

Message from Director-General Roberto Azevêdo

2014 was a momentous year for the WTO. We achieved a great deal, but we also faced a stern test as an organization. After the jubilant scenes at our Ninth Ministerial Conference in Bali at the end of 2013, WTO members went into the new year determined to implement the decisions that were taken there, with all the gains that this would bring for growth and development around the world, and to advance negotiations on the remaining elements of the Doha Development Agenda. However, the route ahead was not free of obstacles. Concerns were raised about the relative pace at which some elements of the Bali Package were moving forward and, as a consequence, a major milestone for implementation was missed in July.

This impasse had a freezing effect on much of our work. I described it at the time as one of the biggest crises our organization has ever faced. At question was whether we could follow through on what we had agreed in Bali just a few months previously. But members rose to the challenge and worked hard to put our work back on track. In doing so, they showed a huge amount of commitment to the multilateral trading system, and by the end of the year a solution had been found. We were faced with a test – and we passed.

The breakthrough came in the form of three major decisions taken by members at a special meeting of the General Council in November. First, members clarified the process towards finding a permanent solution on the issue of public stockholding for food security purposes. Second, they formally added the Trade Facilitation Agreement to the WTO rulebook, thereby allowing domestic ratification processes to begin. Third, they committed to resuming all of the post-Bali work. Under this final decision, members agreed to engage constructively on the implementation of all Bali decisions, including those relating to least-developed countries and to cotton, and they set a new deadline of July 2015 for concluding a work programme to tackle the remaining issues of the Doha Development Agenda.

These decisions have set a clear agenda for the WTO's 20th anniversary year. Moreover, they allowed us to regain the all-important trust and momentum that success in Bali had injected into our negotiating work. This has been carried forward into 2015 and so far we have seen a very high level of engagement in the Doha issues, including in the big, tough areas of agriculture, industrial

goods and services which we have not seen for some years. There was progress in other negotiating areas during 2014, as work continued on expanding the Information Technology Agreement and negotiations were launched on an Environmental Goods Agreement. While these initiatives are being taken forward by groups of members, their benefits will apply to all. There was also positive news on the WTO's Government Procurement Agreement during 2014, as the revised agreement entered into force.

Of course, in addition to agreeing new trade rules, we also monitor members' adherence to existing rules and settle disputes between members over their application. This work continued apace throughout the year. The WTO reviewed the trade policies and practices of 21 members in 2014 and we published a number of reports on recent trade developments across the entire WTO membership. The number of newly introduced trade-restrictive measures remained high and so we renewed our calls for members to show restraint.

Our dispute settlement arm saw one of its most active years to date in 2014. In just two decades almost 500 disputes have been raised at the WTO. This is a phenomenal number and underlines the WTO's position at the forefront of international law and dispute settlement. The fact that members use the system in this way is a huge vote of confidence in its effectiveness, but it has brought a real resource challenge. I have therefore sought to reallocate resources to strengthen this vital area and will continue to monitor the situation closely.



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Our membership continued to evolve in 2014. We welcomed Yemen to the WTO as our newest least-developed member, and the General Council approved the accession of Seychelles as a new developing member. Seychelles formally joined the organization in April 2015, bringing our membership to 161.

2014 marked a significant year for the WTO's developing and least-developed members in a number of ways. We stepped up our technical assistance and training programmes during the year to help those countries improve their trading capacity. As a result, we delivered 324 technical assistance activities in 2014, compared with 279 the previous year, reaching more than 15,000 participants and covering virtually all WTO-related subjects.

We also continued our work on the Aid for Trade initiative to help developing and least-developed countries to participate effectively in the global trading system. The Fifth Global Review of Aid for Trade will be a highlight of our work in 2015. It is an opportunity to discuss with the private sector, international organizations, governments, civil society and academia how we can work together to continue to reduce trade costs for developing countries. This work includes the Enhanced Integrated Framework (EIF), which delivers practical, trade-related assistance for our least-developed members. The WTO is a partner of this important programme and is proud to provide its institutional home. In 2014 we were pleased to support the extension of the EIF until 2022, and will work closely with our partners to ensure that the programme delivers even more for LDCs in this second phase.

The Trade Facilitation Agreement was a first for the WTO in its approach to our developing and least-developed members because the Agreement states that assistance and support must be provided to help developing countries achieve the capacity to implement it. To ensure that this commitment is honoured, I worked with members to create a new initiative, called the Trade Facilitation Agreement Facility, which was launched in July 2014. This Facility will ensure that developing and least-developed countries get the help they

need to deliver projects and access the necessary funds to improve their border procedures, with all the benefits that this can bring. The Facility became formally operational in November.

Members' last act of 2014 was to agree that the venue of our Tenth Ministerial Conference, to be held in December 2015, would be Nairobi, Kenya. This will be the first time the WTO has held a Ministerial Conference in Africa and, as the WTO was originally created in Africa by the Marrakesh Agreement, it provides a pleasing symmetry in our 20th anniversary year. Members are now focused on implementing the important outcomes of the Bali Package and advancing negotiations on the Doha Development Agenda. Our aim in drawing up a work programme by July is to provide a roadmap to our Nairobi Ministerial Conference in December. Success in Nairobi, and in these other endeavours, would be the best way to mark our 20th anniversary – and to reaffirm the contribution that the WTO has made to improving people's lives and prospects over the last two decades.

Roberto Azevêdo

Director-General

Understanding the WTO

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

> Who we are

The WTO was born out of negotiations aimed at progressively reducing obstacles to trade. The bulk of the WTO's current work comes from the 1986-94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT). The WTO is currently the host to a new round of negotiations, under the "Doha Development Agenda" launched in 2001.

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

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

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

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

> What we stand for

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

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.

More open

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

Predictable and transparent

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

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.

More beneficial for less developed countries

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



Protect the environment

The WTO's agreements permit members to take measures to protect not only the environment but also public health, animal health and plant health. However these measures must be applied in the same way to both national and foreign businesses.

In other words, members must not use environmental protection measures as a means of disguising protectionist policies.

> What we do

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

Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added to the package. Many are now being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001.

Implementation and monitoring

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

Dispute settlement

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

Building trade capacity

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

Outreach

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

How it all comes together

The WTO's top-level decision-making body is the Ministerial Conference, which usually meets every two years.

Below this is the General Council (normally ambassadors and heads of delegation in Geneva, but sometimes officials sent from members' capitals), which meets several times a year in the Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.

All WTO members may participate in all councils and committees, with the exceptions of the Appellate Body, Dispute Settlement panels and plurilateral committees.

General Council
meeting as
**Dispute
Settlement Body**

Appellate Body
Dispute settlement
panels

Plurilateral:
Information
Technology
Agreement
Committee

**Council for
Trade in
Goods**

Committees on:

- Trade and Environment
- Trade and Development
- Sub-Committee on Least-Developed Countries
- Regional Trade Agreements
- Balance of Payments Restrictions
- Budget, Finance and Administration

Working parties on:

- Accession

Working groups on:

- Trade, debt and finance
- Trade and technology transfer

Inactive

- Relationship between Trade and Investment
- Interaction between Trade and Competition Policy
- Transparency in Government Procurement

Committees on:

- Market Access
- Agriculture
- Sanitary and Phytosanitary Measures
- Technical Barriers to Trade
- Subsidies and Countervailing Measures
- Anti-Dumping Practices
- Customs Valuation
- Rules of Origin
- Import Licensing
- Trade-Related Investment Measures
- Safeguards

Working party on:

- State Trading Enterprises



20 years of the WTO

The WTO began life on 1 January 1995, succeeding the General Agreement on Tariffs and Trade which had regulated world trade since 1948. Over the past 20 years, 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.

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.



1997

December

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



1998

May

Second Ministerial Conference takes place in Geneva.



1999

September

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



November

Third Ministerial Conference takes place in Seattle, US.

2000

January

Negotiations begin on services.

March

Negotiations begin on agriculture.



2001

November

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



2002

September

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



2003

September

Fifth Ministerial Conference takes place in Cancún, Mexico.



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

January

Viet Nam becomes the WTO's 150th member.

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

January

"Chairs Programme" launched to support developing country universities.



WTO
CHAIRS
PROGRAMME

2011

December

Eighth Ministerial Conference takes place in Geneva.



2012

August

Russia becomes the WTO's 156th member.



2013

September

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



December

Ninth Ministerial Conference takes place in Bali, Indonesia. "Bali Package" adopted.



2014

April

Revised WTO Agreement on Government Procurement comes into force.

June

Yemen becomes the WTO's 160th member.



November

Approval of Trade Facilitation Agreement, the first multilateral trade agreement to be concluded since the WTO was established.