



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.

About this report

This report covers the WTO's activities in 2019 and early 2020. It begins with a message from the Director-General and an overview of 2019. This is followed by more in-depth accounts of the WTO's areas of activity over the past year.

Find out more

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Annual Report

2020

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Introduction

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



Message from

Director-General Roberto Azevêdo



As I write these words, international trade faces unprecedented uncertainty amid the coronavirus pandemic and its immense economic fallout.

The global economy is in its worst downturn since the 1930s. WTO economists foresee a bumpy year ahead. Their forecast for 2020 estimates that the volume of global merchandise trade will tumble by between 13 and 32 per cent compared to the previous year. The depth of the fall will depend on two main factors: one, how long it takes to bring the pandemic under control; and two, the policies governments implement – domestically and at the international level – to mitigate its economic consequences.

This underscores why international cooperation to keep global markets open for goods and services is more important than ever. As the world fights the COVID-19 pandemic, maintaining open supply lines will facilitate access to medical products and food. Restricting trade and disrupting established supply chains will make it harder to ramp up the manufacture of much-needed protective equipment, testing kits, ventilators and other essentials. In the longer run, a turn towards protectionism will slow down the global economic recovery, to the detriment of all countries, most damagingly for the poorest.

Whether to safeguard public health or to revive economic activity, it is only through collective action that we can respond effectively to the COVID-19

crisis. It is essential that governments and international organizations work together. The WTO is committed to doing its part to foster such cooperation. One key aspect of this is transparency – we have stepped up monitoring and information-sharing to allow all participants in world trade to keep track of COVID-related measures governments have introduced to facilitate or restrict trade. The WTO will also serve as a forum for members to share views and coordinate action on trade policies as economies emerge from the crisis.

Prior to the pandemic, the year 2019 had been marked by strong activity at the WTO in terms of trade negotiations. Talks on reducing fisheries subsidies registered further progress, and members continued discussions on a range of issues in agriculture. In parallel with these multilateral negotiations, groups of WTO members took substantial steps forward in initiatives seeking to write new rules for e-commerce, facilitating investment for development, domestic regulation of trade in services, and micro, small and medium-sized enterprises. The initiatives, which remain open to the entire membership, drew interest from a growing number of members.

Members will determine how and when to take these negotiating processes forward in light of the public health





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and economic situation. In a similar vein, they are already deliberating on options for holding our 12th Ministerial Conference, which could not be held as originally scheduled in Nur-Sultan, Kazakhstan, in June 2020 because of the pandemic.

Discussions on the ongoing process of WTO reform also gained momentum over the course of the year. Further progress will now also have to take account of the evolving health and economic situation. The reform process has nevertheless always been aimed at strengthening and improving the functioning of the system to make the WTO more effective and more responsive to members' needs. Amid the social and economic distress shared by billions of people, some of these needs have become painfully clear. A key goal of WTO reform must be to ensure that the organization is properly equipped to contribute to the economic recovery of all members.

A key concern is the proper functioning of the WTO's dispute settlement system, given the impasse in the appointment of Appellate Body members. The importance WTO members attach to the institution's dispute settlement function was underscored by the highest-ever level of activity seen in 2019, with 23 dispute settlement reports and decisions issued during the course of the year. At the same time, late in the year, members could not reach consensus on a set of proposals put forward by the then-chair of the Dispute Settlement Body in an attempt to address concerns about the functioning of the Appellate Body. I encourage members to consider the compromises they would be willing to make to maintain a vital two-step review process for the settlement of trade disputes and to avoid the prospect of blocked rulings and unilateral retaliation.

Another important function of the WTO is our work to assist developing countries to gain a better understanding of how best to make the multilateral trading system and the WTO rulebook work for them. In 2019, the WTO organized training courses for over 18,000 government officials, enhancing their know-how and skills to help their respective countries play a more active role in world trade. The WTO

also hosted the Global Review of Aid for Trade, a WTO-led initiative aimed at improving the trading capacity of developing and least-developed countries. The three-day event brought over 1,500 participants to our headquarters to share ideas and look at examples of how targeted technical and financial support has helped countries use trade to bolster economic diversification and empowerment.

Other events held at the WTO in 2019 included our annual Public Forum, which attracted a record number of participants – over 2,500 from 126 countries – to discuss how trade should adapt to a changing world. The first-ever World Cotton Day brought ministers and key players in the cotton industry to WTO headquarters to address the challenges faced by cotton farmers and the importance of the sector in contributing to poverty reduction in developing countries. The WTO also hosted an International Forum on Food Safety and Trade alongside the UN Food and Agriculture Organization and the World Health Organization.

Cooperation and solidarity among governments and international organizations will be essential for the world to unite to tackle the coronavirus pandemic and prepare the foundations for economic revival. Trade will have a vital role to play in making a strong, sustainable and socially inclusive recovery. We at the WTO are committed to doing our part.

Roberto Azevêdo
Director-General



Understanding the WTO

Who we are



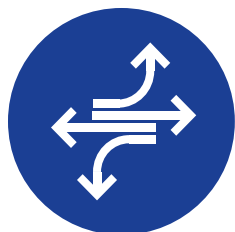
Negotiations

The WTO was born out of negotiations aimed at progressively reducing obstacles to trade. Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. Conversely, in some circumstances, WTO rules support maintaining trade barriers – for example, to protect consumers or the environment.



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, while allowing governments to meet social and environmental objectives.



Trade flows

The system's overriding purpose is to help trade flow as freely as possible – so long as there are no undesirable side effects – because this 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.



Trade relations

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 More competitive

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

5 More beneficial for less developed countries

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 Protect 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.

What we do

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

The WTO is run by its 164 member governments.

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





Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of 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.



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.



Supporting development and building trade capacity

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



Outreach

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

A brief history

The WTO began life on 1 January 1995, succeeding the General Agreement on Tariffs and Trade which had regulated world trade since 1948. Over the past 25 years, the WTO has made a major contribution to the strength and stability of the global economy, helping to boost trade growth, resolve numerous trade disputes and support the integration of developing countries into the trading system.

1995

2000

1994

April

Marrakesh Agreement establishing the WTO is signed.



1995

January

The WTO is born on 1 January.

May

Renato Ruggiero (Italy) takes office as WTO Director-General.



1996

December

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

1997

December

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



1998

May

Second Ministerial Conference takes place in Geneva.

1999

September

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

November

Third Ministerial Conference takes place in Seattle, United States.



2000

January

Negotiations begin on services.

March

Negotiations begin on agriculture.



2001

November

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



2002

September

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



2003

September

Fifth Ministerial Conference takes place in Cancun, Mexico.

2004

July

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



2005



2005

September

Pascal Lamy (France) becomes WTO Director-General.

December

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

2006

September

First WTO Public Forum takes place in Geneva.



2007

November

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



2009

April

DG Pascal Lamy reappointed for second term of four years.

September

First WTO Open Day in Geneva.

November

Seventh Ministerial Conference takes place in Geneva.

2010



2010

January

"Chairs Programme" launched to support developing country universities.



2011

December

Eighth Ministerial Conference takes place in Geneva.



2013

September

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

December

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

2014

April

Revised WTO Agreement on Government Procurement comes into force.

2015

December

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

2015

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.

September

Roberto Azevêdo begins second term as WTO Director-General.

December

Eleventh Ministerial Conference takes place in Buenos Aires, Argentina.

2018

October

WTO and UN Environment host leadership dialogue on expanding trade's contribution to sustainability.



2019

January

General Council appoints facilitator to help WTO members resolve differences on functioning of Appellate Body.

October

WTO hosts World Cotton Day.

November

Conference marks 30 years of the WTO's Trade Policy Review Mechanism.

