO Secretariat from developing and least-developed countries under-represented in the organization (see page 165).

Initiatives

The implementation of a user-friendly, cloud-based HR/payroll platform called "Workday" began in August 2020 and went live for employees in September 2021, incorporating HR core activities of recruitment, absence, payroll, benefits and compensation. The second phase, involving learning and development, performance management and other areas, will start in September 2022, with a scheduled go-live in the second quarter of 2023.

Training and e-learning

Due to the pandemic, all learning and development initiatives for Secretariat staff were conducted virtually. These included

Figure 3: WTO Secretariat organizational chart, as of end-March 2022

¹ DG Okonjo-Iweala took office on 1 March 2021.

² Dr Bright Okogu took office on 2 May 2021. Tim Yeend served as Chief of Staff until 30 April 2021.

³ Former DDGs Yonov Frederick Agah, Karl Brauner, Alan Wolff and Xiaozhun Yi ended their terms of office on 31 March 2021.

⁴ Josep Bonet was Director until the end of December 2021.

⁵ Christian Dahoui was Director until the end of March 2022.

Table 1: Allocation of posts by division, as of 31 December 2021 (number of posts)*

	Grades 1-10	Senior Management and Directors	Total
Senior Management (DG, DDGs and their assistants)	8.0	5.0	13.0
Accessions Division	9.0	1.0	10.0
Administration and General Services Division	68.0	1.0	69.0
Agriculture and Commodities Division	21.8	1.0	22.8
Council and TNC Division	13.0	1.0	14.0
Development Division	19.7	1.0	20.7
Economic Research and Statistics Division	36.4	1.0	37.4
Human Resources Division	26.7	1.0	27.7
Information and External Relations Division	28.3	1.0	29.3
Information Technology Solutions Division	38.8	1.0	39.8
Institute for Training and Technical Cooperation	30.3	1.0	31.3
Intellectual Property, Government Procurement and Competition Division	14.3	1.0	15.3
Knowledge and Information Management, Academic Outreach and WTO Chairs Programme	18.8	1.0	19.8
Language and Documentation Services Division	95.6	1.0	96.6
Legal Affairs Division	36.0	1.0	37.0
Market Access Division	19.0	1.0	20.0
Office of Internal Oversight	3.0		3.0
Office of the Director-General	13.8	2.0	15.8
Rules Division	37.6	1.0	38.6
Trade and Environment Division	17.1	1.0	18.1
Trade in Services and Investment Division	14.1	1.0	15.1
Trade Policies Review Division	48.2	1.0	49.2
WTO Delivery Unit	2.0		2.0
Total	619.5	26.0	645.5

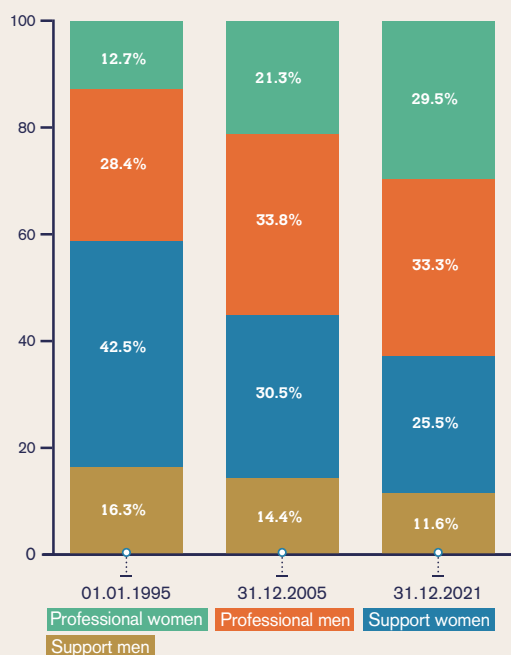
*Includes posts not yet filled. Figures in decimals indicate staff members who work a percentage of the working week (e.g. 80 per cent).

new programmes on managing teams virtually and conducting online technical assistance training. To help staff navigate internal and external changes, a comprehensive leadership and change programme was launched, including an in-house executive leadership programme.

Workshops were conducted to promote the organization's values, including webinars on diversity and ethics. In addition to learning networks for managers, support in the form of a facilitator was provided for cross-divisional networks to share information on best practice.

Based on the policy "Right to Work in an Environment Free from Discrimination, Harassment and Abuse of Authority", the Learning Service worked with an external learning provider to produce a four-part "Respect and Harmony" e-learning course. To date, approximately 95 per cent of staff members have taken the course.

Figure 2: Percentage of WTO staff by professional/support category



New recruit

Felipe Muñoz

**Training Officer,
Institute for Training
and Technical
Cooperation**

Nationality:

Chile

Joining date:

15 January 2022

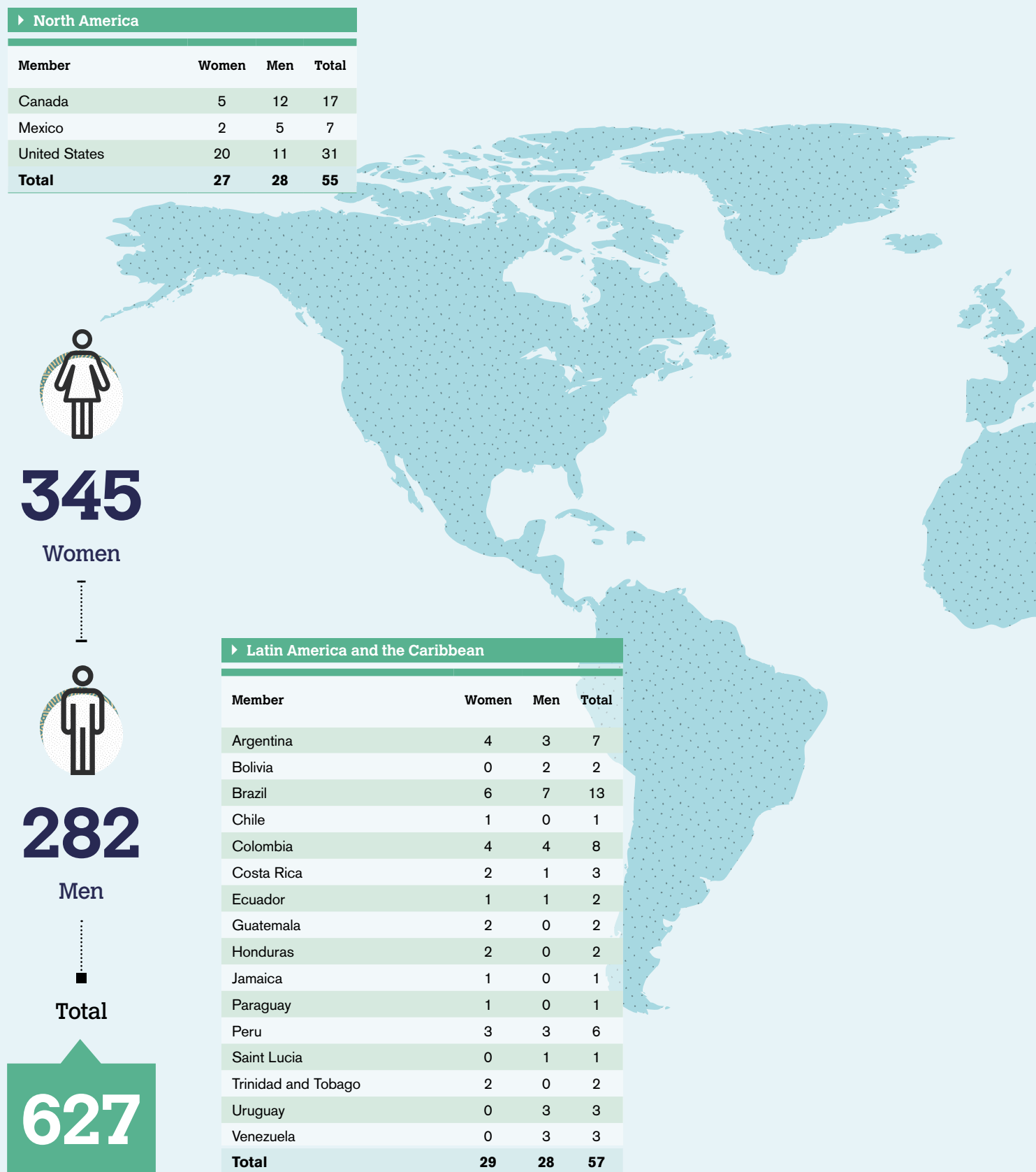


Before joining the WTO, I was an associate professor at the Institute of International Studies of the University of Chile. Previously, I had lectured and done research on trade policy and WTO issues. I was part of the team for the University of Chile's WTO Chairs Programme. As part of my responsibilities, I participated in the formulation, implementation and academic coordination of the University's Trade Policy diploma and master's degree in International Strategy and Trade Policy.

My university role gave me the chance to collaborate with various international organizations, including the WTO, UNCTAD, the World Bank and the Inter-American Development Bank.

Joining the WTO's Institute for Training and Technical Cooperation (ITTC) is a new challenge. International cooperation has been transformed by the COVID-19 pandemic, and there is a need to use trade for an inclusive and sustainable recovery for all countries, something which the ITTC can help foster. I feel privileged to work with a highly qualified team of specialists and to assist the WTO in contributing to the economic recovery and development of its members.

Figure 4: WTO staff on regular budget by member and gender as of 31 December 2021



▶ Europe

Member	Women	Men	Total	Member	Women	Men	Total
Austria	2	2	4	Lithuania	0	1	1
Belgium	4	2	6	Netherlands	1	4	5
Bulgaria	2	4	6	Norway	0	1	1
Croatia	1	0	1	Poland	3	1	4
Czech Republic	1	0	1	Portugal	0	4	4
Denmark	1	1	2	Romania	2	0	2
Estonia	1	0	1	Russian Federation	5	2	7
Finland	3	2	5	Spain	32	13	45
France	100	65	165	Sweden	2	2	4
Germany	8	13	21	Switzerland	9	9	18
Greece	3	2	5	Ukraine	1	0	1
Hungary	1	3	4	United Kingdom	34	12	46
Ireland	11	1	12	Total	238	158	396
Italy	11	14	25				

▶ Africa

Member	Women	Men	Total
Benin	0	3	3
Botswana	1	0	1
Burundi	0	1	1
Cameroon	1	0	1
Congo, Democratic Republic of the	2	2	4
Egypt	3	1	4
Gambia	2	0	2
Ghana	1	0	1
Guinea	0	1	1
Kenya	2	0	2
Malawi	0	1	1
Mauritius	0	3	3
Morocco	1	3	4
Nigeria	1	1	2
Rwanda	0	1	1
Senegal	0	1	1
South Africa	0	1	1
Tanzania	2	0	2
Tunisia	2	2	4
Uganda	1	1	2
Zambia	1	0	1
Zimbabwe	2	0	2
Total	22	22	44

▶ Asia

Member	Women	Men	Total
Bangladesh	0	1	1
China	8	6	14
India	2	12	14
Japan	2	3	5
Jordan	1	0	1
Korea, Republic of	4	0	4
Malaysia	0	2	2
Nepal	0	1	1
Pakistan	0	3	3
Philippines	6	7	13
Sri Lanka	2	0	2
Turkey	1	3	4
Total	26	38	64

▶ Oceania

Member	Women	Men	Total
Australia	3	7	10
New Zealand	0	1	1
Total	3	8	11

Budget, finance and administration

► On the recommendation of the Committee on Budget, Finance and Administration, the General Council approved the 2022-23 budget for the WTO.

The General Council approved the 2022-23 budgets for the WTO and the International Trade Centre (see Table 2) in November upon recommendation of the Committee on Budget, Finance and Administration.

At the beginning of the year, the 2021 WTO salary survey and dependency allowances were presented to the Committee. The Committee took note of outstanding contributions from WTO members and observers and invited the General Council to urge those under administrative measures to liquidate their arrears.

Quarterly financial reports were considered by the Committee and taken note of, as were updates from the chairs of the WTO Pension Plan management board and the working group on trust funds. The Committee further reviewed the status of the WTO medical insurance plan and After Service Health Insurance, the annual strategic facilities plan, and the learning and development programme for 2019 and 2020.

The ITC briefed the Committee on its contributions to WTO objectives. The engagement was very constructive and enhanced visibility of the interrelationship between the two organizations.

Background

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.

On financial matters, upon recommendation of the Committee, the General Council approved the WTO 2020 Financial Performance Report, transfers between budgetary sections outlined in the report, the 2020 WTO audited financial statements and the utilization of the accumulated budgetary surplus for 2020. The Committee continued deliberations on the revision of selected financial regulations.

The Committee took note of the performance audit conducted by the external auditors on the WTO's management of the COVID-19 crisis and its consequences.

The Office of Internal Oversight presented its report on internal audit activities for 2020-21 and reports on the status of the implementation of the internal audit recommendations.

WTO budget 2022

The WTO derives its income from annual contributions from its 164 members (see Table 3) and miscellaneous income.

The WTO's budget for 2022 is:
CHF 197,204,000

Table 2: Consolidated budget for 2022
(in thousands of Swiss francs)

Section	Budget 2022
Staff expenditure (including staff remuneration, pension and post employment benefits, health and invalidity insurance, family and international benefits)	131,565
Temporary assistance (including short-term staff, consultants, panellists and Appellate Body member fees)	17,275
General services (including telecommunications and post, contractual services and maintenance, energy and supplies, documentation and publication)	15,626
Travel and hospitality	7,907
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)	3,095
Financial expenditure (including bank and interest charges and building loan reimbursement)	2,080
Contributions to International Trade Centre and special reserves (including Building Renovation Fund and Ministerial Conference Operating Fund)	19,443
TOTAL	197,204

Table 3: WTO members' contributions to the consolidated budget 2021 (in Swiss francs)

Member	2022 contribution CHF	2022 contribution %	Member	2022 contribution CHF	2022 contribution %
Afghanistan	39,100	0.020%	Ecuador	205,275	0.105%
Albania	43,010	0.022%	Egypt	502,435	0.257%
Angola	273,700	0.140%	El Salvador	82,110	0.042%
Antigua and Barbuda	29,325	0.015%	Estonia	173,995	0.089%
Argentina	670,565	0.343%	Eswatini	29,325	0.015%
Armenia	43,010	0.022%	European Union ¹	0	0.000%
Australia	2,525,860	1.292%	Fiji	29,325	0.015%
Austria	1,927,630	0.986%	Finland	844,560	0.432%
Bahrain, Kingdom of	226,780	0.116%	France	7,464,190	3.818%
Bangladesh	412,505	0.211%	Gabon	50,830	0.026%
Barbados	29,325	0.015%	The Gambia	29,325	0.015%
Belgium	3,560,055	1.821%	Georgia	76,245	0.039%
Belize	29,325	0.015%	Germany	13,997,800	7.160%
Benin	31,280	0.016%	Ghana	183,770	0.094%
Bolivia, Plurinational State of	93,840	0.048%	Greece	633,420	0.324%
Botswana	62,560	0.032%	Grenada	29,325	0.015%
Brazil	2,107,490	1.078%	Guatemala	142,715	0.073%
Brunei Darussalam	50,830	0.026%	Guinea	33,235	0.017%
Bulgaria	332,350	0.170%	Guinea-Bissau	29,325	0.015%
Burkina Faso	35,190	0.018%	Guyana	29,325	0.015%
Burundi	29,325	0.015%	Haiti	29,325	0.015%
Cabo Verde	29,325	0.015%	Honduras	78,200	0.040%
Cambodia	158,355	0.081%	Hong Kong, China	5,561,975	2.845%
Cameroon	64,515	0.033%	Hungary	1,038,105	0.531%
Canada	4,721,325	2.415%	Iceland	87,975	0.045%
Central African Republic	29,325	0.015%	India	4,574,700	2.340%
Chad	33,235	0.017%	Indonesia	1,644,155	0.841%
Chile	666,655	0.341%	Ireland	3,362,600	1.720%
China	20,593,970	10.534%	Israel	881,705	0.451%
Colombia	488,750	0.250%	Italy	4,991,115	2.553%
Congo	68,425	0.035%	Jamaica	52,785	0.027%
Costa Rica	166,175	0.085%	Japan	7,487,650	3.830%
Côte d'Ivoire	107,525	0.055%	Jordan	162,265	0.083%
Croatia	240,465	0.123%	Kazakhstan	435,965	0.223%
Cuba	113,390	0.058%	Kenya	125,120	0.064%
Cyprus	142,715	0.073%	Korea, Republic of	5,430,990	2.778%
Czech Republic	1,442,790	0.738%	Kuwait, the State of	537,625	0.275%
Democratic Republic of the Congo	121,210	0.062%	Kyrgyz Republic	35,190	0.018%
Denmark	1,520,990	0.778%	Lao People's Democratic Republic	56,695	0.029%
Djibouti	33,235	0.017%	Latvia	164,220	0.084%
Dominica	29,325	0.015%	Lesotho	29,325	0.015%
Dominican Republic	177,905	0.091%	Liberia	29,325	0.015%

SECRETARIAT AND BUDGET

Member	2022 contribution CHF	2022 contribution %
Liechtenstein	64,515	0.033%
Lithuania	303,025	0.155%
Luxembourg	1,008,780	0.516%
Macao, China	252,195	0.129%
Madagascar	35,190	0.018%
Malawi	29,325	0.015%
Malaysia	1,859,205	0.951%
Maldives	29,325	0.015%
Mali	35,190	0.018%
Malta	154,445	0.079%
Mauritania	29,325	0.015%
Mauritius	54,740	0.028%
Mexico	3,964,740	2.028%
Moldova, Republic of	37,145	0.019%
Mongolia	60,605	0.031%
Montenegro	29,325	0.015%
Morocco	377,315	0.193%
Mozambique	62,560	0.032%
Myanmar	138,805	0.071%
Namibia	46,920	0.024%
Nepal	60,605	0.031%
Netherlands	5,739,880	2.936%
New Zealand	467,245	0.239%
Nicaragua	54,740	0.028%
Niger	29,325	0.015%
Nigeria	537,625	0.275%
North Macedonia	62,560	0.032%
Norway	1,219,920	0.624%
Oman	322,575	0.165%
Pakistan	373,405	0.191%
Panama	236,555	0.121%
Papua New Guinea	60,605	0.031%
Paraguay	111,435	0.057%
Peru	424,235	0.217%
Philippines	866,065	0.443%
Poland	2,408,560	1.232%
Portugal	815,235	0.417%
Qatar	658,835	0.337%
Romania	801,550	0.410%
Russian Federation	3,235,525	1.655%

Member	2022 contribution CHF	2022 contribution %
Rwanda	29,325	0.015%
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	1,933,495	0.989%
Senegal	50,830	0.026%
Seychelles	29,325	0.015%
Sierra Leone	29,325	0.015%
Singapore	4,824,940	2.468%
Slovak Republic	785,910	0.402%
Slovenia	332,350	0.170%
Solomon Islands	29,325	0.015%
South Africa	879,750	0.450%
Spain	3,792,700	1.940%
Sri Lanka	189,635	0.097%
Suriname	29,325	0.015%
Sweden	2,007,785	1.027%
Switzerland	3,681,265	1.883%
Chinese Taipei	3,055,665	1.563%
Tajikistan	29,325	0.015%
Tanzania	84,065	0.043%
Thailand	2,420,290	1.238%
Togo	29,325	0.015%
Tonga	29,325	0.015%
Trinidad and Tobago	87,975	0.045%
Tunisia	177,905	0.091%
Turkey	2,003,875	1.025%
Uganda	56,695	0.029%
Ukraine	506,345	0.259%
United Arab Emirates	3,032,205	1.551%
United Kingdom	7,380,125	3.775%
United States	23,149,155	11.841%
Uruguay	130,985	0.067%
Vanuatu	29,325	0.015%
Venezuela, Bolivarian Republic of	488,750	0.250%
Viet Nam	1,941,315	0.993%
Yemen	72,335	0.037%
Zambia	76,245	0.039%
Zimbabwe	50,830	0.026%
TOTAL	195,500,000	100.000%

How the WTO is structured

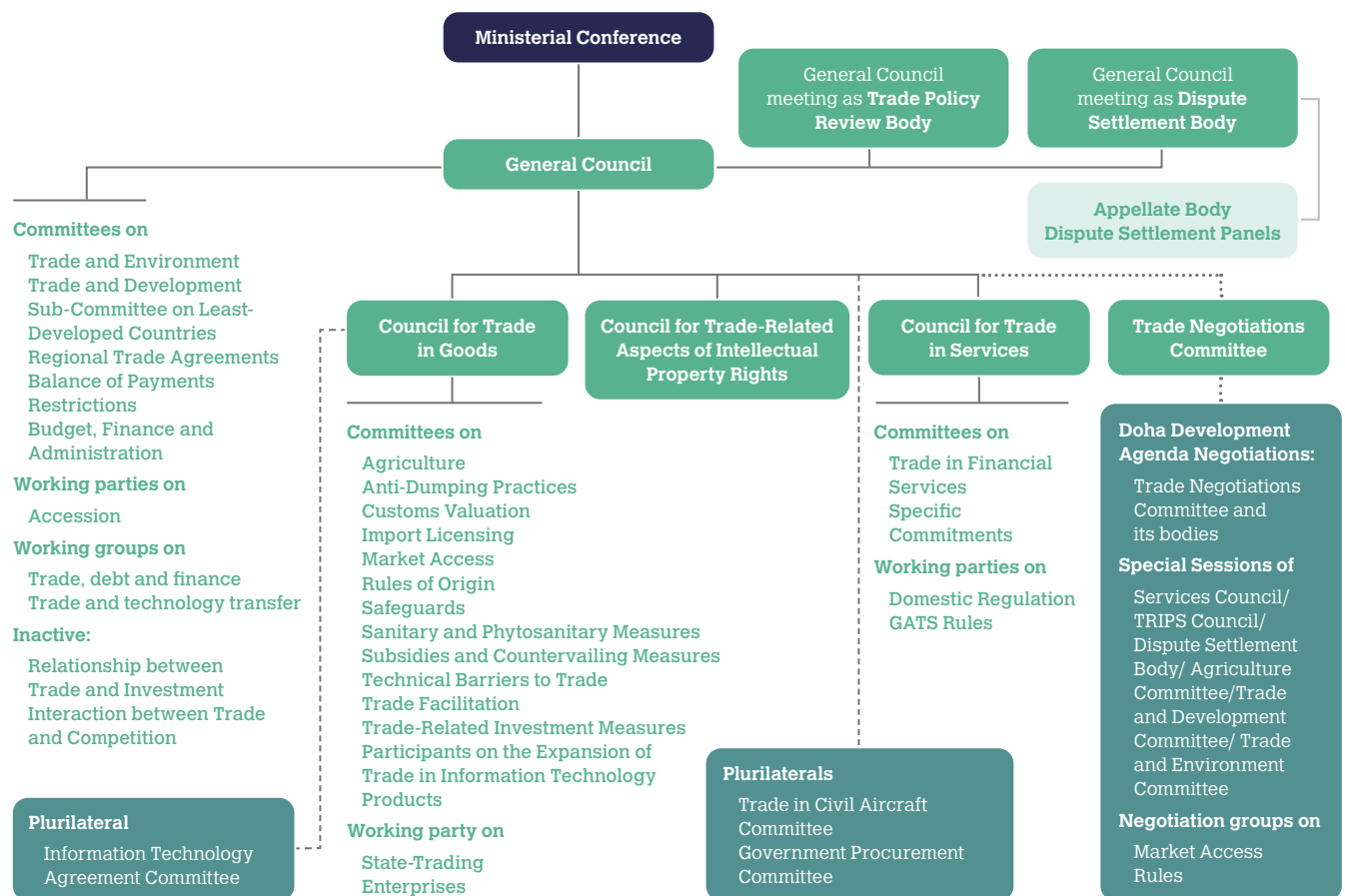
➤ The WTO's top-level decision-making body is the Ministerial Conference, which usually meets every two years.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

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.

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.



Key

- Reporting to General Council (or a subsidiary)
- Reporting to Dispute Settlement Body
- - - - Plurilateral committees inform the General Council or Goods Council of their activities, although these agreements are not signed by all WTO members
- Trade Negotiations Committee reports to General Council

WTO Chairpersons (as of 31 December 2021)

Chairpersons of the General Council and bodies reporting to it		Special Session of the Committee on Trade and Environment	Ambassador Leopold Samba (Central African Republic)
General Council	Ambassador Dacio Castillo (Honduras)	Special Session of the Committee on Trade and Development	Ambassador Kadra Ahmed Hassan (Djibouti)
Dispute Settlement Body	Ambassador Didier Chambovey (Switzerland)	Chairpersons of subsidiary bodies of the Council for Trade in Goods	
Trade Policy Review Body	Ambassador Athaliah Lesiba Molokomme (Botswana)	Committee on Agriculture	Mr Marcos Da Rosa Uranga (Uruguay)
Council for Trade in Goods	Ambassador Lundeg Purevsuren (Mongolia)	Committee on Anti-Dumping Practices	Mr Ahmed Al-Sulaiti (Qatar)
Council for Trade in Services	Ambassador Ángel Villalobos Rodríguez (Mexico)	Committee on Customs Valuation	Mr Buddhi Prasad Upadhyaya (Nepal)
Council for Trade-Related Aspects of Intellectual Property Rights	Ambassador Dagfinn Sørli (Norway)	Committee on Import Licensing	Mr Hsin-lung Hung (Chinese Taipei)
Committee on Trade and Environment	Ambassador Manuel A. J. Teehankee (Philippines)	Committee on Market Access	Mr Chakaran Komolsiri (Thailand)
Committee on Trade and Development	Ambassador Dr. Muhammad Mujtaba Piracha (Pakistan)	Committee on Rules of Origin	Mr Sulaiman Satari (Afghanistan)
Sub-Committee on Least-Developed Countries	Ambassador Kirsti Kauppi (Finland)	Committee on Safeguards	Ms Mary Lisa Madell (United Kingdom)
Committee on Balance-of-Payments Restrictions	Mr Dmitry Lyakishev (Russian Federation)	Committee on Sanitary and Phytosanitary Measures	Mr Juteau Deadjufou Tousse (Cameroon)
Committee on Regional Trade Agreements	Ambassador Cleopa Kilonzo Mailu (Kenya)	Committee on Subsidies and Countervailing Measures	Ms Noriko Teranishi (Japan)
Committee on Budget, Finance and Administration	Ambassador Bettina Waldmann (Germany)	Committee on Technical Barriers to Trade	Mrs Mary Lisa Olmeda de Alejandro (Mexico)
Working Group on Trade and Transfer of Technology	Ambassador Le Thi Tuyet Mai (Viet Nam)	Committee on Trade Facilitation	Mr Christopher O'Toole (Canada)
Working Group on Trade, Debt and Finance	Ambassador Cheryl Kay Spencer (Jamaica)	Committee on Trade-Related Investment Measures	Ms Vilma Peltonen (Finland)
Trade Negotiations Committee	Director-General Ngozi Okonjo-Iweala	Working Party on State Trading Enterprises	Mr Sultan Alsharif (Kingdom of Saudi Arabia)
Chairpersons of bodies established under the Trade Negotiations Committee		Committee of Participants on the Expansion of Trade in Information Technology Products	Ms Katarzyna Stecz (Poland)
Negotiating Group on Market Access	Ambassador Didier Chambovey (Switzerland)	Chairpersons of subsidiary bodies of the Council for Trade in Services	
Negotiating Group on Rules	Ambassador Santiago Wills (Colombia)	Committee on Trade in Financial Services	Mr Johan Ekerhult (Sweden)
Special Session of the Council for Trade in Services	Ambassador Zhanar Aitzhanova (Kazakhstan)	Working Party on Domestic Regulation	Mr Devabrata Chakraborty (Bangladesh)
Special Session of the Council for TRIPS	Ambassador Alfredo Suescum (Panama)	Committee on Specific Commitments	Mr Thomas Nauta (Netherlands)
Special Session of the Dispute Settlement Body	Ambassador Kokou Yackoley Johnson (Togo)	Working Party on GATS Rules	Mr Omduttraj Singh Sewraj (Mauritius)
Special Session of the Committee on Agriculture	Ambassador Gloria Abraham Peralta (Costa Rica)	Chairpersons of Committees of Plurilateral Agreements	
Sub-Committee on Cotton	Ambassador Gloria Abraham Peralta (Costa Rica)	Committee on Trade in Civil Aircraft	Mr Jean-Marie Meraldi (Switzerland)
		Committee on Government Procurement	Mr Carlos Vanderloo (Canada) (until July 2021)

Directors-general

1995-2022

Seven directors-general have been appointed since the establishment of the WTO. The WTO's first Director-General was Peter Sutherland, who served from January to April 1995. He was succeeded by Renato Ruggiero (1995-99), Mike Moore (1999-2002) and Supachai Panitchpakdi (2002-05). Pascal Lamy, the longest-serving

Director-General, held office from 2005 to 2013. Roberto Azevêdo took office on 1 September 2013 and served until 31 August 2020. The current and seventh Director-General, Dr Ngozi Okonjo-Iweala, took office on 1 March 2021, becoming the first woman and the first African to take on this role. Her term of office will expire on 31 August 2025.



Dr Ngozi Okonjo-Iweala (Nigeria), seventh WTO Director-General, as of 1 March 2021.



Roberto Azevêdo (Brazil), sixth WTO Director-General, September 2013 to August 2020.



Pascal Lamy (France), fifth WTO Director-General, September 2005 to August 2013.



Supachai Panitchpakdi (Thailand), fourth WTO Director-General, September 2002 to August 2005.



Peter Sutherland (Ireland), first WTO Director-General, January 1995 to April 1995.



Renato Ruggiero (Italy), second WTO Director-General, May 1995 to April 1999.



Mike Moore (New Zealand), third WTO Director-General, September 1999 to August 2002.

Membership of the WTO: 164 members (as of 31 December 2021)

Member*	Year of accession	Member*	Year of accession	Member*	Year of accession
Afghanistan	2016	Cyprus	1995	Israel	1995
Albania	2000	Czech Republic	1995	Italy	1995
Angola	1996	Democratic Republic of the Congo	1997	Jamaica	1995
Antigua and Barbuda	1995	Denmark	1995	Japan	1995
Argentina	1995	Djibouti	1995	Jordan	2000
Armenia	2003	Dominica	1995	Kazakhstan	2015
Australia	1995	Dominican Republic	1995	Kenya	1995
Austria	1995	Ecuador	1996	Korea, Republic of	1995
Bahrain, Kingdom of	1995	Egypt	1995	Kuwait, the State of	1995
Bangladesh	1995	El Salvador	1995	Kyrgyz Republic	1998
Barbados	1995	Estonia	1999	Latvia	1999
Belgium	1995	Eswatini	1995	Lao People's Democratic Republic	2013
Belize	1995	European Union	1995	Lesotho	1995
Benin	1996	Fiji	1996	Liberia	2016
Bolivia, Plurinational State of	1995	Finland	1995	Liechtenstein	1995
Botswana	1995	France	1995	Lithuania	2001
Brazil	1995	Gabon	1995	Luxembourg	1995
Brunei Darussalam	1995	The Gambia	1996	Macao, China	1995
Bulgaria	1996	Georgia	2000	Madagascar	1995
Burkina Faso	1995	Germany	1995	Malawi	1995
Burundi	1995	Ghana	1995	Malaysia	1995
Cambodia	2004	Greece	1995	Maldives	1995
Cameroon	1995	Grenada	1996	Mali	1995
Canada	1995	Guatemala	1995	Malta	1995
Cabo Verde	2008	Guinea	1995	Mauritania	1995
Central African Republic	1995	Guinea-Bissau	1995	Mauritius	1995
Chad	1996	Guyana	1995	Mexico	1995
Chile	1995	Haiti	1996	Moldova, Republic of	2001
China	2001	Honduras	1995	Mongolia	1997
Colombia	1995	Hong Kong, China	1995	Montenegro	2012
Congo	1997	Hungary	1995	Morocco	1995
Costa Rica	1995	Iceland	1995	Mozambique	1995
Côte d'Ivoire	1995	India	1995	Myanmar	1995
Croatia	2000	Indonesia	1995	Namibia	1995
Cuba	1995	Ireland	1995	Nepal	2004

*Members are mostly states but can also be customs territories with full autonomy over their external commercial relations.

Member*	Year of accession	Member*	Year of accession	Observers** (as of 15 February 2022)
Netherlands	1995	Slovenia	1995	Algeria
New Zealand	1995	Solomon Islands	1996	Andorra
Nicaragua	1995	South Africa	1995	Azerbaijan
Niger	1996	Spain	1995	Bahamas
Nigeria	1995	Sri Lanka	1995	Belarus
Norway	1995	Suriname	1995	Bhutan
Republic of North Macedonia	2003	Sweden	1995	Bosnia and Herzegovina
Oman	2000	Switzerland	1995	Comoros
Pakistan	1995	Chinese Taipei	2002	Curaçao
Panama	1997	Tajikistan	2013	Equatorial Guinea
Papua New Guinea	1996	Tanzania	1995	Ethiopia
Paraguay	1995	Thailand	1995	Holy See
Peru	1995	Togo	1995	Iran
Philippines	1995	Tonga	2007	Iraq
Poland	1995	Trinidad and Tobago	1995	Lebanese Republic
Portugal	1995	Tunisia	1995	Libya
Qatar	1996	Turkey	1995	São Tomé and Príncipe
Romania	1995	Uganda	1995	Serbia
Russian Federation	2012	Ukraine	2008	Somalia
Rwanda	1996	United Arab Emirates	1996	South Sudan
Saint Kitts and Nevis	1996	United Kingdom	1995	Sudan
Saint Lucia	1995	United States	1995	Syrian Arab Republic
Saint Vincent and the Grenadines	1995	Uruguay	1995	Timor-Leste
Samoa	2012	Vanuatu	2012	Turkmenistan
Saudi Arabia, Kingdom of	2005	Venezuela, Bolivarian Republic of	1995	Uzbekistan
Senegal	1995	Viet Nam	2007	
Seychelles	2015	Yemen	2014	
Sierra Leone	1995	Zambia	1995	
Singapore	1995	Zimbabwe	1995	
Slovak Republic	1995			

**With the exception of the Holy See, observers must start accession negotiations within five years of becoming observers.

Abbreviations

ADP	anti-dumping practices	MSMEs	micro, small and medium-sized enterprises
CTD	Committee on Trade and Development	NAMA	non-agricultural market access
DSB	Dispute Settlement Body	NGO	non-governmental organization
DSU	Dispute Settlement Understanding	NTMs	non-tariff measures
EIF	Enhanced Integrated Framework	OECD	Organisation for Economic Co-operation and Development
FAO	Food and Agriculture Organization	PSI	Agreement on Preshipment Inspection
FDI	foreign direct investment	PTAs	preferential trade arrangements
GATS	General Agreement on Trade in Services	RTAs	regional trade agreements
GATT	General Agreement on Tariffs and Trade	SCM	Subsidies and Countervailing Measures
GDP	gross domestic product	SG	Agreement on Safeguards
GIs	geographical indications	SPS	sanitary and phytosanitary measures
GPA	Government Procurement Agreement	STDF	Standards and Trade Development Facility
HS	Harmonized System	SVE	small, vulnerable economy
ICC	International Chamber of Commerce	TBT	technical barriers to trade
ILO	International Labour Organization	TNC	Trade Negotiations Committee
IPU	Inter-Parliamentary Union	TPR	Trade Policy Review
ISO	International Organization for Standardization	TPRM	Trade Policy Review Mechanism
ITA	Information Technology Agreement	TRIMs	trade-related investment measures
ITC	International Trade Centre	TRIPS	Trade-Related Aspects of Intellectual Property Rights
ITTC	Institute for Training and Technical Cooperation	UNCTAD	United Nations Conference on Trade and Development
ITU	International Telecommunication Union	WIPO	World Intellectual Property Organization
LDCs	least-developed countries		
MEAs	multilateral environmental agreements		
MFN	most-favoured nation		

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 2021 and early 2022. 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.

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