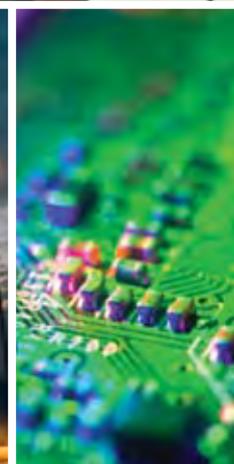


Annual Report 2014



Who we are

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

Using this report

The 2014 Annual Report is split into three main sections. The first contains a message from the WTO Director-General. The second section provides a brief overview of 2013 and some background information on the WTO, while the third has more in-depth information.

Find out more

Website: www.wto.org

General enquiries: enquiries@wto.org

Tel: +41 (0)22 739 51 11

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A message from WTO Director-General Roberto Azevêdo

The World Trade Organization is back in business. That's the message that rang out loud and clear from the Bali Ministerial Conference at the end of last year, when all members of the WTO agreed on a package of measures aimed at streamlining customs practices, tackling important agricultural issues, and boosting opportunities for our poorest members. The "Bali Package" is the first set of agreements struck since the WTO was created in 1995 and represents a positive step towards concluding the Doha Round of trade negotiations, which began in 2001.

Once implemented, the Bali Package will provide a boost to the global economy, delivering growth and jobs. Indeed, it is estimated that the deal could be worth up to US\$ 1 trillion per year, generating up to 21 million jobs around the world. Crucially, the majority of these gains would accrue to developing and least-developed countries. Indeed, the negotiating process leading up to Bali created a new dynamic in the WTO as developing and least-developed countries made their voices heard as never before.

The practical benefits of the Bali Package are manifold. Entrepreneurs in developing countries will have new opportunities to participate in global trade while enterprises across the world, particularly small and medium-sized companies, will benefit from a reduction in red tape – and in an unprecedented step developing countries will be given support to build capacity in order to implement the agreement. In addition, trade in agriculture will be more transparent for many products and markets. Governments agreed to reduce export subsidies in agriculture and keep them at low levels, to increase transparency and opportunities with respect to trade in agricultural products, and to facilitate efforts of developing countries in stockpiling for food security purposes.

Bali also brought significant systemic benefits. Once again the WTO is a viable forum for negotiations. By demonstrating we can reach multilaterally agreed outcomes, we have put the spotlight back onto the WTO and raised expectations for what else we might be able to achieve. Over the coming months, it is vital that we build on the momentum that the deal created – and ensure that the WTO can deliver even more in the future.

First and foremost, we have to harvest the benefits of Bali by fully implementing the decisions reached at the Bali

Conference – including implementing the Trade Facilitation Agreement and delivering the support promised for developing countries. Secondly, as instructed by ministers at the end of the Conference, we must prepare a clearly defined work programme by December 2014 which sets out a roadmap to conclude the Doha Round. Our goal is nothing less than to complete the Doha Round, and to do it as quickly as possible.

As I have said to members, I believe that concluding the Doha Round will mean finding solutions for the areas that were the major source of the negotiating impasse: agriculture, non-agricultural market access (or industrial goods) and services. These three issues are deeply interlinked and have not been discussed in depth for nearly six years. That is far too long – now is the time to bring them back into play. If we make progress in these three areas, the prospects for agreement in the remaining Doha issues would be considerably enhanced. But if we don't tackle these tough issues head on, the opportunities for progress elsewhere are going to be very limited.

Let's not forget what is at stake here. Trade is a powerful force for growth and development. It stimulates innovation and competitiveness, supports the creation of high-quality jobs, provides access to new products, lowers prices, cuts the cost of living and brings peoples of different nations closer together. Above all, trade improves the quality of people's lives.

In the last two years, trade growth has slowed to just over 2 per cent and our forecast for 2014, while higher at 4.7 per cent, is still below the 20-year trend. But members are not powerless in the face of these figures. We can actively support trade growth by avoiding protectionism in times of uncertainty and by reaching new trade agreements.



“Our goal is nothing less than to complete the Doha Round, and to do it as quickly as possible.”

There has been a lot of focus in recent times on regional and bilateral agreements. These initiatives clearly have a role to play – indeed, I believe they are an important complement to the multilateral system. But it is clear that they are not sufficient on their own. For example, they leave out a large number of countries – not only the most dynamic emerging economies, but also the smallest and most vulnerable. In addition, many of the big issues (and therefore many of the big gains) can only be tackled at the global level. Streamlining customs procedures through the Trade Facilitation Agreement and tackling agricultural subsidies are just two examples of issues which can only be properly tackled multilaterally.

This is not just my view. Since the Bali conference, I have travelled far and wide to consult with leaders on the next steps for the WTO. From every country I have visited and every leader I have spoken to, I have been struck by the positivity towards our work in Geneva. There is strong support for the multilateral trading system and the WTO – and a will to build on the momentum of Bali.

Of course, while generating new trade rules is central to our work, we do a lot more besides.

The WTO monitors members' trade policies and practices. We conducted 15 Trade Policy Reviews in 2013, allowing members to expand their understanding of the policies of their trading partners. We also published reports on recent trade developments across the entire WTO membership. This monitoring of members' trade measures exposes governments to close scrutiny from their peers, helping them to resist domestic pressures for protectionism.

The WTO is also a forum for discussions on a variety of issues. Via the numerous WTO committees, members discuss issues such as development, agriculture, the environment, and health and safety standards. These exchanges of views promote understanding between members and can help to resolve differences of opinion before they escalate. When disputes do arise between trading partners, the WTO plays an important role in resolving them.

In 2013, 20 new disputes were brought before the WTO's Dispute Settlement Body. This figure underscores both WTO members' confidence in the system's ability to resolve commercial conflicts and the large number of trade tensions that exist in the world today. These disputes were brought by both developing and developed countries, demonstrating how the system can work for the benefit of members at different stages of development. During the course of the year, the WTO's adjudicating bodies examined a total of 28 disputes on a wide range of issues.

Our technical assistance and training programmes continue to help developing and least-developed countries improve their capacity to participate effectively in the global trading system. The Aid for Trade initiative maintains its important role in this area, promoting coherence and coordination among donors and recipients – including, for the least-developed countries, through the Enhanced Integrated Framework.

The WTO delivered more than 280 technical assistance activities in 2013, involving more than 13,000 participants across the globe. Africa accounted for approximately 40 per cent of the participants while around 20 per cent were from Asia and the Pacific, and 17 per cent were from Latin America.

Another significant development last year was the decision taken by ministers in Bali to approve WTO membership for Yemen. Once the formal process is complete, Yemen will bring the WTO's membership to 160 following the accessions of Laos and Tajikistan earlier in the year, and will further strengthen the multilateral system.

Finally, I would like to take this opportunity to express my gratitude to all those who helped to achieve a positive outcome in Bali and are currently striving for a successful conclusion of the broader Doha Round – and all those who support the WTO in a myriad of other ways.

Since my appointment as Director-General in September of last year, I have been struck by the commitment shown by WTO members and the Secretariat to achieve results. Bali was an historic occasion for the WTO. My sincere hope is that it heralded the beginning of a new era. Of course, hope is not enough on its own, but I am confident that with the same dedication and commitment we saw from our members last year, we will continue to make further progress in 2014 and beyond – and therefore help to improve the lives of the people we are here to serve.

Roberto Azevêdo
Director-General

Events of 2013

January

Nine candidates nominated for the post of Director-General.

Launch of joint OECD-WTO database on trade in value-added terms.



March

WTO welcomes Tajikistan as its 159th member.



May

General Council appoints Roberto Azevêdo as next Director-General.

June

WTO inaugurates new building.



April

WTO economists predict world trade growth of 3.3 per cent in 2013.



February

WTO welcomes Laos as its 158th member.

Launch of WHO/WIPO/WTO co-publication *Promoting access to medical technologies and innovation.*





July

Fourth Global Review of Aid for Trade takes place at WTO.

Launch of 2013 World Trade Report: *Factors shaping the future of world trade.*



August

Renato Ruggiero, first Director-General of WTO, dies in Milan aged 83.

Director-General Pascal Lamy leaves office.



September

Roberto Azevêdo takes office as sixth Director-General of WTO.

WTO economists revise world trade growth forecast to 2.5 per cent for 2013.

DG Azevêdo announces appointment of four new Deputy Directors-General.



October

2013 Public Forum takes place in Geneva.



December

WTO's Ninth Ministerial Conference takes place in Bali, Indonesia.

Ministers agree to accept Yemen as a new WTO member.

Ministers adopt the "Bali Package", a selection of issues from the broader Doha Round.

Our year

The WTO's Ninth Ministerial Conference, held in Bali at the end of 2013, concluded with ministers approving the "Bali Package", a series of decisions covering trade facilitation, agriculture and development. The Conference also saw ministers agree to Yemen joining the WTO. Earlier in the year, Laos and Tajikistan completed their accession processes, bringing the WTO's total membership to 159. In September, Roberto Azevêdo began his term of office as the WTO's sixth Director-General, succeeding Pascal Lamy.

Trade negotiations

Trade negotiations reached a significant milestone in 2013 with the agreement of the "Bali Package", a selection of issues from the broader Doha Round negotiations. The Package was agreed by ministers at the end of the WTO's Ninth Ministerial Conference, held in Bali in December 2013. It comprises 10 ministerial decisions/declarations covering trade facilitation, agriculture and development.

The Trade Facilitation Agreement aims to streamline trade by cutting "red tape" and simplifying customs procedures. It contains special provisions for developing countries to help them implement the Agreement. Benefits to the world economy are estimated to be between US\$ 400 billion and US\$ 1 trillion.

On agriculture, ministers decided to give temporary protection to food stockholding programmes used for food security purposes and agreed to "exercise utmost restraint" in using all forms of export subsidy and other measures with similar effects. They agreed to improve how tariff rate quotas are managed and to add some rural livelihood and land-use programmes of special interest to developing countries to the list of those that can be freely subsidized. They also committed to making progress in addressing cotton within the agriculture negotiations.

On development, ministers decided to establish a monitoring mechanism to analyse and review all aspects of the implementation of "special and differential treatment" provisions for developing countries contained in multilateral WTO agreements. They also took a number of decisions relating to least-developed countries (LDCs). These included improving the transparency of preferential rules of origin so that LDCs can better use the preferences accorded to them, and improving the implementation of duty-free and quota-free market access for imports from LDCs. Ministers also addressed the putting into operation of the waiver allowing WTO members to grant preferential market access to LDC services and service suppliers.

In the lead-up to Bali, an intensive consultative process took place at WTO headquarters in Geneva. This process was stepped up in September, when newly-appointed Director-General Roberto Azevêdo took over as Chair of the Trade Negotiations Committee. At the General Council meeting at the end of November, DG Azevêdo presented to WTO members, as a package, 10 texts representing the state of play in the

negotiations. As not all work had been finished at that point in all areas, he said that none of the texts could be understood as fully agreed. He said he would use them to brief ministers in Bali on progress made in Geneva but not as texts agreed for adoption.

At the Ministerial Conference, ministers expressed their collective desire for a successfully negotiated outcome. DG Azevêdo therefore held round-the-clock consultations from 4 December until the meeting closed on 7 December, with agreement finally being reached on the outstanding issues. This led to the adoption of the "Bali Package", the first major agreement among WTO members since the WTO was formed in 1995.

A Ministerial Declaration issued at the end of the Conference called for a clearly defined work programme on the conclusion of the remaining Doha Development Agenda issues to be completed by the end of 2014.

 See pages 24-39





16 ministerial decisions/ declarations were taken at the WTO's Ninth Ministerial Conference.



Implementation and monitoring

Various WTO councils and committees seek to ensure that WTO agreements and rules are being properly implemented. The General Council is the WTO's highest-level decision-making body in Geneva.

In 2013, the General Council oversaw the process for the selection and appointment of a new Director-General to succeed Pascal Lamy, whose mandate expired on 31 August 2013. The process started at the end of 2012 with the nomination of nine candidates and concluded, after several rounds of consultations with WTO members, with a General Council decision on 14 May to appoint Roberto Azevêdo, then Brazil's Ambassador to the WTO, as the new WTO Director-General for a four-year term from 1 September 2013.

The General Council Chair led a preparatory process to define both the substantive and the organizational aspects of the WTO's Ninth Ministerial Conference, which was held in Bali, Indonesia, on 3-7 December, and submitted a number of recommendations for decision to the Ministerial Conference.

Other WTO councils and committees continued to monitor the implementation of WTO agreements in 2013. The WTO's Committee on Agriculture held further consultations on improving the submission and quality of WTO members' notifications of agricultural measures, which provide key

information for its work. The Committee also published a new online database which lets users analyse notifications as well as questions and answers provided by WTO members in the context of the Committee's review process.

The WTO's Trade Policy Review Body held 15 meetings in 2013 to review the trade policies and practices of 20 WTO members.

The WTO Secretariat prepared four reports on global trade developments in 2013. For the 12 months to mid-November 2013, a total of 407 new trade restrictions were recorded, up from 308 measures listed in the previous overview. These new restrictive measures covered around US\$ 240 billion of merchandise imports, slightly more than 1.3 per cent of the world total.

In 2013, the WTO received 35 new notifications of regional trade agreements (RTAs), down from 37 in 2012. The Americas was the region with the highest number of notifications – 12, followed by Europe with seven. This brings the total number of RTA notifications to 581, as of the end of the year. All WTO members except Mongolia are members of one or more RTAs, with some members belonging to as many as 30.

 See pages 40-79

159 The WTO has 159 members following the accession of Laos and Tajikistan in early 2013.

20 The WTO conducted 20 trade policy reviews of WTO members in 2013.

4 The WTO Secretariat prepared four reports on global trade developments in 2013.

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 (DSB).

WTO dispute settlement had a demanding year in 2013, with adjudicating bodies examining 28 disputes or arbitrations on issues from green energy production to the banning of seal products. In addition, the DSB received 20 "requests for consultations", the first stage in the WTO's dispute settlement process. Although less than the record 27 in 2012, it is still the third-highest number of requests filed in the last ten years.

Developing countries launched nine of these new requests, with Latin America particularly active. Argentina was the most active from the region with two complaints. Russia, which acceded to the WTO in 2012, was also an active participant. Cuba initiated its first-ever dispute, a complaint against Australia's measures on plain packaging for tobacco products. This brings to five the number of complaints brought by WTO members against Australia's plain packaging requirements. By the end of 2013, 474 requests for consultations had been filed since the WTO's creation in 1995.

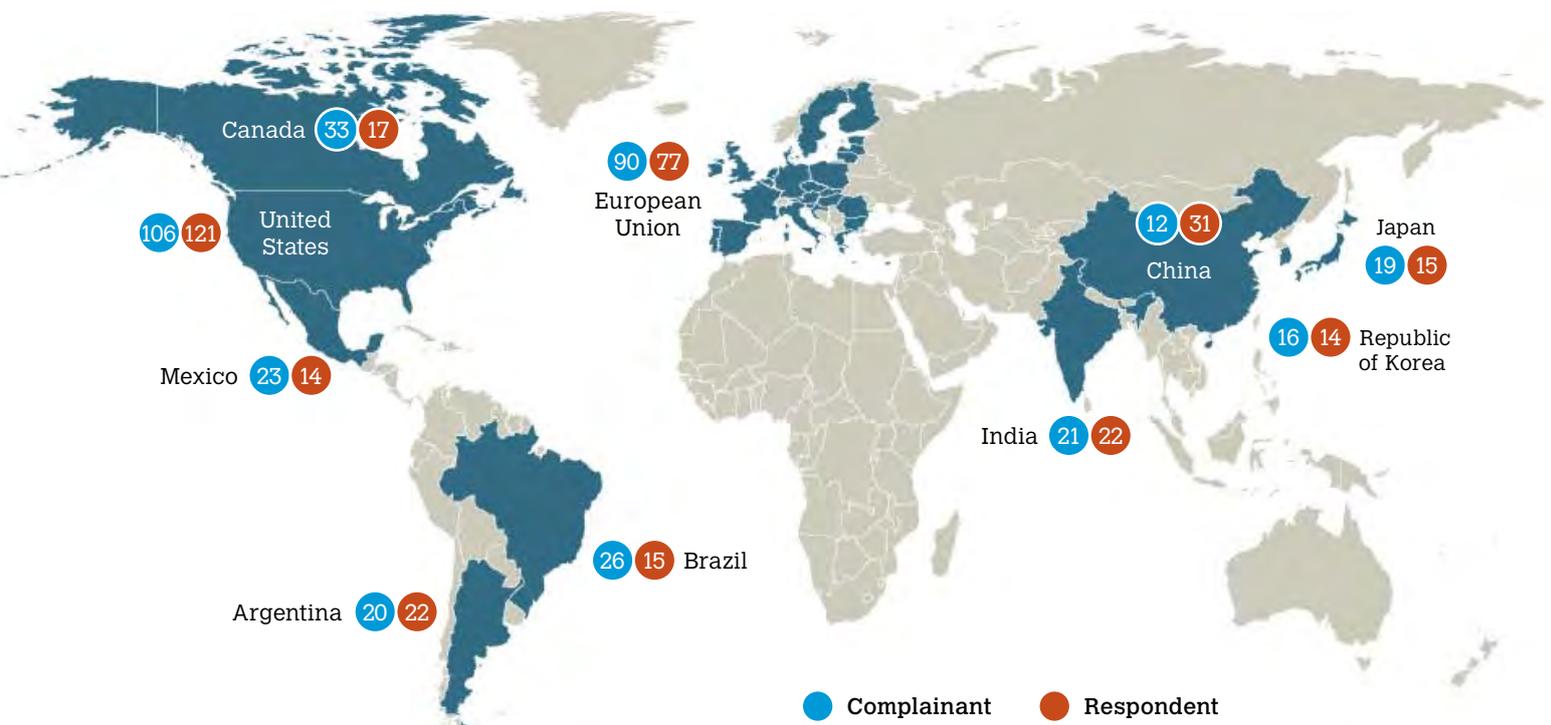
The DSB established 12 new panels in 2013 to adjudicate 14 new cases. Fifteen panels were active during the year, covering 20 different complaints. The greatest number of disputes, eight in total, concerned either local content requirements in subsidies and investment measures or trade remedies, such as anti-dumping and countervailing duties.

For the first time since 2009, the DSB referred two disputes to a compliance panel in order to determine whether the losing party is in compliance with the DSB's recommendations and rulings. These disputes are the Canadian and Mexican complaints against US labelling requirements for meat products and China's complaint against EU anti-dumping measures on steel fasteners. The DSB referred to arbitration a request by Indonesia to take trade retaliation measures against the United States in a dispute over flavoured cigarettes.

The DSB adopted four panel reports and two Appellate Body reports. Panels issued reports in disputes concerning Chinese anti-dumping duties on EU x-ray scanners, Chinese anti-dumping and countervailing measures on US broiler products, and Canada's measures related to Ontario's renewable energy sector in disputes brought by the European Union and Japan. The Appellate Body reports concerned the same disputes over Ontario's renewable energy measures.

WTO members most involved in disputes, 1995 to 2013

See pages 80-95



Building trade capacity

The WTO aims to help developing countries build their trade capacity so that they can participate more effectively in the multilateral trading system.

At the Bali Ministerial Conference in December, ministers agreed – as part of the Bali Package – to a Monitoring Mechanism to analyse the implementation of “special and differential provisions” for developing countries in WTO agreements as well as in Ministerial and General Council decisions. One of the key features of the Mechanism is its ability to make recommendations if a problem is detected. Section II of the Trade Facilitation Agreement approved in Bali contains special and differential treatment provisions for developing countries aimed at helping them implement the provisions of the Agreement.

The Bali Package also contains a number of decisions relating to least-developed countries (LDCs) to further assist their integration into the multilateral trading system (see above).

Ministers in Bali also decided to continue the work programme on e-commerce which aims to enhance economic and development opportunities, especially in developing countries and LDCs. Ministers called on the General Council to hold periodic reviews based on the reports submitted by the WTO bodies entrusted with implementing the programme.

In 2013, Aid for Trade continued to mobilize international resources to support developing countries. Although commitments slipped 14 per cent to US\$ 41.5 billion in 2011, they are still 57 per cent above the 2002-05 baseline period. The Fourth Global Review of Aid for Trade, which took place at the WTO on 8-10 July, focused on the theme “connecting to value chains”. At the Bali Ministerial Conference, ministers reaffirmed their commitment to the Aid for Trade initiative.

The WTO implemented 281 technical assistance activities in 2013 for government officials from developing countries. The training covered a wide variety of trade subjects, from general courses on the WTO to more specialized courses on particular trade agreements. African countries benefited from 23 per cent of these capacity-building activities, Asia from 15 per cent and Latin America and Central and Eastern Europe and Central Asia 10 per cent each. LDCs benefited from approximately 49 per cent of all technical assistance activities, compared with 41 per cent in 2012.

 See pages 96-113

Outreach

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance openness and transparency.

The major outreach event of the year was the Public Forum, which attracted about 900 participants, including non-governmental organizations (NGOs) and business representatives, to discuss the theme “expanding trade through innovation and the digital economy”. Later in the year, nearly 350 NGOs from 66 countries were accredited for the Bali Ministerial Conference.

Over 300 Members of Parliament came to Bali for the Parliamentary Conference on the WTO. The meeting, held during the WTO’s Ministerial Conference, facilitated interaction with senior WTO officials, the Chair of the General Council and heads of international organizations. In the run-up to Bali, the WTO organized – in partnership with the Temasek Foundation – a regional workshop for Asian parliamentarians in Singapore which attracted 42 highly ranked MPs.

In 2013, the WTO cooperated with a variety of intergovernmental organizations. The WTO launched, with the Organisation for Economic Co-operation and Development (OECD), a joint database on trade in value-added terms, and co-published

with the World Health Organization and the World Intellectual Property Organization a study of the linked roles that public health policies, intellectual property and trade can play in advancing medical technology and ensuring it is available equitably to all who need it.

The WTO maintained regular contact with over 2,000 journalists in many countries, who have registered to use the media newsroom on the WTO website. The WTO held several training activities for journalists, including a seminar for English-speaking journalists and a regional workshop in Geneva as well as regional workshops in Jakarta, Indonesia, and Santo Domingo, Dominican Republic. The WTO held its first dedicated regional seminar for the private sector in the Arab states in Kuwait in 2013. It also launched on its website an area dedicated to the business community.

The WTO website attracted over 1.8 million visits a month in 2013, and total page views exceeded 40 million, a 14 per cent increase on 2012. During the Ministerial Conference in December, the average number of visits per day reached over 90,000. The WTO also made increasing use of social media.

 See pages 114-133

349 The WTO welcomed 349 NGOs at its Ninth Ministerial Conference.

900 The WTO Public Forum 2013 attracted about 900 participants.

1.8 The WTO website regularly attracts over 1.8 million visits a month.

Bali Ministerial Conference

At the WTO's Ninth Ministerial Conference, held in Bali, Indonesia, from 3 to 7 December 2013, ministers adopted the "Bali Package", a range of issues covering trade facilitation, agriculture and development. A Ministerial Declaration called for a clearly defined work programme on the remaining Doha Development Agenda issues to be concluded by the end of 2014. The Conference also saw ministers accept Yemen as a new member of the WTO.

After intensive negotiations in Geneva and round-the-clock consultations during the Ministerial Conference, ministers adopted the so-called Bali Package, the first multilateral trade deal since the WTO was established in 1995.

The Bali Package consists of 10 decisions:

Trade facilitation

- Agreement on Trade Facilitation

Agriculture

- General services
- Public stockholding for food security purposes
- Understanding on tariff rate quota administration provisions of agricultural products, as defined in Article 2 of the Agreement on Agriculture
- Export competition

Cotton

- Cotton

Development and LDC issues

- Preferential rules of origin for least-developed countries (LDCs)

- Activating the waiver concerning preferential treatment to services and service suppliers of LDCs
- Duty-free and quota-free market access for LDCs
- Monitoring mechanism on special and differential treatment

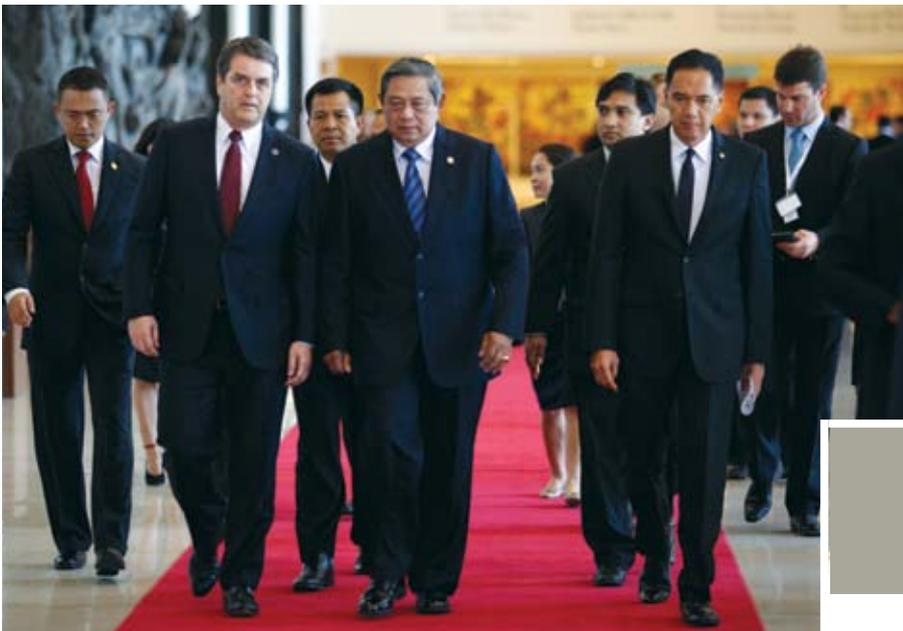
The **Trade Facilitation Agreement** will cut red tape and streamline customs procedures to ease cross-border trade. Implementation of the Agreement will reduce costs and improve the speed and efficiency of customs procedures. It will be a legally binding agreement and is one of the biggest reforms of the WTO since its establishment. It is expected to make a substantial contribution to the world economy. Section II of the Agreement contains special and differential treatment provisions for developing and least-developed countries aimed at helping them implement the provisions of the Agreement. A Preparatory Committee, established by the Ministerial Decision of 7 December in Bali, is tasked with ensuring the entry into force of the Agreement.

In **agriculture**, ministers gave temporary protection to food stockholding programmes under which countries stockpile staple food crops for food security purposes. This means that, within certain boundaries, WTO members cannot be legally challenged under the Agriculture Agreement even if they



16 ministerial decisions/
declarations

103 ministers



3,500+ participants

breach agreed limits on farmer support subsidies. This interim solution will exist until a permanent one is agreed, with a work programme set up to produce a permanent solution in four years.

Ministers added some rural livelihood and land-use programmes of special interest to developing countries to the list of those deemed to cause little or no trade distortion, and which can therefore be freely subsidized. In addition, they took steps to improve the use of tariff rate quotas, which allow import volumes inside a quota to carry a lower duty. Finally, they confirmed that export competition should remain a priority issue for the post-Bali work programme. They also agreed to “exercise utmost restraint” in using all forms of export subsidy and export measures with equivalent effects and to ensure to the maximum extent possible that actual levels of export subsidies remain significantly below permitted levels.

Members also reaffirmed their commitment to make progress in addressing **cotton** ambitiously and expeditiously within the agriculture negotiations.

On **development**, ministers agreed to a Monitoring Mechanism to analyse the implementation of special and differential treatment provisions for developing countries in the WTO agreements as well as in Ministerial and General Council decisions. One of the key features of the Mechanism is its ability to make recommendations if a problem is detected (see page 33). Ministers also addressed other issues of particular interest to LDCs – namely, the implementation of duty-free quota-free market access for imports from these countries, guidelines to improve the transparency of preferential rules of origin for LDCs with the aim of helping LDCs better utilize the preferences accorded to them, and the putting into operation of the services waiver allowing WTO members to grant LDCs preferential access to their services markets.

Director-General Azêvedo told ministers that “people all around the world will benefit from the package you have delivered here today” and said it was “an important stepping stone towards the completion of the Doha Round”. To maintain the momentum, the Ministerial Declaration instructed the Trade Negotiations Committee to prepare within the next 12 months a clearly defined work programme for the remaining issues in the Doha Round negotiations.

WTO members welcomed Yemen as a new member (see page 20). Yemen will officially become a WTO member 30 days after it has ratified the membership deal. The Ministerial Conference also adopted five decisions on the WTO’s regular work, covering intellectual property, electronic commerce, small economies, Aid for Trade and transfer of technology.

At a meeting of the parties to the WTO’s Government Procurement Agreement held in Bali during the Conference, ministers anticipated that the revised Agreement would come into force in the first quarter of 2014.



Background on the Ministerial Conference

The Ministerial Conference of the WTO consists of representatives of all WTO members. It is the highest decision-making body of the organization and usually meets every two years. Ministerial conferences review ongoing work, give political guidance and direction to that work, and set the agenda for further work.

349 NGOs 175 delegations

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. 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.

The system's overriding purpose is to help trade flow as freely as possible ... because this is important for stimulating economic growth and employment.



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 the more unfamiliar and, perhaps, difficult WTO provisions.

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 ongoing Doha negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities.



How it all comes together

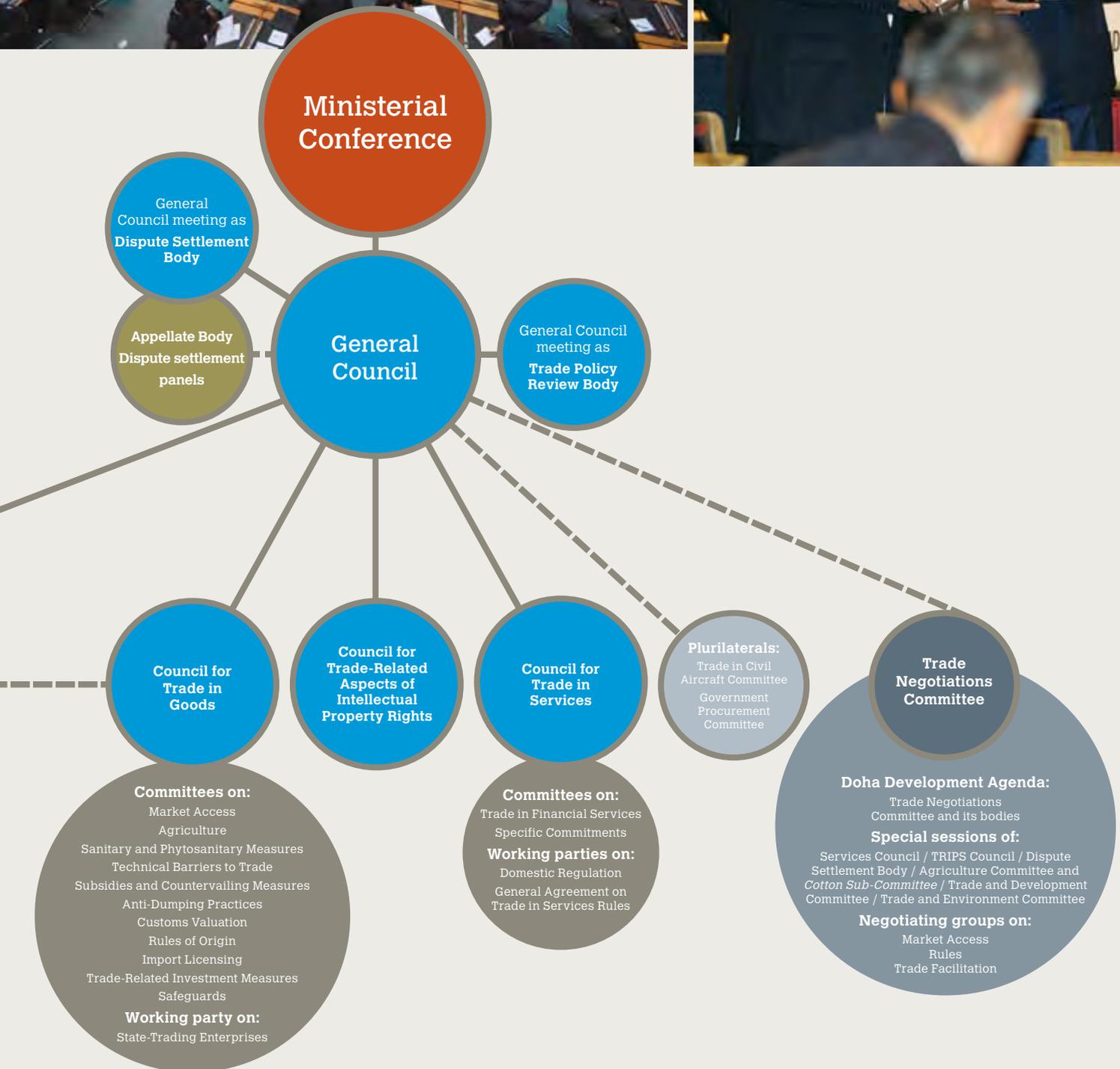
The WTO's top-level decision-making body is the Ministerial Conference, which usually meets every two years.

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.

A brief history

The WTO began life on 1 January 1995 but its trading system is half a century older. Since 1948, the General Agreement on Tariffs and Trade (GATT) had provided the rules for the system. Whereas GATT had mainly dealt with trade in goods, the WTO and its agreements now cover trade in services, and in traded inventions, creations and designs (intellectual property).



'94

April

Marrakesh Agreement establishing the WTO is signed.

'99

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.

'96

December

First Ministerial Conference takes place in Singapore.

'97

December

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

'01

November

Fourth Ministerial Conference in Doha, Qatar. Doha Development Agenda is launched.



WORLD TRADE ORGANIZATION

'95

January

The WTO is born on 1 January.



May

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

'98

May

Second Ministerial Conference takes place in Geneva.

'02

September

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

'03

September

Fifth Ministerial Conference takes place in Cancún, Mexico.

'04

July

Ministerial discussions on the Doha Round take place in Geneva.

'05

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.



'06

June

Ministerial discussions on the Doha Round take place in Geneva.

September

First WTO Public Forum takes place in Geneva.



'07

January

Viet Nam becomes the WTO's 150th member.

November

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

'08

July

Cabo Verde joins the WTO.

Ministerial discussions on the Doha Round take place in Geneva.

'09

April

DG Pascal Lamy reappointed for second term of four years.

July

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

September

First WTO Open Day in Geneva.

November

Seventh Ministerial Conference takes place in Geneva.

'10

January

New "Chairs Programme" launched to support developing country universities.

September

Second WTO Open Day in Geneva.



'11

July

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

December

Eighth Ministerial Conference takes place in Geneva.

'12

April

Montenegro joins the WTO.

May

Samoa joins the WTO.

August

Russia and Vanuatu join the WTO.

'13

February

Laos joins the WTO.

March

Tajikistan becomes the 159th member of the WTO.



September

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



December

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

Joining the WTO

The Lao People’s Democratic Republic (Laos) and Tajikistan formally joined the WTO in 2013, raising WTO membership to 159. The Bali Ministerial Conference in December adopted the accession terms of Yemen and cleared the way for the country to join the WTO. The WTO provided further technical assistance to acceding governments, including a five-day seminar in Geneva. The China Programme, which aims to strengthen the participation of least-developed countries (LDCs) in the WTO, was extended for a further year.

At the Ninth Ministerial Conference in Bali, ministers approved the accession of Yemen after 13 years of negotiations. Yemen will become a WTO member 30 days after notifying its acceptance and depositing the Instrument of Acceptance of its Accession Protocol with the WTO Secretariat. The accession will bring the WTO another step nearer its goal of universal membership. Several acceding governments are entering decisive stages of their accession negotiations. These include Afghanistan, Algeria, Azerbaijan, the Bahamas, Bosnia and Herzegovina, Kazakhstan, Serbia and the Seychelles.

Director-General Roberto Azevêdo issued the Fifth Annual Report on WTO Accessions in November 2013. The report provides

detailed information on work on WTO accessions, the benefits of WTO membership, policy issues and challenges in 2013, and a thematic focus on transparency obligations and notifications.

Stepping up technical assistance

Technical assistance was strengthened in 2013, with acceding governments invited to participate in over 100 technical assistance events.

In September, the WTO Secretariat organized a five-day seminar – the Global Seminar on WTO Accessions – on the theme of “Safeguarding and strengthening the rules-based multilateral trading system”. Held in Geneva, the seminar gave officials of

Membership of the WTO (as of 31 December 2013)

Member ¹	Year of accession	Member	Year of accession	Member	Year of accession
Albania	2000	Czech Republic	1995	Jamaica	1995
Angola	1996	Democratic Republic of the Congo	1997	Japan	1995
Antigua and Barbuda	1995	Denmark	1995	Jordan	2000
Argentina	1995	Djibouti	1995	Kenya	1995
Armenia	2003	Dominica	1995	Korea, Republic of	1995
Australia	1995	Dominican Republic	1995	Kuwait, the State of	1995
Austria	1995	Ecuador	1996	Kyrgyz Republic	1998
Bahrain, Kingdom of	1995	Egypt	1995	Latvia	1999
Bangladesh	1995	El Salvador	1995	Lao People's Democratic Republic	2013
Barbados	1995	Estonia	1999	Lesotho	1995
Belgium	1995	European Union	1995	Liechtenstein	1995
Belize	1995	Fiji	1996	Lithuania	2001
Benin	1996	Finland	1995	Luxembourg	1995
Bolivia, Plurinational State of	1995	France	1995	Macao, China	1995
Botswana	1995	Gabon	1995	Madagascar	1995
Brazil	1995	The Gambia	1996	Malawi	1995
Brunei Darussalam	1995	Georgia	2000	Malaysia	1995
Bulgaria	1996	Germany	1995	Maldives	1995
Burkina Faso	1995	Ghana	1995	Mali	1995
Burundi	1995	Greece	1995	Malta	1995
Cambodia	2004	Grenada	1996	Mauritania	1995
Cameroon	1995	Guatemala	1995	Mauritius	1995
Canada	1995	Guinea	1995	Mexico	1995
Cabo Verde	2008	Guinea-Bissau	1995	Moldova, Republic of	2001
Central African Republic	1995	Guyana	1995	Mongolia	1997
Chad	1996	Haiti	1996	Montenegro	2012
Chile	1995	Honduras	1995	Morocco	1995
China	2001	Hong Kong, China	1995	Mozambique	1995
Colombia	1995	Hungary	1995	Myanmar	1995
Congo	1997	Iceland	1995	Namibia	1995
Costa Rica	1995	India	1995	Nepal	2004
Côte d'Ivoire	1995	Indonesia	1995	Netherlands	1995
Croatia	2000	Ireland	1995	New Zealand	1995
Cuba	1995	Israel	1995	Nicaragua	1995
Cyprus	1995	Italy	1995	Niger	1996

¹ Members are mostly governments but can also be customs territories.

acceding governments and WTO members the opportunity to exchange views and share experiences and best practices on WTO accession negotiations. It also reviewed the results of 31 concluded Article XII accessions – countries that have joined since the establishment of the WTO in 1995.

The Secretariat continued with the implementation of China's LDCs and Accessions Programme (China Programme). The programme aims to strengthen LDC members' participation in the WTO and to assist acceding LDCs. From 15 to 18 October 2013, the second high-level roundtable was held in Luang Prabang, Laos, focusing on the "Future of the multilateral trading system: perspectives of least-developed countries and Article XII members". As part of the China Programme, five more interns were selected to participate in the internship scheme at the WTO Secretariat. At the Ninth Ministerial Conference, Director General Azevêdo and China's Trade Minister Hucheng Gao signed a new memorandum of understanding, extending the China Programme for another year.

The International Trade Centre (ITC) and the WTO Secretariat continued their work under the joint ITC-WTO programme in support of the private sector in acceding developing countries and LDCs. Working Party chairs visited several acceding governments to meet key domestic stakeholders to promote outreach, answer questions and improve understanding of WTO membership.

The Accessions Division also undertook briefings for newly designated Working Party chairs and new delegates as well as workshops for parliamentarians and civil society. Several post-accession technical assistance activities took place focusing on

implementation of the negotiated accession commitments and general membership obligations.

Transparency was further enhanced by regular meetings of the Informal Group on Accessions, through the WTO accessions newsletter, the Director-General's Annual Report on WTO Accessions and the annual accessions' outreach dialogue with WTO groupings. In 2013, this dialogue included the LDCs' Consultative Group, the Informal Group of Developing Countries, the Asian Group of Developing Members, the Latin American and Caribbean Group, the African Group and the Arab Group.



Background on joining the WTO

The WTO is open to states or customs territories with full autonomy over their external commercial relations. To join the WTO, a government has to bring its economic and trade policies in line with WTO rules and principles, and negotiate with interested, individual trading partners on guaranteed minimum levels of access to their domestic markets for goods and services. It can take many years to become a WTO member because it requires the full support and consensus of the existing membership. However, the accession process is designed to ensure that new members are able to participate fully in the multilateral trading system from the outset.

159 members (as of 2 March 2013)

Member	Year of accession	Member	Year of accession	States/customs territories seeking to join the WTO (as of 2 March 2013)
Nigeria	1995	Sri Lanka	1995	Afghanistan*
Norway	1995	Suriname	1995	Algeria
Oman	2000	Swaziland	1995	Andorra
Pakistan	1995	Sweden	1995	Azerbaijan
Panama	1997	Switzerland	1995	Bahamas
Papua New Guinea	1996	Chinese Taipei	2002	Belarus
Paraguay	1995	Tanzania	1995	Bhutan*
Peru	1995	Tajikistan	2013	Bosnia and Herzegovina
Philippines	1995	Thailand	1995	Comoros*
Poland	1995	The former Yugoslav Republic of Macedonia (FYROM)	2003	Equatorial Guinea*
Portugal	1995	Togo	1995	Ethiopia*
Qatar	1996	Tonga	2007	Iran
Romania	1995	Trinidad and Tobago	1995	Iraq
Russian Federation	2012	Tunisia	1995	Kazakhstan
Rwanda	1996	Turkey	1995	Lebanese Republic
Saint Kitts and Nevis	1996	Uganda	1995	Liberia, Republic of*
Saint Lucia	1995	Ukraine	2008	Libya
Saint Vincent and the Grenadines	1995	United Arab Emirates	1996	São Tomé and Príncipe*
Samoa	2012	United Kingdom	1995	Serbia
Saudi Arabia, Kingdom of	2005	United States of America	1995	Seychelles
Senegal	1995	Uruguay	1995	Sudan*
Sierra Leone	1995	Vanuatu	2012	Syrian Arab Republic
Singapore	1995	Venezuela, Bolivarian Republic of	1995	Uzbekistan
Slovak Republic	1995	Viet Nam	2007	
Slovenia	1995	Zambia	1995	
Solomon Islands	1996	Zimbabwe	1995	
South Africa	1995			
Spain	1995			

Countries that officially became WTO members in 2013

Lao PDR*	2 February 2013
Tajikistan	2 March 2013

Countries that completed their WTO accession negotiations in 2013

	Date of approval of Accession Package**
Yemen*	4 December 2013

* Least-developed country.

** Formal WTO membership is subject to the ratification of the Accession Protocol by Yemen's Parliament and the subsequent notification and deposit of the Instrument of Acceptance of the Protocol with the WTO Director-General.

Welcoming new members

In 2013, the Ninth WTO Ministerial Conference approved the accession package of Yemen. Formal membership is now subject to the ratification of Yemen's Accession Protocol by the Yemeni parliament and the subsequent notification and deposit of the Instrument of Acceptance of the Protocol with the Director-General of the WTO. The negotiated terms and conditions contain commitments covering all WTO rules.

The WTO accession process promotes the integration of new members into the global economy subject to binding and enforceable trade rules. Yemen undertook to liberalize its trade regime and accelerate its integration into the world economy. Yemen's accession package contains specific commitments binding it to WTO rules and includes, where necessary, specific transition periods, which have been negotiated to respond to particular needs in a given area. It contains negotiated concessions and commitments on market access for goods and services.

The Ministerial Conference approved Yemen's accession package on 4 December, after 13 years of negotiations. Yemen will become a WTO member 30 days after it notifies the WTO of its acceptance of the accession terms and conditions.

Yemeni Minister of Industry and Trade, H.E. Dr Saadalden Talib, said: "Sometimes, countries experience changing fortunes. But

the very essence of a country and the history and civilization of trade remain. Our country has been trading for at least five or six hundred years – in fact, since the Spice Route. As a member of the WTO, we aim to strengthen that role and to connect with everybody in the world. We want to share our history, our products and our culture, as we have done with Indonesia – the host of this Ministerial Conference – for so many centuries."

Director-General Roberto Azevêdo congratulated the Government of Yemen on its domestic reforms and said: "Yemen will be our 160th member – and our 35th LDC [least-developed country] member. It is a further, positive step towards universality."

During the accession process, WTO members have worked with Yemen to adapt its trade laws to WTO rules and train its government officials. WTO members are committed to continue to provide Yemen with required technical assistance in its post-accession process.





Yemen

Accession Working Party report

Number of paragraphs	287
Paragraphs with commitment language	28

Market access for goods

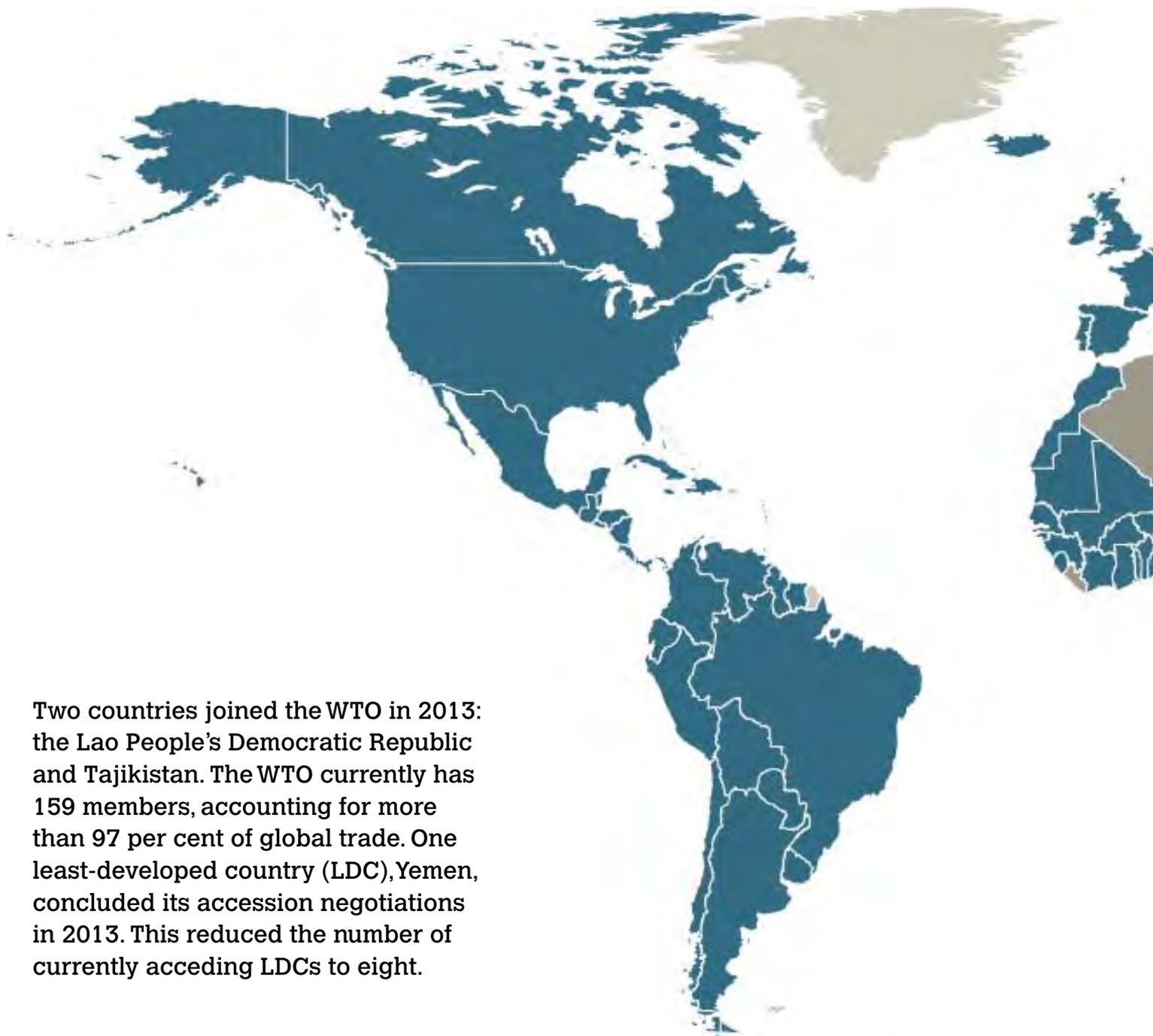
Average final bound tariff rates:	
All goods	21.1%
Agricultural goods	24.9%
Non-agricultural goods	20.5%

Market access for services

Sectors	11
Sub-sectors	78

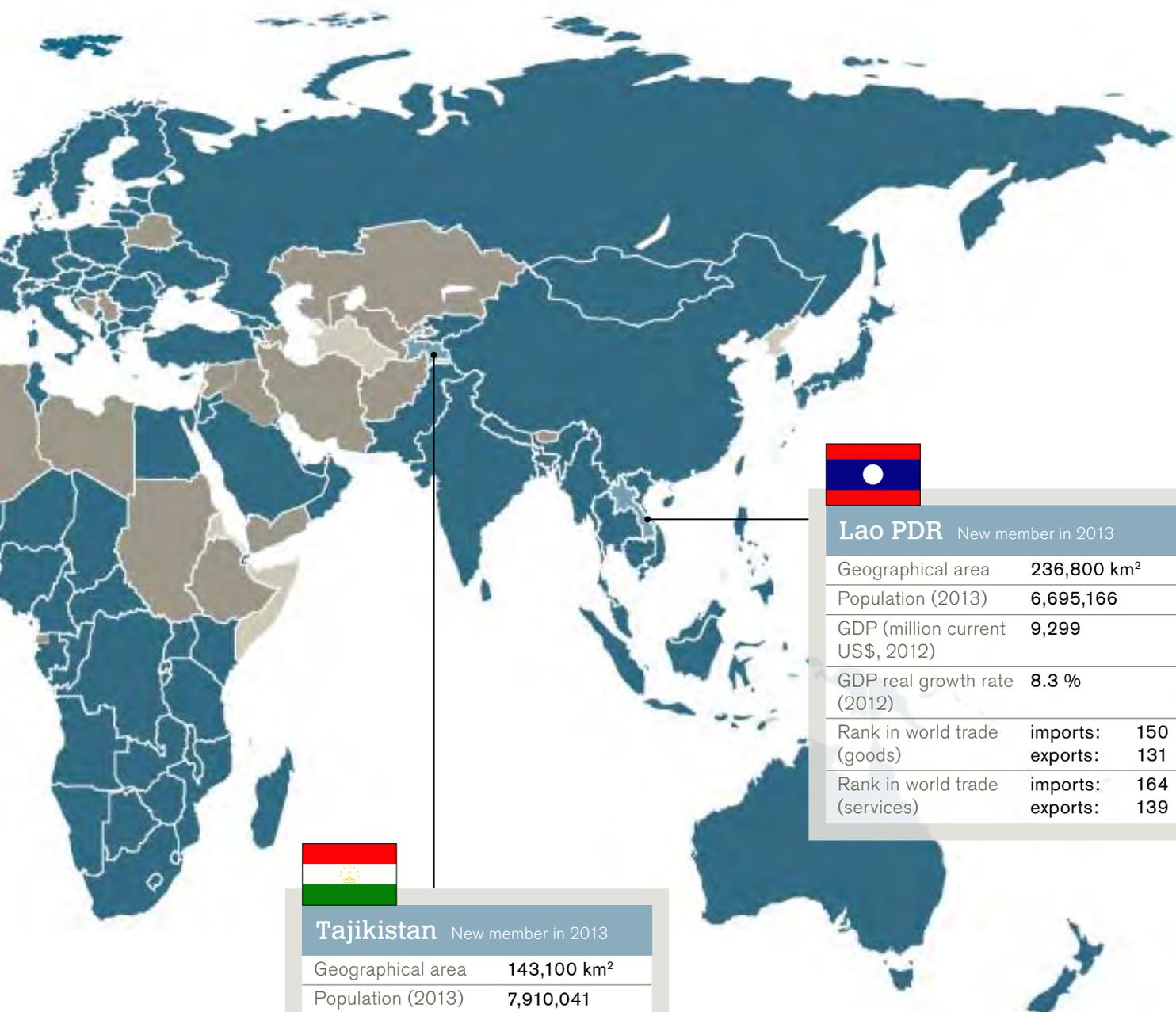


A global membership



Two countries joined the WTO in 2013: the Lao People's Democratic Republic and Tajikistan. The WTO currently has 159 members, accounting for more than 97 per cent of global trade. One least-developed country (LDC), Yemen, concluded its accession negotiations in 2013. This reduced the number of currently acceding LDCs to eight.

- WTO members
- New members in 2013
- Observers
- Non-members



Tajikistan New member in 2013

Geographical area	143,100 km²
Population (2013)	7,910,041
GDP (million current US\$, 2012)	6,987
GDP real growth rate (2012)	7.5 %
Rank in world trade (goods)	imports: 135 exports: 146
Rank in world trade (services)	imports: 134 exports: 132



Lao PDR New member in 2013

Geographical area	236,800 km²
Population (2013)	6,695,166
GDP (million current US\$, 2012)	9,299
GDP real growth rate (2012)	8.3 %
Rank in world trade (goods)	imports: 150 exports: 131
Rank in world trade (services)	imports: 164 exports: 139

Source: WTO and World Bank

Trade negotiations

- The WTO's 2013 Ministerial Conference concluded with ministers approving the "Bali Package", a series of issues from the broader Doha Round negotiations.

- The Bali Package consists of a number of decisions designed to streamline trade, allow developing countries more options for providing food security and boost least-developed countries' trade.

- A Preparatory Committee is tasked with ensuring the entry into force of the Trade Facilitation Agreement, one of the biggest reforms of the WTO since it was established in 1995.

- Ministers have called for a clearly defined work programme on the remaining Doha Development Agenda issues to be concluded by the end of 2014.



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Services	31
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Trade and development	33
Trade and transfer of technology	35
Trade and environment	36
Trade facilitation	36
WTO rules	38
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Government Procurement Agreement	39



Background on trade negotiations

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through rounds of negotiations. The most recent round began in 2001.

Doha Development Agenda

At the WTO's Fourth Ministerial Conference in Doha, Qatar, in November 2001, WTO members agreed to launch a new round of trade negotiations. They also agreed to work on other issues, in particular the implementation of the current WTO agreements. The entire package is called the Doha Development Agenda (DDA) or the Doha Round. The negotiations take place in the Trade Negotiations Committee (TNC) and its subsidiaries, which are regular councils and committees meeting in special session or specially created negotiating bodies. The negotiating bodies report to the TNC which coordinates their work. The TNC is chaired by the Director-General.

Doha Round negotiations in 2013

Bali Package

The WTO's Ninth Ministerial Conference, held in Bali in December 2013, agreed a package of issues designed to streamline trade, allow developing countries more options for providing food security, boost least-developed countries' (LDCs) trade and help development more generally. The deal on the "Bali Package" was struck after intensive consultations almost round the clock from 4 December until the meeting closed on 7 December. The Bali Package has been described as the first major agreement among WTO members since it was formed in 1995.

The agreement on trade facilitation (see page 36) is about cutting "red tape" and speeding up port clearances. The rest of the Package focuses on various issues related to agriculture and development, including food security in developing countries, cotton (see pages 30 and 101) and a number of other provisions for LDCs. The Package also includes a political commitment to reduce export subsidies in agriculture and keep them at low levels, and to reduce obstacles to trade when agricultural products are imported through quotas.

Role of the Trade Negotiations Committee

At the WTO's Eighth Ministerial Conference in December 2011, ministers acknowledged that the Doha Round negotiations were at an impasse but they committed to advancing the negotiations where progress could be achieved. This included focusing on elements of the Doha Declaration that would allow WTO members to reach agreements based on consensus earlier than the full conclusion of the Doha Round. Against this background, the Trade Negotiations Committee (TNC) played a key role in preparing the groundwork to advance and reach early agreement on a small package of issues on the Doha Development Agenda (DDA) that members had identified as achievable by the Ninth Ministerial Conference in Bali.

The potential deliverables that WTO members identified were trade facilitation, some agriculture issues and development, including issues of interest to LDCs. Several members stressed that delivering the selected DDA issues was not only important for the Ministerial Conference itself but also for preserving the credibility of the multilateral trading system and the WTO, particularly its negotiating function. Success in Bali was therefore perceived as crucial.

During 2013, an intensive consultative process took place, in relevant negotiating groups, in different formats and configurations, under the leadership of the three Chairs of the negotiating groups with deliverables, the four "Friends" of the Trade Facilitation Chair, and the Facilitator for LDC issues appointed at the request of the LDC Group in April. The TNC provided WTO members with the forum to assess progress and accordingly map the way ahead. To advance the identified potential Bali deliverables, several proposals were tabled by WTO members, both individually and as groups, in areas of interest.

July was considered a critical juncture in determining whether results could realistically be achieved in Bali. WTO members viewed the end of July as the "last petrol station on the Bali highway". At the July TNC meeting, the last chaired by former Director-General Pascal Lamy, he said that members were better placed than they had been two months before to deliver concrete outcomes in the three deliverables. At this meeting, a number of members started to caution against negotiating at the Ministerial Conference itself. They stressed that all negotiations should be concluded in Geneva.



In September, newly-appointed Director-General Roberto Azevêdo took over as Chair of the Trade Negotiations Committee.

In September, newly-appointed Director-General Roberto Azevêdo took over as Chair of the TNC. The negotiations on the Bali deliverables further intensified with the start of the so-called “horizontal process” – ensuring that all negotiating issues are considered together. All three Bali deliverables were discussed in a focused, precise and business-like manner. Delegations were in a solution-finding mode, with an encouraging new tenor to the discussions. Inclusiveness was a tenet in this process, with all regional and group coordinators and members most affected by different issues represented. Moreover, meetings were held covering all issues and involving all members.

Work intensifies

The Chair believed that the aim of WTO members had to be to conclude the main part of the negotiations in Geneva by the end of October. By that time, the “landing zones” for the Bali deliverables should have become visible. Work therefore intensified further, with the aim of making advances on the critical issues that required more attention. The Chairs, Friends and LDC Facilitator also continued their own processes aimed at finding convergence on outstanding issues in their respective areas. They reported on the progress made in their consultations to the TNC.

There was also a unanimous positive response from ministers in different regions as a result of the outreach activities undertaken by the Chair to work constructively towards a successful outcome in Bali as a first necessary step towards the goals of safeguarding and preserving the credibility of the WTO and advancing the DDA.

In the final weeks leading up to the Ministerial Conference, the degree of engagement by members on the Bali deliverables was higher than ever. Members actively engaged in resolving text that had not been agreed in areas where work was at an advanced stage in order to move rapidly to final agreement. In areas where progress had been made in identifying “landing zones”, they engaged to translate these into texts.

All WTO members were engaged in a line-by-line review of the texts in the three Bali deliverables (covering trade facilitation, agriculture and development) that had emerged from negotiating groups and from the intensive consultative processes undertaken by the Chair and other relevant Chairs, the Friends of the Trade Facilitation Chair and the LDC Facilitator. Significant progress was made on all three areas.

Too close to fail

At the TNC meeting in November, the Chair cautioned members that because of certain existing “icebergs” that he highlighted, the risk of failure at the Ministerial Conference remained. However, in his assessment, success could still be achieved. He therefore urged members to continue their negotiations as they were too close to accept failure. The negotiations further intensified with the involvement of capital-based officials in trying to arrive at convergence on the few remaining difficult areas.

At the General Council meeting at the end of November, the Chair presented to members, as a package, ten texts representing the state of play in the negotiations at that point. These were four texts in the area of agriculture, a draft agreement on trade facilitation and five texts on development/LDC issues (including cotton).

In presenting the texts as a package, the Chair said that members had made compromises and showed flexibility, with the understanding that their contribution would be reciprocated in other areas of the negotiation. As not all work had been finished at that point in all areas, he said that none of the texts could be understood as fully agreed. The documents were a snapshot of where members were. He would use them to brief ministers in Bali on progress made in Geneva but not as texts agreed for adoption.

The Chair noted that members had been very close to fully agreed texts, with several texts being stable. He said that what had prevented members from crossing the finishing line in Geneva had been a lack of political will and political engagement to make the required tough political calls.

At the Ministerial Conference, ministers expressed their collective desire for successfully negotiated outcomes in all three areas. They therefore asked the Director-General to undertake a process of consultations in Bali with concerned members aimed at closing outstanding issues to pave the way for the adoption of the full package. The Director-General held intensive consultations with those concerned and agreement was reached on the outstanding issues. This led to the adoption by ministers at the end of the Ministerial Conference of the “Bali Package”.

Ministers noted that this package was an important stepping-stone towards the completion of the Doha Round. They instructed the TNC to prepare a clearly defined work programme by the end of 2014 on the remaining DDA issues, building on the decisions they had taken in Bali and on other issues under the Doha mandate that were central to the conclusion of the Round. They said the issues in the Bali Package where legally binding outcomes could not be achieved should be prioritized. They agreed that work on issues in the Package that had not been fully addressed at the Conference would resume in relevant committees and negotiating groups.

In addition, they agreed that the work programme should be developed in a way that is consistent with the guidance they had provided at the Eighth Ministerial Conference, including the need to look at ways that may allow members to overcome the most critical and fundamental stumbling blocks.

Agriculture

In 2013, the agriculture negotiations focused on issues proposed for agreement at the Bali Ministerial Conference. This followed a 2011 decision to concentrate on Doha Round topics where progress was most likely to be made. The subjects that would eventually be agreed in Bali in December came from groups of members. At the Conference, ministers issued four decisions and one declaration on agriculture. These were on subsidies used for rural development and poverty alleviation, public stockholding for food security, how to avoid turning a particular type of quota into a trade barrier, export subsidies in the broadest sense, and cotton.

Negotiators began the year discussing technical issues and sharing information on the proposal on public stockholding. Over the weeks and months the negotiations under Chair John Adank drew on the information as delegations' differences in negotiating positions narrowed and the proposals evolved.

Towards the end of the year, Director-General Roberto Azevêdo held a series of consultations on the outstanding issues under each agricultural proposal, in parallel with talks on other topics for what would become the “Bali Package”. As a result, several difficult, sensitive points were settled. Draft agriculture texts were circulated on 25 November, a week before the Bali Ministerial Conference began. In Bali, discussions mainly focused on public stockholding for food security. Intensive consultations finally produced an agreement on all agricultural issues under discussion.

Food security and subsidy limits

In late 2012, the G-33, a developing-country group of food importers seeking flexibility to support their farmers, had proposed that developing countries' governments should be able to buy food for stockholding from poor farmers – and for food security – at supported prices, without being constrained by subsidy limits.



Background on agriculture

The agriculture negotiations began in 2000 under a commitment that WTO members made in the 1986-94 Uruguay Round to continue farm trade reforms. They were brought into the Doha Round when it was launched in 2001. Broadly, the objective is to reduce distortions in agricultural trade caused by high tariffs and other barriers, export subsidies and domestic support. The negotiations take place in the WTO Committee on Agriculture, meeting in special session. They also take into account social and political sensitivities in the sector and the needs of developing countries.

WTO members all agreed that food security is important, particularly in poorer countries. Those that had reservations about the proposal were concerned that without any disciplines the food that is stocked and later released under these programmes could depress prices and affect the farmers' incomes and food security in other countries. Much of the negotiation was about the disciplines that would be applied.

The year 2013 began with a series of technical meetings in the "Special Session" of the Agriculture Committee – where the negotiations take place – based on replies to a questionnaire circulated by the Chair. The aim was for members to understand the challenges some developing countries face in staying within their farm subsidy limits under the Agriculture Agreement (strictly speaking, these are ceilings on "trade-distorting domestic support") when operating their public stockholding and food security programmes. It was also an opportunity to get to know how these programmes are constructed.

From the spring, the Chair moved on to explore and identify where members' views might converge on the proposal. Compromise was achieved by agreeing on two steps: members would focus on a possible interim mechanism, leaving until later negotiations on a permanent solution.

Therefore, in Bali, ministers agreed to protect the programmes temporarily. Provided other conditions are also met, members have promised not to challenge breaches of domestic support commitments resulting from developing countries' public stockholding programmes for food security. Any developing country using this decision must supply relevant information and avoid distorting trade or causing adverse effects on other countries' food security. The interim solution will remain in force until a permanent one is agreed. A work programme will aim to produce a permanent solution in four years.

Development and poverty reduction

The G-33 proposed clarifying the rules to ensure that government subsidies could be allowed without any limits when they are for land use, land reform, water management, rural livelihood security and other purposes related to development and reducing poverty. Originally initiated by the African Group – some of whose members are in the G-33 – the proposal would add these programmes to the list of "general services" as examples of support policies that are considered to cause little or no trade distortion ("Green Box" domestic support) and allowed without limits. This proposal was uncontroversial.

Export subsidies and related policies

The third issue was about export subsidies and a range of measures with equivalent effects – international food aid, export credits, export credit guarantees and insurance programmes and agricultural state trading enterprises (STEs). Together, they are described as "export competition" issues.



In the first half of the year, the WTO Secretariat circulated a background document on the subject, drawing on notifications by WTO members and information collected through a questionnaire. The Secretariat also circulated a document on export prohibitions and restrictions.

Subsequently, the G-20, a broad agricultural coalition of developing countries, circulated a proposal for ministers to agree in Bali. The proposal sought commitments to start cutting export subsidies as a first step towards the previously agreed objective of eliminating them eventually. It was also proposed to limit the maximum repayment term for export financing programmes. However, no consensus could be reached on the proposal in this form because some countries said they could only make legally binding commitments on export subsidies (and related policies) as part of a complete Doha Round package. The compromise agreed in Bali was a strong political statement that governments will ensure all forms of export subsidies are kept low and a commitment to enhance transparency and improve monitoring.

Tariff quota administration

WTO members continued to see the proposal on "tariff rate quota administration", circulated by the G-20 in October 2012, as another that could realistically be agreed in Bali. Under tariff rate quotas (TRQs or simply "tariff quotas"), imports within an agreed quota are charged lower duties than those outside, where the duties can be high.

Some countries are concerned that the methods governments use to share these quotas among traders ("TRQ administration") can become an additional trade barrier. Evidence of this, they say, is when parts or all of the quotas are not used (they are "under-filled"). On the other hand, importing countries often say the underfill is caused by supply and demand conditions in the market (for example, bad harvests in supplying countries or when cheaper local produce is available in the importing country).

The G-20 proposal described new steps for monitoring administration methods when tariff quotas are persistently under-filled. The Bali ministerial decision sets out a monitoring process within the Committee on Agriculture that combines consultations with the quick provision of information about under-filled quotas. The Bali decision says that if a quota is persistently under-filled – and information sharing and consultations prove fruitless – the importing government would have to apply one of a prescribed set of methods for administering quotas aimed at removing impediments.

Cotton

In Bali, ministers agreed that twice a year, WTO members would discuss developments in cotton related to trade – particularly in market access, domestic support (subsidies) and export competition (subsidies and policies that are equivalent to subsidies). These dedicated discussions on cotton would take place in the context of the agriculture negotiations, with the aim of increasing transparency and strengthening monitoring.

The decision resulted from substantial preparatory work involving several key delegations, conducted by the agricultural negotiations' Chair who also presides over the Cotton Sub-Committee. It was based on a proposal presented by the co-sponsors of the Sectoral Initiative in Favour of Cotton – Burkina Faso, Benin, Mali and Chad (the Cotton Four or C-4).



Market access for non-agricultural products

Negotiations on non-agricultural market access (NAMA) were put on hold in 2013 as WTO members awaited the outcome of December's Ministerial Conference in Bali. The prevailing view was that any deepening of divisions over NAMA could harm the chances of a deal in Bali on trade facilitation. Negotiating Group Chair Remigi Winzap declared that, with success in Bali, NAMA "should again come to the forefront".

Ambassador Winzap, who assumed chairmanship of the Negotiating Group in November 2012, spent his first few months consulting with WTO members to see if there was an appetite to re-launch the deadlocked NAMA negotiations. However, he concluded that it was still too soon. "The main message I got from my consultations was: 'Don't rock the boat to Bali,'" he said in a report circulated in April 2013. On tariffs, he observed: "The view of several members was that the situation which had led to the logjam in 2011 prevailed still today. There had been no fundamental shift in the position of the major players. Therefore, the report of the TNC [Trade Negotiations Committee] Chair, which was issued in 2011 reflecting that deadlock, remained valid today."

On non-tariff barriers (NTBs), Mr Winzap noted that the position was more nuanced. While there was readiness in some quarters to discuss technical issues pertaining to NTBs, a view was also expressed that "unambiguous engagement on tariffs" was required before addressing NTBs.

Mr Winzap concluded his report by indicating that he would be "attentive to the Bali process" and would return to the membership when he felt that there was the "right momentum to work on integrating NAMA in a post-Bali agenda."



Background on market access for non-agricultural products

Non-agricultural products range from manufactured goods to fuels and fisheries. Comprising products not covered by the Agreement on Agriculture, they represent more than 90 per cent of world merchandise trade. The negotiations aim to reduce or, as appropriate, eliminate tariffs as well as non-tariff barriers (NTBs), such as import licensing systems and technical barriers to trade, particularly on goods of export interest to developing countries. The negotiations are conducted in the Negotiating Group on Market Access for Non-Agricultural Products (NAMA).



Services

The Council for Trade in Services held no special sessions in 2013 and no progress was made in overall negotiations to lower barriers to trade in services. The Working Party on Domestic Regulation exchanged information on how licensing and qualification requirements and procedures, and technical standards, are applied at national level. Regarding government procurement, the Working Party on GATS (General Agreement on Trade in Services) Rules further explored the relationship and complementary between the Government Procurement Agreement (GPA) and the GATS.

Domestic regulation

The mandate of the Working Party on Domestic Regulation is to develop disciplines to ensure that licensing and qualification requirements and procedures, and technical standards, do not constitute unnecessary barriers to trade in services. In 2013, based on information provided by WTO members, the Working Party completed its examination of over 90 questions on how such requirements, procedures and technical standards are implemented at the national level. The discussions covered, among other things, issues concerning transparency, the simplification of licensing and qualification regimes, the treatment of applications, recognition arrangements, universal service obligations and international standards as well as the use and role of regulatory impact assessments.

During the course of these technical discussions and at the request of members, the WTO Secretariat prepared two new background notes. The first of these notes examined how the term “measures of general application”, as found in WTO agreements, had been interpreted in dispute settlement cases. The second note discussed the role of technical standards in services and provided an explanation of the services standards-making process at national and international levels. Overall, the technical discussions have helped to improve the understanding of regulatory practices as well as to identify areas and issues requiring further attention in the development of disciplines on domestic regulation.

With the support of a Secretariat background note, delegations launched a separate set of discussions on “Regulatory issues in sectors and modes of supply”. The aim of these discussions is to help WTO members better understand the regulatory environment of services sectors and to identify, where relevant, issues that may have a particular bearing on trade in services.

GATS rules

The Working Party on GATS Rules carries out the negotiating mandates contained in Article X (emergency safeguard measures), Article XIII (government procurement) and Article XV (subsidies) of the GATS. As in previous years, WTO members did not engage in text-based negotiations because there was no common vision of what could constitute an acceptable outcome in any of the three areas.



On emergency safeguard measures, after a period of reflection, delegations agreed in principle on holding a member-driven, dedicated discussion on safeguard measures in regional and bilateral trade agreements, to start in 2014.

On government procurement, based on WTO Secretariat presentations, the discussions regained some momentum addressing issues such as the significance of the revised Government Procurement Agreement (GPA) for trade in services, the economic and legal interface between the GATS and the GPA as well as the services procurement coverage in recent regional trade agreements.

Concerning subsidies in services, delegations' appetite to engage remained very limited. More empirical and conceptual work would be needed to better understand the role of subsidies in services trade and the trade-distortive effects they might have continued.



Background on services

Services are the most important economic activity in most countries when measured as a share of overall production, and they are the single largest source of employment. The General Agreement on Trade in Services (GATS) mandates WTO members to progressively liberalize trade in services through successive rounds of negotiations. At the Doha Ministerial Conference in November 2001, the services negotiations became part of the “single undertaking” under the Doha Development Agenda. They are overseen by the Council for Trade in Services, meeting in special session, and its subsidiary bodies, in particular the Working Party on Domestic Regulation and the Working Party on GATS Rules.

Trade-related aspects of intellectual property rights (TRIPS)

Negotiation positions remained deadlocked on a system for notifying and registering geographical indications for wines and spirits. The TRIPS Council Special Session met only once on a procedural matter and did not address substantive issues. The TRIPS Council, in regular session, undertook its eleventh annual review of the incentives given to companies by developed countries to transfer technology to least-developed countries. The WTO's Ministerial Conference confirmed the recommendation of the TRIPS Council to extend the moratorium on TRIPS non-violation and situation complaints.

Negotiations on a GI register

Disagreement continued over the legal effects of a geographical indications (GI) register and whether the effects would apply to all or only those WTO members who elected to participate. Positions also remained entrenched on product coverage and whether, as the negotiating mandate says, the register should be confined to GIs for wines and spirits or whether it could apply to other products, such as food and agricultural goods.

The register for wines and spirits is intended to facilitate the protection of GIs. These are place names (or sometimes other terms or signs associated with a place) used to identify products whose place of origin gives them particular qualities, reputation or other characteristics. Scotch, Champagne and Tequila are well-known examples. The TRIPS Agreement mandates negotiations on establishing a register and work has continued since 1996.

Since the circulation of the 2011 "draft composite text" that reflected WTO members' positions in draft treaty language, the chairs' efforts to find a common approach to advancing this



work have been unsuccessful. Further difficulties stem from the linkages made by some delegations to two TRIPS-related implementation issues, namely the extension of GI protection and the relationship between the TRIPS Agreement and the Convention on Biological Diversity (see below).

In view of these substantive and procedural complications, WTO members did not give priority to work on the GI register in the run-up to the Bali Ministerial Conference.

Outstanding implementation issues

WTO members continue to differ on whether extending GI protection to other products would help their trade in such products or whether increasing the level of protection would create an unnecessary legal and commercial burden. The possible extension to other products of the "higher" or "enhanced" level of GI protection that is currently only required for wines and spirits is one of the so-called "implementation issues". The 2005 Hong Kong Ministerial Declaration called for consultations by the Director-General on TRIPS-related "outstanding implementation issues", the first of which was the question of the possible extension.

The second of these issues concerns the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD): whether – and, if so, how – TRIPS should do more to promote the CBD objective of equitably sharing the benefits that arise when genetic resources are used in research and industry. The main focus has been on proposals to amend the TRIPS Agreement to require patent applicants to disclose the source or the country providing genetic resources and associated traditional knowledge. No further consultations have been held since the then Director-General Pascal Lamy presented a written report covering the period from March 2009 to April 2011. This issue was raised by several members in the TRIPS Council in 2013 but no significant progress was made.



Background on TRIPS

The Doha Development Agenda mandates negotiations on a multilateral system for notifying and registering geographical indications for wines and spirits. The Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) carries out the negotiations in special session. In its regular sessions, the TRIPS Council implements other relevant ministerial decisions, notably those relating to technology transfer and dispute settlement. The Hong Kong Ministerial Declaration mandates the Director-General to consult on certain TRIPS-related implementation issues identified in the Doha Declaration.

Incentives for technology transfer

In October 2013, the TRIPS Council, in regular session, undertook its 11th annual review of the reports provided by developed countries on the incentives they give to companies to transfer technology to least-developed countries (LDCs). The TRIPS Agreement requires developed countries to provide such incentives, and in 2003 the Council gave effect to a directive by the Doha Ministerial Conference to establish a review mechanism to monitor this obligation.

The WTO Secretariat organized a sixth annual workshop for LDC and developed-country delegations to discuss in more depth the operation of these incentives. Based on an LDC proposal, delegations continued exploring the possibility of a harmonized reporting format to assist analysis and understanding of the reported measures. The discussions also covered the Secretariat's efforts to improve the accessibility of the vast amounts of useful information available, and how improved information tools could better respond to LDCs' needs.

Disputes over intellectual property protection

In 2013, the TRIPS Council continued its consideration of whether so-called "non-violation" complaints over intellectual property rights can be brought under the WTO Dispute Settlement Mechanism. Members differ on whether these cases should be allowed or whether this could be a legitimate basis for a dispute.

In general, WTO disputes can be brought not only if an agreement or commitment has been violated but also if an expected benefit under an agreement has been nullified without violating the letter of the agreement. However, for disputes over intellectual property protection, the TRIPS Agreement prescribed a five-year moratorium on initiating such "non-violation and situation complaints" and this moratorium has been extended by a series of ministerial conferences.

The Chair told the Council's meeting in October that WTO members had indicated readiness to engage in early 2014 in intensified work on the examination of the scope and modalities for such complaints, with the intent of finding a way out of the current cycle of extending the non-violation moratorium from one ministerial conference to another.

In its turn, the WTO's Ninth Ministerial Conference directed the Council to continue examining the scope and modalities for these disputes, and to make recommendations to the next ministerial conference to be held in 2015. It also agreed that, in the meantime, members would not initiate such complaints under the TRIPS Agreement.

Trade and development

The Committee on Trade and Development focused on developing the elements of a monitoring mechanism on special and differential treatment for developing countries, as mandated by the WTO's Eighth Ministerial Conference, and on a stocktaking of the 28 Agreement-specific proposals agreed to in principle at Cancún, Mexico, in 2003. Sufficient progress was made on the Monitoring Mechanism during the year for ministers to adopt it formally at the Ninth Ministerial Conference in December in Bali.

The Monitoring Mechanism provides an important opportunity to analyse and review all aspects of the implementation of special and differential treatment (S&D) provisions contained in multilateral WTO agreements, ministerial decisions and General Council decisions.

The proposal to establish a monitoring mechanism was initially submitted by the African Group to the Special Session of the Committee on Trade and Development in 2002. The General Council agreed that same year to establish a mechanism and instructed the Special Session of the Committee to agree the functions, structure and terms of reference.

At the 2011 Ministerial Conference, ministers reaffirmed that S&D provisions for developing countries were integral to WTO agreements. They also restated their determination to fulfil the Doha mandate to review the provisions, with a view to strengthening them and making them more precise, effective and operational. They agreed to expedite work towards finalizing the monitoring mechanism for special and differential treatment and also agreed to take stock of the 28 Agreement-specific proposals in Annex C of the draft Cancún ministerial text, with a view to formal adoption of those agreed.



Background on trade and development

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. As part of the Doha Round of negotiations, the special session of the Committee on Trade and Development is reviewing these "special and differential treatment" provisions, with a view to making them more precise, effective and operational.



Ministerial decision on the Monitoring Mechanism

Ministerial approval of the Monitoring Mechanism at the Bali Ministerial Conference represents an important step in the multilateral trading system's responsiveness to the concerns of developing countries over the implementation and utilization of S&D provisions. Recipients of S&D treatment are to benefit from the mechanism in many ways. It will add value to what the system already has on at least three levels.

First, the mechanism will conduct regular reviews of all existing and future S&D provisions in multilateral WTO agreements, giving visibility to S&D-related concerns. Secondly, its ability to make recommendations if a problem is detected will be an important departure from the mere discussion that often characterizes WTO members' engagement in regular committees of the WTO. Thirdly, recommendations coming out of it can lead to negotiations in the relevant WTO technical body. This will provide developing countries with an opportunity to address any challenges they may face in utilizing S&D provisions as well as keep the S&D issues under the political lens of the membership.

Ministerial decisions on least-developed countries

Ministers at the Bali Conference adopted several decisions in favour of least-developed countries (LDCs) to further assist their integration into the multilateral trading system. The decisions include multilateral guidelines on preferential rules of origin to facilitate market access for LDC products, a decision on duty-free and quota-free (DFQF) market access for LDCs, calling upon members to improve their existing DFQF coverage, and a decision in the area of trade in services initiating a process to help LDCs secure preferential market access for their services and service suppliers.

In addition, a decision on cotton was adopted which aims at enhancing transparency and monitoring of trade-related as well as development assistance aspects of cotton. This was based on a proposal presented by the "Cotton 4" LDCs: Burkina Faso, Benin, Mali and Chad. Further information on these decisions is provided on page 101.

Agreement-specific proposals

In 2013, the Committee held many formal and informal meetings at which some progress was made on the Cancún Agreement-specific proposals relating to special and differential treatment for developing countries. However, consensus proved difficult and WTO members opted to revisit them in 2014.

The proposals essentially identify existing S&D provisions in WTO agreements and suggest new wording or interpretation to make the provisions more precise, effective and operational. They are thus referred to as "Agreement-specific proposals". Special and differential treatment provides favourable treatment, flexibilities or assistance for WTO members which are developing countries or LDCs, recognizing that these countries do not have the capacity to take on commitments and obligations in the same manner as developed countries.

The African Group and other LDC members had hoped to have the 28 proposals adopted as a package in Bali but some other members stated that they could not accept all 28 proposals. Work is set to continue.



Trade and transfer of technology

In 2013, the Working Group on Trade and Transfer of Technology continued, at its three formal sessions, to analyse the relationship between trade and technology transfer as well as ways to increase the flow of technology to developing countries. Work continued largely on the basis of UNCTAD's 2012 presentation on technology transfer, on Pakistan's experience in its financial services and data management, and on a WTO Secretariat presentation on the main elements to emerge from a workshop on "Environmental technology dissemination".

Relationship between trade and transfer of technology

The Working Group discussed how governments could maximize development benefits from non-equity modes (NEM) of transfer and how they could embed NEM policies in overall development strategies through coherent trade, investment and technology policies. Non-equity modes of transfer usually take the form of contractual relationships, licensing arrangements, franchising or contract manufacturing between local business and transnational corporations.

The presentation by the United Nations Conference on Trade and Development (UNCTAD) found that NEMs are a middle ground between foreign direct investment (FDI), where the transnational corporation keeps control of assets, and trade, where the international trading partner has no control over assets. NEMs are commonly found in the pharmaceuticals, automotive component, IT services and electronics sectors.

Pakistan presented its experiences in the use of technology to improve financial services, data management and information technology and emphasized the positive impact such services have had on peoples' lives. Information technology can boost the financial sector by providing mobile financial services through the Internet or mobile phones. These developments benefit people directly by, for example, extending financial services to rural areas or aiding women to become entrepreneurs.

Concerning the relationship between trade and transfer of technology, WTO members heard a presentation from the WTO's Trade and Environment Division on the main findings of a workshop on "Environmental technology dissemination; challenges and opportunities related to environmental



technology dissemination". The discussion focused on barriers to the dissemination of environmental technologies and on the extent to which their elimination would contribute to sustainable development.

Three specific environmental technologies were addressed: carbon capture and storage technologies, low emission technologies, and waste management and water treatment technologies. Carbon capture involves trapping the carbon dioxide, a greenhouse gas, produced by burning fossil fuels or other chemical or biological processes and storing it in such a way that it does not escape into the atmosphere. The participation of developing countries in international standard setting and trade and investment were considered key elements in promoting innovation and supporting the development of developing country markets.

Future work

WTO members continued their discussion of an earlier submission by a group of members entitled "Facilitating access to information on appropriate technology sourcing – steps to increase flows of technology to developing countries". The proponents hoped to make a revised submission in the near future. Members also agreed in principle to hold a workshop on trade and transfer of technology in 2014.

Bali decision

Ministers at the Bali Ministerial Conference in December decided that more work remained to be done by the Working Group on Trade and Transfer of Technology to achieve the mandate of the Doha Ministerial Declaration, particularly on enhancing understanding of the complex issues surrounding trade and the transfer of technology.

Background on trade and transfer of technology

The Working Group on Trade and Transfer of Technology was established by 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.

Trade and environment

In the first part of 2013, the Committee on Trade and Environment in Special Session (CTESS) continued to discuss ways to advance the work of the CTESS, in particular on the reduction and elimination of barriers to trade in environmental goods.

In the first part of 2013, discussions with delegations in the CTESS were dedicated to the environmental goods part of the negotiation mandate. Relative progress had already been achieved on the relationship between WTO rules and multilateral environmental agreements (MEAs) and collaboration between the WTO and MEA secretariats, which are the other two strands of the negotiation. No further meetings took place in the second half of 2013.

Much discussion has occurred through the years on the identification of environmental goods and the approaches to tariff treatment of the environmental goods identified. A number of WTO members have put forward a total of 409 different tariff lines of goods they consider environmental. These goods fall within a broad range of environmental categories, such as environmental technologies, air pollution control, waste management and water treatment, renewable energy and carbon capture and storage.

The work on environmental goods identification has shown that a number of technical difficulties remain. These include the verification of the Harmonized System description and the determination of sub-classifications relevant for submitted environmental goods. The consultations and meeting organized by the Chair of the CTESS focused on identifying ways to carry on this technical work and move the discussion forward.



Background on trade and environment

The negotiations on trade and environment, part of the Doha Development Agenda, address two main themes: the relationship between the WTO and multilateral environmental agreements, and the elimination of barriers to trade in environmental goods and services. The negotiations take place in special sessions of the Committee on Trade and Environment. The negotiations aim to ensure that trade and environmental policies are mutually supportive.



Trade facilitation

After years of negotiations, trade ministers approved a new Trade Facilitation Agreement at the WTO's Ninth Ministerial Conference in December 2013 in Bali. The Agreement will simplify customs procedures and could provide significant benefit to the global economy – with estimates of the benefits ranging up to US\$ 1 trillion a year. A key part of the deal involves assistance to developing and least-developed countries.

Both developing and developed countries have long pointed to the vast amount of "red tape" that still exists in moving goods across borders. Documentation requirements often lack transparency and are duplicated in many places, a problem often compounded by a lack of cooperation between traders and official agencies. Despite advances in information technology, automatic data submission is still not commonplace.

The Trade Facilitation Agreement (TFA) will simplify customs procedures by reducing costs and improving their speed and efficiency. It will be a legally binding agreement and is one of the biggest reforms of the WTO since its establishment in 1995.



The objectives of the trade facilitation accord are: to speed up customs procedures; make trade easier, faster and cheaper; provide clarity, efficiency and transparency; reduce bureaucracy and corruption; and use technological advances. It also has provisions on goods in transit, an issue particularly of interest to landlocked countries seeking to trade through ports in neighbouring countries. Part of the deal involves assistance for developing and least-developed countries to update their infrastructure, train customs officials, or for any other cost associated with implementing the Agreement.

The benefits of the TFA to the world economy are calculated to be between US\$ 400 billion and US\$ 1 trillion, resulting from an increase in trade flows. It has also been estimated that the TFA could reduce the costs of trade by 10-15 per cent. The text adopted in Bali is not final, although the substance will not change. It will be checked and corrected to ensure the language is legally correct, aiming for the General Council to adopt it by 31 July 2014.

The Agreement has two sections: Section I contains provisions for expediting the movement, release and clearance of goods. It clarifies and improves the relevant articles (V, VIII and X) of the General Agreement on Tariffs and Trade (GATT) 1994. Section II contains special and differential treatment provisions for developing and least-developed countries aimed at helping them implement the provisions of the Agreement.

The Negotiating Group on Trade Facilitation, led by Chair Eduardo Ernesto Sperisen-Yurt and four "Friends of the TF Chair" (Ambassador Frederick Agah, Ambassador Mario Matus, Permanent Representative Michael Stone and Ambassador Remigi Winzap), engaged in intensive work during 2013.



Director-General Azevêdo also conducted intense negotiations on draft texts following his taking office on 1 September. While the exchanges took place in various forms and configurations, emphasis was placed on transparency and inclusiveness as well as on a "bottom-up" approach, meaning there was no attempt by a small group of members to impose a deal on the others. Developing and least-developed countries were supportive of the Agreement and through negotiations secured significant changes to the text. These countries were supported throughout the negotiating process through various assistance initiatives, such as funded participation of capital-based experts.

The outcome of the work was captured in various revisions of the draft consolidated negotiating text in the run-up to Bali. At the Bali Ministerial Conference, WTO members were able to agree on language for the few outstanding issues and ministers were able to approve the accord. Ministers instructed a preparatory committee to carry out the legal review of the text; any rectifications, as noted, will be of a purely formal character and will not affect the substance of the Agreement.



Background on trade facilitation

Negotiations on a new Trade Facilitation Agreement were launched in July 2004 as part of the Doha Development Agenda. They aimed to expedite the movement, release and clearance of goods, including goods in transit, as well as to ensure effective cooperation between customs and other appropriate authorities. Particular attention was paid to developing and least-developed countries, which stand to benefit from far-reaching flexibilities and considerable technical assistance and capacity-building support. After nearly ten years, the negotiations were successfully concluded in December 2013 at the WTO's Ninth Ministerial Conference in Bali.

WTO rules

In the absence of active negotiations, the Negotiating Group on Rules continued with its technical activities, most notably in the context of the Technical Group, which exchanges information about the anti-dumping practices of WTO members.

After informal consultations in October 2012, the Chair of the Negotiating Group, Ambassador Wayne McCook, concluded that delegations were not yet prepared to resume active negotiations until the broader direction of the Doha Round was clarified. That situation did not change in 2013. The Chair did note, however, an interest in continuing some technical work. One area where such work has continued is in the Technical Group, a forum in which delegations exchange information about their anti-dumping practices.

The Technical Group met in April and October 2013 and exchanged information about WTO members' practices in such areas as domestic industry definition, data collection, period of investigation, duty imposition, duty assessment systems, and interim and new shipper reviews.



Background on WTO rules

WTO members agreed at the Doha Ministerial Conference in 2001 to launch negotiations to clarify and improve WTO rules on anti-dumping, subsidies and countervailing measures, and regional trade agreements. In the context of the subsidies negotiations, there was specific mention of disciplines on fisheries subsidies, and at the Hong Kong Ministerial Conference in 2005 there was broad agreement on strengthening those disciplines, including through a prohibition of certain forms of fisheries subsidy that contribute to over-capacity and over-fishing. With regard to regional trade agreements, the General Council established a transparency mechanism on a provisional basis in December 2006.

Dispute Settlement Understanding

WTO members focused on key outstanding issues under the Dispute Settlement Understanding negotiations. Although there were no concrete outcomes, participants reported constructive work on a broad range of issues and saw a general willingness to find solutions.

In June 2013, based on consultations with interested members, the Chair of the Dispute Settlement Body Special Session, Ronald Saborío Soto, presented a general assessment of the state of play of the negotiations and key outstanding issues. He invited proponents and other interested participants to follow up with a focused exercise among themselves to explore solutions in all outstanding areas.

This work was undertaken in the second half of the year. The Chair assisted this exercise and ensured its transparency for all delegations. Stocktaking meetings were held in July, October and November, at which participants reported constructive work on a broad range of issues.

Although there were no concrete outcomes to report by the end of 2013, progress has stabilized in some areas, and there have been encouraging signs of engagement in a number of outstanding areas. There has also been willingness to move towards solutions that go beyond initial positions in the interest of a successful outcome.

Some outstanding issues

On the question of remand, or referring disputes back to the original panel if a factual issue arises at the appellate stage, there is significant convergence on some essential features expected of a referral mechanism. Similarly on post-retaliation, there is convergence at a conceptual level on a broad sequence of steps to address post-retaliation situations. These are important building blocks for further work.

Convergence exists on the question of third-party rights in consultations but more work is needed when it comes to third-party participation in panels and appeals. With respect to transparency and amicus curiae briefs, work is needed to address the concerns of those participants who are not persuaded that a systematic opening of proceedings is appropriate.

There is generally comfort with the key objectives underlying proposals on timeframes, i.e. streamlining the process where possible and ensuring that sufficient time is available for all WTO members, including developing country members facing resource constraints.

On effective compliance, the broad question to be addressed is how the Dispute Settlement Understanding might be improved so that all WTO members have access to as effective a remedy as possible. Proponents of developing country interests have identified third-party rights, timeframes and effective compliance as areas of concern to them as well as access to the dispute settlement system. Meaningful progress in these areas could therefore contribute to addressing developing country concerns overall.

Further work is also ongoing on flexibility and member-control, where there is convergence on some but not all aspects.



Background on Dispute Settlement Understanding

In November 2001, at the Doha Ministerial Conference, WTO members agreed to negotiate to improve and clarify the Dispute Settlement Understanding (DSU) – the rules and procedures governing the settlement of WTO disputes. These negotiations, which take place in special sessions of the Dispute Settlement Body (DSB), are part of the Doha Development Agenda but are not part of the "single undertaking". This means they are not legally tied to the success or failure of the other Doha negotiations

Government Procurement Agreement

On 3 December 2013, ministers of the parties to the WTO's Government Procurement Agreement (GPA), meeting in Bali during the WTO's Ninth Ministerial Conference, expressed satisfaction at the progress achieved towards bringing into force the revised GPA. Following ratification by 10 of the parties, the agreement finally came into force on 6 April 2014.

Adopted in March 2012, the revised Agreement currently consists of 15 parties (counting the European Union and its 28 member states as one). As of March 2014, 10 parties had provided their acceptances. These parties are (in the order in which their acceptances were provided) Liechtenstein, Norway, Canada, Chinese Taipei, the United States, Hong Kong (China), the European Union (also covering its member states), Iceland, Singapore and Israel. On the basis of two-thirds of the parties having ratified it, the revised Agreement came into force.

The revised GPA encompasses both a new and improved text and a significant expansion of the parties' market access commitments. At the same time, it provides important flexibilities for developing countries that join the Agreement to manage their transition to a more internationally competitive government

procurement regime. The new text recognizes and facilitates the use of e-procurement tools, while strengthening the GPA's role in promoting good governance and battling corruption. The expansion of the parties' market access commitments under the Agreement is valued at USD 80 billion to USD 100 billion or more annually. Additional market access commitments include the extension of coverage to approximately 500 other procurement entities, among them local government and sub-central entities, and additional coverage of services procurement.

The coming into force of the revised GPA has triggered work on several agreed new work programmes of the Committee on Government Procurement. These represent a separate outcome of the negotiations and deal with such topical issues as facilitating participation by small and medium-sized enterprises in government procurement, promoting sustainable procurement practices and improving the statistical data available on operations pursuant to the Agreement.



At a meeting of the parties to the WTO's Government Procurement Agreement held in Bali during the Conference, ministers anticipated that the revised Agreement would come into force in the first quarter of 2014.



Background on Government Procurement Agreement

The Government Procurement Agreement (GPA), adopted in 1994, ensures that signatories do not discriminate against the products, services or suppliers of other parties to the Agreement with respect to the government procurement opportunities that are opened to foreign competition. It sets minimum standards for the transparency of procurement, which are based on internationally recognized best practices. The GPA is a "plurilateral" agreement, which means that it applies only to those WTO members that have agreed to be bound by it. The WTO Committee on Government Procurement administers the Agreement.

Implementation and monitoring

- Roberto Azevêdo (Brazil) was elected as the WTO's new Director-General for a four-year term, starting on 1 September 2013.

- Laos and Tajikistan became the newest members of the WTO, bringing the total membership to 159. At the Bali Ministerial Conference, ministers also agreed to Yemen joining the WTO.

- The WTO's Trade Policy Review Body reviewed the trade policies and practices of 20 WTO members in 2013. By the end of the year, 384 reviews had been conducted since the WTO was established.

- World merchandise trade grew by 2.1 per cent in volume terms in 2013 and is likely to grow by 4.7 per cent in 2014, according to WTO estimates.



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



General Council

In 2013, the WTO's General Council carried out the selection process that led to the appointment of Roberto Azevêdo of Brazil as the new WTO Director-General. The General Council also undertook the relevant substantive and organizational preparations for the WTO's Ninth Ministerial Conference. It oversaw the progress of the Doha Round negotiations, and in particular of the "Bali Package", on the basis of reports from the Director-General in his capacity as Chair of the Trade Negotiations Committee.

Appointment of the WTO Director-General

An important part of the General Council's work in the first few months of 2013 was the selection and appointment of a new Director-General to succeed Pascal Lamy, whose mandate was due to expire on 31 August 2013. The process started at the end of 2012 with a notification to WTO members from the General Council Chair. The process, leading up to the decision by the General Council, was conducted by the Chair of the General Council in consultation with members and with the assistance of the Chairs of the Dispute Settlement Body and the Trade Policy Review Body, acting as facilitators.

At the close of the nomination period on 31 December 2012, nine candidates had been nominated by their respective governments: Alan John Kwadwo Kyerematen (Ghana), Anabel González (Costa Rica), Mari Elka Pangestu (Indonesia), Tim Groser (New Zealand), Amina C. Mohamed (Kenya), Ahmad Thougan Hindawi (Jordan), Herminio Blanco (Mexico), Taeho Bark (Republic of Korea) and Roberto Carvalho de Azevêdo (Brazil).

The candidates were invited to a formal General Council meeting on 29-31 January, where they each made a brief presentation, including their vision for the WTO, followed by a question-and-answer session. In the final two months of the process, the General Council proceeded, through successive rounds of consultations, to narrow the field of candidates and ultimately to arrive at its choice for appointment. The outcome of the consultations was reported to the membership at each stage by the General Council Chair. The process concluded with a meeting of the General Council on 14 May at which a decision was taken to appoint Ambassador Roberto Carvalho de Azevêdo as the new WTO Director-General for a four-year term.



Background on the General Council

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

Delegations bade farewell to Pascal Lamy at a special session of the General Council on 24 July.

Roberto Azevêdo took office on 1 September 2013. Delivering his first statement as Director-General to the General Council, which held a special meeting on 9 September, he said his "full" priority would be to ensure a successful negotiating outcome at the Bali ministerial.

WTO's Ninth Ministerial Conference

The General Council Chair led a preparatory process to define both the substantive and the organizational aspects of the WTO's Ninth Ministerial Conference, which was held in Bali, Indonesia, on 3-7 December. On organizational matters, delegations were consulted regularly on issues such as the appointment of officers for the Conference and the participation of observers and non-governmental organizations (NGOs).

On the WTO's regular work, the General Council oversaw progress on the mandates given by ministers at the Eighth Ministerial Conference as well as other issues for ministerial action from WTO bodies, which were reflected in their annual reports to the General Council. As a result of this work, the General Council submitted a number of recommendations for decision to the Ministerial Conference in the areas of non-violation and situation complaints under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, e-commerce, the work programme on small economies, Aid for Trade, and trade and transfer of technology. Work to finalize the "Bali Package" took place in the Trade Negotiations Committee (see page 26) and in the context of the Director-General's consultations.

Aid for Trade

In July, then Director-General Lamy reported on the Fourth Global Review of Aid for Trade (see page 104) and on how the Review had substantively contributed to the debate on the connections between Aid for Trade and global value chains. He said the initiative was now truly member-driven and members had expressed a strong wish to see ministers renew the Aid for Trade mandate at the Ninth Ministerial Conference, which they did.



Shahid Bashir chaired the General Council in 2013.

E-commerce

The work programme on e-commerce is carried out under the auspices of the General Council, with the Council for Trade in Services, the Council for Trade in Goods, the TRIPS Council and the Committee on Trade and Development examining and reporting to the General Council on aspects of e-commerce relevant to their respective areas of competence.

As instructed by ministers at the Eighth Ministerial Conference, the General Council reviewed progress on the work programme, based on reports submitted by these WTO bodies, at its July meeting. Then Deputy Director-General Harsha V. Singh, who chaired the dedicated discussions on e-commerce on behalf of the General Council Chair, also reported to the General Council in July. At the November General Council meeting, WTO members took note of the draft report of the dedicated discussion and agreed to forward the draft decision on e-commerce to the Ninth Ministerial Conference, which adopted it.

Waivers under Article IX of the WTO Agreement

In 2013, the General Council considered and granted a number of requests for waivers from obligations under the WTO Agreement, as set out in Table 1. It also reviewed the following multi-year waivers:

- Least-developed countries (LDCs) – Article 70.9 of the TRIPS Agreement with respect to pharmaceutical products, granted on 8 July 2002 until 1 January 2016
- Preferential treatment for LDCs, granted on 27 May 2009 until 30 June 2019
- European Union – Application of autonomous preferential treatment to Moldova, granted on 7 May 2008 until 31 December 2013
- European Union – European Union preferences to Pakistan, granted on 14 February 2012 until 31 December 2013
- United States – Former Territory of the Pacific Islands, granted on 27 July 2007 until 31 December 2016
- United States – Caribbean Basin Economic Recovery Act, granted on 27 May 2009 until 31 December 2014
- United States – African Growth and Opportunity Act, granted on 27 May 2009 until 30 September 2015
- United States – Andean Trade Preference Act, granted on 27 May 2009 until 31 December 2014
- Preferential Treatment to Services and Service Suppliers of LDCs, granted on 17 December 2011 until 17 December 2026
- Kimberley Process Certification Scheme for Rough Diamonds, granted on 12 December 2012 until 31 December 2018
- Canada – CARIBCAN, granted on 30 November 2011 until 31 December 2013
- European Union – Application of Autonomous Preferential Treatment to the West Balkans, granted on 30 November 2011 until 31 December 2016
- Cuba – Article XV: 6 of the General Agreement on Tariffs and Trade (GATT) 1994, Extension of Waiver, granted on 14 February 2012 until 31 December 2016.

TRIPS-related matters

In November, the General Council received a report from the TRIPS Council on its review of the implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (see page 62). This relates to special provisions, contained in a waiver to the TRIPS Agreement, permitting generic versions of patented medicines to be exported to developing countries with no manufacturing capacity of their own, and which cannot otherwise use TRIPS flexibilities to issue compulsory licences on public health grounds. The General Council also agreed to extend until 31 December 2013 the period for WTO members to accept the Protocol amending the TRIPS Agreement that will replace the waiver.

Other issues

The General Council heard concerns expressed by a large number of members about Ukraine's resort to Article XXVIII to raise duties on over 350 tariff lines. The General Council also

heard updates concerning the Chair's consultations on improving the guidelines for granting intergovernmental organizations permanent observer status in the WTO.

As part of its overall oversight function, the General Council conducted a year-end review of WTO activities on the basis of annual reports from all its subsidiary bodies. All the annual reports were forwarded to the Ministerial Conference, which took note of them and of the progress in the work they contained in its Ministerial Declaration.

In addition, the General Council approved the WTO biennial budget and the revised infrastructure contract. The Council also considered a report from the Joint Advisory Group of the International Trade Centre (ITC), which is the policymaking body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development (UNCTAD).

Table 1: Waivers under Article IX (Decision-Making) of the WTO Agreement

In 2013, the General Council granted the following waivers from obligations under the WTO agreements.

Member(s)	Type	Decision of	Expiry	Decision
Argentina, China, European Union, Iceland, and Malaysia	Introduction of Harmonized System 2002 changes into WTO Schedules of Tariff Concessions	26 November 2013	31 December 2014	WT/L/900
Argentina, Australia, Brazil, Canada, China, Costa Rica, Dominican Republic, El Salvador, European Union, Guatemala, Honduras, Hong Kong (China), India, Israel, Republic of Korea, Macao (China), Malaysia, Mexico, New Zealand, Nicaragua, Norway, Pakistan, Philippines, Singapore, Switzerland, Thailand, United States, and Uruguay	Introduction of Harmonized System 2007 changes into WTO schedules of tariff concessions	26 November 2013	31 December 2014	WT/L/901
Argentina, Australia, Brazil, Canada, China, Costa Rica, Dominican Republic, El Salvador, European Union, Guatemala, Honduras, Hong Kong (China), India, Israel, Republic of Korea, Macao (China), Malaysia, Mexico, New Zealand, Norway, Pakistan, Philippines, Russia, Singapore, Switzerland, Thailand, United States, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	Introduction of Harmonized System 2012 changes into WTO schedules of tariff concessions	26 November 2013	31 December 2014	WT/L/902
European Union	Application of Autonomous Preferential Treatment to Moldova – Extension of Waiver	26 November 2013	31 December 2015	WT/L/903

Trade in goods

The WTO's Council for Trade in Goods is increasingly becoming a forum for airing trade concerns and at the Council's four meetings in 2013, members raised a range of such concerns, some of which are the subject of consultations under the WTO's Dispute Settlement Understanding. The Council also approved a number of waiver requests, individual and collective, such as the extension of the waiver for the application of autonomous preferential treatment for Moldova and the on-going harmonization of tariff schedules.

WTO members expressed concern at the increased use by Brazil of indirect taxes to protect and promote domestic manufacturing, particularly through the use of domestic content conditions. These have been extended beyond automobiles to other sectors, such as the fertilizer sector. Similarly, concerns were raised about Japan's implementation of its wood point stimulus programme, which entered into force in July 2013 and which is designed to boost the supply and use of domestic forest products in Japan.

Indonesia's limiting of imports through a large number of new trade and investment restrictions, including licensing requirements, was also raised at the Council. The licensing requirements are the subject of a request for consultations under Article IV of the Dispute Settlement Understanding. The measures also cover trading rights limitations, pre-shipment inspection requirements, local content and domestic manufacturing requirements, export restrictions, including taxes and prohibitions, and additional testing and approval requirements for imported goods.

Members reiterated a request to Ukraine to withdraw its notification of its intention to renegotiate its tariffs on a large number of products. Concerns were also raised as regards the additional duties on car imports imposed by Ukraine in the form of safeguard measures. Consultations have been requested on this issue. Other concerns involved quotas that Ukraine imposed



on coking coal, bituminous coal and coke, used in the production of metals, including steel, and the introduction of a recycling fee on imported motor vehicles (in addition to the increased import duties mentioned earlier).

Members again expressed concern at the lack of implementation of some of Russia's WTO accession commitments. These included the recycling fee applied to imported vehicles, for which consultations have also been requested. Others were the lack of transparency in fulfilling the notification obligations under the Agreement on Import Licensing Procedures, certain restrictive sanitary and phytosanitary (SPS) measures, such as an import ban on live animals, and the lack of harmonization of Russia's SPS measures with international standards.

Members also asserted that Russia was not respecting tariff bindings given the application of the Customs Union Common External Tariff, particularly for agricultural products, vehicles and paper. One member expressed concern about Russia's ban on milk and dairy products from Lithuania.

Concerns were also raised with regard to Nigeria's minimum local content requirements for specific goods, such as steel plates, cables, valves, cement and pipes, and about the possible reduction of imports of sea products into Nigeria. Some members also questioned whether the EU renewable energy directive, which establishes sustainability standards on bio-fuels, is not discriminatory.



Background on trade in goods

The Council for Trade in Goods is responsible for the workings of all WTO agreements on trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The Goods Council has 11 subsidiary committees dealing with specific subjects, such as agriculture, market access, subsidies, technical barriers to trade, sanitary and phytosanitary measures, import licensing and customs valuation. All these committees also comprise all WTO members. Also reporting to the Goods Council are a working party on state trading enterprises and the Information Technology Agreement.

Waivers granted

The Goods Council approved collective waiver requests on the changes to schedules of tariff concessions to be applied under the Harmonized System (HS 2002, 2007 and 2012). The requests referred to the extension of the deadlines to update the tariff schedules of the requesting members.

The Council also approved an extension of the waiver granted to the European Union of its obligations under paragraph 1 of Article I of the General Agreement on Tariffs and Trade (GATT) 1994 and Article XIII of GATT 1994 to permit the European Union to grant duty-free or preferential treatment to products originating in Moldova, including certain agricultural products. The Council agreed to extend the waiver by two years or until 31 December 2015 and forwarded the draft decision to the General Council for adoption.

Note was taken of the consultations held by the Philippines concerning its request for a waiver relating to special treatment for rice.

Other issues

The European Union requested the extension of the time period for the withdrawal of concessions for the 2007 and 2013 EU enlargements until 1 July 2014. Finally, Gabon requested the Goods Council's authorization to renegotiate, under paragraph 4 of Article XXVIII of GATT 1994, its schedule of concessions (XLVII) during a period of 120 days. The Council authorized Gabon to renegotiate its list of concessions during a period of 180 days, as from 18 October 2013.

The Council was notified of new regional free trade agreements between Mexico and Uruguay and between Costa Rica and Singapore.

Market access

The WTO's Committee on Market Access advanced in the various tariff transposition exercises underway under the Harmonized System (HS). These exercises – HS1996, HS2002, HS2007 and HS2012 – are extremely important because they help guarantee that WTO members' schedules of commitments are up to date and relevant and that tariff obligations are transparent. At its two formal meetings, the Committee also reviewed notifications on quantitative import restrictions and heard concerns expressed about Ukraine's setting of import quotas on coking coal and coke.

The harmonization exercises correspond to the years in which the World Customs Organization (WCO) made changes to the HS nomenclature. Under the oldest outstanding exercise – HS1996 – the number of members whose schedules remain to be certified fell to just three, from five at the end of 2012. HS2002 is also close to conclusion, with 109 schedules certified, up from 99 a year earlier. Good progress was made in the HS2007 exercise, with 14 files certified and 13 in the

process of being so. Since so much effort went into HS2007, work did not begin on the HS2012 transposition exercise. During the year, the Committee approved a further extension of the HS2002, HS2007 and HS2012 collective waivers.

The Committee received a report from the Secretariat – “Situation of schedules of WTO members” – that compiles in one place all the legal instruments which comprise members' schedules of commitments.

Notifications of quantitative restrictions

The Committee reviewed a number of notifications submitted under the Quantitative Restrictions Decision, which requires members to report all quantitative import restrictions every two years and all changes within six months. Some members expressed disappointment at the low level of compliance. So far, only 18 notifications have been made.

Ukraine's decision to impose quotas on coking coal and coke imports was raised at the 7 May and the 7 October meetings, with several members expressing concerns at the measures.

Other issues

Following on from the posting on the WTO website of the negotiating records from the first four rounds of the General Agreement on Tariffs and Trade (GATT), the Committee lifted restrictions on publication of material from the fifth – the Dillon Round. Steps are already being taken to do the same with the Kennedy Round. All this material is expected to be of interest to academics, students and trade policy practitioners.

Finally, the Committee agreed to stop sending twice-yearly reports on waivers to the Council for Trade in Goods. This practice began in the early 1990s when a large number of individual waivers were being renewed almost automatically every six months.



Background on market access

The Committee on Market Access provides a forum for consultation and supervises the implementation of tariff and non-tariff concessions that are not covered by any other WTO body. It also seeks to ensure that schedules of commitments are kept up to date, including changes required by amendments to the Harmonized System (HS). This is crucial for surveillance purposes (i.e. to be able to compare tariffs in the schedules of commitments with those applied in practice by WTO members). The HS, developed by the World Customs Organization, allows countries to classify trade goods on a common basis. It has been updated three times since 1996.

Agriculture

The “regular” Committee on Agriculture’s key responsibility is to see how countries are complying with their commitments on subsidies and market access and to discuss issues that arise, including broader market and food security conditions. This issue featured prominently again in 2013. The Committee also continued consultations on improving the submission and quality of WTO members’ notifications, which provide key information for the work, including on the list of significant exporters. The Committee also published a new online database which lets users analyse notifications, questions and answers provided by WTO members in the context of the Committee’s review process.

The review of WTO members’ progress in implementing their commitments is largely based on their notifications. Members can and do also ask about agricultural measures that have not yet been notified or have not been notified at all (under Article 18.6 of the Agreement on Agriculture). At its three meetings in 2013, the Committee reviewed in detail approximately 74 notifications. Members raised a total of 212 questions, 83 per cent of which related to individual notifications. Figure 1 gives a snapshot of the nature and number of concerns raised by subject area.

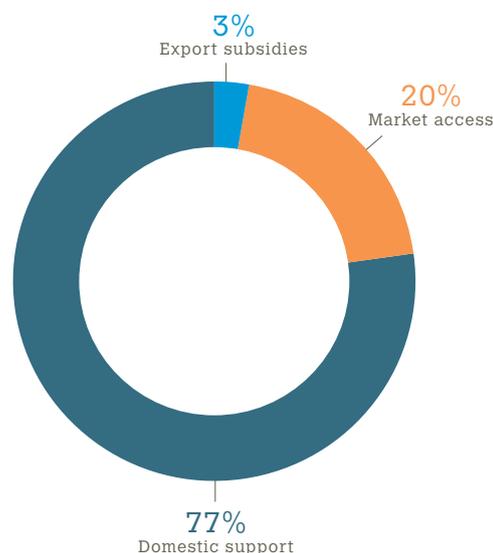
Members also raised 17 issues that were not related to specific notifications, under Article 18.6, nine of them discussed for the first time. The remaining issues had been discussed at least once in previous years. As notifications are the principal source of information for monitoring compliance, the Committee also looked closely at how well members were fulfilling their reporting obligations. Some delegations raised specific concerns about long overdue notifications, particularly on domestic support and export subsidies.



Background on agriculture

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

Figure 1: Concerns raised in the Committee on Agriculture in 2013, by subject area*



*No concerns were raised regarding notifications of export prohibitions and restrictions.

“Significant exporters”

The Committee intensified its work on updating the 1995 list of “significant exporters”, which determines some notification requirements on export subsidies and helps the Committee monitor potential subsidization of exports and evasion of commitments. A list that takes account of current agricultural trade will improve the Committee’s ability to perform that task.

Significant exporters were defined in 1995 as countries whose share of total world exports in particular products exceeds 5 per cent. These WTO members, in addition to members with export subsidy reduction commitments, are required to notify total export volumes for those products. A number of delegations engaged constructively in several meetings organized by the Chair of the Agriculture Committee.

Agriculture Information Management System

The Agriculture Information Management System (AG IMS), a new online database accessed through the WTO website, was announced during the June 2013 Agriculture Committee meeting. It aids the Committee’s work by allowing users to search and analyse notified information along with the questions and answers submitted by WTO members in the Committee. The information available goes back to 1995. The AG IMS also allows members to submit questions and answers online.

Net food-importing developing countries

As in previous years, the Committee had a dedicated discussion on the implementation and monitoring of the 1994 Marrakesh Decision on Least-Developed and Net Food-Importing Developing Countries (NFIDCs). The decision sought to mitigate the possible negative effects of trade liberalization on NFIDCs by, among other things, providing food aid and technical assistance.

WTO members considered food aid levels to least-developed countries (LDCs) and NFIDCs as well as the technical and financial assistance made available by donor members and multilateral institutions to improve their agricultural productivity and infrastructure. The discussions were based on the notifications received, the WTO Secretariat note on implementing the Marrakesh Decision and with the assistance of the United Nations Food and Agricultural Organization (FAO) and the Inter-American Institute for Cooperation on Agriculture.

Looking ahead

In 2014, the Committee will continue to strengthen its monitoring tools and functions by, among other things, seeking further engagement from WTO members on updating the list of “significant exporters” and capitalizing on the technical assistance organized by the WTO Secretariat. In addition, the Committee will focus on the follow up to the decisions agreed at the WTO’s Ninth Ministerial Conference in Bali on market access, export competition (export subsidies and policies with equivalent effects) and domestic support (see page 10).



Sanitary and phytosanitary measures

In 2013, WTO members raised a record number of “specific trade concerns” in the body handling food safety and animal and plant health – the Sanitary and Phytosanitary (SPS) Measures Committee. However, numerous concerns were also reported as resolved. A working group discussed a working definition of private standards in SPS. The Committee laid plans for the fourth review of how well the SPS Agreement is working. A workshop examined the challenges and opportunities in market access arising from SPS issues. It included discussions and information on the technical resources of the organizations that set standards in SPS.

The SPS Committee, which deals with issues surrounding food safety and animal and plant health, considered a wide range of “specific trade concerns” at each of its three meetings in 2013. A record 24 new specific trade concerns were raised and other previously raised concerns were discussed again.

New issues covered a variety of import measures affecting trade in products from fruit and meat to seafood and swallows’ nests, with actions ranging from import bans and port closures to the use of testing laboratories and outsourced certification. They included: US proposed food safety audits and certifications; EU temperature treatment requirements on processed meat products; China’s import conditions related to phthalates, used to soften plastics, and to swallows’ nests; France’s ban on bisphenol A (BPA), an industrial chemical; India’s import restrictions on pork, as well as on apples, pears and citrus; EU phytosanitary requirements on pine trees from Russia, orchid plantlets from Chinese Taipei, and citrus products from South Africa; BSE-related restrictions on Brazilian meat products; and import restrictions in response to the nuclear power plant accident in Japan.

Forty trade concerns were reported to have been resolved in 2013, as compared with two concerns reported in 2012. Resolved concerns included Argentina’s pest risk assessment requirements, China’s application of regionalization (recognition of a region as being pest- or disease-free, as distinct from whole



Background on sanitary and phytosanitary measures

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

countries) and its prohibition of bovine meat, Egypt's restrictions on heat-treated products in relation to avian influenza, EU restrictions on the importation of fruits and fruit juices, Indonesia's ban on hormones in animal production, and the US rule on importation of wooden handicrafts from China. Thirteen concerns were also reported as being partially resolved. A total of 368 specific trade concerns were raised between 1995 and the end of 2013 (see Figures 2 and 3).

Transparency provisions

The Committee examined the operation of the transparency provisions of the SPS Agreement – essentially requirements to provide information and allow comment on new or modified measures – and produced the annual report on their implementation. The report indicated an increase in the number of notifications, in particular from developing and least-developed countries. During 2013, 1,298 notifications (including corrections and revisions) were submitted, compared with 1,218 in 2012. This brings the total number of notifications submitted since the Agreement entered into force in 1995 to 16,334. The number of members using the online SPS Notification Submission System (NSS) continued to grow steadily. Fifty-four per cent of all SPS notifications submitted during 2013 were submitted online.

The Committee continued to address some issues arising from the periodic reviews of the operation and implementation of the SPS Agreement. A working group was established to facilitate work on developing a working definition of SPS-related private standards. The Committee remained divided on a working definition despite China and New Zealand producing a compromise draft, which bridged their own substantial differences. The issue has taken the Committee into comparatively new territory – it generally deals with standards set by international standards-setting bodies and those imposed by governments.

The Committee also continued its work on developing guidelines to help implement Article 12.2 of the SPS Agreement on “ad hoc consultations and negotiations” to resolve specific trade concerns.

The Committee granted ad hoc observer status to the Intergovernmental Authority on Development (IGAD), an East African trading bloc, in line with the Committee's previous decisions to grant observer status to other regional economic organizations with SPS-related activities. In total, 26 organizations currently have regular or ad hoc observer status.

Fourth review, market access workshop

The Committee adopted a procedure and schedule for undertaking the fourth review of the operation and implementation of the SPS Agreement, which will take place in 2014. To aid this process, the WTO Secretariat circulated a background document summarizing information on the Agreement's implementation as well as the Committee's work since the third review. Several WTO members have submitted issues for consideration as part of the fourth review. The Doha Ministerial Conference of 2001 decided that reviews of the SPS should be carried out at least once every four years.

Figure 2: SPS trade concerns by subject, 1995 to end 2013

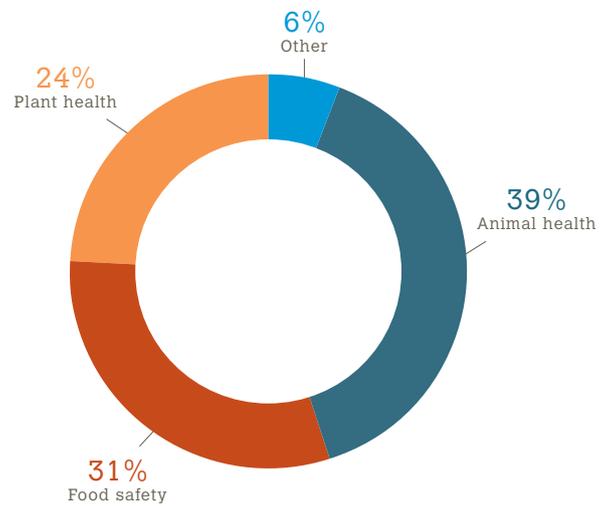
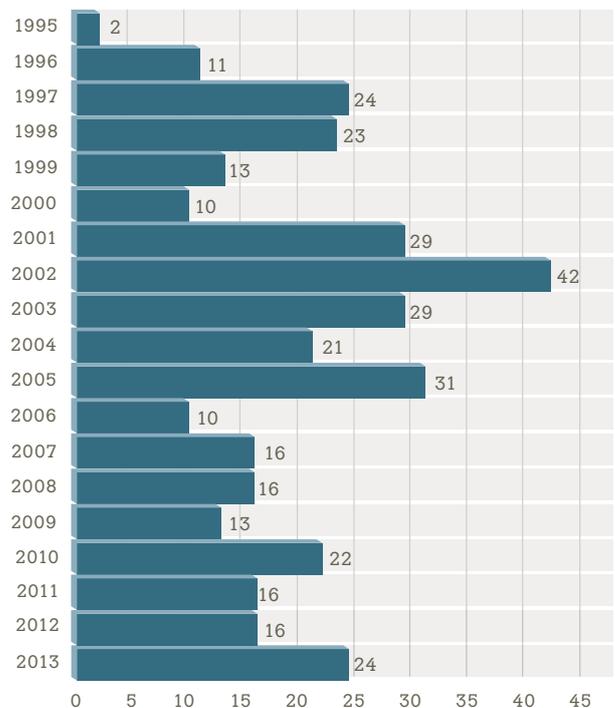


Figure 3: Number of new SPS trade concerns raised per year





A workshop in October on market access challenges and opportunities related to SPS. It provided a forum to discuss countries' experiences in addressing specific issues, with the aim of identifying common challenges and approaches that can be replicated. The workshop focused particularly on the role of governments, collaboration with the private sector and the role of technical assistance.

Those attending included a large number of former participants of the WTO's annual advanced SPS course, from developing and least-developed countries, and some participated as speakers and moderators in the workshop. Representatives from the International Plant Protection Convention (IPPC) and the World Organisation for Animal Health (OIE) also provided an overview of their available technical resources to assist members in addressing market access challenges.

World Bank study

A World Bank paper circulated at the March meeting suggested that exports from least-developed countries' (LDCs) are being constrained by emerging economies' higher SPS standards. The first study, which the Bank noted was a work in progress, focused on the impact that tougher standards among the BRICs (Brazil, Russia, India and China) were having on LDC exports. It found that more standards led to fewer imports overall. LDCs risked losing out as incomes in BRIC countries increased and standards followed suit, the report said.

Training

Training, mainly for government officials, and mainly from developing countries and former centrally planned economies, is an important part of WTO work. SPS is an area where the need is particularly great because of the complex technical issues involved and the direct impact on trade. Between September

1994 – three months before the WTO officially came into being – and December 2012, a total of 10,522 people received SPS training at various levels in 268 training events, the WTO Secretariat told the March meeting.

Technical barriers to trade

In 2013, WTO members increased the duration of meetings of the Technical Barriers to Trade (TBT) Committee to address a number of cross-cutting issues, including promoting the use of good regulatory practices. Delegations continued to notify a large number of draft measures to the Committee, and the number of "specific trade concerns" addressed by members in the Committee remains high. Several disputes with claims made under the TBT Agreement have been lodged by WTO members.

Good regulatory practice and transparency

At the end of 2012, the Committee decided to dedicate at least one additional day per Committee meeting to cross-cutting themes. These one-day informal "thematic sessions" give the Committee more time both to work on its existing recommendations and to explore those areas where concrete progress can be made in improving implementation of the TBT Agreement. Discussions on such themes had been crowded out by an increasingly heavy agenda of specific trade concerns (see Figure 5). In 2013, progress was made in two areas in particular.

The first is good regulatory practice, on which the Committee has focused for a number of years. In 2012, the Committee agreed to identify a "non-exhaustive list of voluntary mechanisms and related principles of good regulatory practice" to be applied when governments set product requirements. The purpose is to streamline the way regulations are prepared, adopted and applied (throughout the "regulatory lifecycle"). The Committee has worked on a series of drafts upon which there has been both wide and substantive engagement. This work will continue in 2014.



Background on technical barriers to trade

The Technical Barriers to Trade (TBT) Agreement tries 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 countries 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. In an effort to curb the growing number of specific trade concerns brought before the TBT Committee, members shifted their focus in 2013 to address broader cross-cutting themes – such as the use of good regulatory practices.

The second area is transparency, where the Committee has long been refining and improving its procedures. The latest work relates to guidelines on the “coherent use of notification formats”, which should improve the transparency of measures across the regulatory lifecycle.

Also on transparency, the WTO Secretariat officially launched in October 2013 an online facility for submitting TBT notifications, the TBT Notification Submission System (TBT NSS), developed in close cooperation with delegations that volunteered to participate in this project. The TBT NSS eliminates time-consuming data entry both for WTO members and the Secretariat. By the end of 2013, about 35 per cent of incoming notifications were being received online through the TBT NSS.

Review of measures

The number of new (or changed) draft measures notified to the Committee continues to rise (see Figure 4). The Committee discussed 42 new specific trade concerns (seven more than in 2012) and 51 that had been already raised in previous years (see Figure 5). Matters relating to public health, such as labelling requirements for alcohol and tobacco products, remained high on the agenda (see page 63).

A number of new measures were relevant to environmental concerns. Regarding biofuels, delegations debated the scientific basis for measures that include values for greenhouse gas saving as compared to fossil fuels. Measures affecting trade in traditional fuels were also raised, including the potential effects of draft measures that would require suppliers of transport fuels to reduce the average lifecycle emissions of such fuels.

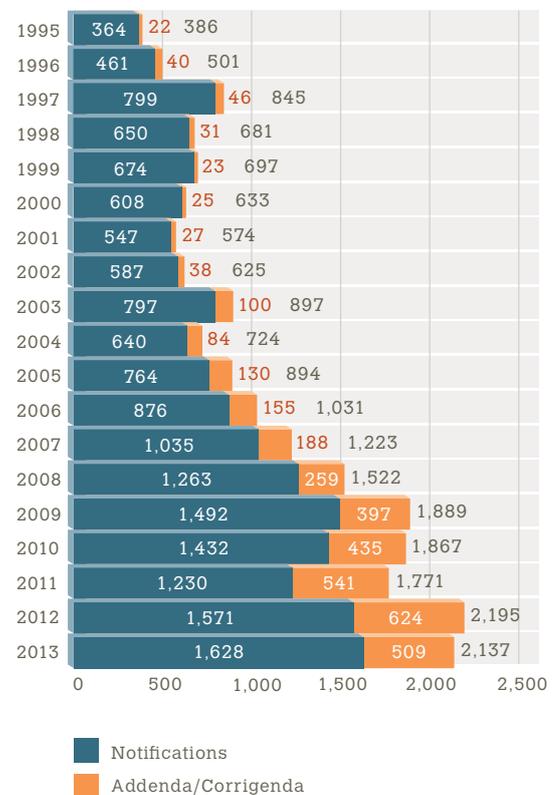
WTO members raised a number of new specific trade concerns relating to diet and nutrition and regulations imposed by members to combat non-communicable diseases, such as cardiovascular diseases and diabetes, arising from an unhealthy diet. Some members have proposed mandatory front-of-pack warnings (e.g. with respect to sugar, sodium and fat content information, or specific warning statements) and mandatory threshold levels for certain nutrients. While all agree on the importance of promoting healthy eating habits among children and adolescents, delegations debated the potential trade-restrictiveness of these draft measures. Some argued that voluntary measures would be a better approach.

The use of relevant international standards, including those developed by the Codex Alimentarius Commission on nutritional labelling, and/or the use of nutrition and health claims, was discussed, as was the importance of notifying these measures to the TBT Committee.

Disputes

Since 1995, 49 disputes have cited the TBT Agreement in the request for consultations. Four disputes were launched in 2013; two concern Australian tobacco-control measures, one is about Russia's recycling fee on motor vehicles and the other is on EU measures concerning the import and marketing of biodiesel.

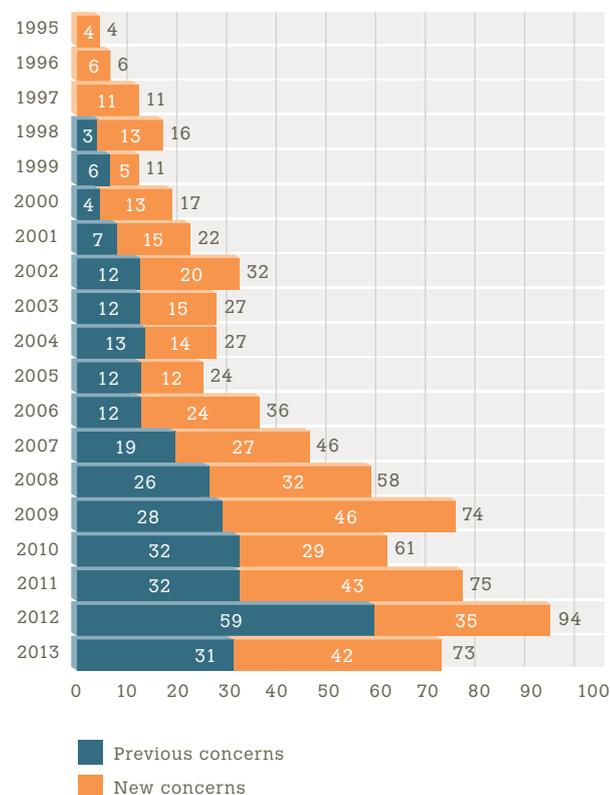
Figure 4: TBT notifications, 1995 to 2013



Observers

Representatives of various observer organizations – the FAO/WHO Codex Alimentarius Commission, the International Electrotechnical Commission, the International Organization for Standardization, the International Trade Centre, the Organization for Economic Cooperation and Development, the International Organization for Legal Metrology, the United Nations Economic Commission for Europe, the United Nations Industrial Development Organization, the International Telecommunication Union, the World Health Organization and the Bureau International des Poids et Mesures – updated the TBT Committee on activities relevant to its work, including on technical assistance.

Figure 5: Specific trade concerns raised in the TBT Committee, 1995 to 2013



Subsidies and countervailing measures

The WTO's Committee on Subsidies and Countervailing Measures continued to focus on encouraging more WTO members to notify their subsidy programmes and on improving the timeliness and completeness of notifications. The Chairs expressed serious concern at the state of notifications. A significant number of members have yet to make new and full notifications due in 2011 as well as those due in 2013. The procedures for the extensions of the period for the elimination of export subsidy programmes of 19 developing members entered their final phase in 2013, with no further action required or taken by the Committee.

In 2013, the Subsidies and Countervailing Measures (SCM) Committee reviewed WTO members' notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing actions and ad hoc notifications of preliminary and final countervailing measures taken. At the Committee's regular meetings in April and October, the Chairs (at the spring meeting, Sam C. S. Hui, and at the autumn

meeting, Marcus Bartley Johns) expressed serious concern about the state of subsidy notifications.

Before the autumn meeting, Chair Bartley Johns wrote to each delegation that had not yet submitted its 2011 new and full notification. A number of members subsequently submitted notifications. At the autumn meeting, the Chair urged the 58 members that still had not made their 2011 new and full subsidy notifications, and the 84 members that had not yet made their 2013 new and full subsidy notifications, to contact the WTO Secretariat with any questions and to make their notifications as soon as possible.

The Committee began its consideration of 2013 new and full notifications and continued its consideration of newly received new and full subsidy notifications for prior notification periods (2011, 2009, 2007, 2005 and 2001). At both its April and October meetings, the Committee continued its discussions of ways to improve the timeliness and completeness of notifications and other information flows on trade measures under the SCM Agreement (see Figure 6).

Regarding the procedures for extending the period for the elimination of export subsidy programmes of 19 developing members who have entered their final phase, the Committee took no further action. For the members receiving the extensions, 2013 was the final year of extension, with 2014 and 2015 the final two-year phase-out period.

Certain other developing members are exempted from the general requirement to eliminate export subsidies so long as they remain least developed countries (LDCs) – or if they are listed individually in Annex VII to the SCM Agreement (see below) – so long as they remain below the US\$ 1,000 threshold for per capita GNP.

According to a ministerial decision taken in Doha in 2001, an individually listed WTO member remains below the US\$ 1,000 threshold until its per capita gross national income (GNI) is above US\$ 1,000, calculated in constant 1990 dollars, for three consecutive years. The World Bank calculates the deflated per capita GNI figures for the members concerned once per year. According to the most recent of these calculations, performed in 2013, the listed members remaining in Annex VII are Bolivia,



Background on subsidies and countervailing measures

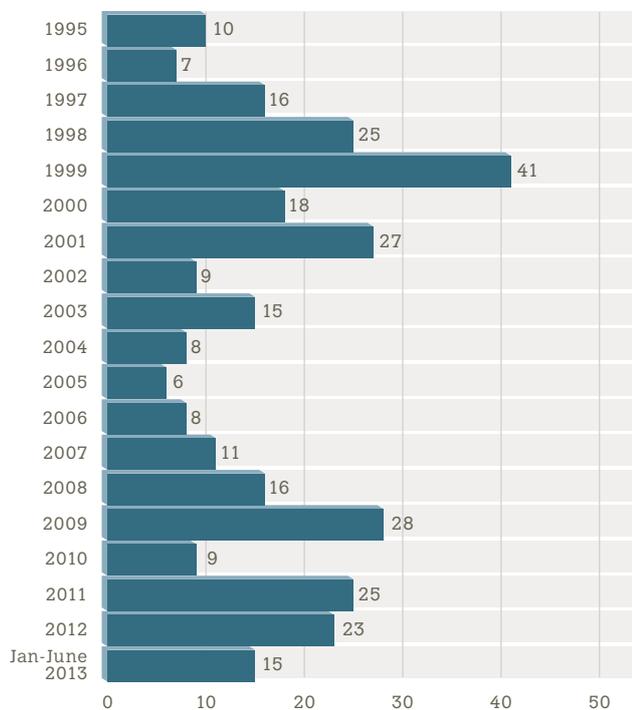
The Subsidies and Countervailing Measures (SCM) Agreement regulates WTO members' use of subsidies and of countervailing measures on subsidized imports of a product found to be injuring domestic producers of that product. The SCM Committee serves as a forum for members to discuss the implementation of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

Cameroon, Congo, Côte d'Ivoire, Ghana, Guyana, Honduras, India, Indonesia, Kenya, Nicaragua, Nigeria, Pakistan, Senegal, Sri Lanka and Zimbabwe. In addition, all members designated as LDCs by the United Nations are included in Annex VII as such, and thus are exempt from the export subsidy prohibition.

The Committee reviewed notifications related to the countervailing duty legislation of Australia, Cameroon, Chile, Indonesia, Mali, Morocco, New Zealand, Russia, Ukraine and the United States.

The Committee also reviewed notifications of countervailing actions taken. The notifying members were Australia, Brazil, Canada, China, the European Union, Mexico, Pakistan, Peru, South Africa and the United States. As of 30 June 2013, there were 93 notified countervailing measures (definitive duties and undertakings) in force, of which 52 were maintained by the United States, 14 by Canada and 13 by the European Union.

Figure 6: Countervailing initiations by reporting member, 1 January 1995 to end-June 2013*



*Figure 6 covers initiations up to the end of June 2013. Data for the second half of 2013 are not yet available.

Anti-dumping practices

The WTO's Committee on Anti-Dumping Practices reviewed new legislative notifications, semi-annual reports on anti-dumping actions and ad hoc notifications of preliminary and final actions taken by WTO members. From January to June 2013, members initiated 122 anti-dumping investigations, up from 115 in the same period in 2012 (see Figure 7).

Argentina, China, Colombia, India, the Republic of Korea, Malaysia and Mexico began more anti-dumping investigations during the first half of 2013 compared with the same period in 2012. However, frequent users of investigations, such as Australia, Brazil, the European Union, Pakistan, Chinese Taipei, Turkey and Ukraine, initiated fewer.

WTO members taking anti-dumping actions have been using the revised report format, adopted in 2008, to submit their semi-annual reports. Furthermore, many have been using the minimum information format, as revised in 2009, to provide their ad hoc notifications of such actions. Compliance with this notification obligation has improved. Following the creation of a more specific automated reply to electronic notifications, most members have been providing all their notifications electronically.

At its two meetings in the spring and autumn of 2013, the Committee on Anti-Dumping Practices reviewed semi-annual reports for the second half of 2012 submitted by 30 members and semi-annual reports for the first half of 2013 submitted by 31 members. It also reviewed ad hoc notifications of preliminary and final actions taken by 19 WTO members at each of its meetings in 2013. As of 30 June 2013, 28 members notified the WTO of 1,374 anti-dumping measures (definitive duties and undertakings) in force.

The Committee reviewed new notifications relating to legislation from Australia, Cameroon, Chile, the European Union, Lao People's Democratic Republic, Morocco, New Zealand, Russia, Ukraine and the United States in 2013 and continued its review of the new legislative notification of Indonesia.



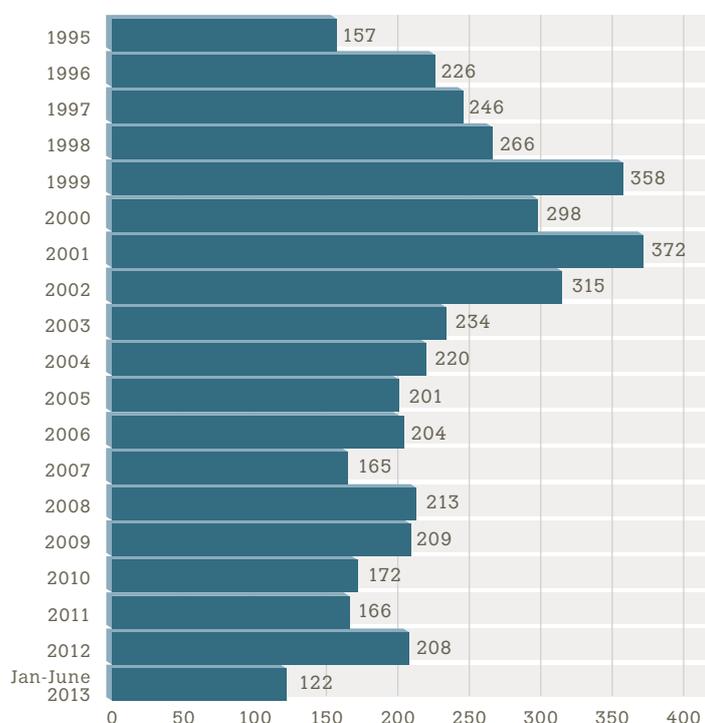
Background on anti-dumping practices

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

The Working Group on Implementation discussed a number of papers at its spring and autumn meetings. One was on the accuracy and adequacy test, which is what anti-dumping authorities use to determine whether there is sufficient evidence to launch an anti-dumping investigation. Another paper dealt with the question of export price to a third country or constructed normal value. Two alternatives are provided for the determination of normal value if sales in an exporting country market are not an appropriate basis. These are the price at which the product is sold to a third country, or the "constructed value" of the product, which is calculated on the basis of the cost of production, plus selling, general, and administrative expenses, and profits.

Finally, the Working Group also looked at the determination of significant price undercutting. The papers addressed background issues and the experience of members concerning the topics, which arise in the conduct of investigations by national authorities.

Figure 7: Anti-dumping initiations by reporting member, 1 January 1995 to end-June 2013*



*Figure 7 covers initiations up to the end of June 2013. Data for the second half of 2013 are not yet available.

Customs valuation

The WTO's Committee on Customs Valuation continued to review national legislation as well as responses to the checklist of issues raised by WTO members. The review of Cambodia was concluded, and new or further notifications of national legislation were received from seven members, bringing to 19 the number of notifications the Committee has under review. Training events on customs valuation were held in Africa, Asia, the Caribbean, eastern Europe, the Middle East and Latin America, some of which were delivered jointly with the World Customs Organization.

In 2013, the Committee received new or further notifications of national legislation from Costa Rica, Japan, Lao People's Democratic Republic, Macao (China), Mali, Moldova and Uruguay. The review of Cambodia was concluded during the year. At its May and September meetings, the Committee continued its examination of the legislation of Bahrain, Belize, Cabo Verde, China, Costa Rica, Ecuador, Nicaragua, Nigeria, Russia, Rwanda, Saint Vincent and the Grenadines, Tunisia and Ukraine. The notification record remains poor: 41 of the WTO's 159 members have never sent a notification and 68 members have not provided responses to the checklist, a questionnaire that facilitates review of national legislation.

Four regional training activities on market access issues, which include customs valuation, were delivered in 2013: in South Africa (English-speaking African countries), Austria (Central and Eastern Europe and Central Asia), Kuwait (Arab and Middle East countries) and Saint Lucia (Caribbean countries). National training is also provided on customs valuation for members and countries in the process of acceding to the WTO. Six national activities were delivered in 2013, most of which were conducted jointly with the World Customs Organization (WCO) Secretariat. The recipients were Brunei Darussalam, Costa Rica, Iran, Tajikistan, Togo and Ukraine.



Background on customs valuation

The value of a good plays a critical role in the calculation of import duties. Although the customs value is indispensable for the calculation of ad valorem duties, which are the most common type, it is often also required for the calculation of other duties (e.g. compound and mixed) as well as other border taxes. The WTO Agreement on Customs Valuation seeks to protect the value of tariff concessions by establishing a fair, uniform and neutral system for the valuation of goods for customs purposes, which precludes the use of arbitrary or fictitious values. The Committee on Customs Valuation manages the Agreement along with the Agreement on Preshipment Inspection.



New notifications on preshipment inspections were received from Mali, Lao PDR, Lesotho and Samoa. Preshipment inspection (PSI), a standing item on the agenda of the Committee, is the practice of employing private companies to check shipment details such as price, quantity and quality of goods ordered overseas. The Agreement on PSI recognizes that the principles of the General Agreement on Tariffs and Trade apply to such activities. The purpose is to safeguard national financial interests (prevention of capital flight and commercial fraud as well as customs duty evasion, for instance) and to compensate for inadequacies in administrative infrastructures.

The Committee continued its consideration of a request for observer status from the International Chamber of Commerce (ICC). The ICC expressed the desire to cooperate with the Committee, particularly on problems that could arise from the eventual misuse of customs valuation databases to set minimum or reference prices. The Committee is considering a proposal to hold a workshop on the issue.

Rules of origin

The WTO's Committee on Rules of Origin continued its long-running discussions on common rules of origin, but with members clearly divided on whether or not to reinitiate negotiations to finalize and adopt such rules. During the year, the WTO Secretariat completed the groundwork for transposing draft, harmonized rules of origin into more recent versions of the Harmonized System for classifying traded goods (see page 46). The Committee also reviewed notifications by members.

Chair Marhijn Visser pressed ahead with consultations in several formats on whether to resume negotiations on the harmonization of non-preferential rules of origin. Negotiations began in 1995 but came to a halt in 2007, despite substantive progress for thousands of tariff lines, due to divergences on whether or not the harmonized rules of origin should also apply in the implementation of other trade policy instruments, such as anti-dumping measures. The Chair concluded that differences remain deep.

Some members believe that concluding the negotiations is no longer a political priority. They say that world trade has changed dramatically since the late 1990s. The WTO now houses nearly all major trading nations, so distinguishing between preferential, MFN (most-favoured nation) and non-MFN origin is no longer a priority.

However, other members argue that fully harmonized, non-preferential rules of origin can facilitate world trade. For these members, non-preferential rules of origin may have lost importance for tariff treatment, but their relevance has increased in the context of trade remedies, government procurement and labelling, etc. These members would support an intensification of the Committee's work to conclude the negotiations.

The Committee took note that the Secretariat has completed the groundwork to transpose draft harmonized rules of origin, originally negotiated in the HS 1996 version of the Harmonized System (HS), into more recent versions. The Committee agreed to start reviewing these transposed rules in 2014. Developed by the World Customs Organization, the HS provides a common basis for classifying traded goods.



Background on rules of origin

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

The Committee also reviewed notifications by WTO members of the application of rules of origin. To date, 53 members have notified that they already apply some type of non-preferential rules of origin, while 48 members have notified that they do not apply any type of non-preferential rules. The other members have not yet submitted their notifications to the Secretariat.

The Bali Package, agreed at the end of the WTO's Ninth Ministerial Conference, includes a ministerial decision on preferential rules of origin for least-developed countries (LDCs). The decision contains a set of guidelines designed to help LDCs better utilize the preferences accorded to them (see page 10).

Import licensing

WTO members submitted 79 notifications in 2013 to the Committee on Import Licensing for review under various provisions of the Agreement on Import Licensing Procedures. The Committee also discussed trade concerns raised about import licensing procedures and legislation in a number of member countries. WTO monitoring reports on recent trade developments identify import licensing as one of the main potentially trade-distorting or restricting measures being introduced by governments.

At its meetings in April and October, the Committee reviewed 22 notifications from 16 members under Articles 1.4(a) and/or 8.2(b), covering publications and/or legislation on import licensing procedures, and 18 notifications from eight members under Article 5, referring to the institution or changes of licensing procedures. It also discussed 39 notifications from 35 members under Article 7.3, relating to responses to the annual questionnaire on import licensing procedures. The statistics cover the review period between 30 October 2012 and 4 October 2013. Eighteen members have yet to submit any notification under the Agreement.

During the year, the Chair continued informal consultations aimed at streamlining the annual questionnaire to encourage members to improve the quality of information and ensure that it is up to date. The consultations will continue. Although all members are required to fill in the questionnaire every year, a large number regularly fail to do so.



Background on import licensing

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

The Committee also heard a number of specific trade concerns regarding import licensing. In particular, questions were raised on the import licensing procedures or legislations of Argentina, Colombia, Indonesia, Russia and Viet Nam. More specific trade concerns raised included: Indonesia's licensing procedures for cell phones, handheld computers and tablets; India's import licensing practice for marble and boric acid; Malaysia's Customs Act 1967; and Thailand's licensing for marble and similar stones.

Safeguards

At its two meetings in 2013, the Safeguards Committee reviewed notifications by WTO members of their safeguard rules and actions. The number of notifications of new investigations fell to 18 from 25 the year before. By contrast, the number of final measures taken during 2013 increased to eight from six in 2012 (see Figure 8). Russia, which acceded to the WTO in 2012, notified the WTO that it had imposed its first two safeguard measures – for porcelain table and kitchen ware and for harvesters. In the course of 2013, the Committee received and discussed notifications from ten members regarding their new or revised domestic legislation and/or regulations on safeguards.

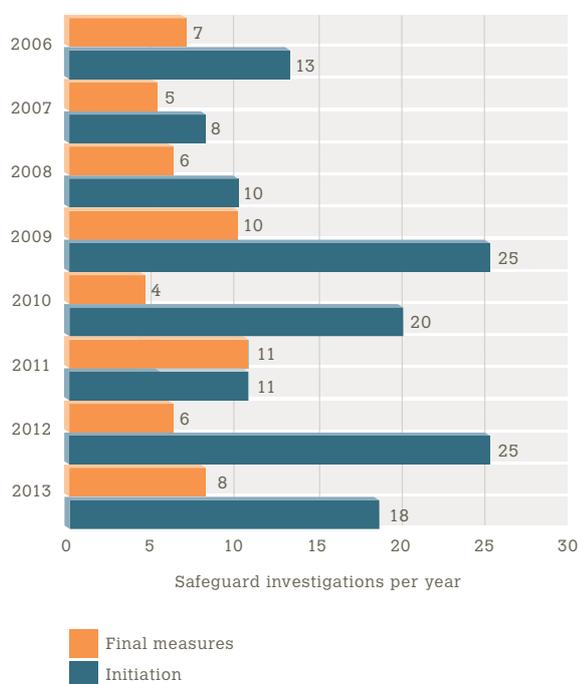
With regards to a safeguard measure imposed by Ukraine in April 2012 on cars, Turkey submitted in June 2013 a notification that it would suspend tariff concessions for Ukraine in accordance with Article 8.2 of the Safeguards Agreement. Article 8.2 stipulates that if the imposing member and any of the exporting members cannot come to an agreement regarding how the former would compensate the latter for the safeguard measure, the exporting member can suspend the application of substantially equivalent concessions.



Background on safeguards

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

Figure 8: Summary of safeguard investigations by year (for all members)



Trade-related investment measures

The WTO's Committee on Trade-Related Investment Measures (TRIMs) discussed in 2013 six new investment measures taken by WTO members and continued to debate seven measures previously raised. In addition, it reviewed compliance with members' notification obligations under the TRIMs Agreement.

Five new investment measures were placed on the agenda at the April 2013 meeting. The first, raised at the request of the European Union, Japan and the United States, concerned Brazil's tax preferences linked to local content conditions in several sectors, including telecommunications, automobiles, digital goods, semiconductors and fertilizers. Australia and the Republic of Korea shared the concerns. Local content conditions stipulate that at least part of a good or service should be locally produced.

The second, raised at the request of the European Union, Japan and the United States, concerned local content requirements of RosAgroLeasing (RAL), a state-owned leasing company created to supply agricultural equipment to farmers in Russia. A third measure, also raised at the request of the European Union, Japan and the United States, concerned the timing of the

pledged elimination of local content requirements in Russia's "Auto Investment Program". Finally, another two new measures, raised by India, concerned two US measures in various US states regarding local content requirements in the renewable energy and water utility sectors.

Another new investment measure was raised by the United States at the October 2013 meeting. It concerned local content requirements for wind power equipment in Uruguay. Japan shared the US concern on this matter.

During the year, discussion continued on seven issues previously raised. These included local content requirements in the Brazilian, Indian and Indonesian telecommunications sectors as well as the Indonesian, Nigerian and Ukrainian energy sectors (including mining, oil and gas) and certain investment measures required in China's steel sector.

The Committee took note of four new notifications under Article 6.2 of the TRIMs Agreement. Members who had not provided notifications to date were urged to do so promptly. Article 6.2 of the TRIMs Agreement requires members to notify the Committee of all publications in which TRIMs may be found, including those applied by regional and local governments and authorities within their territory.



Background on trade-related investment measures

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

Information technology

Tajikistan, Qatar and Russia joined the Information Technology Agreement (ITA) in 2013, taking its total membership to 78. The ITA Committee continued work on non-tariff measures and adopted a decision on classification divergences. The decision was proposed by the Chair for the endorsement of a group of items, mainly semiconductor manufacturing equipment which have been narrowed to one classification option. Participants agreed to submit the relevant documentation in connection with such a modification no later than 30 April 2014. The Committee heard reports on bilateral and plurilateral technical consultations initiated by some delegations on the expansion of products covered by the ITA.

In 2013, ITA membership rose to 78, with Tajikistan joining on 2 March, Qatar on 4 July and Russia on 13 September 2013.

Participants in the ITA represent around 97 per cent of world trade in information technology products. The ITA provides for participants to completely eliminate duties on IT products covered by the Agreement on a most-favoured nation (MFN) basis. Thus, the benefits of this plurilateral agreement are extended to all WTO members. Today, approximately 90 per cent of world trade in these products is imported duty-free.

Committee's work programme on non-tariff measures

The ITA Committee continued its deliberations on non-tariff measures (NTMs). It noted that the response was still slow to a survey on conformity assessment procedures for electromagnetic compatibility (EMC) and electromagnetic interference (EMI). The Committee urged those that have not yet given the information to do so as quickly as possible.

In considering ways to advance and expand its work on NTMs other than EMC/EMI, the Committee heard reports and updates by participants on their contributions to work on NTMs, including a proposal from Switzerland requesting the Committee to organize a workshop on NTMs in IT products during the first half of 2014.



Classification divergences

The Committee approved a decision proposed by the Chair for the endorsement of 18 items, mainly semiconductor manufacturing equipment which have been narrowed to one classification option. Participants agreed to submit the relevant documentation in connection with such a modification no later than 30 April 2014. At the meeting of 14 October 2013, the Committee discussed how to advance its work on classification divergences for other items, and in this context, the Committee heard a proposal from Switzerland on a possible way forward.

Expanding product coverage

The Committee heard reports on the bilateral and plurilateral technical consultations initiated by some delegations on the expansion of products covered by the ITA. The Committee agreed to return to this matter at future meetings.



Background on information technology

The Information Technology Agreement (ITA) was launched in December 1996 in Singapore as a plurilateral agreement. It requires participants to provide duty-free treatment to IT products, including computers, telecommunication equipment, semi-conductor manufacturing equipment, and software and scientific instruments. The Committee of the Participants on the Expansion of Trade in Information Technology Products (or the ITA Committee) oversees the Agreement.

State trading enterprises

In 2013, the Working Party on State Trading Enterprises reviewed 50 notifications from WTO members, compared with 71 the previous year. The Chair called for improvements in the number of notifications, which remains too low.

At its regular meeting in October 2013, the Working Party reviewed 38 new and full notifications and 12 updating notifications, compared with 59 new and full notifications and 12 updating notifications from eight members in 2012. Notifications cover products imported into or exported from members' territories by state trading enterprises (STEs).

Compliance with notification obligations remains poor. Of 130 notifying members, only 37 submitted notifications for the most recent period (2010-11). For the previous period (2008-09), only 45 notifications were received from a total of 126 members. The Chair encouraged members to continue to work with their respective capitals and the WTO Secretariat to improve the notification records.

At the October 2013 meeting, the European Union noted its concern about the potential negative effects on world trade of the operations of numerous Indian agricultural STEs. The European Union is particularly concerned about the potential adverse spillover effects of operations aimed at building stocks of food grains by procuring the products from local farmers at minimum support prices and managing levels of imports. The European Union asked India to provide information on the extent to which the food grains were eventually exported and at what price. Pakistan expressed the same concern. Also at this meeting, the European Union asked Russia why it had not yet notified state-controlled energy concern Gazprom as an STE despite its commitment to do so in its Protocol of Accession. The United States echoed the concern.



Background on state trading enterprises

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

Following a series of consultations, WTO members agreed at a formal meeting in June 2012 to extend indefinitely the new frequency of notifications whereby new and full notifications are submitted every two years rather than every three years, with updating notifications in the intervening years.

Trade in civil aircraft

In 2013, the Trade in Civil Aircraft Committee held one meeting, where signatories continued to discuss their work to bring the annex to the Agreement relating to product coverage into line with the 2007 update of the Harmonized System, used for classifying goods for customs purposes. With the accession of Montenegro in 2012, the total number of signatories to the Agreement is 32, of which 20 are member states of the European Union.



Background on trade in civil aircraft

The Trade in Civil Aircraft Agreement aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment by eliminating tariffs, promoting fair and equal competitive opportunities for civil aircraft manufacturers, and regulating government support for civil aircraft development, production and marketing. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.

Trade in services

In 2013, the Council for Trade in Services continued to focus on services-related issues in electronic commerce. It also debated the operationalization of the services waiver for least-developed countries (LDCs) and recent developments in services trade and regulation. Transparency was a further issue that figured prominently on the agenda, with WTO members discussing how compliance with the notification provisions might be improved. The inclusion of services in the Integrated Trade Intelligence Portal (I-TIP) database will provide a further aid to transparency.

The Council continued its work on electronic commerce. This included, among other things, consideration of trade-related information and communication technology principles, mobile applications and cloud computing services as well as WTO members' experiences in these areas. A public workshop on services-related issues in e-commerce was held under the auspices of the Council on 17 and 18 June. The workshop featured representatives from international organizations, the private sector, government ministries and regulatory agencies. It addressed a broad range of topics, including broadband rollout and regulatory best practice for communications infrastructure, mobile commerce developments, e-commerce provisions of trade agreements, online sales, software and cloud service markets and global trends in new media. In view of the decision at the WTO's Ministerial Conference in Bali to press on with this work, e-commerce will continue to occupy the Council in 2014.

The Council debated recent developments in services trade and regulation. Members participating in the negotiations on a Trade in Services Agreement (TiSA) kept the Council informed and presented a paper detailing the parameters, structure and objectives of these negotiations. The Council further considered the role of small and medium-sized enterprises in services trade, prompted by a Swiss communication on the issue and heard a presentation about the work of the United Nations Conference on Trade and Development (UNCTAD) on the regulation of infrastructure services. It also took up again the issue of international mobile roaming for an update on the joint market investigation into trans-Tasman international roaming charges conducted by New Zealand and Australia.

Discussions proceeded on the services waiver agreed for LDCs at the WTO's Eighth Ministerial Conference in 2011. The waiver enables WTO members to grant more favourable treatment to service suppliers in LDCs with respect to given services measures. So far, no waiver preferences have been granted. The LDC Group kept the Council informed about progress in identifying areas of particular export interest to LDCs. In keeping with the decision at the Ninth Ministerial Conference, the operationalization of the LDC waiver will continue to figure prominently on the Council's agenda in 2014.

In accordance with the transparency provisions of the General Agreement on Trade in Services (GATS), the Council received 27 notifications of new or revised measures deemed by the members concerned to significantly affect trade in sectors they had subjected to commitments. Another 11 notifications dealt with new economic integration agreements covering services trade.

The Council continued its debate on how compliance with the GATS' notification requirements might be improved in order to further enhance transparency. The WTO Secretariat provided an information note on the main types of measures notified. The Council also heard a presentation of experiences with technical barriers to trade (TBTs) and sanitary and phytosanitary (SPS) notifications and considered a note from the Chair outlining members' suggestions to improve transparency.



Background on trade in services

The General Agreement on Trade in Services (GATS) defines trade in services as consisting 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, which is open to all WTO members, facilitates the operation of the GATS.



The newly established I-TIP services database was presented to the Council. This database, which is a joint initiative with the World Bank, consists of linked databases that provide information on GATS-specific commitments, services commitments in regional trade agreements, applied measures in services, and services trade statistics, for all sectors and all WTO members.

Financial services

Following a proposal by Ecuador, the Committee on Trade in Financial Services held a dedicated discussion on WTO members' experiences with macroprudential policies and regulation. The recent global financial crisis prompted a reassessment of financial regulation and supervision, which had hitherto focused on the safety and soundness of individual financial institutions (the so-called microprudential approach), to look at systemic (macroprudential) risk. Members' experiences suggest that no "one-size-fits-all" template would be suitable. While some members entrusted a single agency with additional responsibilities in this area, others focused on coordination between different agencies.

The Committee also discussed regulatory issues in financial services on the basis of a WTO Secretariat note. The purpose of this note was to provide background information on members' regulatory practices with regard to qualifications, licensing and technical standards in financial services in order to assist the Working Party on Domestic Regulation in its considerations of these issues.

As part of its discussions of the relationship between trade in financial services and development, the Committee heard presentations by China on the access of small and medium-sized enterprises to financial services and by Norway and Pakistan on mobile banking services. The Committee will continue exploring issues surrounding the role that trade in financial services might play in expanding access to such services (also called "financial inclusion").

As part of its technical work, the Committee continued its examination of classification issues in financial services, based on inputs provided by WTO members.

Specific commitments

The Committee on Specific Commitments is mandated to oversee the implementation of members' services commitments and, in particular, to ensure their technical accuracy and coherence. With this in mind, the Committee regularly examines classification and scheduling issues.

The examination of classification issues based on the WTO Secretariat's sectoral background notes continued to be the focus of the Committee's work in 2013. The sectors considered in this exercise include postal and courier, distribution, maritime transport, logistics, legal, education, health, tourism and recreational services. To facilitate the exchange of views, discussions took place in informal mode, with input from the WTO Secretariat. Key contributions are reflected in informal, non-attributable summaries circulated under the Chair's responsibility. Apart from studies on various sectors, the Secretariat's input also examined services classification issues arising in WTO jurisprudence, including the interpretative approach applied by dispute settlement panels and the Appellate Body.

There was no substantive discussion on issues concerning schedules of commitments apart from a proposal that WTO members share scheduling experiences gained outside the WTO so as to ensure the uniformity and clarity of services commitments in future negotiations. The Chair would hold consultations on how to proceed with this proposal in 2014.

The Committee also reviewed the operation of the procedures for the modification of schedules of specific commitments in line with Article XXI of the GATS. A number of important issues were touched upon in the discussion, including the invocation of these provisions, timing and conclusion of negotiations, and consolidation and distribution of the results.

Trade-related aspects of intellectual property rights (TRIPS)

The TRIPS Council carried out its regular work on promoting transparency and reviewing WTO members' implementation of the TRIPS Agreement. It gave least-developed country (LDC) members another eight years to comply with the Agreement. The Council continued discussions on access to medicines for the poorest countries, biotechnology and technical cooperation, among other topics. The Council also exchanged information on, and debated, a number of issues raised by individual countries, such as innovation policies for small and medium-sized enterprises, climate change and, for the first time, sports.

Promoting transparency

Transparency of national intellectual property systems is a key principle of TRIPS. It reduces trade tensions and builds productive trading relationships in knowledge products and technology.

The TRIPS Council has developed a unique body of information about diverse approaches to protecting and regulating intellectual property, based on notifications of WTO members and the Council's review of national systems. It has also collected extensive reporting from members on such matters as technical cooperation and technology transfer incentives. In 2013, the Council gave further consideration to ways of making this information more easily accessible to members and the public at large, and ensuring it is more timely and complete, including through new applications of information technology to manage this material more effectively.

The Council completed its reviews of the TRIPS implementing legislation of Cuba and Maldives, and initiated reviews of the legislation of Montenegro and Russia.

Extension of LDCs' transition period

The WTO's 2011 Ministerial Conference invited the Council to "give full consideration to a duly motivated request from LDC members for an extension of their transition period", during which they will not have to implement the TRIPS Agreement, in line with the Council's established mandate to grant such extensions under Article 66.1 of the Agreement.

The LDC Group presented a request for an extension of the transition period at the Council's November 2012 meeting. The Council discussed it for the first time in March 2013. There had been numerous contacts between the LDC Group and certain developed countries since early January, facilitated by the Chair of the Council. In May, these delegations requested the Chair to initiate an intensive negotiation process. In addition to consulting with these delegations, the Chair held several informal meetings for the entire Council.

As a result, the Council adopted at its meeting in June a decision on "Extension of the transition period under Article 66.1 for least-developed country members". The decision extends LDC members' transition period by eight years (until 1 July 2021), with the possibility of further extensions. Under the decision, LDC members "express their determination to preserve and continue the progress towards implementation of the TRIPS Agreement".

TRIPS and public health

The Council held its annual review of the functioning of the so-called "Paragraph 6" system. Four more countries accepted the 2005 amendment to the Agreement, incorporating the paragraph, which will come into force when two-thirds of WTO members have accepted it. As of 31 December 2013, 49 members had done so (counting the European Union as one).

The "Paragraph 6" system of special compulsory licences for export gives poor countries additional flexibility under the TRIPS Agreement to gain access to affordable medicines. The system allows generic versions of patented medicines to be produced under a special type of compulsory licence (that is, granted without the patent holder's consent) exclusively for export to countries that cannot manufacture needed medicines themselves. The TRIPS Agreement originally only permitted compulsory licensing predominantly to serve the domestic market (unless



Background on trade-related aspects of intellectual property rights

Intellectual property rights have become a key part of the debate over economic development and broader public policy questions, such as public health and the environment. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the most comprehensive international treaty governing the protection, administration and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members, administers the TRIPS Agreement, provides a forum for debate on policy issues and reviews the intellectual property legislation of individual members.

remedying anti-competitive practices). The new system changed this, first through a set of waivers and then through the 2005 amendment.

Issues relating to TRIPS and public health were addressed in many of the WTO Secretariat's technical cooperation activities (see below). The Secretariat also continued its efforts to enhance and coordinate capacity-building activities in this area with the secretariats of the World Health Organization (WHO) and the World Intellectual Property Organization (WIPO). The three organizations co-published a study on *Promoting access to medical technologies and innovation* in February 2013. This publication covers a broad range of complex yet linked issues relating to public health and innovation in medical technologies. In addition, the three organizations held in July a third trilateral joint technical symposium to discuss changes in innovation and explore new and potential business models in medical innovation.

Plants, animals, biodiversity and traditional knowledge

The Council continued to address a cluster of subjects related to biotechnology, biodiversity, genetic resources and traditional knowledge, as instructed by the 2005 Hong Kong Ministerial Declaration. These discussions cover the review of the TRIPS provisions dealing with the patentability of plant and animal inventions and the protection of plant varieties, the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD), and the protection of traditional knowledge and folklore.

Technical cooperation and capacity building

The Council reviewed technical cooperation in the area of intellectual property on the basis of information it received from developed countries, other intergovernmental organizations and the WTO Secretariat. In 2013, Madagascar and Togo reported on their needs for technical and financial cooperation, bringing to nine the number of LDCs to notify their needs to the TRIPS Council. The Swedish International Development Cooperation Agency funded a factual overview of the needs of LDCs and available resources as part of efforts to enhance coordination of programmes and improve the effective delivery of such cooperation for the benefit of LDCs.

In its technical cooperation activities, the WTO Secretariat continued to focus on assisting members and observers to understand the rights and obligations which flow from the TRIPS Agreement and relevant decisions of WTO bodies in order to enable them to meet their developmental and other domestic policy objectives.

Other issues

No new proposals emerged from the reviews, mandated under the TRIPS Agreement, of the Agreement as a whole (the "71.1 review") and of the application of the provisions on geographical indications (the "24.2 review"). On the latter, the Council agreed in March 2010 to encourage members to share information on any bilateral agreements they reached. Switzerland informed the Council on behalf of Russia, as well as on its own behalf, that the two countries had concluded a bilateral agreement on the

protection of their geographical indications, which had entered into force on 1 September 2011.

The Council's work on the incentives for technology transfer to LDCs and on "non-violation and situation complaints" is discussed on page 33.

Tobacco control measures

In 2013, the Council continued its consideration of tobacco control measures. At the request of the Dominican Republic, it discussed New Zealand's proposal to introduce plain packaging of tobacco products. While some WTO members expressed concerns about the compatibility of the proposed measures with the TRIPS Agreement, others asserted countries' rights to use flexibilities in the Agreement for public health purposes, including tobacco control.

Under "other business", Nicaragua and Cuba voiced their concerns about a proposed EU directive on tobacco products. The directive includes a wide range of provisions related to packaging, composition and sale of tobacco products in the European Union.

In the two previous years, the Council discussed, at the request of individual members, Australia's proposed tobacco plain-packaging legislation. The issue is the subject of five pending disputes initiated by Ukraine, Honduras, the Dominican Republic, Cuba and Indonesia (see page 84).



Innovation

The Council continued the discussion on innovation. At the request of Chile, the Republic of Korea, Chinese Taipei and the United States, the Council focused at its meeting in March on intellectual property and innovation from the perspective of small and medium-sized enterprises (SMEs). Some members said that an enabling environment for innovation was particularly important for SMEs, and that IP played an important role in generating finance and maintaining competitiveness. In their view, the social benefits of SME innovation often outweighed the benefits to the individual companies. Some delegations, however, said that acquiring and maintaining intellectual property rights could be very costly for SMEs. The LDCs drew attention to their weak capacities for research and development and the lack of public money to spare for such programmes.

At its meeting in June, the Council focused on cost-effective or “frugal” innovation. The concept refers to cutting the complexity and cost of a good and its manufacturing process in order to drive innovation and enhanced availability and affordability of improved technologies in developing countries. The co-sponsors of the item (Canada, Chile, the European Union, the Republic of Korea, Switzerland, Chinese Taipei and the United States) regarded the IP protection of such innovations as a tool to foster the participation of local innovators, in particular SMEs. They provided a wide range of examples from around the world to support their view, ranging from water purification technology to crop spraying processes. Some other delegations emphasized that an IP system that was not balanced or functioning well risked negatively impacting innovation, including frugal innovation, and entailing, for example, considerable costs of patent litigation.

Climate change

The Council discussed IP and climate change and the contribution of IP in facilitating the transfer of environmentally rational technology, following a request by Ecuador to add these issues to the agenda. Ecuador proposed to evaluate the TRIPS Agreement from the standpoint of the mitigation of environmental problems. The aim was to reaffirm TRIPS flexibilities in connection with environmentally sound technologies and to initiate a process of evaluating enhanced flexibilities for the patentability of such technologies.

A number of delegations echoed Ecuador’s concerns and welcomed a broad discussion on the topic. Some other delegations, while agreeing that technology transfer and innovation were paramount to addressing the challenges of climate change, argued that IP protection – rather than being a barrier – was necessary for innovation.

Intellectual property and sports

For the first time, the Council discussed IP and sport. The co-sponsors of this item (the European Union, Jamaica, Mexico, Trinidad and Tobago, and the United States) and a number of other WTO members highlighted the important role that IP plays in financing sports teams and large sporting events, in securing the dissemination of the benefits of sports-driven innovation and in contributing to the development and training of the next generation of athletes. Some provided figures on the overall economic contribution of sports, whose social dimension in their view extended far beyond the realms of sports.

Some other delegations said that the items mentioned already enjoyed IP protection under the TRIPS regime, and cautioned that discussions on this topic should not divert attention from the important items on the Council’s regular agenda.

Trade and environment

In 2013, the Committee on Trade and Environment discussed and received information on a broad range of environmental policy developments, from environmental footprint and labelling schemes, including carbon footprints, to green economy policy initiatives and multilateral environmental agreements with trade-related provisions. The WTO Secretariat issued the environmental databases for 2010 and 2011 and updated the “Matrix on trade-related measures pursuant to selected multilateral environmental agreements”.

Environmental footprint and labelling schemes

WTO members discussed international, regional and national initiatives related to environmental footprints. The European Union presented its voluntary Single Market for Green Products pilot initiative. The initiative seeks to reduce consumer confusion created by the proliferation of national “green” labels and methods used within the European Union to demonstrate a product or organization’s green credentials.

France shared its experience on a national voluntary pilot project related to environmental information on consumer products. Costa Rica, the Republic of Korea, New Zealand, Nigeria, Chinese Taipei, Thailand and the United Kingdom also shared information on their respective initiatives to label products and/or organizations based on their carbon footprint.

The International Organization for Standardization shared information regarding its draft international standard related to the principles, requirements and guidelines for assessing and reporting the water “footprint” of products, processes and organizations. It also briefed the Committee on its technical specification related to the requirements and guidelines for quantification and communication of greenhouse gas footprints of products.

The Organisation for Economic Co-operation and Development complemented the discussion by presenting a study establishing the characterisation of environmental labelling and information schemes, including carbon footprint initiatives and stressing the variety and complexity of the schemes in terms of environmental focus and scope, standard setting, assessment methods, transparency, mode of communication, and monitoring and auditing, among others.

Overall, environmental footprint and labelling schemes continued to be of concern for many WTO members – in particular, developing countries. Members underscored the need to take key WTO principles into account, such as the use of international standards, transparency, least-trade restrictiveness and non-discriminatory treatment, in order to avoid creating unnecessary barriers and to address related difficulties and trade barriers faced by developing countries.

Fisheries

As a follow up to 2012 discussions, the Food and Agriculture Organization of the United Nations (FAO) presented its 2001 International Plan of Action on Illegal Unreported and Unregulated (IUU) Fishing as well as work related to traceability in terms of food safety and quality assurance, and market access. WTO members strongly supported the work of the FAO and highlighted the importance of cooperation and coordinated global effort to address the issue of IUU fishing activities.



Background on trade and environment

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

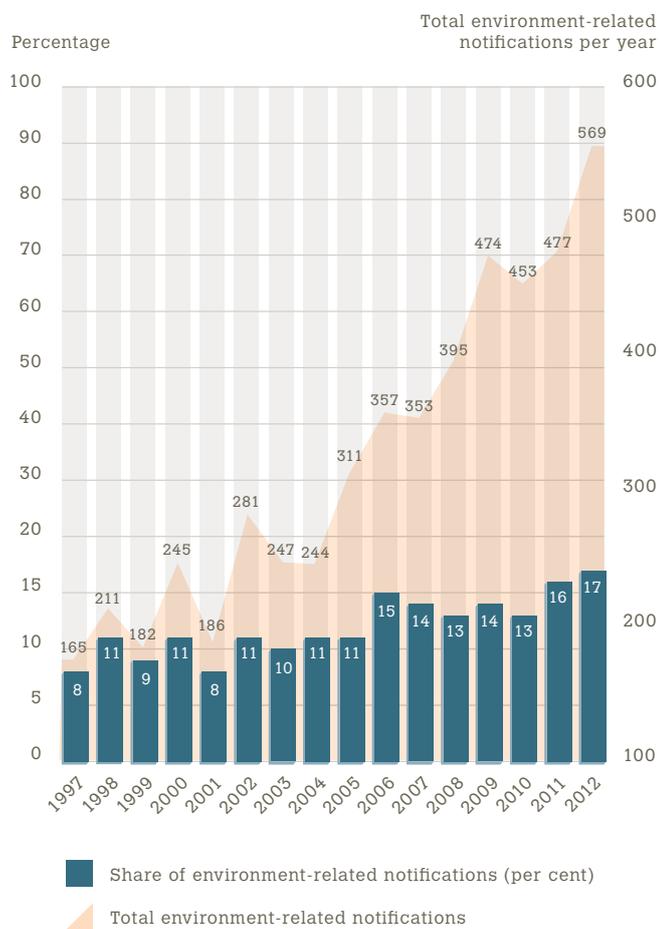


Green economy

Switzerland presented its national Green Economy Action Plan aimed, among other things, at using resources more efficiently in consumption and production, and enhancing waste and raw material cycles. While WTO members welcomed the shared information, several felt that more research was needed to analyse the consistency of green economy measures with international trade rules.

The United Nations Environmental Programme (UNEP) reported on three national green economy and trade projects aimed at examining policy reforms and determining the enabling conditions required to maximize sustainable trade opportunities in selected sectors. The United Nations Conference on Trade and Development (UNCTAD) briefed members on an ad hoc expert group meeting on the trade implications of domestic requirements and support measures in green sectors. The OECD presented an overview of its latest studies and publications on government support in specific sectors, including renewable energy, fossil fuels and agriculture.

Figure 9: Environment-related notifications, 1997 to 2012



Multilateral environmental agreements

The Committee continued to serve as a platform to inform members on the latest developments in multilateral environmental agreements (MEAs) with trade-related obligations. These include the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Convention on Biological Diversity (CBD), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants.

UNEP presented the trade-related provisions of the Minamata Convention on Mercury adopted in 2012 and aimed at protecting human health and the environment by reducing emissions and release of mercury and mercury compounds.

In consultation with the secretariats of the respective MEAs, the WTO Secretariat also issued the updated “Matrix on trade-related measures pursuant to selected multilateral environmental agreements”. The matrix carries background information on selected MEAs, including their trade-related measures, notably requirements or restrictions on imported or exported products.

Transparency

As part of its commitment to promote and enhance the transparency of environmental measures and requirements, the WTO Secretariat circulated the 2010 and 2011 environmental databases. These compile the environment-related measures notified annually under all WTO agreements as well as the environment-related measures and programmes mentioned in Trade Policy Reviews.

There has been a substantial increase in the number of notifications of environment-related measures to the WTO in recent years (from 165 notifications in 1997 to 477 notifications in 2011). However, the share of environment-related notifications out of the total number of measures notified to the WTO has remained relatively stable over the last six years (13-16 per cent) (see Figure 9).

Technical assistance

In addition to national workshops in Peru (6-7 May), Gabon (28-29 August) and Ecuador (7-8 November), the WTO Secretariat organized two regional workshop activities in collaboration with other international organizations. A regional workshop for Caribbean countries was held in Jamaica (15-17 January) in collaboration with the Inter American Development Bank and the Caribbean Community. An activity for the Asia and Pacific region took place in Indonesia (17-19 September) in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific and the United Nations Centre for Alleviation of Poverty through Sustainable Agriculture.

The main objective of both regional activities was to consolidate participants' understanding and knowledge of the nexus between trade and environment issues and to further exchanges of national experiences to improve coherence between trade and environment policies. Both regional activities benefited from experts from the WTO and other international organizations, including relevant MEAs.

Regional trade agreements

In 2013, the WTO received 35 new notifications of regional trade agreements (RTAs), down from 37 in 2012. The notifications involved 22 RTAs. Three of these were between developed partners, with another nine involving developed and developing partners. The remaining ten were between developing country partners. The Americas was the region with the highest number of notifications – 12 – followed by Europe with seven.

Of the 581 RTA notifications received by the WTO as of 31 December 2013, 385 were in force (see Figure 10). RTAs include free trade agreements and customs unions. Under WTO rules, the goods and services aspects of RTAs have to be notified separately, so they are counted separately. However, putting the two together, the 581 notifications involve 434 individual RTAs, of which 252 are currently in force.

A key feature of modern RTAs is that they are broadening and, in many cases, deepening their coverage. While some agreements are limited to reducing barriers to trade in goods, most are becoming increasingly more comprehensive, with provisions on market opening in services and in other areas, such as investment, competition policy, trade facilitation, government procurement, intellectual property, electronic commerce and, in some cases, labour and the environment.

Most agreements are bilateral, giving rise to an increasingly complex regime of different trade regulations. Critics argue that these overlapping regional trade regimes make international trade more complex and undermine WTO non-discrimination principles. However, proponents of RTAs say they can lay the groundwork for future multilateral trade rules. Moreover, discrimination against non-parties can be reduced if the agreements are open and parties allow accession by third parties to existing agreements.

Such enlargement and consolidation of existing agreements is happening to some degree in new negotiations such as the Trans-Pacific Partnership Agreement between 12 parties, most of which already have bilateral RTAs with each other. The Regional Closer Economic Partnership Agreement between the Association of Southeast Asian Nations (ASEAN) and six other regional partners and the Pacific Alliance, again involving countries that already have bilateral RTAs with each other, are other examples. The Tripartite Agreement, when complete, will bring together the parties to the East African Community, the Southern African Development Community and the Common Market for Eastern and Southern Africa. If these agreements, once complete, harmonize some of the rules in existing RTAs between the individual parties, or if the new agreement supersedes the existing bilateral agreements, this could simplify trade rules.

Of the 22 individual RTAs notified to the WTO in 2013 (counting goods and services components as one), 14 included both components. The trend towards agreements between developing

and developed trading partners appears to have been maintained. The number of agreements between developing partners rose slightly compared to previous years. Countries from the Americas region were involved in 12 RTAs and the rest involved members in Europe (seven), the Asia Pacific (five), the Commonwealth of Independent States region (four) and Africa (two). Fifteen of the agreements covered members from two different regions.

Monitoring RTAs

All RTAs, regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, the Enabling Clause between developing countries (for trade in goods), or the General Agreement on Trade in Services (GATS) Article V (for trade in services), are subject to the transparency mechanism for regional trade agreements. Established by a decision of the General Council in December 2006, and applied provisionally from 2007, the mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat and the related information and data provided. It also requires the Secretariat to prepare a factual presentation on each RTA, and for each RTA to be reviewed by WTO members.



Background on regional trade agreements

The Committee on Regional Trade Agreements (CRTA) is responsible for monitoring all regional trade agreements (RTAs) notified to the WTO, except those notified under special provisions for agreements between developing countries (the Enabling Clause), which are considered by the Committee on Trade and Development. The CRTA's two principal duties are to examine individual RTAs and to consider how they contribute to global trade rules and trade opening. All WTO members except Mongolia are members of one or more (some belonging to as many as 30).

Agreements notified under Article XXIV of the GATT 1994 and Article V of the GATS are considered by the Committee on Regional Trade Agreements (CRTA), while agreements notified under the Enabling Clause are considered by a dedicated session of the Committee on Trade and Development (CTD). The General Council decision on transparency requires WTO members to inform the WTO Secretariat in the event of any subsequent changes to a notified agreement and to provide a report once an agreement is fully implemented. Also in the interests of transparency, WTO members are encouraged to inform the Secretariat of any agreements being negotiated or those that have been signed but are not yet in force (“early announcements”).

Notified agreements already in force are considered by the CRTA or by the CTD, normally within a year of the date of notification. Consideration is based on a “factual presentation” prepared by the Secretariat on the basis of information and data provided by the parties to the agreement. The factual presentation describes the main provisions of the agreement and the degree of trade liberalization to be achieved between the parties during its implementation period.

In 2013, the CRTA held four meetings and considered 23 notifications of RTAs, counting goods and services separately (or 13 RTAs counting goods and services notifications together – see Table 2), compared with 20 each in 2012 and 2011.

The transparency mechanism also requires the WTO Secretariat to prepare “factual abstracts” on RTAs examined by the CRTA prior to the 2006 General Council decision. By the end of 2013, 72 factual abstracts of agreements currently in force had been prepared in consultation with the relevant RTA parties and posted on the RTA database.

In addition, eight “early announcements” were received from WTO members in 2013, six for RTAs under negotiation and two for newly signed RTAs not yet in force. As of December 2013, the WTO had received 91 “early announcements”, 32 involving RTAs that had been signed but were not yet in force and 59 involving RTAs under negotiation. Forty-nine of these early announcements have subsequently been notified following entry into force of the agreements.

Not all agreements that are in force have, however, been notified and efforts are underway to improve the notification record. A list of non-notified agreements that have been verified by the WTO Secretariat as being in force, through consultation with at least one of the parties to the RTA, is circulated before each meeting of the CRTA. The last list circulated contained 54 such agreements.

The CRTA has also been discussing the submission of reports of the end of implementation of agreements. Most RTAs are implemented over a period of time and, as noted above, the RTA transparency mechanism requires RTA parties to submit a short written report on the realization of the liberalization commitments as originally notified. To date, even though many RTAs have been

fully implemented, no such reports have been received. Fulfilling this requirement will address the gap in understanding of the extent to which RTAs accomplish what they set out to do.

As called for by the General Council decision on transparency, all the information on RTAs notified to the WTO is contained in a publicly accessible RTA database, which can be consulted at <http://rtais.wto.org>. The database, which became available to the public in January 2009, contains textual information on all RTAs notified to the WTO, including links to the official texts and annexes of each agreement as well as information on the examination or consideration process in the WTO. For those RTAs that have already been the subject of a factual presentation, the database also contains the relevant trade and tariff data.

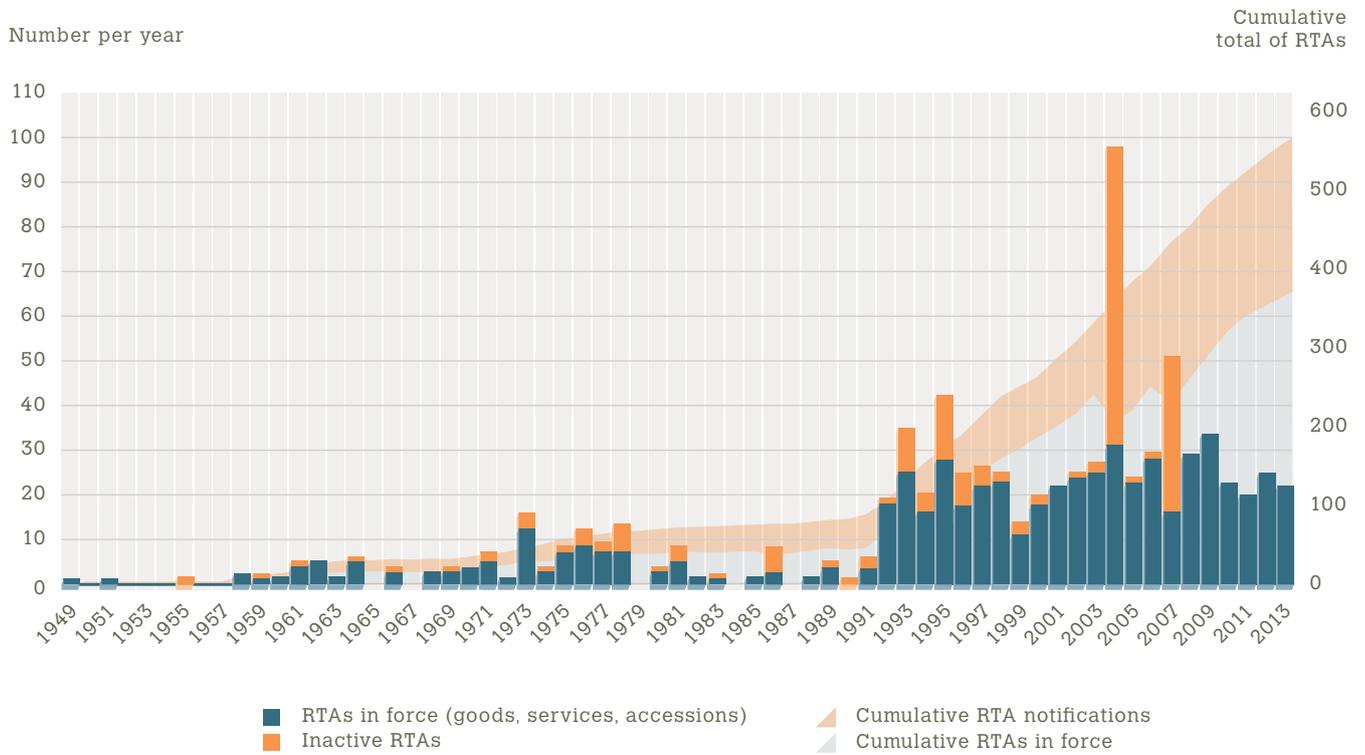
For the transparency mechanism to be adopted on a permanent basis, WTO members need to review, and, if necessary, modify it as part of the overall results of the Doha Round. Members are also required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. In December 2010, members decided to commence the review (see page 100).

Table 2: Regional trade agreements considered in 2013

Chile – Guatemala (goods and services)
Chile – Honduras (goods and services)
China – Costa Rica (goods and services)
European Free Trade Association (EFTA) states – Hong Kong, China (goods and services)
EFTA states – Montenegro (goods)
EFTA states – Peru (goods)
EFTA states – Ukraine (goods and services)
El Salvador, Honduras – Chinese Taipei (goods and services)
Guatemala – Chinese Taipei (goods and services)
India – Malaysia (goods and services)
Japan – India (goods and services)
Japan – Peru (goods and services)
Peru – Panama (goods and services)

Note: The table refers to 13 individual agreements, 11 of which covered both goods and services and two covered only goods. The goods aspects of the RTA between India and Malaysia were considered in the CTD.

Figure 10: All RTAs notified to the GATT/WTO (1949 to 2013) by year of entry into force



Trade Policy Reviews

In 2013, the WTO's Trade Policy Review Body conducted the fifth appraisal of the Trade Policy Review Mechanism, and held 15 meetings to review the trade policies and practices of 20 members.

Trade Policy Review Mechanism

The fifth appraisal of the Trade Policy Review Mechanism (TPRM) was launched in July 2013. Its report was adopted by the Trade Policy Review Body in October 2013 and by the WTO's Ninth Ministerial Conference in December 2013. The usefulness of the TPRM as a tool to achieve greater transparency in, and mutual understanding of, the trade policies and practices of WTO members was recognized. Satisfaction was expressed at the results of the changes introduced to the TPRM following the fourth appraisal in 2011.

The appraisal concluded that there is a need to continue to make the Trade Policy Review meetings as interactive and fruitful as possible. It invited the WTO Secretariat to continue to explore ways to improve and streamline its reports and requested the Secretariat to pay more attention to behind-the-border measures, or non-tariff barriers, applied by WTO members under review at central government and, where relevant and feasible, at sub-central government levels. It also requested the Secretariat to put in place an IT system for members' consideration to facilitate, among other things, the question-and-answer process. The report called for the appointment from 2014 of a Vice-Chair to assist the Chair and invited the Secretariat to report on, and provide an assessment of, the experience of follow-up workshops. The value of these workshops, especially for least-developed countries (LDCs), was underlined.

The next appraisal should take place within the next five years.

Trade Policy Reviews in 2013

Viet Nam and the former Yugoslav Republic of Macedonia were reviewed for the first time in 2013. The dates of the reviews and the countries covered are shown on the map on pages 72-3. By the end of 2013, 384 reviews had been conducted, covering 147 of the 159 WTO members. The United States, Japan and the European Union had been reviewed 11 times; Canada nine times; Australia, Hong Kong (China), the Republic of Korea, Norway, Singapore, Thailand, Indonesia, Switzerland and Brazil six times; India, Malaysia, Turkey and Mexico five times; 21 members four times; and 32 members three times.

Under the TPRM, the four largest entities (currently the European Union, the United States, China and Japan) are reviewed every two years. The next 16 largest members undergo reviews every four years and the remaining members every six years, with a longer cycle for LDCs. These cycles may be extended by up to six months.

Printed versions of the Trade Policy Reviews are available as WTO publications. These contain the report by the WTO Secretariat, a report by the member under review, the concluding remarks by the Chair of the Trade Policy Review Body and a key trade facts section.



Background on Trade Policy Reviews

The Trade Policy Review Mechanism aims at encouraging all WTO members to adhere to WTO rules, disciplines and commitments. Through its regular Trade Policy Reviews, the mechanism enables WTO members to examine collectively the trade policies and practices of individual members in all trade-related areas, including those covered by WTO agreements. Reviews are carried out by the Trade Policy Review Body, a full-membership body of equal ranking to the General Council and the Dispute Settlement Body. Reviews are not intended to serve as a basis for the enforcement of obligations, for dispute settlement procedures, or to impose new policy commitments.

Workshops

In 2013, two Trade Policy Review follow-up workshops were organized, one at the request of Burundi as a national activity and the other at the request of the members of the West African Economic and Monetary Union as a regional activity. More follow-up workshops, including for the East African Community, the Central African Economic and Monetary Community and the Organization of Eastern Caribbean States, are to take place in 2014.

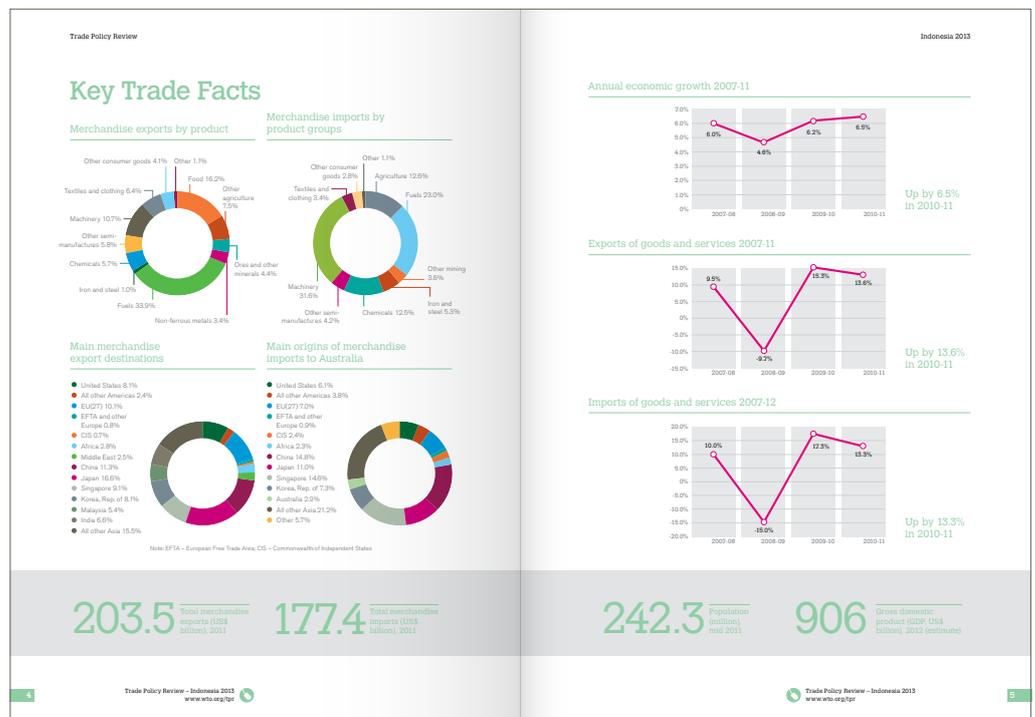
The follow-up workshops have enhanced the benefits of the Trade Policy Review exercise for developing countries, particularly LDCs. The Trade Policy Review constitutes an external audit of the trade regimes of the members under review and helps developing countries to identify their technical assistance needs, including for capacity building. In addition, the follow-up workshops help developing countries to discuss and disseminate the results of their reviews in their capitals and to convince national stakeholders of the need to address shortcomings and the concerns expressed by other WTO members.

Trade Policy Reviews in 2014

Sixteen Trade Policy Review meetings are scheduled for 24 WTO members in 2014. They are Bahrain, Oman, Qatar, China, Chinese Taipei, Djibouti and Mauritius, Ghana, Hong Kong (China), Malaysia, Mongolia, Myanmar, the Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines), Panama, Sierra Leone, Tonga, Tunisia, Ukraine and the United States. Tonga, Myanmar and Ukraine are to be reviewed for the first time.



The Trade Policy Reviews publication series was relaunched in 2013 in a new format.



Trade Policy Reviews in 2013

The WTO conducted 15 Trade Policy Reviews in 2013 to examine the trade policies and practices of 20 WTO members. The dates of the reviews and the countries covered are shown on the map. Further information, including the Chair's concluding remarks for each review, can be found on the WTO website: www.wto.org/tpr



European Union
16 and 18 July 2013



Costa Rica
24 and 26 Sept 2013



Switzerland and Liechtenstein
23 and 25 Apr 2013



Mexico
17 and 19 Apr 2013



Peru
13 and 15 Nov 2013



Suriname
10 and 12 June 2013



Argentina
20 and 22 Mar 2013



Brazil
24 and 26 June 2013



Former Yugoslav Republic of Macedonia
27 and 29 Nov 2013



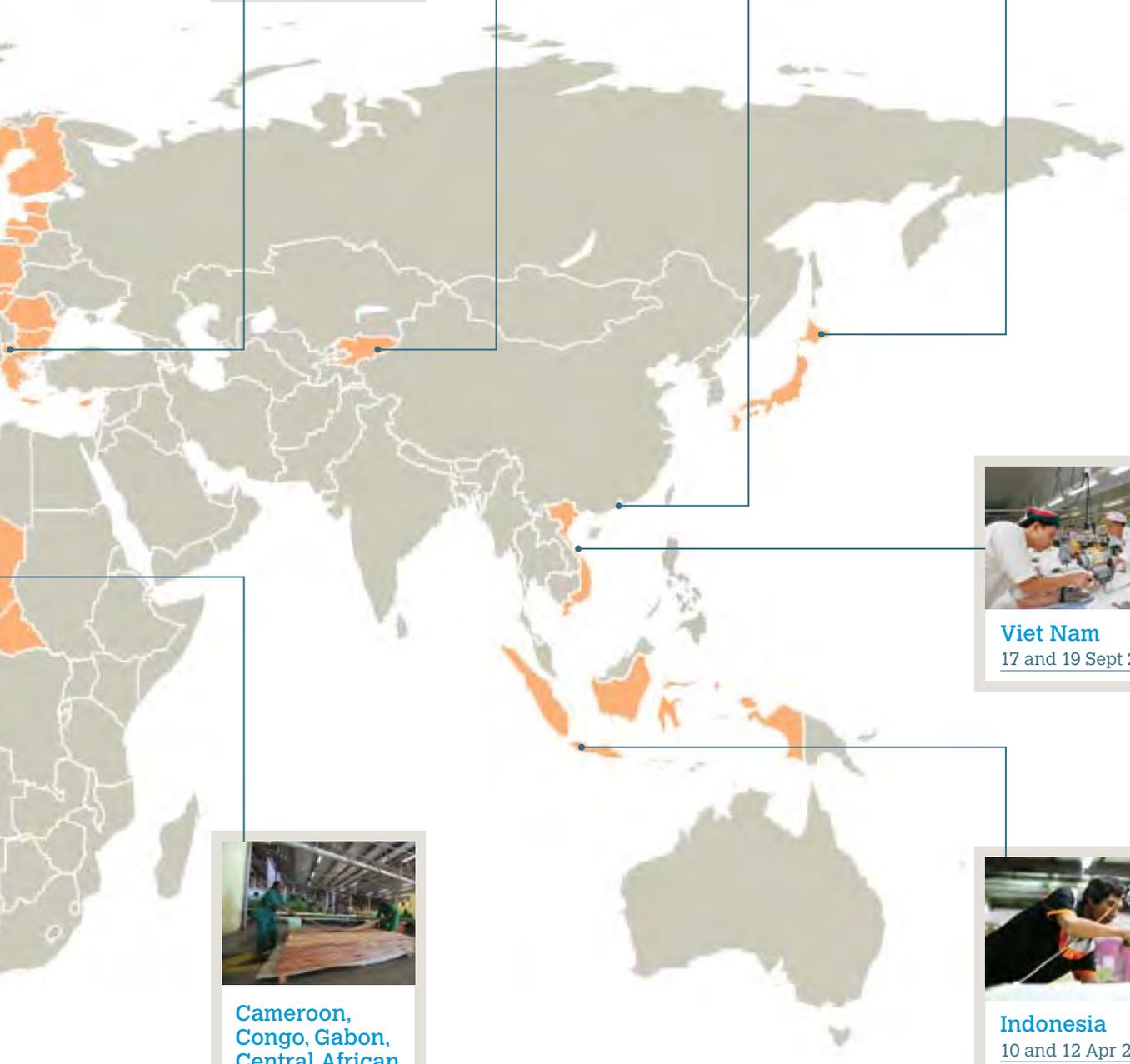
Kyrgyz Republic
19 and 21 Nov 2013



Macao, China
13 and 15 May 2013



Japan
19 and 21 Feb 2013



Viet Nam
17 and 19 Sept 2013



Cameroon, Congo, Gabon, Central African Republic and Chad
29 and 31 July 2013



Indonesia
10 and 12 Apr 2013

Trade monitoring reports

Some WTO members applied new trade-restrictive measures in 2013 but countries generally resisted domestic pressures to erect trade barriers. The new measures added to the existing stock of trade restrictions and distortions. Global economic growth remained slow and uneven and this weighed heavily on world trade flows. The volume of world merchandise trade is expected to have grown by 2.5 per cent in 2013 and to grow by 4.5 per cent in 2014, which remains below historical trends.

The WTO Secretariat prepared four reports on global trade developments in 2013 against the background of a global economy slowly on the mend. Two of these reports, covering trade and investment measures taken by the Group of 20 (G-20) leading developed and developing economies, were prepared jointly with the secretariats of the Organisation for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). The other two reports covered trade measures taken by WTO members and observers. The Trade Policy Review Body discussed the first of these, but due to the Bali Ministerial Conference in December, discussion of the second was delayed until February 2014.

Monitoring summary for 2013

The most important factor contributing to the economic slowdown in 2013 was recession in the euro area, which extended into the first quarter of 2013 and was followed by tepid, albeit positive, global growth. Uncertainty over the timing and impact of the phase-out of unconventional monetary policy in the United States, known as quantitative easing and which aims at stimulating growth, also contributed to volatility in global financial markets. The economic slowdown in emerging economies detected in the first half of 2013 appeared to have partly abated in the last two quarters of the year, mostly due to faster growth in China. Developing economies' imports continued to support international trade flows.

The shortfall in economic activity weighed heavily on world trade flows, with the volume of world merchandise trade expected to have grown by 2.5 per cent in 2013 and to grow by 4.5 per cent in 2014 – both below the historical trend of over 5 per cent. Exports of developed and developing economies are projected to grow by 2.8 per cent and 6.3 per cent, respectively, in 2014. Meanwhile, imports of developed and developing economies should advance by 3.2 per cent and 6.2 per cent (see Figure 11.)

For the 12 months to mid-November 2013, more restrictive trade measures were observed than in the preceding one-year period. A total of 407 new trade restrictions were recorded, up from 308 measures listed in the previous overview. These new restrictive measures covered around US\$ 240 billion of merchandise imports, slightly more than 1.3 per cent of the world total, which is broadly similar to the percentage recorded previously.

During the review period, 355 trade remedy measures were recorded. The vast majority of these were anti-dumping actions, followed by safeguards. As in 2012, more initiations were recorded than terminations. While 217 new trade remedy investigations were initiated, covering around 0.2 per cent of world merchandise imports, 138 measures were terminated. The latter, covering around 0.1 per cent of world imports, involved either the termination of an investigation or the removal of existing duties.

A total of 107 trade-facilitating measures were recorded compared with 162 measures listed in last year's report. The relative weight of measures considered as trade facilitating in the total number of measures recorded fell to 38 per cent, down from 51 per cent in the previous period.

The trade monitoring exercise and the individual Trade Policy Reviews undertaken in 2013 showed that WTO members were reasonably successful in resisting domestic pressures to erect trade barriers. However, some WTO members put in place measures that restrict or distort trade. These new restrictive measures add to the stock of trade restrictions and distortions put in place since the outbreak of the global crisis, most of which remain in effect, and to trade restrictions and distortions that have existed for a long time.

Slow progress on notifications

In 2013, some improvement was seen in WTO members' notifications but progress remained slow and uneven. Developing countries continued to make the majority of notifications of sanitary and phytosanitary (SPS) measures and



Background on trade monitoring reports

In early 2009, the WTO began regular monitoring of global trade developments, covering all trade measures implemented by WTO members and observers. The trade monitoring exercise strengthens the transparency aims of the Trade Policy Review Mechanism by providing comprehensive information on recent trade policy changes. The trade monitoring is overseen by the Trade Policy Review Body, which also conducts detailed reviews of members individually (see page 70).

technical barriers to trade (TBT) measures. Although this may be explained in part by the more active adoption of new measures in this area for a variety of reasons, efforts by members and the WTO Secretariat to facilitate compliance with transparency requirements in the relevant committees also deserve credit.

Several WTO members reported developments concerning trade in services. Most of the new measures can be considered as opening the services sector to foreign participation. In the area of agriculture, members continued to discuss some issues mainly related to the notification and implementation of domestic support (subsidy) programmes. Public food stockholding measures received considerable attention in the Committee on Agriculture during the review period, and the WTO's Ninth Ministerial Conference addressed the issue (see page 10).

A few governments acknowledged the introduction of new general economic support measures, generally subsidies or similar measures, during the review period. As in previous reports, many of the recorded measures were in the form of economic assistance programmes for small and medium-sized enterprises (SMEs). However, the regular monitoring of government-support measures continues to be a challenge because of difficulties in obtaining relevant information.

Enhancing transparency

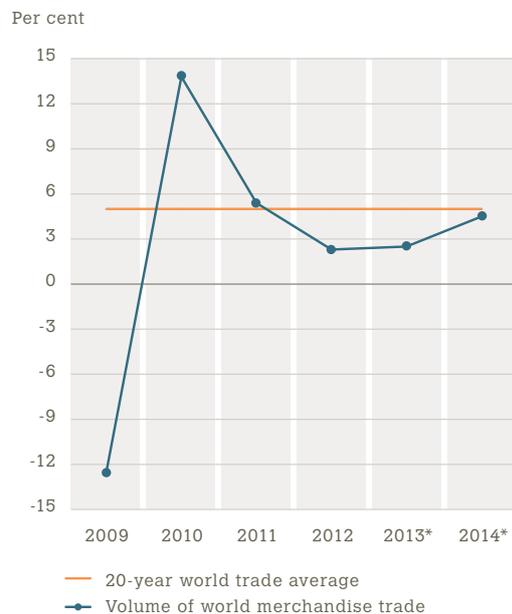
The purpose of WTO trade monitoring reports is to enhance the transparency of trade policy developments around the world and to provide WTO members and observers with an up-to-date picture of trends in the implementation of trade liberalizing as well as trade restricting measures, in particular in times of economic crisis when protectionist pressures tend to surge.

Preparing the reports relies on continuous dialogue and exchange of information across divisions within the WTO Secretariat. The core of this information stems from formal notifications by WTO members, formal publication in various media of new legislation, and other public sources, including media reports.

The most important element in collecting trade policy information for the monitoring reports is the close consultation between the WTO Secretariat and delegations. This aims at gathering complete, up-to-date and accurate information on trade and trade-related measures and to verify the relevant information collected from other public sources.

In preparation for each report, the WTO Director-General writes to all members and observers, inviting them to provide the WTO Secretariat with information on recent trade measures as well as general economic support measures. The WTO Secretariat collates all recorded country-specific information on trade measures and re-submits this information to each delegation for verification. This verification process represents a quality control mechanism that allows members to check the accuracy of the information before it is made public. The WTO-wide trade monitoring reports are subsequently discussed at meetings of the WTO's Trade Policy Review Body.

Figure 11: Growth in world merchandise trade, 2009-14 (volume)



* The volume of world merchandise trade is the average of exports and imports. Figures for 2013 and 2014 are projections.

Database

In 2013, the WTO launched its trade monitoring database where all information gathered since October 2008, when the monitoring exercise began, can be found. The database, which is available on the WTO website, provides information on trade measures implemented by WTO members and observers and includes various search criteria options which facilitate navigation of the database. Members are regularly invited to update all existing information compiled by the Secretariat since 2008. The database is updated once a new monitoring report has been discussed by WTO members.

Trade monitoring in 2014

Strengthened surveillance of trade measures has helped governments faced with scrutiny by their peers to resist domestic protectionist pressures. At the WTO's Eighth Ministerial Conference in December 2011, ministers specifically called on the Trade Policy Review Body to continue discussing the strengthening of the trade monitoring exercise and a similar call was made by the leaders of the G-20 in September 2013. Such endorsements confirm that the multilateral trading system remains the best insurance policy against protectionist tendencies, and the monitoring reports will continue to offer a practical and transparent tool in support of this policy.

Trade, debt and finance

Senior WTO officials continued to work with multilateral development banks to facilitate the provision of trade finance, particularly for developing countries. A decision by the Basel Committee to modify leverage rules in order to support trade was hailed by Director-General Roberto Azevêdo as “good news for developing countries”. The WTO Working Group on Trade, Debt and Finance continued its examination of the relationship between exchange rates and trade.

WTO Director-General Roberto Azevêdo and his predecessor Pascal Lamy continued to work in 2013 with multilateral development banks – the European Bank for Reconstruction and Development, the Asian Development Bank, the International Finance Corporation, the Inter-American Development Bank, the Islamic Development Bank and the African Development Bank. The work aims at boosting the global network of trade finance facilitation programmes that help to reduce the risk of financing trade in developing countries. Lack of trade finance impairs the ability of countries to trade. With the support of WTO members, WTO senior management has been a driving force behind a number of initiatives aimed at closing some of the structural gaps in trade finance markets.

The trade facilitation programmes have expanded considerably in recent years. As a result, the international community has been able to support over US\$ 15 billion of trade transactions by small and medium-sized enterprises (SMEs) in poor countries, which would not have received support from private markets. In March, the African Development Bank agreed to start a trade finance programme for African traders, so closing a gap in the global support network. This new four-year programme can support up to US\$ 1 billion in total trade at any time. In 2013, the Bank was able to finance US\$ 600 million in trade transactions for small African traders. The programme comprises, among other things, trade finance lines of credit in support of small importers and exporters and a dedicated soft commodity finance facility supporting parties in the agri-commodities supply chains.

The WTO also continued its dialogue with the Basel Committee on Banking Supervision aimed at achieving fair prudential regulation for the trade finance industry. In January 2014, the Committee agreed to modify regulations on bank leverage in a way that supports trade. This decision was hailed by Director-General Azevêdo as “good news for developing countries, for the expansion of their trade and for the continued growth of South-South trade flows.”

Working Group on Trade, Debt and Finance

The Working Group on Trade, Debt and Finance met twice in 2013 to pursue its efforts to improve understanding of the links between exchange rates and trade – in particular, the economic impact of exchange rates on trade. The WTO Secretariat delivered an update on the recent economic literature on the economic relationship between exchange rates and trade, while Brazil introduced a submission looking at some of the institutional and legal aspects of the impact of exchange rate fluctuations on trade.

After discussing Brazil's submission, WTO members concluded there was interest in continuing the analytical discussion on the relationship between exchange rates and trade in 2014. However, before there could be any consideration of work on rule making, the issue needed to be better understood. The International Monetary Fund (IMF) gave updates on progress in exchange rate and external sector surveillance. Members agreed that there was a need to build a stronger relationship between the IMF and the WTO on the topic.



Background on trade, debt and finance

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

Expert Group on Trade Finance

The Expert Group on Trade Finance continued its meetings in 2013, with a view to filling the remaining gaps in the trade finance markets, especially in the poorest countries. One tool to boost the supply of trade finance in these countries has been the expansion by multilateral development banks of trade finance facilitation programmes in the regions where they operate (see above).

Some 80-90 per cent of world trade relies on trade finance (trade credit and insurance/guarantees) and during the worst of the financial and economic crisis in 2008-09 many companies, especially smaller enterprises in both developed and developing countries, found it impossible or prohibitively expensive to obtain the credit they needed to trade.

WTO management had advocated the creation of a trade finance facilitation programme by the African Development Bank, with the support of the Bank's President, Donald Kaberuka. The new programme was adopted at the beginning of 2013 by the Bank's Board of Directors, and financing operation began promptly. The programme of the African Development Bank extends the global network of trade finance facilitation programmes already established by all major multilateral development institutions.

WTO senior management continued its on-going dialogue with prudential regulators in 2013, with a view to clarifying potential regulatory obstacles to the supply of trade finance in developing countries. As a result, the Basel Committee made a number of positive adjustments to guidelines affecting trade finance in the area of capital and liquidity requirements. The main decisions were made by the Committee at the beginning of 2013 (low liquidity coverage ratio for similar products) and at the beginning of 2014 (lowering of the leverage ratio for letters of credit and similar instruments primarily used in developing countries' trade). These measures potentially free billions of dollars of bank resources to finance more trade finance for no additional risk.

Established in the wake of the Asian financial crisis in the late 1990s, the Expert Group brings together representatives of the main players in trade finance, including the International Finance Corporation, regional development banks, export credit agencies and big commercial banks, as well as the International Chamber of Commerce and other international organizations.



Government Procurement Agreement

Croatia joined the Government Procurement Agreement (GPA) on becoming a member of the European Union in 2013. Important developments occurred with respect to the GPA accessions of several other WTO members, including China, Montenegro and New Zealand. Two more countries were granted observer status. The Committee on Government Procurement, which administers the GPA, worked towards the entry into force in April 2014 of the revised Agreement adopted by the parties in 2012 (see page 39). A record level of technical assistance was undertaken.

Accessions to the Agreement, new observers

On 1 July 2013, Croatia became the 43rd WTO member to be covered by the Agreement on joining the European Union (see Figure 12). Towards the end of the year, China submitted a fourth revised GPA accession offer, containing proposed additions to coverage at the sub-central government level and some other improvements. It subsequently announced that it would accelerate its negotiation on GPA accession in 2014 and would submit a revised offer that would be "commensurate with the coverage of GPA Parties".

Substantive discussions were held during the year regarding New Zealand, which applied for accession in September 2012. All parties expressed appreciation for the improvements contained in a revised offer submitted by New Zealand together with related explanations. A new application for accession was received from Montenegro, which pressed for expedited consideration of its application so that it could meet a commitment to join given at the time of its WTO accession in 2012. Moldova and Ukraine indicated renewed commitment to joining the GPA. The former Yugoslav Republic of Macedonia and Russia were granted observer status.



Monitoring of implementation and legislation

The Committee held regular roundtable sessions to monitor progress towards the acceptance and bringing into force of the revised GPA, which was formally adopted in March 2012 and came into force on 6 April 2014 (see page 39). The Committee also considered modifications to parties' schedules of commitments, statistical reports, threshold levels expressed in national currencies and changes in parties' legislation implementing the GPA.

Technical assistance and international cooperation

The WTO Secretariat carries out an intensive programme of technical assistance relating to the GPA, including both regional workshops and tailored national seminars provided on request to WTO members wishing to learn more about the Agreement. A record number of such events took place during the year. These included four major regional workshops organized for the English- and French-speaking African countries, for the Asia-Pacific region, and for central and eastern Europe, Central Asia and the Caucasus countries. National seminars were presented for five WTO members in 2013 – namely, China, Israel, Malaysia, Montenegro and Thailand.



Background on the Government Procurement Agreement (GPA)

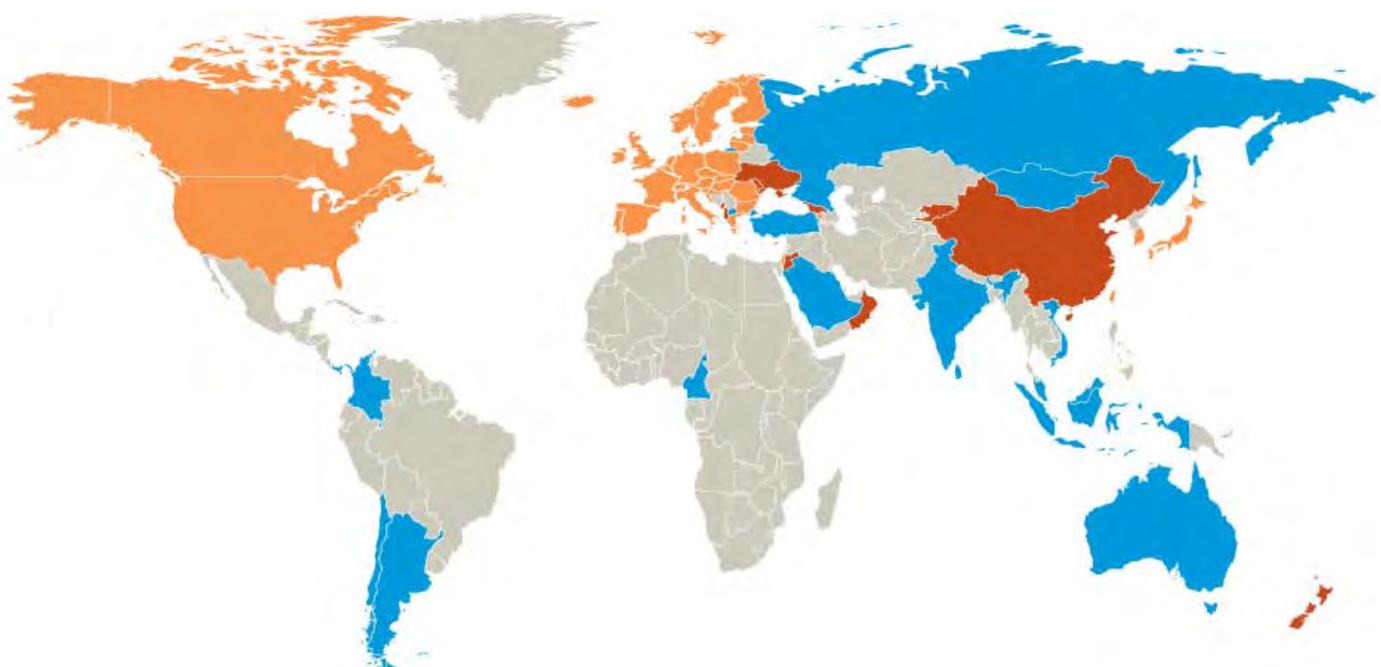
The WTO Agreement on Government Procurement (GPA) ensures that signatories do not discriminate against the products, services or suppliers of other parties to the Agreement with respect to the government procurement opportunities that are opened to foreign competition. The Agreement also requires transparent and competitive purchasing practices in the markets covered. The GPA is a plurilateral agreement, which means that it applies only to those WTO members that have agreed to be bound by it. The Committee on Government Procurement administers the GPA.



The WTO Secretariat collaborated with other international organizations, notably the European Bank for Reconstruction and Development, the European Free Trade Association Secretariat and the United Nations Commission on International Trade Law (UNCITRAL), in the delivery of other technical assistance activities. These included events organized for the

benefit of Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Russia, Tajikistan and Ukraine. The Committee on Government Procurement, which is briefed regularly on relevant developments, has expressed its strong support for the Secretariat's technical assistance programme and its liaison/cooperation with other relevant organizations.

Figure 12: Members and observers of the Government Procurement Agreement



1.6

Total market access commitments under the GPA: US\$ 1.6 trillion (as of 2008)

Parties to the GPA (15 parties, comprising 43 WTO members).

WTO members negotiating GPA accession (Albania, China, Georgia, Jordan, Kyrgyz Republic, Republic of Moldova, Montenegro, New Zealand, Oman, and Ukraine).

Other observer countries (Argentina, Australia, Kingdom of Bahrain, Cameroon, Chile, Colombia, India, Indonesia, Malaysia, Mongolia, Panama, Russia, Kingdom of Saudi Arabia, Sri Lanka, the Former Yugoslav Republic of Macedonia, Turkey and Viet Nam)

Dispute settlement

- WTO dispute settlement had a demanding year in 2013, with adjudicating bodies examining 28 disputes on issues from green energy production to the banning of seal products.

- In 2013, the WTO received 20 “requests for consultations” – the first stage in the dispute settlement process – the third-highest number of requests filed in the last ten years.

- The Dispute Settlement Body established 12 new panels in 2013 to adjudicate 14 cases.

- Four panel reports and two Appellate Body reports were adopted by the Dispute Settlement Body in 2013.



<u>Dispute settlement activity in 2013</u>	<u>82</u>
<u>Appellate Body</u>	<u>93</u>



Background on dispute settlement

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

Dispute settlement activity in 2013

It was a demanding year for WTO dispute settlement in 2013, with adjudicating bodies examining 28 disputes on issues from green energy production to the banning of seal products. The Dispute Settlement Body (DSB), which met 13 times, received 20 requests for consultations, the first stage in the dispute settlement process. Developing countries launched nine of the requests, with Latin America particularly active. The rising workload poses challenges for the WTO Secretariat. On a positive note, the WTO's Digital Dispute Settlement Registry moved into its testing phase.

As well as participation by frequent dispute settlement participants such as the European Union, China, the United States and Japan, newer members such as Russia have been active in initiating dispute settlement proceedings. Members with less experience in dispute settlement such as Cuba, Namibia, Zambia and Zimbabwe participated in dispute settlement in 2013 (see Table 3), either initiating disputes in the case of Cuba or taking part in them as third parties in the case of the others.

An overview of dispute settlement activity

During 2013, the DSB received 20 "requests for consultations", which is the first stage in the WTO's dispute settlement process. Although less than the record 27 in 2012, it is still the third-highest number of requests filed in the last ten years. In addition to these new matters, 28 active disputes were already proceeding through adjudication, whether before the Appellate Body, panels or in arbitration. The DSB established 12 new panels in 2013 to adjudicate 14 new matters. Where more than one complaint deals with the same matter, they may be adjudicated by a single panel.

The DSB referred two requests for compliance panels back to the panels that had originally adjudicated the disputes. This is the usual approach in compliance proceedings. A compliance panel is established when there is disagreement between the original parties as to whether the losing party has brought its measure into line with WTO rules following an adjudication process. These cases were the Canadian and Mexican complaints against US labelling requirements for meat products and China's complaint against EU anti-dumping measures on steel fasteners (see page 91).

The DSB adopted four panel reports and two Appellate Body reports. Panels issued reports in disputes concerning Chinese anti-dumping duties on EU x-ray scanners, Chinese anti-dumping and countervailing measures on US broiler products, and Canada's measures related to Ontario's renewable energy sector in disputes brought by the European Union and Japan (see Table 1). The Appellate Body reports concerned the same disputes over Ontario's renewable energy measures. A compliance panel report was circulated in a dispute brought by Mexico over US anti-dumping measures on stainless steel but it was not adopted by the DSB because the parties reached an agreement on how to resolve their dispute.

The DSB authorized Antigua and Barbuda to impose trade retaliation measures against the United States for not fully complying with the DSB's recommendations and rulings in a dispute over online gambling. It referred to arbitration a request by Indonesia to take trade retaliation measures against the United States in a dispute over flavoured cigarettes. Finally, an arbitration award was circulated establishing the reasonable period of time for China to implement DSB rulings and recommendations in a dispute over countervailing and anti-dumping duties on certain electrical steel imports from the United States.

Information about the disputes, including the reports adopted by the DSB, can be found in Table 1.



Background on dispute settlement activity

The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes between WTO members. Such disputes may arise with respect to any agreement contained in the Final Act of the Uruguay Round that is subject to the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). The DSB has authority to establish dispute settlement panels, refer matters to arbitration, adopt panel, Appellate Body and arbitration reports, maintain surveillance over the implementation of recommendations and rulings contained in such reports, and authorize suspension of concessions in the event of non-compliance with those recommendations and rulings.

Table 1: Panel and Appellate Body reports circulated in 2013*

Dispute	Document symbol	Complainant(s)	Respondent	Third parties	WTO agreements covered	Date of adoption by DSB
China – X-Ray Equipment	WT/DS425/R	European Union	China	Chile, India, Japan, Norway, Thailand, United States	Anti-Dumping Agreement	24 April 2013
Canada – Renewable Energy	WT/DS412/AB/R WT/DS412/R	Japan	Canada	Australia, Brazil, China, El Salvador, European Union, Honduras, India, Saudi Arabia, Korea, Mexico, Norway, Chinese Taipei, United States	Agreement on Subsidies and Countervailing Measures (SCM) Agreement on Trade Related Aspects of Investment Measures (TRIMs) GATT 1994 DSU	24 May 2013
Canada – Feed In Tariff Program	WT/DS426/AB/R WT/DS426/R	European Union	Canada	United States, Japan, Australia, China, Chinese Taipei, India, Saudi Arabia, Brazil, Korea, Mexico, Norway, Turkey, El Salvador	SCM Agreement TRIMs GATT 1994 DSU	24 May 2013
China – Broiler Products	WT/DS427/R	United States	China	Chile, European Union, Japan, Mexico, Norway, Saudi Arabia, Thailand	SCM Agreement Anti-Dumping Agreement	25 September 2013
EC – Seal Products	WT/DS400/R	Canada	European Union	Argentina, China, Colombia, Ecuador, Iceland, Japan, Mexico, Norway, Russia, United States	GATT 1994 TBT Agreement	[Panel report under appeal]
EC – Seal Products	WT/DS401/R	Norway	European Union	Argentina, Canada, China, Colombia, Ecuador, Iceland, Japan, Mexico, Namibia, Russia, United States	GATT 1994 TBT Agreement Agreement on Agriculture	[Panel report under appeal]
US – Stainless Steel (Mexico) (Article 21.5 – Mexico)	WT/DS344/RW	Mexico	United States	Brazil, China, the European Union, Japan, Korea	Final report not circulated to WTO members (mutually agreed solution)	Unadopted (mutually agreed solution)

*Appellate Body reports are rows shaded in blue. Further information on these reports is provided in Table 4 on page 93.

Which WTO members were active in 2013?

Developing countries launched nine of the 20 new requests for consultations filed in 2013 (see Figure 1). Latin American members initiated five, with Argentina the most active from the region with two complaints. Cuba initiated its first-ever dispute, a complaint against Australia's measures on plain packaging for tobacco products. This brings to five the number of complaints brought by WTO members against Australia's plain packaging requirements. A number of Asian members were active, including Indonesia and Japan, each submitting two requests for consultations. Russia, which acceded to the WTO in 2012, was active as a complainant, a respondent and as a third party.

Table 2 shows requests for consultations made during 2013 and the status of those requests. It highlights the strong participation of developing countries in the system.

Table 2 shows the variety of WTO agreements raised in disputes initiated in 2013. All disputes initiated included challenges under the General Agreement on Tariffs and Trade (GATT) 1994. Since 1995, 375 of the 474 requests for consultations have included a claim under this agreement. Disputes under the Subsidies and Countervailing Measures (SCM) Agreement and the Anti-Dumping (ADP) Agreement have also arisen more frequently since 1995 than disputes under other agreements. Figure 3 shows the number of times an agreement has been referred to in requests for consultations since 1995.

Subject matter of the disputes

Table 2 shows that WTO members are litigating in many different trade areas (see Figure 3). Current disputes include complaints concerning: measures imposed by Colombia on the importation of textiles, clothing and footwear; a recycling fee imposed by Russia on motor vehicles; and anti-dumping duties imposed by China on high performance seamless stainless steel tubes from Japan and the European Union.

A sharp increase in panels during 2013

Dispute settlement was very active in 2013, due in no small part to last year's record requests for consultations (see Figures 1, 2 and 4). Fifteen panels were active, covering 20 different complaints, of which the Legal Affairs Division assisted with seven (relating to 11 disputes). The other eight panels (relating to nine disputes) were in the area of trade remedies and were assisted by the Rules Division.

Figure 1: Requests for consultations in 2013, by complainant

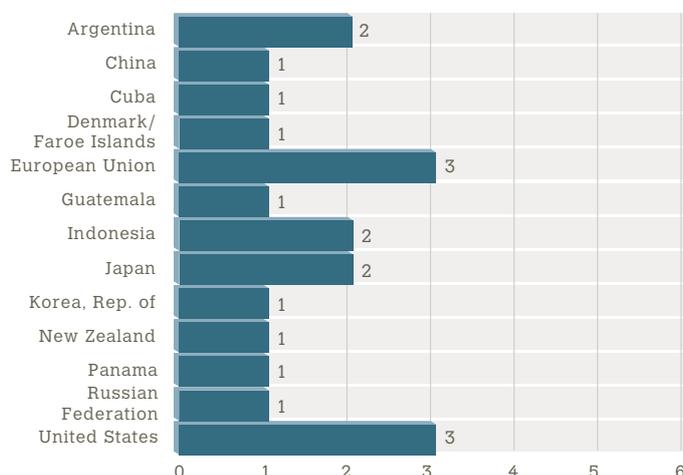


Figure 2: Requests for consultations in 2013, by respondent

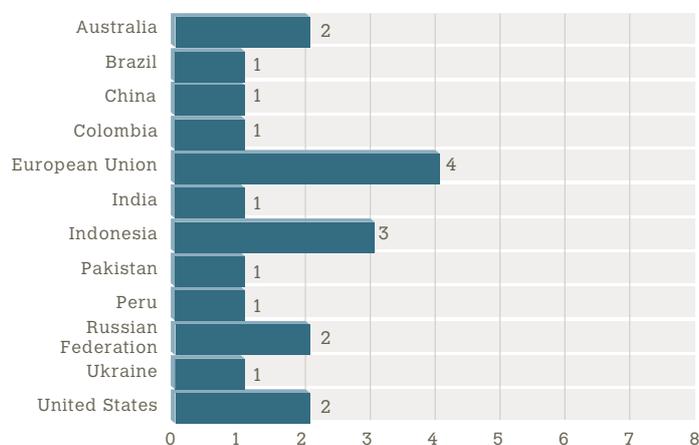


Table 2: Requests for consultations in 2013

Title	Dispute number	Complainant	Date of initial request	WTO agreements cited	Status as of 31 December 2013
Indonesia – Importation of Horticultural Products, Animals and Animal Products	WT/DS455	United States	10 January 2013	General Agreement on Tariffs and Trade (GATT) Agreement on Agriculture Agreement on Import Licensing Procedures	Panel established/ panel composition pending
India – Certain Measures Relating to Solar Cells and Solar Modules	WT/DS456	United States	6 February 2013	GATT Agreement on Trade Related Aspects of Investment Measures (TRIMs) Agreement on Subsidies and Countervailing Measures (SCM)	In consultations
Peru – Additional Duty on Imports of Certain Agricultural Products	WT/DS457	Guatemala	12 April 2013	GATT Agriculture Agreement on Implementation of Article VII (Customs Valuation)	Panel work has commenced
Australia – Certain Measures concerning Trademarks, Geographical Indications and other Plain Packaging Requirements applicable to Tobacco Products and Packaging	WT/DS458	Cuba	3 May 2013	GATT Agreement on Technical Barriers to Trade (TBT) Agreement on Trade Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS)	In consultations
EU and certain member States – Certain Measures on the Importation and Marketing of Biodiesel and Measures Supporting the Biodiesel Industry	WT/DS459	Argentina	15 May 2013	GATT TBT Agreement Establishing the World Trade Organization (WTO Agreement) TRIMs SCM	In consultations

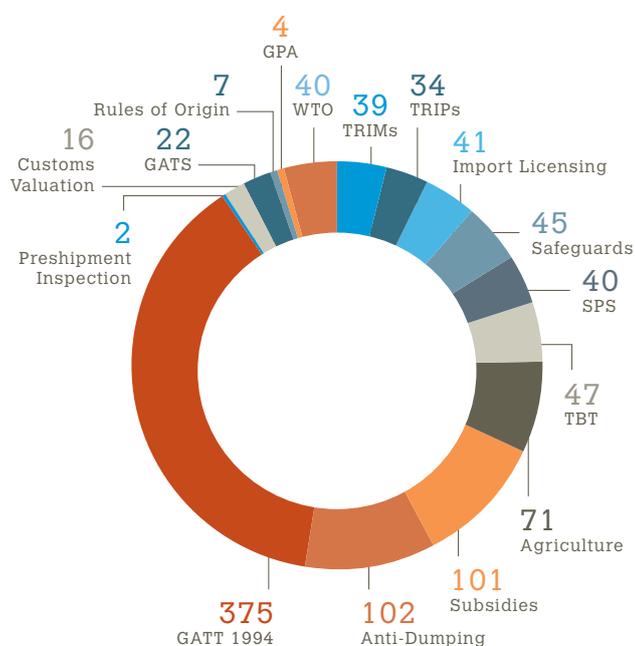
Table 2: Requests for consultations in 2013 (continued)

Title	Dispute number	Complainant	Date of initial request	WTO agreements cited	Status as of 31 December 2013
China – Measures Imposing Anti-Dumping Duties on High-Performance Stainless Steel Seamless Tubes (“HP-SSST”) from the European Union	WT/DS460	European Union	13 June 2013	GATT Anti-dumping Agreement (ADP)	Panel work has commenced
Colombia – Measures Relating to the Importation of Textiles, Apparel and Footwear	WT/DS461	Panama	18 June 2013	GATT	Panel established/ panel composition pending
Russia – Recycling Fee on Motor Vehicles	WT/DS462	European Union	9 July 2013	GATT TRIMs	Panel established/ panel composition pending
Russia – Recycling Fee on Motor Vehicles	WT/DS463	Japan	24 July 2013	GATT TRIMs TBT	In consultations
US – Anti-Dumping and Countervailing Measures on Large Residential Washers from Korea	WT/DS464	Republic of Korea	29 August 2013	GATT ADP SCM	Panel request pending before the DSB
Indonesia – Importation of Horticultural Products, Animals and Animal Products	WT/DS465	United States	30 August 2013	GATT Agriculture Import Licensing Agreement on Preshipment Inspection (PSI)	In consultations
Indonesia – Importation of Horticultural Products, Animals and Animal Products	WT/DS466	New Zealand	30 August 2013	GATT Agriculture Import Licensing	In consultations

Table 2: Requests for consultations in 2013 (continued)

Title	Dispute number	Complainant	Date of initial request	WTO agreements cited	Status as of 31 December 2013
Australia – Certain Measures concerning Trademarks, Geographical Indications and other Plain Packaging Requirements applicable to Tobacco Products and Packaging	WT/DS467	Indonesia	20 September 2013	GATT TBT TRIPS	In consultations
Ukraine – Definitive Safeguard Measures on Certain Passenger Cars	WT/DS468	Japan	30 October 2013	GATT Agreement on Safeguards	In consultations
EU – Measures on Atlanto-Scandian Herring	WT/DS469	Denmark in respect of Faroe Islands	4 November 2013	GATT	In consultations
Pakistan – Anti-Dumping and Countervailing Investigations on Certain Paper Products from Indonesia	WT/DS470	Indonesia	27 November 2013	GATT ADP SCM	In consultations
US – Certain Methodologies and their Application to Anti-Dumping Proceedings involving China	WT/DS471	China	3 December 2013	GATT ADP	In consultations
Brazil – Certain Measures Concerning Taxation and Charges	WT/DS472	European Union	19 December 2013	GATT SCM TRIMs	In consultations
EU – Anti-Dumping Measures on Biodiesel from Argentina	WT/DS473	Argentina	19 December 2013	GATT ADP WTO Agreement	In consultations
EU – Cost Adjustment Methodologies and Certain Anti-Dumping Measures on Imports from Russia	WT/DS474	Russia	23 December 2013	GATT ADP SCM WTO Agreement	In consultations

Figure 3: WTO agreements referred to in requests for consultations, 1995-2013 (number of times)



Divided thematically, rather than by WTO agreement, the disputes reveal some interesting trends and show the type of expertise that is required by panels and the WTO Secretariat working on them. The greatest number of disputes, eight in total, concerned either local content requirements in subsidies and investment measures (“EC and certain member states – Large Civil Aircraft (Article 21.5 – US)”; “US – Large Civil Aircraft (2nd complaint) (Article 21.5 – EC)”; “US – Carbon Steel (India)”; and “US – Shrimp II (Viet Nam)”) or trade remedies, such as anti-dumping and countervailing duties (“US – Countervailing Measures (China)”; “China – Autos (US)”; “US – Countervailing and Anti-Dumping Measures (China)”; and “China – High Performance Stainless Steel Tubes”).

Two disputes – “Peru – Agricultural Products” and “Colombia – Textiles” – concerned tariffs and customs matters. Likewise, “China – Rare Earths” concerned tariffs and customs matters but within the specific context of China’s Accession Protocol. “India – Agricultural Products” and “US – Animals” dealt with sanitary and phytosanitary measures. Two disputes, “US – COOL (Article 21.5)” and “EC – Seal Products” concerned technical barriers to trade. Licensing was an issue in only one dispute, namely “Argentina – Import Measures”. Only one dispute, “Argentina – Goods and Services”, concerned trade in services. This information is summarized in Figure 5.

Staffing implications

The increase in active panels has important staffing implications for the WTO Secretariat, which provides lawyers and other staff to assist panellists and Appellate Body members with their work. Most panellists have full-time jobs and are therefore available to work on panels on a part-time basis only. The Secretariat’s dispute settlement lawyers provide legal advice and assistance to panellists and Appellate Body members in the form of research on previous cases, background papers on factual and legal matters relating to the disputes, and legal opinions on matters raised in disputes. Two ongoing and complex disputes concerning subsidies provided to large civil aircraft (Airbus and Boeing), which are currently being considered by compliance panels, continue to require assistance from large teams of Secretariat lawyers (12 in total), not to mention the non-legal staff that contribute to this effort.

Two sanitary and phytosanitary (food safety and animal and plant health) disputes were begun in 2013. These disputes can be particularly complex, usually requiring the panels to seek the advice of outside experts to advise them on the scientific issues involved, such as the control of bird influenza or foot and mouth disease. Unusually, two disputes that started in 2013 are being conducted entirely in Spanish. The three official languages of the WTO are English, French and Spanish but the vast majority of dispute settlement panels operate in English.

The extra demand required the WTO Secretariat to hire lawyers – both temporary and permanent. The highly demanding and highly specialized nature of the work involved in assisting WTO panels and the Appellate Body means that lawyers who carry out this work must have a solid grounding in WTO law and procedure, and team leaders must have practical experience in WTO dispute settlement. As a result, resolving the human resources problem associated with the spike in dispute settlement activity is not simply a matter of hiring legally trained personnel or of reallocating staff from other parts of the Secretariat. As of December 2013, there were 30 permanent staff lawyers and 17 temporary lawyers in the Appellate Body, Legal Affairs Division and Rules Division working on disputes.

The pressure imposed by the upsurge in active dispute settlement activity extends to other Secretariat staff supporting the lawyers in their work. These include economists, translators, who translate the voluminous panel and Appellate Body reports (usually into French and Spanish because the working language of virtually all panels has been English), interpreters and secretarial staff. It also affects the Dispute Settlement Registry, which receives and files the submissions and maintains the official record for every dispute at the panel stage, and the WTO’s print unit, which prints the panel and Appellate Body reports for each WTO member.

Figure 4: Number of disputes filed per year

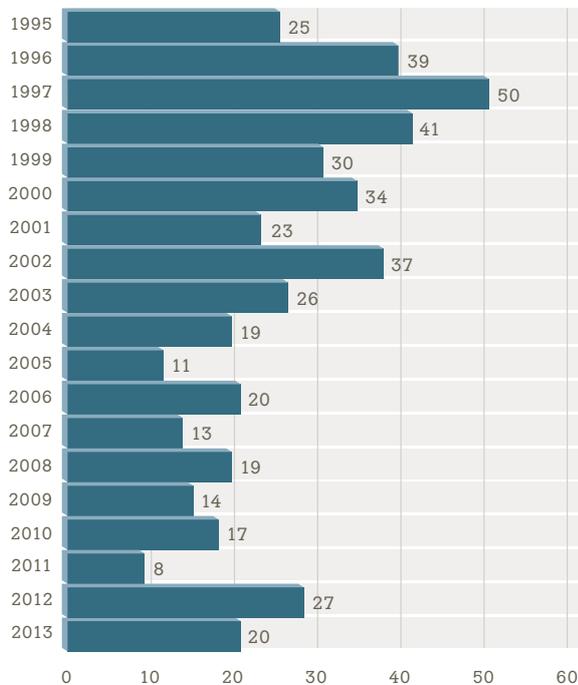
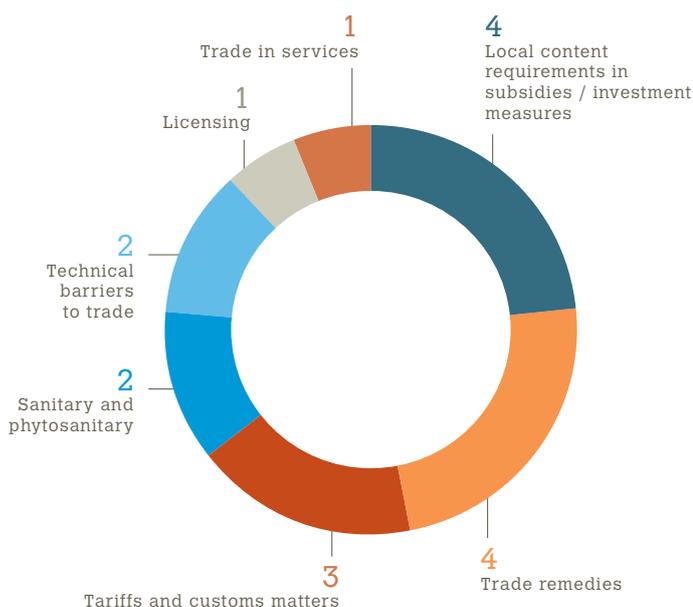


Figure 5: Themes in WTO disputes in 2013



The recent hiring of staff has provided some short-term relief. However, challenges remain, including how to retain staff, especially senior staff, who mentor, train and supervise junior staff. This is especially important if the WTO is to continue to provide high-quality legal services to the adjudicating bodies. The WTO dispute settlement system is lauded as one of the most active and fastest adjudicative systems in the world. It is preferred to the many dispute settlement mechanisms contained in the hundreds of regional trade agreements the world over. It is important to invest in its future.

Reports adopted by the DSB

Trade remedies allow governments to take remedial action when a domestic industry is being injured by imports, provided certain conditions are established through an investigation by national authorities. The rising trend in such disputes continued in 2013. Two of the four panel reports and the Appellate Body reports adopted in 2013 concerned subsidies and trade-related investment measures (TRIMS). The other two panel reports concerned trade remedy disputes involving anti-dumping and countervailing (anti-subsidy) measures.

A close-up look at two Appellate Body reports

In 2013, the Appellate Body issued two reports in disputes brought by the European Union and Japan against Canada concerning subsidies and domestic content requirements in the renewable energy sector (see Table 1). The challenged measures included the Feed-in Tariff (FIT) Program of the Province of Ontario. Under the challenged measures, electricity generators that use qualifying renewable technologies, such as wind and solar photovoltaic (PV), receive a guaranteed price for their electricity during the contract term of 20 years, provided that they meet certain conditions. These conditions include using a minimum percentage of equipment and services produced in Ontario in the development and construction of the renewable energy projects.

One key issue on appeal concerned the applicability of a derogation from the national treatment obligation of Article III of the GATT 1994. The derogation under Article III:8 of the GATT 1994 allows WTO members to adopt measures favouring domestic products in certain government procurement transactions. Both the panel and the Appellate Body found that the challenged measures did not fall within the scope of this derogation and were therefore inconsistent with national treatment obligations of the GATT 1994 and the TRIMS Agreement.

The basis for the Appellate Body's finding, however, was different from that of the panel. The Appellate Body found that to qualify for this derogation, the foreign product allegedly suffering discrimination must be, among other things, in competition with the product purchased by the government. In

Table 3: WTO members involved in disputes, 1995 to 2013*

Member	Complainant	Respondent	Member	Complainant	Respondent
Antigua and Barbuda	1	0	Malaysia	1	1
Argentina	20	22	Mexico	23	14
Armenia	0	1	Moldova, Republic of	1	1
Australia	7	15	Netherlands	0	3
Bangladesh	1	0	New Zealand	8	0
Belgium	0	3	Nicaragua	1	2
Brazil	26	15	Norway	4	0
Canada	33	17	Pakistan	3	3
Chile	10	13	Panama	7	1
China	12	31	Peru	3	5
Colombia	5	4	Philippines	5	6
Costa Rica	5	0	Poland	3	1
Croatia	0	1	Portugal	0	1
Czech Republic	1	2	Romania	0	2
Denmark	1	1	Russian Federation	1	2
Dominican Republic	1	7	Singapore	1	0
Ecuador	3	3	Slovak Republic	0	3
Egypt	0	4	South Africa	0	4
El Salvador	1	0	Spain	0	3
European Union (formerly EC)	90	77	Sri Lanka	1	0
France	0	4	Sweden	0	1
Germany	0	2	Switzerland	4	0
Greece	0	3	Chinese Taipei	3	0
Guatemala	9	2	Thailand	13	3
Honduras	8	0	Trinidad and Tobago	0	2
Hong Kong, China	1	0	Turkey	2	9
Hungary	5	2	Ukraine	3	2
India	21	22	United Kingdom	0	3
Indonesia	8	7	United States of America	106	121
Ireland	0	3	Uruguay	1	1
Italy	0	1	Venezuela, Bolivarian Republic of	1	2
Japan	19	15	Viet Nam	2	0
Korea, Republic of	16	14			

*This table indicates notifications of "requests for consultations" received by the WTO.

these disputes, the Government of Ontario was buying electricity whereas the product discriminated against was generation equipment. These two products are not in a competitive relationship. Accordingly, the Appellate Body concluded that the discrimination was not covered by the derogation of Article III:8(a) of the GATT 1994. This is the first time that the government procurement derogation in Article III:8(a) of the GATT 1994 has been interpreted by the Appellate Body.

Another key issue on appeal related to the definition of a subsidy. Under Article 1.1 of the Subsidies and Countervailing Measures (SCM) Agreement, a subsidy is defined as a financial contribution by a government or public body that confers a benefit on the recipient. To determine whether a financial contribution in the form of government purchase of goods confers a benefit, Article 1.1(b) requires a comparison between the actual remuneration obtained by the recipient and a benchmark in the relevant market. In these disputes, the panel concluded that the European Union and Japan had failed to establish that the challenged measures conferred a benefit. The Appellate Body reversed this finding.

The Appellate Body declared that the panel erred in using for the benefit comparison the market for electricity generated from all sources of energy. In the Appellate Body's view, had the panel carried out an analysis of demand-side and supply-side factors, it would have found that producers of wind- and solar PV-generated electricity do not compete with other electricity producers because of differences in cost structures and operating costs. This would have led the panel to conclude that the relevant market for the benefit comparison was the market for wind- and solar PV-generated electricity. The Appellate Body could not go on to determine whether the challenged measures conferred a benefit within the meaning of Article 1.1(b) of the SCM Agreement because there were insufficient facts in the panel report or record to complete the analysis. As a result, there was no finding as to whether the measures at issue conferred a benefit and, consequently, whether they were prohibited subsidies.

Information about the reports issued can be found in Table 1.

Reports circulated to WTO members but not yet adopted

The “EC – Seal Products” panel was established to examine EU prohibition on the importation and marketing of seal products. The EU measure includes exceptions to the prohibition for seal products derived from hunts conducted by Inuit or indigenous communities and hunts conducted for marine resource management purposes, provided certain conditions are met. Canada and Norway challenged the EU measure under the Technical Barriers to Trade (TBT) Agreement and the GATT 1994.

The panel report, which was circulated to WTO members in November 2013, concluded that the European Union had established that the prohibition addressed public moral concerns in the European Union about seal welfare. However, the measure was inconsistent with the European Union's WTO obligations

because the European Union had acted in a discriminatory manner with respect to the exceptions. The EU measure was thus found to be inconsistent with the TBT Agreement and the GATT 1994. Aspects of the panel's findings have been appealed to the Appellate Body.

Compliance panel and arbitration work

For the first time since 2009, the DSB referred a number of disputes to either a compliance panel or an arbitrator. One compliance panel (“US – COOL”) is considering complaints by Canada and Mexico that the United States has not fully complied with the findings of the original panel and Appellate Body regarding aspects of its country of origin labelling (COOL) requirements for meat products, which were found to be inconsistent with the United States' WTO obligations under the TBT Agreement.

Two separate compliance panels – “EC and certain member states – Large Civil Aircraft” and “US – Large Civil Aircraft (2nd complaint)” – are considering whether measures taken to comply with rulings and recommendations regarding aircraft subsidies comply with the WTO obligations of the European Union and the United States, respectively. Following a request by China, the DSB referred the parties in “EC – Fasteners (China)” to a compliance panel. The dispute involves EU anti-dumping measures on certain Chinese iron and steel fasteners, such as nuts and bolts.

The arbitrator for the “US – Clove Cigarettes” dispute commenced work in 2013. The panel and Appellate Body reports in “US – Clove Cigarettes”, which were adopted in 2012, concluded that the United States had acted inconsistently with its obligations under the TBT Agreement in connection with its measures regarding the import and sale of flavoured cigarettes. Indonesia asked the DSB for permission to impose retaliation measures against the United States, referred to as “suspension of concessions or obligations”, alleging non-compliance by the United States with the DSB's earlier recommendations and rulings. The United States did not agree that it had failed to comply with the rulings and recommendations in the case; nor did it agree with the level or form of the retaliation proposed by Indonesia. As a result, the matter was referred to arbitration.

In another dispute concerning the suspension of concessions – “US – Gambling” – Antigua and Barbuda requested permission from the DSB to take trade retaliation measures against the United States. This is due to the US failure to comply with rulings and recommendations of the DSB regarding the US ban on online gambling services provided by the Caribbean island state. The level and form of trade retaliation that Antigua and Barbuda is entitled to take against the United States was determined by an arbitrator in 2007. Therefore, the DSB agreed to Antigua and Barbuda's request.

Digital Dispute Settlement Registry

As part of its efforts to continually improve the service it offers, the WTO Secretariat is working with WTO members to develop a Digital Dispute Settlement Registry, which will allow members to submit dispute settlement documents online through a secure and convenient facility from anywhere in the world. The system will store all panel and Appellate Body records dating back to 1995 and will permit members and the public to search for publicly available information from past disputes, including material that has only been available in printed form up to now. The project is now in the testing phase.

Enhancing panel efficiency

Alejandro Jara, then Deputy Director-General, continued his informal consultations on improving the panel process in ways that would not imply a modification of the Dispute Settlement Understanding. He conducted more than 20 meetings with various delegates, representatives of law firms, academic institutions, intergovernmental organizations and other stakeholders.

The topics included several aspects of panels' management of their adjudication process, such as the selection of, and questions to, panel experts, rulings on preliminary matters, pre-panel meeting agendas and the length of written submissions and oral statements. Discussions also concerned the use of non-governmental third-party panellists, electronic means of communications, and document production and translation matters. In his second report to WTO members in September 2013, which is available on the WTO website, DDG Jara noted that the consultations had been an educational exercise for all those involved. Searching for efficiency and quality gains in the panel process should be a continual process, he said.

Appellate Body

The Appellate Body circulated reports in two disputes during 2013, both involving Canadian measures in the renewable energy sector. Canada had appealed the findings of the panel reports in both cases earlier in the year. One arbitration proceeding concerning the reasonable period of time for implementation of Dispute Settlement Body recommendations and rulings was carried out in 2013. Two members of the Appellate Body, Ricardo Ramírez-Hernández and Peter Van den Bossche, completed their first terms and were reappointed. David Unterhalter completed his second and final term. A new member of the Appellate Body will be appointed in 2014.

A full list of appeals filed and Appellate Body reports circulated in 2013 is provided in Tables 4 and 5. Figure 6 shows the number of appeals filed each year between 1995 and 2013. Further information on circulated reports is provided in Table 1 on page 83.

Details of the Appellate Body's findings are set out on pages 89 and 91. By the end of 2013, the Appellate Body had circulated 119 reports since its establishment in 1995 (see Figure 7).

One Article 21.3(c) arbitration proceeding concerning the reasonable period of time for implementation of Dispute Settlement Body (DSB) recommendations and rulings was carried out in 2013. Further information about the arbitration is provided in Table 6.



Background on the Appellate Body

The Appellate Body consists of seven members appointed by the Dispute Settlement Body. Each member is appointed for a term of four years, with the possibility of being reappointed for one further four-year term. Three members of the Appellate Body hear an appeal of a panel's ruling. Any party to a dispute may appeal the panel report to the Appellate Body. The appeal is limited to issues of law covered in the panel report and legal interpretations developed by the panel.



David Unterhalter's term of office as an Appellate Body member ended on 11 December 2013. He gave his farewell speech on 22 January 2014.

Table 4: Appeals filed in 2013

Panel reports appealed	Date of appeal	Appellant	Document number	Other appellant	Document number
Canada – Certain Measures Affecting the Renewable Energy Generation Sector	5 February 2013	Canada	WT/DS412/10	Japan	WT/DS412/11
Canada – Measures Relating to the Feed-in Tariff Program	5 February 2013	Canada	WT/DS426/9	European Union	WT/DS426/10

Table 5: Appellate Body reports circulated in 2013

Panel reports appealed	Date of appeal	Appellant	Document number	Other appellant(s)	Document number	Circulation date of report
Canada – Certain Measures Affecting the Renewable Energy Generation Sector*	5 February 2013	Canada	WT/DS412/10	Japan	WT/DS412/11	6 May 2013
Canada – Measures Relating to the Feed-in Tariff Program*	5 February 2013	Canada	WT/DS426/9	European Union	WT/DS426/10	6 May 2013

*These two Appellate Body reports were circulated in a single document.

Figure 6: Number of notices of appeal filed, 1995 to 2013

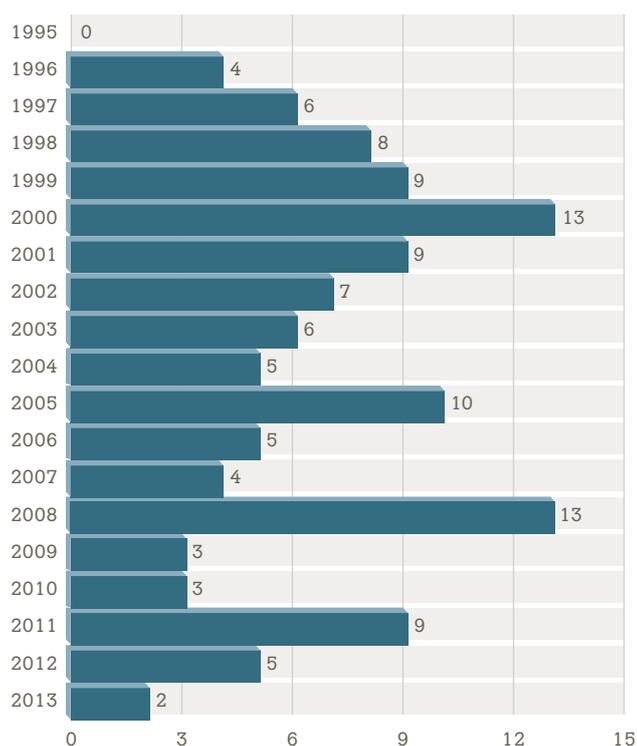


Figure 7: Number of Appellate Body Reports circulated, 1995 to 2013

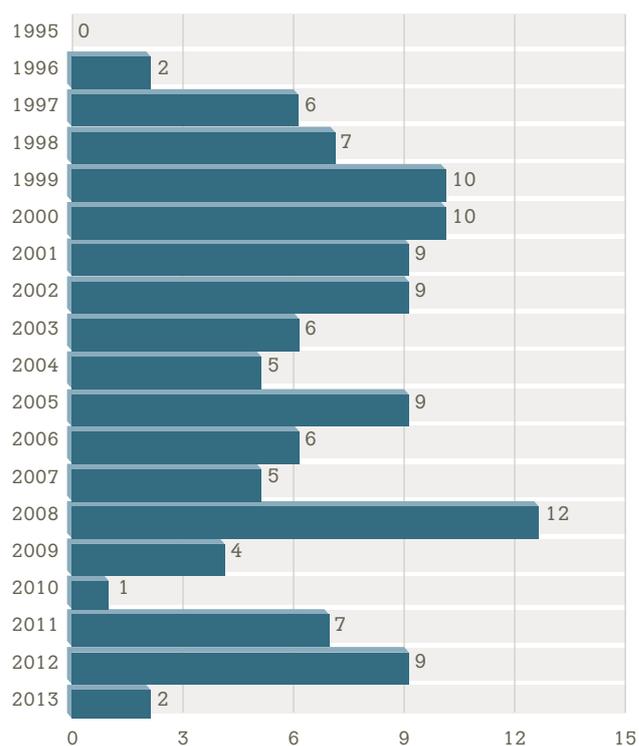


Table 6: Article 21.3(c) arbitration awards circulated in 2013

Dispute	Parties	Document number	Circulation date of arbitration award
China – GOES (Grain Oriented Flat-rolled Electrical Steel)	China United States	WT/DS414/12	3 May 2013

Appellate Body members

The first four-year term of Ricardo Ramírez-Hernández expired at the end of June 2013. The DSB reappointed Mr Ramírez-Hernández for a second four-year term beginning on 1 July 2013.

On 11 December 2013, the first four-year term of Peter Van den Bossche expired. The DSB reappointed Mr Van den Bossche for a second four-year term beginning on 12 December 2013.

At its meeting on 24 May 2013, the DSB adopted a decision to launch a selection process for appointment of a new member to replace David Unterhalter, whose second term as an Appellate Body member ended in December 2013.

In November 2013, the Chair of the DSB informed delegations that, due to the intensive consultation process in preparation for the Ministerial Conference in Bali in December 2013,

the selection committee had not been able to complete its deliberations on a recommendation regarding a new member of the Appellate Body. The selection committee proposed to resume its deliberations in 2014, with a view to making its recommendation as soon as practicable thereafter.

Throughout 2013, the seven Appellate Body members were:

- Ujal Singh Bhatia (India) (2011-15)
- Seung Wha Chang (Republic of Korea) (2012-16)
- Thomas R. Graham (United States) (2011-15)
- Ricardo Ramírez-Hernández (Mexico) (2009-17)
- David Unterhalter (South Africa) (2006-13)
- Peter Van den Bossche (Belgium) (2009-17)
- Yuejiao Zhang (China) (2008-16)

Mr Ramírez-Hernández served as Chair of the Appellate Body from 1 January to 31 December 2013.



Members of the Appellate Body in December 2013, from left to right: David Unterhalter, Ujal Singh Bhatia, Peter Van den Bossche, Yuejiao Zhang, Ricardo Ramírez-Hernández, Thomas R. Graham and Seung Wha Chang.

Building trade capacity

- At the Bali Ministerial Conference, ministers agreed to a Monitoring Mechanism to analyse the implementation of special and differential provisions for developing countries in WTO agreements.

- The “Bali Package” contains a number of ministerial decisions aimed at helping least-developed countries integrate more effectively into the multilateral trading system.

- The Fourth Global Review of Aid for Trade took place at the WTO in July, attracting 1,400 delegates to its 54 sessions on the theme of “connecting to value chains”.

- The WTO undertook 281 technical assistance activities in 2013 to help government officials from developing countries gain a better understanding of the multilateral trading system.



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Background on 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.

Trade and development

The WTO's Committee on Trade and Development continued to focus on the link between trade and development. It considered the implementation of special and differential treatment provisions for developing countries in WTO agreements and decisions, and discussed the participation of developing economies in global trade. It also pressed ahead with implementing the work programme on electronic commerce. Key issues for its Sub-Committee on Least-Developed Countries (LDCs) included capacity-building initiatives, market access for LDCs and technical assistance.

A number of proposals were considered in the context of the mandate from the WTO's Eighth Ministerial Conference in 2011 for the Committee on Trade and Development to undertake focused work on the link between trade and development. China, Cuba, Ecuador, India and the African Group proposed that the WTO Secretariat update its document on the implementation of special and differential (S&D) treatment provisions in the WTO agreements and decisions. The Committee also undertook its periodic review of the participation of developing countries in the multilateral trading system, for which the WTO Secretariat prepared a background paper.

In Bali, ministers at the WTO's Ninth Ministerial Conference finally adopted the monitoring mechanism, which had been under negotiation for many years in the Committee's Special Session, to analyse and review all aspects of the implementation of S&D provisions within WTO agreements (see page 10). Duty-free and quota-free market access for LDCs remained a standing item on the agenda of the Committee at its three formal regular sessions in 2013. In the Committee's dedicated session on regional trade agreements, WTO members considered the trade in goods aspects of the Free Trade Agreement between India and Malaysia.

The Committee received a report on the 47th session of the Joint Advisory Group (JAG) of the International Trade Centre (ITC). The JAG is the policy-making body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development (UNCTAD). The ITC's work focuses on assisting small and medium-sized enterprises in developing countries.

Electronic commerce

The Committee held a public workshop on "E-commerce, development and small and medium-sized enterprises" in keeping with the decision at the Eighth Ministerial Conference to step up work on e-commerce to enhance economic and development opportunities, especially in developing countries and LDCs.

The workshop featured sessions on current research and trends in e-commerce by intergovernmental organizations, academics and non governmental organizations and by representatives of the private sector operating in developing countries. Government officials and representatives of private sector businesses from Asia, Africa and Latin America took part in discussions of the challenges ahead. These challenges include enhancing Internet connectivity, making more use of mobile telephony and passing necessary domestic and regional regulations to boost competition. There is also the need to ensure access to e-commerce by micro, small and medium-sized enterprises, including small producers and suppliers. The main message emerging from the workshop was that the world's "least-connected countries" need assistance to tackle these challenges.

At the Bali Ministerial Conference in December, ministers decided to continue the work programme on e-commerce. Their decision seeks to further invigorate the work while adhering to the WTO's basic principles, including non-discrimination, predictability and transparency. Ministers called on the General Council to hold periodic reviews in its sessions of July and December 2014 and July 2015, based on the reports submitted by the WTO bodies entrusted with the implementation of the work programme. Finally, ministers urged governments to continue exempting electronic transmissions, such as telephone calls or emails, from customs duties, until the WTO's Tenth Ministerial Conference in 2015.



Background on trade and development

The Committee on Trade and Development is the focal point for the coordination of all work on trade and development issues in the WTO. The Committee deals with a variety of issues, including all developmental issues, technical cooperation and training, and notifications under the Enabling Clause, which allows developed countries to give more favourable treatment to developing countries.





The Bali Ministerial Conference approved the accession package of Yemen, a least-developed country, clearing the way for it to join the WTO.

Notifications on market access

In 2013, the Committee received notifications, under the Enabling Clause, concerning the generalized system of preferences (GSP) schemes of the European Union (EU), Norway and Russia. GSP schemes allow developed countries to grant preferential tariffs to imports from developing countries.

The European Union informed the WTO of its revised GSP scheme, which entered into force on 1 January 2014. Norway's notification outlined recent revisions to its GSP scheme, notably the establishment of a new category of beneficiary countries under the "GSP+" sub-scheme. Russia's notification was its first to the Committee since joining the WTO in 2012. In addition to the three GSP notifications, the Committee also received a notification concerning the trade preferences granted by the European Union to Pakistan. These preferences were granted for a limited period of time in order to promote Pakistan's economic recovery following the floods of July and August 2010.

Technical cooperation and training

The WTO's technical assistance and training activities were discussed (see page 110). The Committee took note of the 2012 annual report on technical assistance and training, providing an overview of activities, and the annual report on the monitoring and evaluation of these activities. The WTO Secretariat undertook 343 technical assistance activities in 2012, both in Geneva and in various WTO member countries. The majority of these activities were organized in partnership with other international organizations and regional and sub-regional organizations.

The Committee adopted the biennial technical assistance and training plan for 2014-15 at its October meeting. The plan identifies a range of traditional and current topics as areas of priority in 2014 and 2015, among them sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBTs) and trade in services. The plan aims to achieve a number of specified outcomes relating, among other things, to the implementation of WTO agreements by member countries, the participation of governments in WTO accession negotiations and support for research on WTO-related topics by academic institutions.

Least-developed countries

The Sub-Committee on Least-developed Countries (LDCs) revised its work programme for LDCs in 2013 to take account of important developments since its launch in 2002. It continued its work on market access issues for LDCs. WTO Secretariat studies showed that LDC exports remain narrowly based. The Sub-Committee also examined progress in the provision of technical assistance to LDCs. Ministers took a number of decisions in Bali concerning LDCs, including guidelines on preferential rules of origin.

WTO work programme for LDCs

One of the important steps of the Sub-Committee on LDCs in 2013 was to revise the WTO work programme for LDCs. The revised programme has seven themes, including market access, WTO accession of LDCs and technical assistance and capacity building.

The new programme, adopted in June, reflects important developments relating to LDCs that have taken place since 2002. It reflects the Istanbul Programme of Action, agreed at the Fourth United Nations Conference on the Least-Developed Countries in 2011. The Istanbul Programme called, among other things, for effective trade-related technical assistance and capacity building for LDCs on a priority basis, including by enhancing the share of assistance to LDCs for Aid for Trade (see page 102). It urged that the accession of LDCs to the WTO be encouraged and facilitated.



Background on least-developed countries (LDCs)

The Sub-Committee on LDCs was established in July 1995 as a subsidiary body to the Committee on Trade and Development to address issues of interest to LDCs. Since the Doha Ministerial Conference in 2001, the Sub-Committee has focused on the implementation of the WTO work programme for LDCs, which looks at a number of systemic issues of importance to them, such as market access, technical assistance and accession to the WTO.

Other changes to the work programme include incorporating the reference to 2012 LDC accession guidelines. The revised work programme provides the basis for dealing with LDC issues in the multilateral trading system.

Market access for LDCs

Market access issues for LDCs continued to feature prominently on the agenda of the Sub-Committee. The WTO Secretariat produced studies on global trends in LDC merchandise and services trade as well as LDC market access conditions in both developed and developing country markets for 2012 and 2013. Both studies provided valuable data on the participation of LDCs in world trade.

The 2013 study shows that LDC exports of goods and services totalled US\$ 233 billion in 2012, representing 1.03 per cent of world trade, nearly double the share recorded in 2000 (0.53 per cent). LDC exports continued to be characterized by a narrow export base and a chronic trade deficit. WTO members appreciated the greater attention given in the study to LDC services trade but the LDC Group expressed concern over its insignificant global market share. Members expressed determination to maintain a sustained focus on factors affecting LDC trade and LDC competitiveness in world markets.

Technical assistance and capacity building

The Sub-Committee regularly monitors the progress of WTO trade-related technical assistance provided to LDCs as well as other capacity-building initiatives in which the WTO is involved, such as the Enhanced Integrated Framework (EIF – see page 106). On average, 48 per cent of technical assistance has involved LDCs over the past few years. Assistance has included a number of internship programmes, which provide useful support to LDC missions in dealing with WTO matters.

A report from the EIF Executive Secretariat updated WTO members on the activities of the EIF, which now involves 49 countries. These comprise 46 LDCs and three recently graduated EIF countries (Cabo Verde, Maldives and Samoa). By the end of 2013, the number of approved and implemented Tier 1 projects (institutional capacity-building projects and projects supporting the Diagnostic Trade Integration Studies which help identify priority areas) had increased to 46. A total of eight DTIS updates were approved in 2013. An additional nine Tier 2 projects were approved for implementation in 2013, increasing the number of Tier 2 projects to 21. Tier 2 projects are mainly sector-specific interventions stemming from DTIS activities (see page 106).

WTO members continue to underline the importance of the EIF for trade capacity building in LDCs. The LDC ministers at the WTO's Ministerial Conference in Bali reiterated their call for extending the EIF beyond 2015 and highlighted a number of elements to further strengthen the EIF process.

Bali Package: LDC-related decisions

Duty-free and quota-free market access

The Ninth Ministerial Conference mandates developed-country members that do not yet provide duty-free and quota-free

(DFQF) market access to LDCs for at least 97 per cent of their exports to seek to improve their existing DFQF coverage for such products, as agreed at the Ministerial Conference in Hong Kong in 2005.

The ministerial decision also mandates developing-country members, declaring themselves in a position to do so, to seek to provide DFQF market access for products originating from LDCs, or to improve their existing DFQF coverage for such products. In an effort to enhance transparency, ministers also decided that members must notify DFQF schemes for LDCs and any other relevant changes called for under the Transparency Mechanism for Preferential Trade Arrangements. The latter is a publicly available database of non-reciprocal preference schemes. It also instructs the General Council to report on the implementation of this decision to the next WTO Ministerial Conference.

WTO members have made significant progress towards the goal of providing DFQF market access since the decision at the Hong Kong Ministerial Conference. Nearly all developed-country members provide either full or nearly full DFQF market access and a number of developing-country members also grant a significant degree of DFQF market access to LDC products.

Preferential rules of origin

The Bali ministerial decision on preferential rules of origin for LDCs contains a set of multilateral guidelines – the first of its kind – designed to help LDCs better utilize the preferences accorded to them. Rules of origin that are as transparent, simple and objective as possible will make it easier to identify products as originating in LDCs and thus allow them to qualify for preferential treatment in importing countries. The decision recognizes that each country granting trade preferences to LDCs has its own method of determining rules of origin. It invites members to refer to the ministerial decision when they develop or build on their individual rules of origin arrangements applicable to LDCs.

The decision recognizes ways in which origin can be conferred and provides some illustrations of how it can be made easier to comply with preferential rules of origin. The guidelines also invite members to keep documentary requirements as transparent and simple as possible, as this could help to minimize costs of compliance for LDCs. The decision also enhances the transparency of preferential rules of origin for LDCs. The WTO's relevant body (the Committee on Rules of Origin) will review annually the developments in preferential rules of origin applicable to imports from LDCs, in accordance with these guidelines, and report to the General Council.

LDC services waiver

Ministers instructed the Council for Trade in Services to initiate a process aimed at promoting the expeditious operationalization of the LDC services waiver, adopted at the WTO's Eighth Ministerial Conference in 2011. WTO members will call a high-level meeting six months after the LDCs make their collective request identifying the sectors and modes of supply of export interest to them. At that meeting, developed and developing-



country members, in a position to do so, must indicate sectors and modes of supply where they intend to provide preferential treatment to LDC services and service suppliers. Members were also encouraged at any time to extend preferences to LDCs' services and service suppliers, consistent with the waiver decision.

The ministerial decision also underlines the importance of enhanced technical assistance and capacity building to help LDCs benefit from the waiver, including strengthening the domestic and export services capacity of LDCs. The decision aims to increase the participation of LDCs in world services trade.

Cotton

In Bali, ministers acknowledged the vital importance of cotton to a number of developing-country economies and particularly the LDCs among them. Based on a proposal that the Cotton 4 countries – Benin, Burkina Faso, Chad and Mali – submitted in October 2013, the ministerial decision focuses on both the trade and development aspects of the cotton issue. The decision reiterates WTO members' commitment to "on-going dialogue and engagement" to make progress in the trade-related negotiations on cotton according to the 2005 objectives agreed at the Hong Kong Ministerial Conference.

The decision also commits members to meet twice each year to study the latest information and to discuss recent developments on market access, domestic support and export subsidies for cotton, and tariff measures and non tariff measures applied to cotton exports, particularly from LDCs. These sessions will come under the agriculture negotiations. Ministers also reaffirmed the importance of the development assistance aspect of cotton and in particular highlighted the work of the Director-General's Consultative Framework Mechanism on Cotton in reviewing and tracking cotton-specific assistance as well as infrastructure support programmes or other assistance related to the cotton sector.



Small economies

The Committee on Trade and Development held two formal dedicated sessions on issues raised by small, vulnerable economies (SVEs) in the WTO. The Committee focussed on carrying out ministerial instructions to examine the impact of WTO rules on small economies and the trade-related constraints they face, and to analyse the effects of trade opening and non-tariff measures on small economies.

In 2013, a number of small economies requested the WTO Secretariat to continue the research (begun in 2012) into the effects of various non-tariff measures (NTMs, such as sanitary and phytosanitary regulations) on their main exports. This research resulted in a detailed background report, which was discussed at a workshop held under the Committee's auspices in October.

The workshop focused on work being conducted on NTMs by governments and intergovernmental organizations, such as the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD) and on what developed countries were doing to assist small economies to meet more of the NTM requirements so as to increase their exports.

Bali decision

The WTO's Ninth Ministerial Conference decided to continue the work on small economies in dedicated session under the overall responsibility of the General Council. Activities would be focused on the work programme on small economies and, in particular, the challenges and opportunities experienced by small economies when linking into global value chains in trade in goods and services.



Background on small economies

The Committee on Trade and Development – in dedicated session – oversees work on small economies and monitors the progress of proposals from small, vulnerable economies in the various WTO bodies and Doha Round negotiating groups. Small economies are mainly but not exclusively small island states. They do not constitute a defined group in the WTO.

Aid for Trade

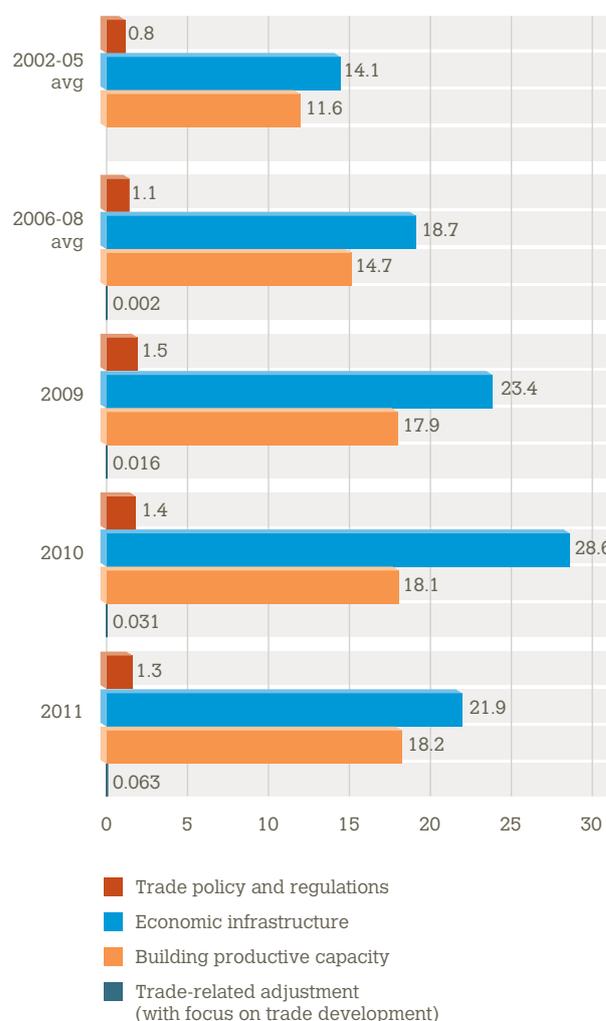
Aid for Trade continues to mobilize international resources. Although commitments slipped 14 per cent to US\$ 41.5 billion in 2011, according to the latest available figures, they are still 57 per cent above the 2002-05 baseline period. This increase continues to be “additional” – that is, new money and not funds switched from other aid commitments. The Fourth Global Review of Aid for Trade in July focused on “connecting to value chains”. In December, the WTO’s Ministerial Conference reiterated the mandate given to the Director-General to pursue actions in support of Aid for Trade.

Aid for Trade has evolved into a partnership in which global and regional partners are acting together with the private sector to overcome national and regional constraints to trade development. Figures 1 and 2 provide a breakdown of regional and category-specific Aid for Trade commitments. While efforts to date have been successful and significant progress has been made, mobilizing Aid for Trade financing is becoming more challenging given the uncertain global economic outlook and fiscal pressures in donor countries. Against this backdrop, the 2012 outlook points to a further modest overall decline in bilateral Aid for Trade commitments, which make up 60 per cent of total commitments.

The Committee on Trade and Development held three formal sessions on Aid for Trade in 2013 at which members discussed progress in the implementation of the 2012-13 work programme, and partners and organizations reported on their Aid for Trade work. The theme of the work programme was “deepening coherence”. It focused on five key areas: resource mobilization, mainstreaming of trade into development plans and programmes, regional trade integration, private sector development, and monitoring and evaluation of Aid for Trade.

A joint WTO and Organisation for Economic Co-operation and Development (OECD) workshop on the 2013 Aid for Trade monitoring and evaluation exercise was held in preparation for the Fourth Global Review in July. Results of the exercise were presented in a series of five sectoral reports covering agrifood, information and communication technologies (ICT), textiles and apparel, tourism, and transport and logistics. These reports were also synthesized into a joint OECD-WTO publication *Aid for Trade at a glance: connecting to value chains*.

Figure 1: Aid for Trade commitments by category US\$ billion (2011 constant)



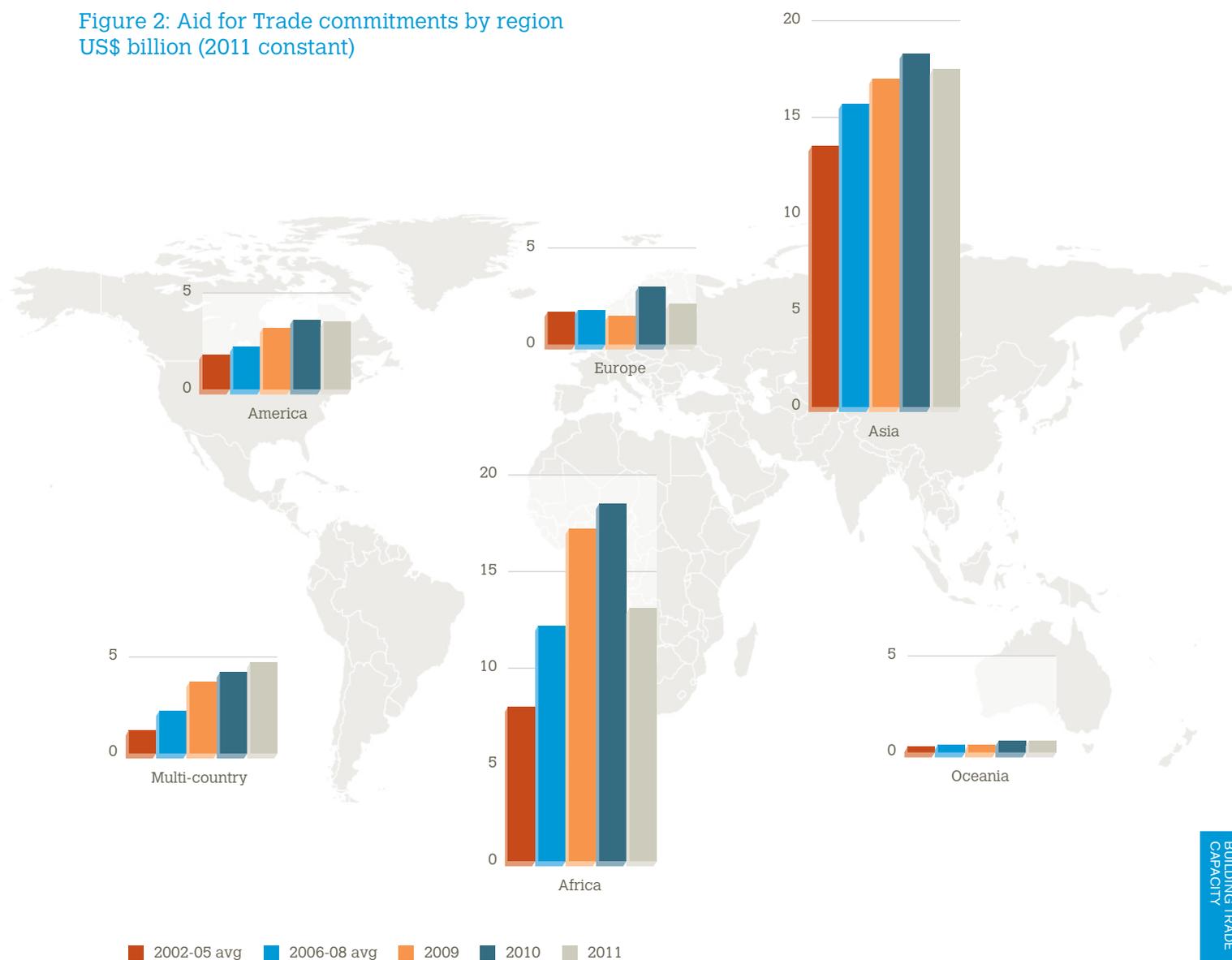
Source: OECD/WTO publication *Aid for Trade at a Glance 2013: Connecting to Value Chains*



Background on Aid for Trade

The Aid for Trade initiative was launched at the WTO’s Sixth Ministerial Conference in Hong Kong in 2005. It aims to help developing countries, and particularly least-developed countries, enjoy the opportunities offered by the multilateral trading system. Aid for Trade assists them in developing the trade-related skills and infrastructure needed to implement and benefit from WTO agreements and to expand their trade.

Figure 2: Aid for Trade commitments by region
US\$ billion (2011 constant)



Source: OECD/WTO publication *Aid for Trade at a Glance 2013: Connecting to Value Chains*

Fourth Global Review

The Fourth Global Review of Aid for Trade focused on the theme “connecting to value chains”. It provided an opportunity to examine Aid for Trade in the context of a global trading system increasingly characterized by national, regional and global supply chains. The global expansion of value chains, where one product may involve many companies in a number of countries, offers new opportunities for many developing countries (see page 104).

Ministerial support

The Global Review concluded with a call to ministers to recommit to the Aid for Trade initiative and to renew the Director-General’s mandate to pursue actions in support of Aid for Trade. Ministers issued a statement to this effect at the WTO’s Ninth Ministerial Conference in Bali in December. The WTO Secretariat, in consultation with WTO members and partner organizations, will develop a new work programme on Aid for Trade that provides a framework for activities covering the period 2014-15. The work programme will also consider Aid for Trade in the broader context of the post-2015 development agenda.

Fourth Global Review of Aid for Trade

The Fourth Global Review of Aid for Trade highlighted the opportunities global value chains can create for least-developed countries. The Review attracted a high-level of attendance, with debates informed by an OECD-WTO report monitoring the experiences of stakeholders.

The Fourth Global Review of Aid for Trade on “connecting to value chains” took place in Geneva on 8-10 July. Over 15 ministers from developing countries, 17 heads of international agencies and regional organizations, representatives of 15 private sector companies and an array of trade diplomats, experts and academics debated how Aid for Trade can help developing countries enter and move up value chains.

The global expansion of value chains, where the various steps involved in producing goods can involve various companies in different countries, offers new opportunities for developing countries. To join an international production chain, it can be enough for a company to be good at one aspect of the production process – often referred to as a “task” in trade

literature. By learning to complete other “tasks”, it can develop and move up the value chain. Value chains are no longer just North-South in character – that is, between developed and developing countries. They now also involve increasingly complex regional and South-South trade interactions and are extending beyond goods into services.

For example, Samoa produces automotive wire harnesses, which are a crucial part of the electronic nervous system of cars and trucks produced in Japan. Senegal is becoming a hub for Indian car assembly. Ford has added production facilities in Brazil, India and Viet Nam to the factory in Detroit that built the model T. Products are made in the world, no longer in country X or Y.





However, many developing countries, and in particular least-developed countries (LDCs), remain on the margins of global trade, attract limited foreign or domestic investment, and are locked into supplying a narrow range of goods or services. They face significant barriers, such as transportation costs and related infrastructure, limited access to trade finance and a challenging regulatory and business environment.

The Global Review, which for the first time was also extended to the private sector, focused on three core issues: the relationship between value chains, trade and the post-2015 development agenda; how Aid for Trade can support developing countries connect to value chains – and associated challenges and development benefits; and the future perspectives for the Aid for Trade initiative.

OECD-WTO report

The Global Review attracted 1,400 delegates to its 54 plenary sessions and side events, which ranged from cases studies of Africa successfully competing in global markets to examples of public-private partnerships in the context of value chains and issues about food security.

Underpinning the debates was an extensive preparatory monitoring exercise carried out by the Organisation for Economic Co-operation and Development (OECD) and the WTO, together with Grow Africa, a public-private partnership, the International Chamber of Commerce, the International Trade Centre, the International Telecommunications Union and the World Tourism Organization.

The OECD/WTO-led report demonstrated that stakeholders remain actively engaged in Aid for Trade. This was illustrated by the 132 self-assessments from 80 developing countries (including 36 least developed), 28 bilateral donors, 15 multilateral donors, and nine providers of South-South cooperation. Moreover, 524 supplier firms in developing countries provided their views on the barriers they face in linking to value chains, while responses from 173 leading firms (mostly, but not exclusively in OECD countries) highlighted the obstacles they encounter in integrating developing country firms in their value chains.

The report showed that the Aid for Trade initiative is delivering tangible results in improving trade performance and bettering people's lives, notably those of women in developing countries. However, more needs to be done to engage with the private sector, improve the business environment, upgrade labour skills, create the conditions for regional projects, target aid to achieve trade and development results and use aid to mobilize productive investment.

Closing the Global Review, then Director-General Pascal Lamy said: "It has not just been three days of numbers and reports and analysis but it has been three days of experiences. By any metric, we achieved the objectives we set ourselves over the past three days. And all with one aim in mind: making trade work for development."



Enhanced Integrated Framework

The Enhanced Integrated Framework (EIF) continued to grow in 2013. High-level participation and interest in the EIF increased, as did the number of active projects in EIF countries. Forty-six countries are receiving assistance, up from 40 at the end of 2011, to build stronger trade institutions and to address trading challenges. The EIF is supported by donor pledges of USD 251 million and contributions of approximately USD 190 million (up from USD 178 million in 2012) as of 31 December 2013.

The EIF, an Aid for Trade “partnership in action” programme for least-developed countries (LDCs), helps the poorest countries integrate into the global trading system. Its role is to strengthen trade institutions and foundations and roll out priority projects which add value to agriculture and trade facilitation and promote exports and capacity-building. The EIF operates within the framework of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, which monitor how donors and recipients are doing against their commitments.

Following the positive results of an independent mid-term review of the EIF in 2012, the current phase of the programme was extended two years to end-2015, with an additional operational period until end-2017. In 2013, the EIF focused on areas identified in the mid-term review. LDC participation in this process is crucial to ensure results that contribute to changing lives within poor LDC communities. In 2014, the EIF will undergo a comprehensive evaluation that will allow the partnership to decide the future and shape of the programme after 2015.



Background on the Enhanced Integrated Framework

The Enhanced Integrated Framework (EIF) for trade-related assistance to least-developed countries (LDCs) is a multi-donor programme that helps LDCs become more active players in the multilateral trading system. The EIF combines the efforts of LDCs with those of 23 donors and six core international partner agencies, including the International Monetary Fund, the International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the World Bank and the WTO. Other development partners, such as the United Nations Industrial Development Organization (UNIDO) and the World Tourism Organization, act as observers.

Rise in projects

The programme provides funding to countries through “Tier 1” and “Tier 2” funds. Prior to receiving Tier 1 funds, recently admitted countries can also access funds for projects which lay the groundwork for EIF implementation. Tier 1 projects, comprising institutional capacity-building support and diagnostic trade integration studies (DTIS), help countries identify and address constraints to trade, economic growth and sustainable development. DTISs provide a basis for action by governments, civil society, the private sector and development partner stakeholders. Tier 2 projects build supply-side capacity to trade and provide finance for activities identified as priorities in the first phase.

In 2013, the total number of approved Tier 1 projects increased to 46, from 29 at the end of 2010. These included 36 projects providing multi-year support for plans to mainstream trade and coordinate priority activities as well as 10 DTIS and pre-DTIS projects. Eight DTIS updates were approved in 2013. An additional nine Tier 2 projects were approved for implementation in 2013, increasing the number of Tier 2 projects to 21, from one at the end of 2011. There are over 24 further Tier 2 projects in the pipeline.

Tier 2 projects approved in 2013 included promoting the gum Arabic sector in Chad, improving logistics infrastructure and services at the Banjul International Airport in The Gambia, commercialization of mango and mango products in Guinea, strengthening infrastructure and access to information in Laos, supporting customs modernization in Maldives, supporting the medicinal and aromatic plants sector in Nepal, promoting export growth and the market diversification of Chyangra Pashmina products in Nepal, improving the competitiveness of the hides and skins value chain in Niger, and enhancing sustainable entrepreneurship in the apiculture sector in Zambia.

Monitoring, evaluation and capacity building

Thirty-six EIF countries implementing Tier 1 projects are applying results-based management through the use of monitoring and evaluation (M&E) frameworks. Building on this, capacity-building programmes to support M&E, results reporting and communications were rolled out in 2013 in Zambia for 11 African EIF countries (The Gambia, Liberia, Lesotho, Malawi, Rwanda, Sierra Leone, South Sudan, Sudan, Tanzania, Uganda and





In Lao PDR, the EIF is implementing projects to develop sustainable silk production supported by the Government of Japan and the Trade Development Facility.

Zambia) and Yemen, with Cambodia participating as part of the global experience-sharing initiative. Communication training was provided for EIF stakeholders in Burkina Faso at the end of 2013.

Partnership growing and new contributions

In April 2013, Myanmar joined the EIF, bringing the total number of EIF countries to 49. Apart from Cabo Verde, Maldives and Samoa, all are LDCs.

Dr Ratnakar Adhikari of Nepal took over as EIF Executive Director in October 2013 from Ms Dorothy Tembo of Zambia, who had completed her five-year term. In December, the EIF Board accepted the World Tourism Organization (UNWTO) as a new observer agency.

At the international level

On the first day of the Fourth Global Review of Aid for Trade, held in Geneva on 8-11 July 2013, the WTO Director-General hosted an EIF heads of agency meeting, at which the heads pledged their recommitment to help the world's poorest communities to get more from global trading networks as the international community moves to a post-2015 development agenda. The EIF co-hosted a roundtable on "Growth and poverty reduction through transformation and global integration" with the Government of Cabo Verde, and co-organized another event with the World Intellectual Property Organization, "Making money out of music: the Cabo Verde experience".

At the fourth annual meeting of the EIF Steering Committee, the revamped EIF website (www.enhancedif.org) was launched. A film, "Trading stories", was screened, and prizes were given to Benin, Cabo Verde, The Gambia and Senegal, the winners of the EIF LDC Photo Competition.

The EIF was mentioned as an important Aid for Trade and technical assistance coordination mechanism for LDCs in three decisions adopted by the WTO's Ninth Ministerial Conference (see page 10), namely cotton, operationalization of the waiver concerning preferential treatment for services and service suppliers of LDCs, and the Trade Facilitation Agreement. At a ministerial breakfast meeting, organized by the EIF on 4 December 2013 on the sidelines of the Conference, ministers of LDCs and donor countries to the EIF underlined the relevance of the EIF for trade and the economic priorities of LDCs, as confirmed by the 2012 mid-term review. Ministers discussed with leaders and representatives of EIF partner agencies, such as the International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD), the WTO and the World Bank, the achievements of the EIF and the challenges it faces post-Bali and within the post-2015 debate on sustainable development.

Ministers from Burundi, Laos and Liberia highlighted the results achieved by their countries by using the EIF platform for resource mobilization, donor coordination, trade and private sector development, and the integration of trade into national development policies to foster public and private sector dialogue. The EIF welcomed Sweden's pledge of USD 3 million to its Trust Fund. This brings Sweden's contributions to over USD 14 million since the 2007 EIF pledging conference in Stockholm. Denmark, the European Union, Finland and the United States also expressed their continued support for the EIF programme.

Standards and Trade Development Facility

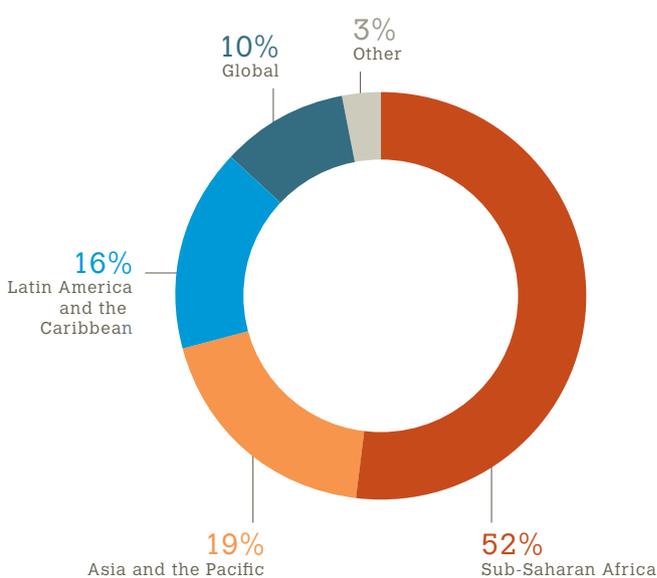
The Standards and Trade Development Facility (STDF) – the Aid for Trade vehicle to help developing countries implement sanitary and phytosanitary (SPS) standards – continued to raise awareness, mobilize resources, strengthen collaboration and identify and disseminate good practice to enhance the effectiveness of SPS-related technical cooperation. It also provided support and funding for the development and implementation of projects that promote compliance with international SPS requirements. An independent review of the STDF reported that “the results are impressive and a testament to the effective operation of the STDF”.

In 2013, the STDF initiated research work in selected countries and sub-regions in Africa, Asia and Latin America to analyse the implementation of SPS measures in the context of trade facilitation (including Annex C of the WTO SPS Agreement). The aim is to identify, analyse and foster dialogue on experiences, lessons and good practices to improve the implementation of SPS controls in a way that facilitates safe trade while minimizing trade transaction costs. The work is carried out in collaboration with the Inter-American Development Bank, TradeMark Southern Africa and the Common Market for East and Southern Africa (COMESA). Preliminary results of this work will be presented on the margins of the WTO SPS Committee meeting in March 2014.

On 24-25 June 2013, the STDF organized a workshop on the use of the Multi Criteria Decision Analysis (MCDA) tool, which helps developing countries prioritize options to strengthen SPS capacity for market access. The objective was to take stock of experiences and lessons learned in the application of the tool and identify recommendations for future work, including revising the existing MCDA user guide and making it more user-friendly through the incorporation of country case studies and examples. Other recommendations include promoting greater use of the MCDA tool as part of national/regional planning and priority-setting processes, and monitoring and evaluating the on-going use of the tool to learn from and disseminate lessons. This work will commence in 2014.

On the margins of the WTO SPS Committee meeting in June 2013, the STDF, in conjunction with the International Plant Protection Convention (IPPC) and the World Organization for Animal Health (OIE), presented the final STDF study on international trade and invasive alien species (IAS). The study reviews and analyses key concepts and principles relevant to IAS and international trade, taking account of the SPS Agreement, the Convention on Biological Diversity and the two relevant standard-setting organizations, the IPPC and the OIE. It also considers various initiatives to enhance capacities for managing the entry and spread of IAS (including plant pests and animal diseases), reviews common challenges and good practices, and makes a number of targeted recommendations.

Figure 3: Location of STDF projects and project preparation grants (number)



Background on the Standards and Trade Development Facility

The STDF is a global partnership that supports developing countries in building their capacity to implement international sanitary and phytosanitary (SPS) standards, guidelines and recommendations as a means to improve human, animal and plant health and the ability to gain and maintain access to markets. This work contributes to sustainable economic growth, poverty reduction, food security and environmental protection in developing countries. Established by the UN Food and Agriculture Organization (FAO), the World Organization for Animal Health (OIE), the World Bank, the World Health Organization and the WTO, the STDF is financed by voluntary contributions. The WTO provides the Secretariat.

Fourth Global Review of Aid for Trade

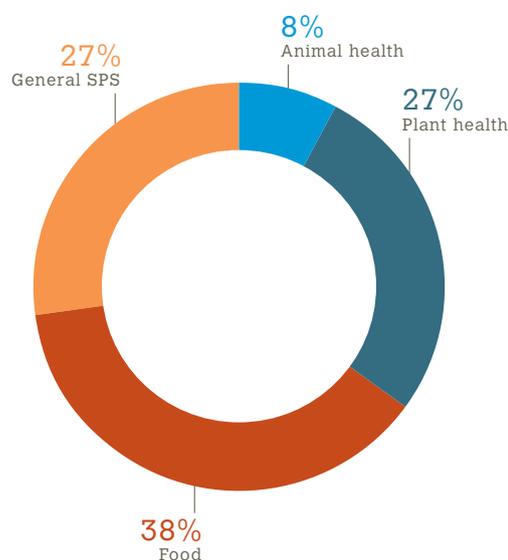
At the Fourth Global Review of Aid for Trade, held at the WTO from 8-10 July 2013 (see page 104), the STDF, in collaboration with Canada and the Netherlands, held a side event on public-private partnerships (PPPs) in value chains. Work undertaken by the North-South Institute (NSI) of Canada and by the STDF on trade- and SPS-related PPPs was presented and fostered a dialogue among public and private sector experts on key lessons learned in this area. Participants stressed the importance of building trust among partners in order to ensure that high levels of SPS requirements do not become hidden trade barriers. Ensuring permanent dialogue among partners and measuring and communicating the results and achievements regularly are also important elements.

The STDF actively participated in a series of conferences, training workshops and other information sessions and meetings at international, regional and national levels, and reported to the WTO SPS Committee on its activities and operations. The STDF continued to collaborate closely with other Aid for Trade initiatives, including the Enhanced Integrated Framework (see page 106).

Project grants

Eight project preparation grants (PPGs) and four projects were approved in 2013, bringing the total number of PPGs and projects funded by the STDF to 60 and 66, respectively. Of the total number of grants, 52 per cent have been awarded to sub-Saharan Africa, 19 per cent to Asia and the Pacific and 16 per cent to Latin America and the Caribbean. In addition, 10 per cent of projects and PPGs can be classified as global (see Figure 3). On a thematic basis, 38 per cent of projects and PPGs were dedicated to food safety issues, 27 per cent to plant health and 8 per cent to animal health while 27 per cent could be classified as SPS general (see Figure 4). Overall, the STDF has devoted over 50 per cent of project resources to least-developed and other low-income countries.

Figure 4: Coverage of STDF projects and project preparation grants (number)



Independent review

During the second half of 2013, the STDF was the subject of an independent review to assess progress in the implementation of its current five-year medium-term strategy (2012-16). The review, which covered the period 2009-13, reported that "the results are impressive and a testament to the effective operation of the STDF". Its role in coordinating assistance projects was also praised as "significant value added" and the performance of the STDF Secretariat was rated as "efficient and cost effective". STDF projects were considered to be "highly relevant to the needs of the beneficiaries and to the policies of partners and donors". The STDF has "successfully established itself as a coordination forum for the exchange of information and dissemination of best practice in relation to SPS standards". Recommendations on how to further strengthen the operation of the Facility, including by adding more staff to strengthen its operation and further enhancing its coordination function, will be discussed by members in early 2014.

Technical cooperation and training

The Institute for Training and Technical Cooperation (ITTC) strengthened the content and quality of WTO technical assistance programmes and reinforced key aspects by providing, for example, stronger results management and implementing a progressive learning strategy. The WTO undertook 281 technical assistance activities in 2013. Although the total was down on 2012, the number of participants rose due to the growing use of e-learning tools, with an increasing focus on least-developed countries (LDCs) and Africa.

The new two-year technical assistance plan for 2014-15, adopted by the Committee on Trade and Development in October 2013, incorporates a results-based management approach, integrating strategy, resources, processes and measurements. The approach was adopted by the WTO Secretariat to improve planning, decision-making, transparency and accountability. Over the next two years, the ITTC will implement, monitor, evaluate and report on the key results enshrined in the plan.

The ITTC has continued putting into practice the progressive learning strategy. A comprehensive package comprising guidelines and benchmarks has been developed to support the standardization of the content, the teaching methodology and evaluation of all the technical assistance activities delivered by the WTO. Clear prerequisites are established for participants, which will assist in the selection of applicants, ensure a coherent group of trainees and a progressive learning path.

The WTO has continued to involve international and regional partners in the delivery of trade-related technical assistance to ensure that a regional or specific perspective is included in the training. Apart from the training courses, the partnership approach has been extended to the Academic Support Programme (see page 133) and outreach activities.

Technical assistance activities

The WTO's training activities covered virtually all trade and WTO-related subjects, from general courses on the WTO and multilateral trade agreements to the more specialized courses on agriculture, non-agriculture market access, sanitary and phytosanitary measures, intellectual property and many other topics. As a lead provider of trade-related capacity building, the WTO worked in partnership with other international and regional organizations to help WTO members actively participate in the rules-based multilateral trading system, deal with the emerging challenges and implement their rights and obligations. In line with the needs-based approach, nearly 40 per cent of activities were delivered at the national level in those member countries where a specific need was identified.

The WTO continued providing subject-specific regional seminars, reinforcing the coordinating role of ITTC regional desks. This approach facilitated the WTO Secretariat's interaction with beneficiaries and regional partners. Twenty-three per cent of technical assistance activities benefited African countries, 15 per cent Asia and 10 per cent each Latin America and Central and Eastern Europe (see Table 1).

Activities under the "global" category are not targeted at a specific region but include, for example, the Geneva-based courses.

There has been a gradual, but marginal, decrease in the overall number of technical training activities conducted by the WTO Secretariat, mainly because of increased use of e-training and better filtering of requests to ensure consistency with assessed needs.

LDCs benefited from approximately 49 per cent of all technical assistance activities, including national activities held in LDCs and regional and global activities in which LDCs were invited to participate. This compares with 41 per cent in 2012. Several products have been specifically created for LDCs, or have LDCs as a priority. Examples are the three-week introduction training for LDCs and the advanced LDCs course.



Background on technical cooperation

The Institute for Training and Technical Cooperation coordinates the WTO's technical assistance programmes. Its activities ("products") 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.

Table 1: Technical assistance activities by region, 2013¹

Region	National technical assistance		Regional		Global ²		Other (Conference, etc.)		Total	
Africa	40	37%	16	30%	0	0%	10	28%	66	23%
Arab and Middle East	5	5%	6	11%	0	0%	3	8%	14	5%
Asia and the Pacific	25	23%	13	24%	0	0%	4	11%	42	15%
Central and Eastern Europe and Central Asia	15	14%	9	17%	0	0%	4	11%	28	10%
Caribbean	3	3%	4	7%	0	0%	0	0%	7	2%
Latin America	19	18%	6	11%	0	0%	4	11%	29	10%
Global	0	0%	0	0%	84	100%	11	31%	95	34%
Total	107	100%	54	100%	84	100%	36	100%	281	100%

¹ Totals may not add up to 100% due to rounding.

² Activities under the "global" category are not targeted at a specific region but include activities such as Geneva-based courses, distance learning, internship programmes and the advisory role on legal issues.

Technical assistance beneficiaries

The number of technical assistance participants has continued to rise over the years to reach more than 13,000 beneficiaries in 2013. This figure is 6.4 per cent up on the previous year (see Figure 5). This was made possible by the growing and more effective use of e-learning resources made available by the WTO online <https://etraining.wto.org> at no cost.

The diversity of e-training courses offered can meet any requirements, with more than 20 certificate courses available on various general or specialist subjects in the three WTO languages (English, French and Spanish). In addition, a new course, "My course", is available to guide participants in identifying gaps in their knowledge and to select the appropriate training material.

Africa provided 37 per cent of the participants on technical assistance courses, followed by Asia and the Pacific with 20 per cent and Latin America with 17 per cent (see Figure 6). The number of beneficiaries from LDCs rose to represent 35 per cent of the total number of participants, showing that the technical assistance plans are delivering on their goal of focusing more strongly on LDCs and Africa.

However, more effort will be needed to encourage higher female participation, with women making up only 45 per cent of course participants in 2013. The breakdown by language of the courses shows a preference for English-taught training, with roughly 60 per cent of participants completing the training in English. French and Spanish-language participants made up 21 and 17 per cent, respectively, in addition to some multi-lingual activities.

In 2013, the number of participants from WTO acceding countries completing training was nearly twice that of 2012. Overall they accounted for some 13 per cent of the total number of participants.

Figure 5: Technical assistance participants per year, 2012-2013

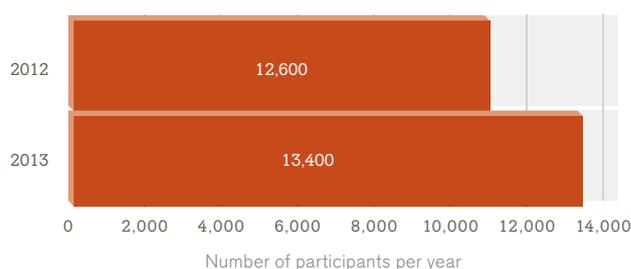
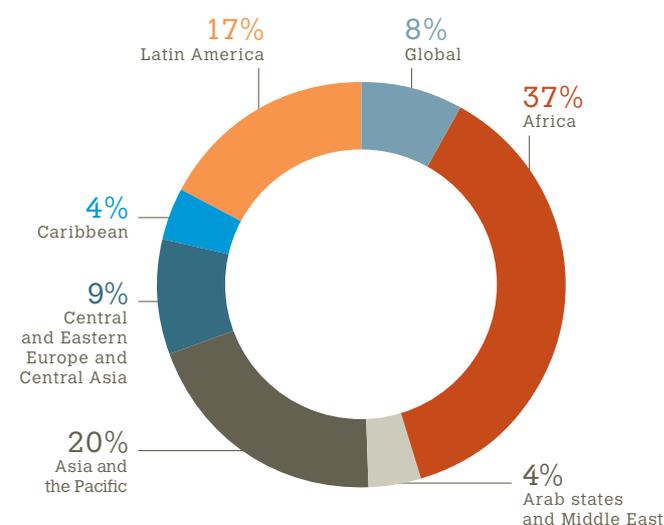


Figure 6: Participants by region, 2013*



*The total may not add up to 100% due to rounding. Activities under the "global" category are not targeted at a specific region but include activities such as Geneva-based courses, distance learning, internship programmes and the advisory role on legal issues.

WTO reference centres

In 2013, eight new WTO reference centres were established or upgraded, six in Africa and two in the Asia and Pacific region. Reference centres, located primarily in LDCs, are open to government officials, business representatives, academics and the general public to access WTO-related information. They are equipped with IT equipment, books, CDs, DVDs and any relevant WTO-related documents. The reference centres have full access to WTO databases, publications and training material. The new or upgraded centres were located in Botswana, Burkina Faso, Ethiopia (two), Gabon, Madagascar, Myanmar and Vanuatu.

The programme has evolved considerably since its launch in 1997. It has been refined to ensure that it responds adequately to the needs of LDCs and countries without a resident mission in Geneva. The centres enable these countries to follow WTO developments. In addition, they serve as an effective means of undertaking WTO e-learning activities.

Reference centres are established within a government, i.e. ministry, at an academic institution or within business organizations – for example, a chamber of commerce. They can also be established in regional/sub-regional organizations to improve their collaboration with WTO member states and other agencies.

Each centre has a manager, who is responsible for its daily operation. The WTO Secretariat trains the managers in the technical knowledge and skills they require. These training events are organized both in Geneva and in the field. The reference centres make it easier for all countries to take part in WTO discussions and decision-making. There are currently more than 100 such centres operational worldwide.

Internships

WTO internship programmes offer government officials hands-on experience of WTO issues, enabling them to contribute more fully to the economic and social development of their countries. The Netherlands trainee programme (NTP), the mission internship, the regional coordinator internship and the accession internship give priority to applicants from Africa and LDCs, small and vulnerable economies and countries in the process of acceding to the WTO.

In 2013, 46 officials completed one of the WTO internship programmes, the majority of them being from Africa and Asia and Pacific regions. Of all the interns, 22 completed the mission internship programme, 15 the NTP, seven the regional coordinator internship, and two the accession internship.

Financing technical assistance

One of the continuing challenges for the trade-related technical assistance programme is to ensure timely and adequate levels of funding. About 80 per cent of the assistance programme is financed from the Doha Development Agenda Global Trust Fund, which is a voluntary funding window provided by WTO members (see Table 2).

A total of CHF 24.6 million was made available as of 30 November 2013, which is similar to the funds available in 2012, but nearly 1.5 million less than in 2011. Of the total funds available in 2013, CHF 13.6 million was contributed during the year, up from CHF 12.1 million in 2012. Fifteen members contributed to the Global Trust Fund in 2013, one more than the previous year. It is worth noting that the timing of contributions has become less predictable in recent years. To some extent, this may be influenced by more restrictive domestic policies and rules for making these types of contributions given the economic context in which most governments are now operating.



The Regional Trade Policy Course for French-speaking African countries, organized in partnership with the Université de La Manouba, Tunis, took place in May 2013.



Table 2: Doha Development Agenda Global Trust Fund (DDAGTF)

Contributions and pledges		Monthly financial report – December 2013				
Donor (CHF)	2009	2010	2011	2012	2013	
Australia	1,525,650	1,952,400	1,803,600		2,689,900	
Austria	302,480	285,640	258,600	240,200	243,600	
Canada	456,121		944,276	1,362,298		
China	211,000	200,300				
Chinese Taipei			184,200		181,400	
Czech Republic			23,746			
Denmark	616,746	180,019	331,230	321,903	491,063	
Estonia	49,425	28,932	26,209	23,199	24,160	
European Union	1,518,550	1,574,550	1,187,500	1,024,050	1,232,000	
Finland	1,534,000	1,364,000	1,228,000			
France	2,250,500	655,500	611,000	600,500	617,000	
Germany	1,509,500	1,438,500	1,237,500	1,198,000	1,233,000	
Ireland	1,357,200	409,200				
Japan	474,637	395,604	395,604	395,604	368,744	
Korea, Republic of	357,000	344,400	322,350	334,950	313,600	
Liechtenstein	40,000	40,000	40,000	40,000	40,000	
Luxembourg	754,000					
New Zealand		158,000				
Netherlands	1,472,990	1,472,990	1,472,990			
Norway	1,710,279	1,784,440	1,593,626	2,438,905	2,287,108	
Spain	533,750	467,950	400,050			
Switzerland				800,000	800,000	
Sweden	2,026,384	2,353,920	2,074,322	2,386,480	2,245,600	
United States	1,026,109	1,002,654	940,580	940,535	851,885	
Total contributions received	19,726,321	16,108,999	15,075,383	12,106,624	13,619,060	
Total contributions including pledges	19,726,321	16,108,999	15,075,383	12,106,624	13,619,060	
Total number of donors	20	19	19	14	15	

Outreach

- The 2013 WTO Public Forum, the WTO's largest annual outreach event, attracted about 900 participants to discuss the theme "expanding trade through innovation and the digital economy".

- Nearly 350 NGOs from 66 countries were accredited for the Bali Ministerial Conference in December, making a total of 694 participants.

- The WTO held training activities, workshops and seminars for journalists, parliamentarians and the business community in 2013 and welcomed over 160 visiting groups to the WTO's headquarters in Geneva.

- WTO cooperation with other intergovernmental organizations included the launch of a database on trade in value-added terms with the Organisation for Economic Co-operation and Development (OECD).



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Background on outreach

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

Relations with non-governmental organizations

The 2013 Public Forum – “Expanding trade through innovation and the digital economy” – attracted many non-governmental organizations (NGOs). NGOs also participated in the WTO’s Ninth Ministerial Conference, held in Bali in December. In Geneva, the WTO held briefings for NGOs on trade issues, and NGO representatives attended several WTO public events as well as dispute panel hearings.

WTO Public Forum

The 2013 Public Forum, held in Geneva from 1-3 October, provided an opportunity for the WTO to exchange views on a wide range of trade questions with NGOs, business, inter-governmental organizations and academia, among others. Since its launch in 2001, the Public Forum has been an important platform for public debate of WTO issues and trade topics.

The Forum looked at the relationship between international trade and innovation, addressing how technological innovation is changing the way trade is conducted. Key topics for debate included how trade can help countries innovate, how innovation can enhance the trading capacities of developing countries and how trade can stay abreast of the rapid evolution of technology (see Table 1).

Some 900 participants (see Figure 1) attended the sessions, comprising two plenary debates, three lunchtime discussions, 40 working sessions and 14 informal workshops. Half a day was dedicated to discussing Bali Ministerial Conference issues, such as trade facilitation, development, food security and future challenges for the Doha Development Round.

The Forum included an “Innovation Corner”, where several organizations and companies showcased how they have used innovation and technology to boost international trade.

Highlights included three-dimensional printing and an application that can track the path of a textile product through the manufacturing chain, from the cultivation of raw materials to the final product, thus providing important information on product safety.

A Public Forum TV stand was also set up, where participants had the opportunity to give their responses to the question: “Does trade foster innovation, or does innovation foster trade?” Responses were streamed onto the WTO YouTube channel and website.



Background on relations with non-governmental organizations

The WTO maintains regular dialogue with civil society on various aspects of the WTO and the ongoing Doha Round negotiations, with the aim of enhancing cooperation and increasing civil society’s awareness of WTO activities as well as the role and value of the rules-based multilateral trading system.

Table 1: WTO Public Fora

Year	Theme	Panels	No. of registrations	No. of participants ¹
2013	Expanding Trade through Innovation and the Digital Economy	54	1,506	917
2012	Is Multilateralism in Crisis?	44	1,359	753
2011	Seeking Answers to Global Trade Challenges	46	1,523	765
2010	The Forces Shaping World Trade	44	1,368	734
2009	Global Problems, Global Solutions: Towards Better Global Governance	45	1,289	721

¹ Does not include delegates, staff and other participants who carry a WTO badge.

Ministerial Conference

NGOs have been attending the WTO's Ministerial Conferences since 1996. Nearly 350 NGOs from 66 countries were accredited for the Bali Ministerial Conference in December 2013, including representatives supporting environmental, development, consumer, trade union, business and agricultural interests. NGOs were given the opportunity to organize public and private events at the conference centre, organizing a total of approximately 15 public events. The WTO external relations team briefed NGOs on the progress of discussions throughout the four-day event. Numerous NGOs also submitted position papers to the WTO Secretariat for publication on the WTO website.

Outreach activities

In June 2013, the WTO organized a regional event in Jakarta, Indonesia, attended by civil society representatives and journalists from Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam. Discussions covered the WTO dispute settlement mechanism, preparations and prospects for the Bali Ministerial Conference, regional integration and the relationship between trade and labour.

NGO briefings

The WTO Secretariat gave 15 NGO briefings in 2013, reporting on the General Council, the Trade Negotiations Committee meetings, the WTO's Ministerial Conference and the WTO Director-General's selection process. Since 2000, almost 200 briefings have been organized by the Secretariat.

NGO position papers

NGOs can submit their position papers and studies to the WTO Secretariat. A list of NGO position papers is circulated monthly to members and posted on the WTO website. In 2013, contributions were received from the Centre for Socio-Economic Development (CSEND) and the American Chamber of Commerce to the European Union, addressing climate change, tourism and global trade and investment.

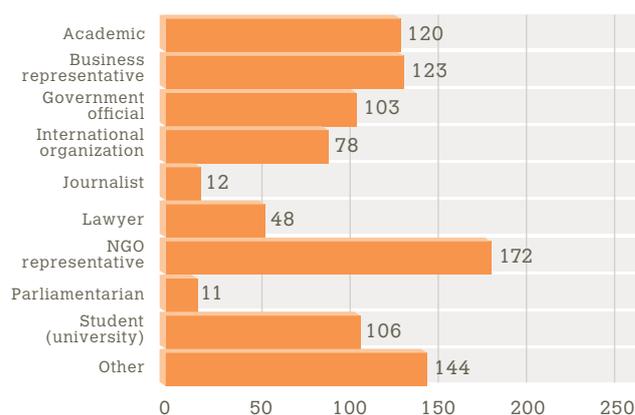
Public events

NGOs participated in various public events at the WTO, including the Fourth Global Review of Aid for Trade, the Open Day and several book launches. A number of dispute panel meetings, Appellate Body hearings and arbitration proceedings have been open to the public, including NGOs, since 2005. As a result, registered NGOs have been able to follow the open hearings through video links. In 2013, four dispute panel meetings were open to the public, including "European Communities – Measures Prohibiting the Importation and Marketing of Seal Products", "Canada – Certain Measures Affecting the Renewable Energy Generation Sector" and "Canada – Measures Relating to the Feed-in Tariff Program" (see pages 83).



WTO Director-General Roberto Azevêdo speaking at the opening session of the 2013 Public Forum.

Figure 1: Public Forum participation in 2013



Source: WTO on-line registration figures for the 2013 Public Forum.

Contact with parliamentarians

In 2013, the annual Parliamentary Conference on the WTO, organized by the Inter-Parliamentary Union (IPU) and the European Parliament, was held in Bali during the WTO's Ninth Ministerial Conference. The WTO Secretariat continued to update parliamentarians on WTO issues. It organized a regional workshop for Asian parliamentarians in Singapore.

Parliamentary Conference on the WTO

Over 300 Members of Parliament came to Bali in December for the Parliamentary Conference on the WTO. The meeting, held during the WTO's Ninth Ministerial Conference, facilitated interaction with senior WTO officials, the Chair of the General Council and heads of international organizations. Discussion focused on the "Bali Package", the series of decisions adopted by trade ministers at the end of the Ministerial Conference (see page 10).

Key topics for debate at the Parliamentary Conference included "Streamlining administrative and other trade-related official procedures. What role for parliaments?", "Can bilateral and plurilateral trade agreements bring faster results than the multilateral process?" and "Making the benefits of trade work for sustainable development, job creation and poverty alleviation". The Conference issued a statement which was very supportive of the ministerial decisions taken in Bali. However, it also stressed that the multilateral trading system has much still to do to respond to the challenges of today's world.



Background on contact with parliamentarians

Parliamentarians have constitutional responsibility to consider and ratify WTO agreements negotiated by their governments. The WTO seeks to maintain an open dialogue with parliamentarians and to help them gain a deeper understanding of the organization and its work. The WTO participates in ad hoc parliamentary body meetings and organizes workshops for parliamentarians at national and regional levels.

Formal meetings of parliamentary bodies

In 2013, the Steering Committee of the IPU on WTO matters, comprising about 30 parliamentarians, met in Geneva, Brussels and Bali. Regular participation by the WTO Director-General, senior WTO staff, the Chair of the WTO General Council and Geneva-based ambassadors provides a channel to brief legislators on important issues facing the multilateral trading system. WTO Deputy Directors-General Yonov Frederic Agah and Karl Brauner and then WTO Deputy Director-General Rufus Yerxa represented the WTO, giving briefings at all three sessions on the state of play of the Doha Round negotiations.

Regional workshop

In 2013, the WTO partnered with the Temasek Foundation, a non-profit philanthropic organization based in Singapore, on a regional parliamentary workshop. The workshop attracted 42 highly ranked MPs from the ASEAN (Association of Southeast Asian Nations) Plus Three countries (China, Japan and the Republic of Korea) along with Bangladesh, Bhutan, Maldives, Mongolia, Pakistan, Sri Lanka and Chinese Taipei. It was the fifth edition of the Parliamentary Workshop for ASEAN and other countries.

The aim of the workshop was to generate greater understanding of the multilateral trading system and to provide a forum for participants to discuss and exchange ideas on trade-related and development-related issues of particular relevance to their region. It also sought to encourage an informed and open debate on the potential role of the WTO in fostering development.



The annual Parliamentary Conference on the WTO was held in Bali during the WTO's Ninth Ministerial Conference.

The workshop was part of regular cooperation with regional parliamentary associations, such as the Commonwealth Parliamentary Association, the Assemblée Parlementaire de la Francophonie and ParlAmericas. These regional workshops complement national workshops for parliamentarians, which are carried out as a part of the WTO's regular technical assistance work.

Cooperation with other international organizations

In 2013, the WTO cooperated with a variety of intergovernmental organizations, including the United Nations, the Organisation for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF) and the World Bank. Together with the United Nations Conference on Trade and Development (UNCTAD) and the OECD, the WTO published reports on trade and investment developments in the Group of 20 (G-20) countries.

United Nations

The WTO Director-General attended the spring meeting of the United Nations Chief Executives Board (CEB) – a high-level body composed of the executive heads of UN agencies, funds and programmes as well as the executive heads of the Bretton Woods institutions (IMF and World Bank) and the WTO. The role of the CEB, chaired by the UN Secretary-General, is to enhance international cooperation on global issues. WTO Secretariat officials also participate in meetings of the Board's subsidiary bodies dealing with programme and management issues.

The WTO Secretariat is also represented at the high-level United Nations Coordination Committee, which monitors progress in achieving the United Nations Millennium Development Goals, as well as at meetings of the UN Economic and Social Council, which deals with development issues.

The WTO is also represented on the High-Level Task Force (HLTF) on the Global Food Security Crisis, which was established by the CEB in April 2008, following the rise in global food prices and the crisis it triggered. In January 2013, the HLTF adopted the zero hunger challenge (ZHC) as its central theme of work for 2013-14. The challenge lays down five objectives, including ensuring that all people have enough nutritious food and that food production is environmentally sustainable.

United Nations Conference on Trade and Development (UNCTAD)

The WTO published two joint reports with UNCTAD and the OECD on trade and investment measures in the G-20 group of leading developed and developing countries. In December, the report identified a total of 116 new trade-restrictive measures since the previous report, up from 109 measures recorded for the previous seven-month period.

In September, the three organizations presented a report to the G-20 summit in Saint Petersburg showing that global value chains have become a dominant feature of world trade and investment, offering new prospects for growth, development and jobs. The OECD-WTO-UNCTAD report was requested by G-20 leaders at their Los Cabos Summit in June 2012 as part of wider efforts to analyse the functioning of global value chains and their relationship with trade and investment flows, development and jobs. Global value chains are essentially world assembly lines.

The WTO and UNCTAD continued to cooperate closely on training and technical assistance to developing countries and least-developed countries (LDCs). UNCTAD is a major WTO partner on programmes such as the Enhanced Integrated Framework (EIF) (see page 106) and the Joint Integrated Technical Assistance Programme (JITAP). The latter partnership, which also involves the International Trade Centre (ITC), provides technical assistance to selected least-developed and other African countries. The WTO and UNCTAD jointly sponsor the ITC, a trade promotion body for developing countries.

The WTO and UNCTAD organize various inter-regional information sessions and training activities to help representatives from developing countries learn more about the WTO and trade negotiations. These activities usually involve staff from both the WTO and UNCTAD. The WTO also cooperates with UNCTAD within the framework of the UN interagency "cluster" on trade and productive capacity, which aims to coordinate trade and development operations throughout the UN system.

International Trade Centre

The WTO works closely with the ITC to build supply-side capacity and trade-related infrastructure that developing countries need to implement and benefit from WTO agreements. Joint initiatives include the JITAP, the EIF and the Business for Development initiative (B4D). This last initiative aims to enable the private sector in developing countries to define their national priorities for WTO negotiations, and encourage governments to be more mindful of business concerns.



Background on cooperation with other international organizations

The WTO works closely with other intergovernmental organizations and regional bodies, especially those involved in trade-related issues. This cooperation helps to ensure coordinated action and a coherent approach to international trade policies.



The joint WTO-WHO-WIPO study *Promoting Access to Medical Technologies and Innovation* was launched at the WTO on 5 February 2013.

Organisation for Economic Co-operation and Development

In addition to the joint reports mentioned above, the OECD and the WTO released the first update of their joint database on trade in value-added terms. Measuring trade in these terms gives a clearer picture of today's way of trading. Traditional statistics that rely on customs values fail to capture the fact that international supply chains are at the core of globalization in the 21st century (see page 129). This new version deepens the analytical depth by presenting indicators from more countries. Monitoring past developments is made possible by the inclusion of two additional reference years (1995 and 2000).

The WTO and the OECD have a long-standing and close working relationship at all levels, with WTO Secretariat officials participating in many OECD meetings. The WTO continued to publish joint reports with the OECD on trade and investment developments (see above). The WTO Director-General also participated in the annual OECD Forum and Ministerial Meeting.

Other intergovernmental organizations

The WTO cooperated on trade issues and on the needs of developing countries with a number of intergovernmental organizations, such as the United Nations Development Programme (UNDP), the IMF and the World Bank. The WTO also has long-standing working relationships with organizations such as the Food and Agriculture Organization (FAO), the World Customs Organization (WCO), the World Intellectual Property Organization (WIPO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The WTO worked with the World Health Organization (WHO) and WIPO on preparing a study of the linked roles that public health policies, intellectual property and trade can play in advancing medical technology and ensuring it is available equitably to all who need it. The co-publication – *Promoting access to medical technologies and innovation: Intersections between public health, intellectual property and trade* – was launched at the WTO in February 2013.

G-20

The WTO participated actively, and at the highest level, in the work of the G-20 during 2013, providing input on trade and on protectionism. Director-General Roberto Azevêdo attended the G-20 Summit in St Petersburg, Russia, in September.

The WTO's Agriculture and Commodities Division assisted the Agricultural Market Information System (AMIS) Secretariat, a G-20 initiative established in June 2011 to enhance food market transparency and encourage international policy coordination. Substantial progress was achieved in 2013. The information collected and other key indicators, such as prices, price volatility, energy and fertilizer prices, was disseminated by means of interactive web tools. A market monitor, which provides a synopsis of major developments in international commodity markets, was published ten times during the year, fostering a better understanding of the international market situation and outlook. The monitor focuses on wheat, maize, rice and soybeans.

Contact with the media

The number of press briefings and press conferences rose sharply in 2013, reflecting media interest in the Director-General selection process and the WTO's Ninth Ministerial Conference. The number of journalists registered to use the media newsroom on the WTO website totals 2,213. The WTO also held a number of training activities for journalists.

The Information and External Relations Division (IERD) held 35 press briefings and 12 press conferences in Geneva in 2013 covering various aspects of the WTO's work, including dispute settlement, the Doha Round negotiations and the work of the General Council (see Figure 2). This is a significant increase on 2012 (22 press briefings and two press conferences), mainly because of media interest in the selection process for the new Director-General and the holding of the Ninth Ministerial Conference in Bali. In addition, around 140 e-mail briefings on various WTO meetings were sent to journalists around the world. Many of these briefing notes became news stories on the WTO website.

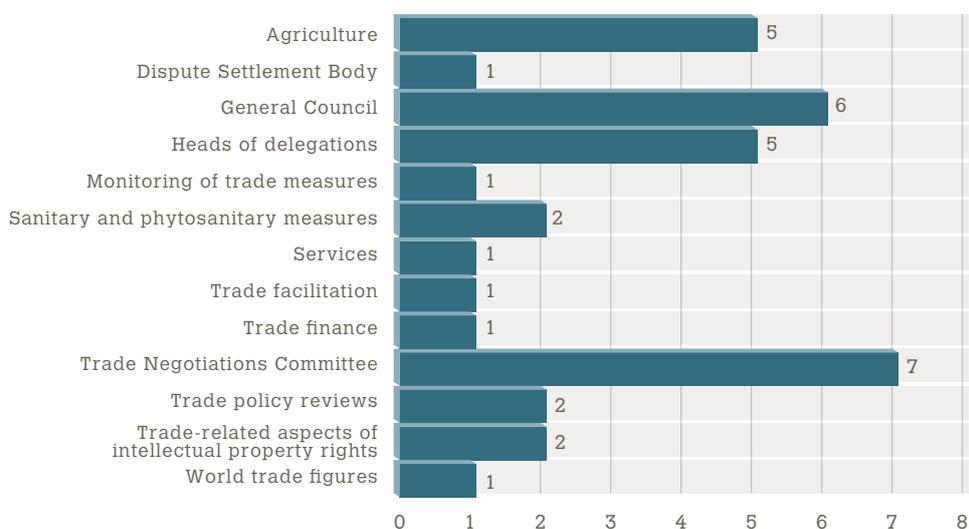
The WTO maintained regular contact with 2,213 journalists in many countries, who have registered to use the media newsroom on the WTO website. This allows them to receive regular email bulletins on developments and to access information under embargo. Journalists were regularly invited to WTO events, including book launches and seminars.

Training activities

In 2013, the WTO held several training activities for journalists. A seminar for English-speaking journalists and a regional workshop took place at WTO headquarters in Geneva while regional workshops were held in Jakarta, Indonesia, and Santo Domingo, Dominican Republic.

The seminar for English-speaking journalists was organized in collaboration with the Friedrich Ebert Stiftung Institute (FES). Run over three days (22–25 April), it was attended by 16 journalists from Bangladesh, China, India, Indonesia, Laos, Mongolia, Nigeria, Samoa, Singapore, South Africa, Sri Lanka, Tanzania, Viet Nam and Zambia. Presentations by WTO officials covered a wide range of topics, including WTO accessions, dispute settlement, trade facilitation and trade in value-added terms. Participants also attended press briefings on the selection of the new Director-General and on the launch of the Report of the Panel on Defining the Future of Trade set up in 2012 by then Director-General Pascal Lamy to look at the drivers of trade and at what it means to open up global trade in the 21st century.

Figure 2: Meetings/subjects covered by WTO briefings/press conferences in 2013





A large press centre accommodated over 280 journalists, photographers and camera crew covering the Ninth Ministerial Conference in Bali.

Eleven journalists from Kazakhstan and Russia attended a regional workshop at WTO headquarters on 22-24 October. It provided an introduction to the WTO, and covered subjects of particular interest to Russia, Kazakhstan and neighbouring countries. Participants heard presentations on such topics as accession, agriculture, development, dispute settlement and energy. They also met with the new Director-General, Roberto Azevêdo. The FES helped to cover the cost of this workshop.

Ahead of the Ninth Ministerial Conference, the IERD organized a three-day WTO regional dialogue for civil society and media in Jakarta, Indonesia, on 24-26 June, with the assistance of the Jakarta branch of the FES. There were 49 participants, including journalists from Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam. Dominating the discussions were the preparations and prospects for the upcoming Ministerial Conference.

Twenty-five journalists attended a regional workshop on the WTO and trade negotiations in Santo Domingo, Dominican Republic, in October.

Ninth Ministerial Conference

Some 282 journalists and around 30 television networks covered the Ninth Ministerial Conference. Among the journalists were 12 from least-developed countries, whose trip to Bali was financed by the FES and the WTO. The Indonesian government provided excellent facilities for the media, including a large press centre, an adjoining main briefing room and two smaller briefing rooms. The IERD gave regular briefings to journalists, including an orientation briefing on the eve of the Conference and four press briefings during the Conference on specific issues being discussed by ministers. In all, 18 press conferences were given by the WTO, delegations and organizations during the Bali Conference.

Contact with the business community

In 2013, the WTO undertook a number of initiatives to strengthen WTO relations with business, including launching on the WTO website an area dedicated to the business community. The 2013 Public Forum, “Expanding trade through innovation and the digital economy”, attracted significant business interest. The WTO co-organized the first dedicated regional seminar for the private sector in the Arab region. The business community was well represented in Bali at the WTO’s Ninth Ministerial Conference.

Website

In 2013, the WTO launched on its website an area dedicated to the business community (www.wto.org/business) with news, statistics and reports considered most relevant to business. A quarterly electronic newsletter was launched to keep business representatives informed about the latest WTO developments. A WTO survey carried out in late 2012 found that over 80 per cent of businesses welcomed the idea of having a dedicated web site with information tailored to their interests.

Public Forum

The WTO’s 2013 Public Forum, “Expanding trade through innovation and the digital economy”, attracted a significant number of companies and industry organizations, including the Motion Picture Association of America. Huawei and eBay organized sessions on the role of government, technology and the Internet in global trade and on challenges in the information and communications technology (ICT) industry and consumer empowerment.

Ministerial Conference

The business community was well represented at the WTO’s Ninth Ministerial Conference in Bali. Close to 30 per cent of the accredited non-governmental organizations (NGOs) were business organizations. They organized numerous activities and while many issues emerged at the discussions, the most important one was clearly the strong interest of the business community in the post-Bali multilateral trade agenda.

Arab regional seminar

The first dedicated regional seminar for the private sector in the Arab states was held in Kuwait on 18-20 March on the theme “Current and future challenges of the WTO: perspective of the private sector and business associations from the Arab region”. It was conducted in cooperation with the International Monetary Fund’s Centre for Economics and Finance in Kuwait and the Kuwait Chamber of Commerce. The three-day seminar brought together 26 high-level representatives from chambers of commerce in ten Arab countries.

The seminar gave an overview of the importance of WTO rules and functions to the private sector. It included debates on the difficulties of intra-Arab trade and discussed issues high on the region’s trade agenda, such as trade remedies and non-tariff



The Bali Business Forum was organized on 5 December during the WTO’s Ninth Ministerial Conference by the International Chamber of Commerce, the Evian Group@IMD and the International Centre on Trade and Sustainable Development.

barriers. Participants gained insight into the potential for trade in services in the region. A session dedicated to enhancing Arab trade capacity was also part of the programme.

Throughout the year, WTO officials also met the business community in other regions to discuss the WTO’s trade negotiations and the functions of the organization.



Background on contact with the business community

Business and the WTO have always been closely connected. The private sector is a major beneficiary of transparent and predictable trade rules and obligations. Business is an important interlocutor for both governments and the WTO. It is actively involved in the multilateral trading system and participates in public activities of the WTO.

Contact with the public

Visitors to the WTO website continue to exceed more than 1.8 million a month. Total page views increased by 14 per cent in 2013, reaching a total of more than 40 million. The WTO attracted an increasing number of followers to its social media pages, such as Facebook, Twitter and YouTube. The WTO received over 40,000 public email enquiries in 2013 and welcomed over 160 visiting groups. Fifty-seven new WTO publications were produced.

WTO website

The WTO website regularly attracts over 1.8 million visits a month. In 2013, total page views exceeded 40 million, a 14 per cent increase on 2012. During the Ministerial Conference in December, the average number of visits per day reached over 90,000. Audio files of WTO meetings and events are listened to on average 78,000 times per month. The most downloaded files in 2013 were the WTO's flagship publications: the *World Trade Report*, *International Trade Statistics* and the *WTO Annual Report*.

The number of people registered to receive email alerts when news items are published on the website stands at over 111,000. The largest categories for these alerts are university students (30 per cent), the business community (13 per cent), government officials (12 per cent), the academic community (12 per cent) and lawyers (8 per cent) (see Figure 3). The countries with the largest total number of registrations are India (9 per cent), the United States (8 per cent), Mexico (5 per cent), China (4 per cent) and France (4 per cent). Over 2,000 web pages were created or updated during the course of the year.

For the Bali Ministerial Conference, a new gateway page was developed that allowed WTO members to access both public material and relevant restricted documents through a password-protected log-in. Launched in November 2013, the web page received over 630,000 views and was the second most viewed area of the website, after the home page, in December.

Social media

In 2013, the WTO made increasing use of social media, such as Twitter, Facebook and YouTube. The number of fans and followers on Facebook and Twitter again rose sharply. The WTO's main Facebook page had 32,000 fans at the end of 2013, double the number of 2012. The WTO's publications page on Facebook had 12,953 fans, compared with 5,076 the previous year. Meanwhile, the number of followers on Twitter jumped to 33,900 from just over 13,000, and the WTO's channel on YouTube counted 2,600 subscribers, up from 1,500 in 2012.

With the election of a new Director-General in September, a new Twitter account was set up. DG Azevêdo uses this account to provide information and updates on his work – including meetings with ministers and others. The account had 1,632 followers, as of January 2014.

Social media were used to disseminate information about the WTO's work in 2013 and to promote events, such as the Public Forum, the Aid for Trade Global Review and the Ninth Ministerial

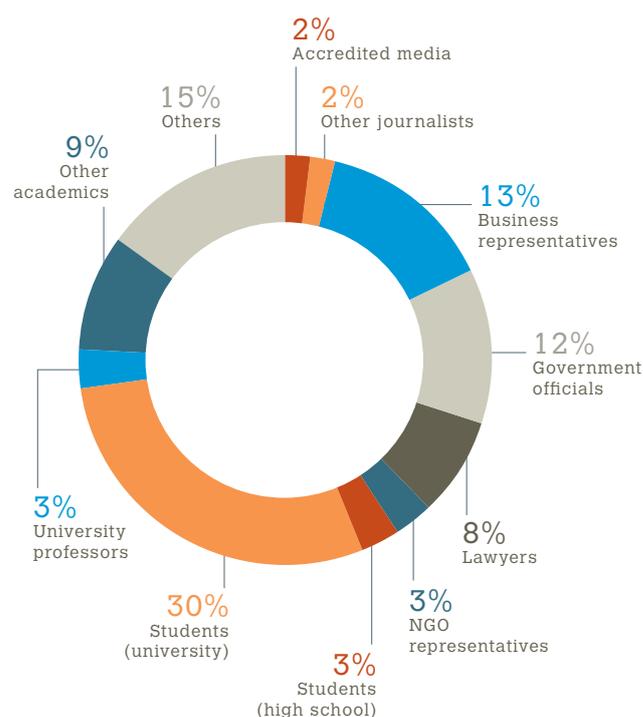
Conference. This included making extensive use of photos and videos. Facebook and Twitter fans and followers also get access to information that is not on the WTO website, such as a daily summary of what is in the media, press articles and DG interviews.

Visiting groups

The WTO welcomed 164 visiting groups in 2013, totalling approximately 4,800 people. Most of the presentations covered the history, functions and current work of the organization. Some visiting groups were given presentations on specific WTO topics, primarily dispute settlement, agriculture, development and trade-related aspects of intellectual property rights (TRIPS).

The majority of the presentations (75 per cent) were given in English. A total of 10 per cent were given in French while 4 per cent were in German and 4 per cent were in Portuguese. The remaining 7 per cent of the presentations were given in Arabic, Chinese, Danish, Korean, Spanish and Thai.

Figure 3: Individuals registered with the WTO website's contacts database, as of end 2013



WTO publications

In 2013, the WTO produced 57 publications in the WTO's three working languages: English, French and Spanish. Most of these publications can be downloaded free of charge from the WTO website. Printed copies can be purchased from the WTO online bookshop at <http://onlinebookshop.wto.org>.

Flagship publications

Annual Report 2013

ISBN 978-92-870-3856-2 | CHF 55

The Annual Report 2013 provides an overview of WTO activities in 2012 and early 2013. A brief summary of the year is followed by an in-depth review of the WTO's main areas of activity.



Annual Report 2013 app | Free

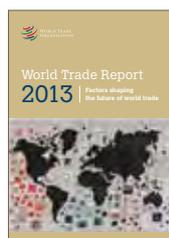
The Annual Report 2013 is also available for the first time as an app. It can be downloaded from the App Store, Google Play and Amazon Apps for viewing on iPads, Android tablets and Kindles. The report includes videos, photo galleries, charts, podcasts and interactive maps.



World Trade Report 2013 Factors shaping the future of world trade

ISBN 978-92-870-3859-3 | CHF 60

The World Trade Report 2013 looks at what has shaped global trade in the past and reviews how demographic change, investment, technological progress, developments in the transport and energy/natural resource sectors as well as trade-related policies and institutions will affect international trade.



International Trade Statistics 2013

ISBN 978-92-870-3872-2 | CHF 50

International Trade Statistics 2013 provides detailed statistics on trade in goods and services in over 150 countries. It includes for the first time a new section on trade in value-added terms. Charts and maps highlight the latest developments in world trade.



Other annual publications

Trade Profiles 2013

ISBN 978-92-870-3883-8 | CHF 40

Trade Profiles provides a country-by-country breakdown of trade flows and trade policy measures for over 150 countries. The profiles include basic economic indicators (such as GDP), trade policy indicators (such as tariffs and import duties), and data on goods and services trade.



World Tariff Profiles 2013

ISBN 978-92-870-3886-9 | CHF 50

World Tariff Profiles provides comprehensive data on the tariffs imposed by over 150 countries. One page is devoted to each country. Co-published by the WTO, the United Nations Conference on Trade and Development and the International Trade Centre.



Services Profiles 2013

ISBN 978-92-870-3895-1 | CHF 40

Services Profiles provides detailed statistics on key "infrastructure services" (transportation, telecommunications, finance, insurance) for over 125 economies, with one page devoted to each country. Published for the first time in 2013.



Boxed set of WTO statistical titles 2013

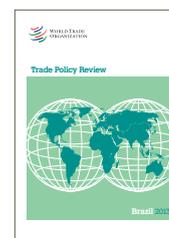
ISBN 978-92-870-3908-8 | CHF 100

The set comprises the WTO's four annual statistical publications: *International Trade Statistics 2013*, *World Tariff Profiles 2013*, *Trade Profiles 2013* and *Services Profiles 2013*.



Trade Policy Reviews 2013

The Trade Policy Reviews analyse WTO members' trade policies and practices. The series was relaunched in 2013 in a new format. In 2013, 11 reviews were published, covering Japan, Argentina, Indonesia, Mexico (English- and Spanish-language editions), Brazil, the United States, Nicaragua, the East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda), Iceland and Israel.



Dispute Settlement Reports 2011

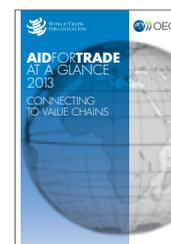
The Dispute Settlement Reports include panel reports and Appellate Body reports as well as arbitration awards in disputes between WTO members. Thirteen volumes were published in 2013. Co-published with Cambridge University Press.



Aid for Trade at a Glance 2013: Connecting to Value Chains

ISBN 978-92-870-3868-5 | CHF 90

This joint OECD-WTO publication puts a spotlight on aid for trade to assess what is happening and where improvements are needed. Focusing on policies, programmes and practices, it shows that Aid for Trade is delivering tangible results in improving trade performance and bettering people's lives.



New publications

Promoting Access to Medical Technologies and Innovation: Intersections between public health, intellectual property and trade

ISBN 978-92-870-3839-5 | CHF 60

Promoting Access to Medical Technologies and Innovation examines the interplay between public health, trade and intellectual property, and how these policy domains affect medical innovation and access to medical technologies. Co-published by the World Health Organization, the World Intellectual Property Organization and the WTO.

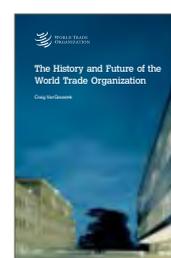


The History and Future of the World Trade Organization

Written by Craig VanGrasstek

ISBN 978-92-870-3871-5 | CHF 120

A comprehensive account of the establishment of the WTO, focusing on those who shaped its creation as well as those who have influenced its evolution. Fully illustrated with black-and-white and colour photos.

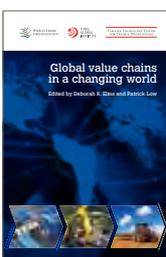


Global Value Chains in a Changing World

(Edited by Deborah K. Elms and Patrick Low)

ISBN 978-92-870-3882-1 | CHF 60

A collection of papers by some of the world's leading specialists on global value chains (GVCs). It examines how GVCs have evolved and the challenges they face in a rapidly changing world. Co-published with the Fung Global Institute and the Temasek Foundation.



The Future of Trade: The Challenges of Convergence

ISBN 978-92-870-3876-0 | Free

Report of the Panel on Defining the Future of Trade established in April 2012 by the then Director-General of the WTO, Pascal Lamy, to examine and analyse challenges to global trade opening in the 21st century.



Supply Chain Perspectives and Issues: A Literature Review

(Edited by Albert Park, Gaurav Nayyar and Patrick Low)

ISBN 978-92-870-3893-7 | CHF 35

Global value chains (GVCs) have become ubiquitous. The literature that attempts to understand and explain GVCs is vast, multidisciplinary and no less complex than the phenomenon itself. This volume offers a comprehensive review of the literature on the subject. Co-published with the Fung Global Institute.



E-commerce in Developing Countries

ISBN 978-92-870-3864-7 | Free

E-commerce in Developing Countries focuses on the relationship between electronic commerce (e-commerce), development and small and medium-sized enterprises (SMEs) and on how some SMEs have used e-commerce to promote and sell their products.



Economic research activities

In 2013, the WTO's Economic Research Group organized 34 events, many in collaboration with other institutions. The events included policy lectures, the second Annual Trade Workshop, co-hosted by the WTO, the World Bank and the International Monetary Fund, the launch of the WTO flagship publication, the World Trade Report 2013, and two other publications, together with a number of seminars and workshops.

In June 2013, the WTO's Economic Research and Statistics Division (ERSD) launched two new publications at the biennial Aid for Trade conference at the WTO. The first, *Global value chains in a changing world*, is a joint publication with the Fung Global Institute and the Temasek Foundation Centre for Trade & Negotiations. In this book, policy makers in the Asian region explore the multiple dimensions of supply chains, what drives them, how they operate, how they adapt in a rapidly changing world and what they mean for development and for policy. The second, *Supply Chain Perspectives and Issues: A Literature Review*, is a joint publication with the Fung Global Institute reviewing the vast, multi-disciplinary and complex literature of global value chains.

Also in June, ERSD organized the second Annual Trade Workshop in collaboration with the World Bank and the International Monetary Fund (IMF). The workshop brought together trade experts from the three institutions to present on-going research projects, discuss current policy issues and identify areas of future collaboration. The four themes of the 2013 workshop were: trade, diversification and policy; trade research; trade, policy and shocks; and global value chains. The Managing Director of the IMF (via video link) and the WTO Director-General addressed the workshop.

July 2013 saw the launch of the World Trade Report, entitled *Factors shaping the future of world trade*. The report looks at how trade and other forces of change are affecting our world. It combines contemporary analysis with conjecture about the future. The approach is comprehensive, reflecting the many different forces at work. The drivers of change are multi-directional and complex, and the pace of change is rapid. The report focuses on how trade is both a cause and an effect of change and looks into the factors shaping the future of world trade.



The 2013 World Trade Report, entitled *Factors shaping the future of world trade*, was launched at the WTO in July 2013.

The report finds that one of the most significant drivers of change is technology and the continuing spread of information technology. Higher incomes and larger populations will put new strains on both renewable and non-renewable resources. Environmental issues will call for increasing attention. The report examines questions that are integral to the design and governance of the WTO. It concludes by looking at how the future of trade will also be affected by the extent to which politics and policies successfully address issues of growing social concern, such as the availability of jobs and persistent income inequality.

In September and November, ERSD organized four policy lectures, open to WTO staff, members and observers. The topics of the lectures were "Capturing the gains from globalization: economic and social upgrading in global value chains", "Trade and development: assessing progress and prospects for greater policy coherence", "Superstar firms in the global economy" and "Capabilities, trade and development".

In 2013, the Geneva Trade and Development Workshop programme, co-organized by ERSD, the Graduate Institute's Centre for Trade and Economic Integration, the University of Geneva and the United Nations Conference on Trade and Development (UNCTAD), hosted 21 events. The programme brings together academics and researchers in the Geneva region working in the area of trade and development. By providing a forum for discussion, the programme contributes to the exchange of ideas, supports relevant and high-quality research and facilitates outreach to policy makers and the wider Geneva trade policy community.



Background on economic research activities

The WTO's Economic Research and Statistics Division organizes regular seminars and conferences as well as online forums involving academics and researchers in Geneva and around the world. These activities include the Geneva Trade and Development Workshop programme, which is a joint project with the Graduate Institute's Centre for Trade and Economic Integration, the United Nations Conference on Trade and Development (UNCTAD) and the University of Geneva.



Statistics activities

The WTO's Integrated Trade Intelligence Portal (I-TIP) was launched at the start of 2013, providing data on trade in goods as well as information on regional trade agreements and WTO accession commitments. It was later expanded, in a joint project with the World Bank, to include trade in services. The WTO deepened international cooperation in the area of trade statistics, working with organizations such as UNCTAD and ITC. The OECD and the WTO launched a joint database on trade in value-added terms.

Launch of I-TIP portal

In January, the WTO launched the Integrated Trade Intelligence Portal (I-TIP), which provides a single entry point for information compiled by the WTO on trade policy measures. It is accessible from the WTO website and covers both tariff and non-tariff measures affecting trade in goods, regional trade agreements and the accession commitments of WTO members. Its aim is to serve the needs of those seeking detailed information on trade policy measures as well as those looking for summary information. It was launched at the WTO-hosted Trade Data Day, which is dedicated to creating a better understanding of international trade flows and market access.

Later in the year, I-TIP was expanded to include information on services in a joint project between the WTO and the World Bank. Services are an area that is becoming increasingly important and yet there is little information available. The joint WTO-World Bank database, known as I-TIP Services, covers various sectors in more than 100 countries, such as financial, transportation, tourism, retail, telecommunications, and business services, including law and accounting. The data are presented in four modules covering WTO members' commitments under the WTO's General Agreement on Trade in Services (GATS), commitments on trade in services in regional trade agreements, members' applied measures affecting trade in services, and services statistics (including the latest UNCTAD-ITC-WTO trade in services data).

The database makes it easier for members and others to access information relevant for policy making. The database can be searched by member, sector, agreement, source of information or other criteria. Search results are presented in summary form as well as in more detail, and switching from one module to another is easy.

During the year, the WTO also released an updated version of I-TIP Goods, which now contains a wider range of non-tariff measure notifications, such as on safeguard measures and state trading enterprises, as well as enhanced functionalities. Data on sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT) were updated to include measures and product descriptions going back to 1995.

International cooperation

Early in the year, the Organisation for Economic Cooperation and Development (OECD) and the WTO launched a joint database on trade in value-added terms. An updated version was released in May with indicators for a wider range of countries. The addition of two further reference years, 1995 and 2000, has improved the monitoring of past developments.

Measuring trade in terms of value added gives a clearer picture of today's way of trading. Traditional statistics that rely on customs values fail to capture the fact that international supply chains are at the core of globalization in the 21st century. The database is part of the WTO's "Made in the World" initiative (www.wto.org/miwi), which provides a discussion forum and access to relevant information on international supply chains

The International Trade Centre (ITC) joined the WTO and the United Nations Conference on Trade and Development (UNCTAD) in the joint compilation of trade-in-services statistics. The three organizations cooperate in constructing annual services trade figures and publish the results simultaneously. They make use of all available sources to plug data gaps where possible and compile consistent and comprehensive series. The resulting annual figures are released twice a year (mid-April and mid-July).



Background on statistics activities

The Statistics Group supports WTO members and the Secretariat with quantitative information in relation to economic and trade policy issues. The group is the principal supplier of WTO trade statistics and information on tariffs. It provides technical assistance in the advanced trade policy courses, regional trade policy courses, reference centres and national workshops as well as supplying input on methodological issues in inter-organization statistical activities.



On 16 January 2013, a joint database on trade in value added was co-launched by the WTO and the Organisation for Economic Co-operation and Development (OECD).

The WTO and UNCTAD also agreed a memorandum of understanding to cooperate more closely in the collection and dissemination of non-tariff measures (NTMs). The cooperation covers strengthening synergies in information gathering and software development. Following the interest expressed by UNCTAD, agreement was reached to use the existing WTO I-TIP software project as a basis for a future common platform for NTM data dissemination by both organizations.

In December, the WTO and UNCTAD started jointly disseminating their information on quarterly trade volume data for about 45 of the world's largest trading economies reporting short-term volume statistics. Cooperation on the development of these statistics and compiling them was initiated in 2011. The WTO has developed summarized world trade data while UNCTAD has focused on the production of detailed country data and estimates using more sophisticated tools and price information. The WTO and UNCTAD also started publishing quarterly services trade statistics, covering over 140 economies.

Significant progress was achieved in collecting tariff and tariff line import statistics to assist developing members in their WTO Integrated Data Base (IDB) notification requirements. In 2013, about half of the tariff information processed for the IDB was sourced from governmental and other international sources whenever members' own notification had been lacking. There has also been some progress on the notification requirements under the preferential trade arrangements (PTA) transparency mechanism.

The 2013 edition of the World Tariff Profiles, a joint WTO, ITC, UNCTAD publication, includes a special chapter on regional trade agreements (RTAs). The chapter shows the growing number of RTAs concluded by WTO members and details the implementation period as well as the respective coverage of each agreement in terms of duty free tariff lines.

Expanded coverage and support

The WTO's annual International Trade Statistics publication was expanded in 2013 to include a new chapter entitled "Trade in global value chains". Drawing on the increased availability of data in value-added trade, the chapter offers new perspectives on world trade and economic growth.

The WTO also produced a new publication – *Services Profiles* – which provides statistics on key infrastructure services (transportation, telecommunications and finance and insurance) for some 140 economies.

WTO members received additional support to help meet the obligation to transpose bound schedules on goods to new versions of the Harmonized System (HS). For the HS 2007 transposition, 81 files were processed and posted for multilateral review in 2013, out of which 16 files have already been certified.

In the course of 2013, a number of acceding countries received technical support and guidance on the goods schedule negotiations. The final goods schedule of commitments for Yemen was prepared as key input into the package adopted at the Bali Ministerial Conference.

WTO Essay Award for Young Economists

The WTO Essay Award for Young Economists went in 2013 to German economist Felix Tintelnot for a paper on multinational firms' location and production decisions. The selection panel gave a special mention to the work of Benjamin Faber, also a German national, on international trade, the price of quality and inequality.

Felix Tintelnot's paper, entitled "Global production with export platforms", offers a framework to examine multinational firms' location and production decisions and the welfare effects of such decisions. The general equilibrium analysis presented in the paper shows that multinational firms play an instrumental role in the transmission of technology improvements to foreign countries. Location decisions of multinationals can therefore have important welfare effects on countries hosting affiliates and on third countries.

In the judgment of the Academic Selection Panel, the paper by Felix Tintelnot, currently an IES Fellow at Princeton University, contributes significantly to understanding the cost structure of multinational enterprises and thus towards evaluating the economic effects of trade and investment choices made by some of the most central players in the global economy.

The paper by Benjamin Faber, entitled "Trade liberalization, the price of quality, and inequality: evidence from Mexican store prices", considers a novel distributional channel of developing country trade liberalization that operates through differences in cost of living inflation between rich and poor households. Using a micro-level dataset, Faber provides evidence that cheaper access to foreign inputs reduces the relative price of higher-quality products in the importing country, thus making richer households relatively better off.

According to the Academic Selection Panel, the paper offers interesting and novel contributions to trade theory and provides convincing empirical evidence based on an impressive dataset.

Felix Tintelnot studied economics at the Free University Berlin (Germany) before obtaining a Ph.D. in Economics from Pennsylvania State University (United States). He will join the University of Chicago as assistant professor in 2014.

Benjamin Faber received his Ph.D. in economics from the London School of Economics (UK) in 2013 after visiting the University of California, Los Angeles and the MIT during his graduate studies. He is currently an Assistant Professor in the Economics Department at the University of California Berkeley.

Academic Selection Panel

The Academic Selection Panel for 2013 comprised Dr Avinash Dixit (Emeritus Professor of Economics, Princeton University), Dr Patrick Low (former Director, Economic Research and Statistics Division, WTO), Dr Robert Staiger (Professor of Economics, University of Wisconsin) and Dr Alberto Trejos (Professor of Economics, INCAE Business School). Dr Marion Jansen (Counsellor, Economic Research and Statistics Division, WTO) coordinated the selection process.



Background on the WTO Essay Award for Young Economists

In April 2009, the WTO established the annual WTO Essay Award for Young Economists. The award, which carries a prize of CHF 5,000, aims to promote high-quality economic research on the WTO and WTO-related issues and to reinforce the relationship between the WTO and the academic community.



Felix Tintelnot of Princeton University receives the 2013 WTO Essay Award for Young Economists from Marion Jansen, WTO Counsellor, who coordinated the selection process.

Cooperation with academic institutions

The WTO called for tenders for the next phase of the WTO Chairs Programme which will begin in 2014. The programme's annual conference was held and Chairs took part in the Global Review of the Aid for Trade initiative. The WTO's cooperation with academic institutions in 2013 focused on consolidating projects implemented by universities participating in the Chairs Programme. Twenty-nine activities were carried out during 2013, with the aim of helping academic institutions implement specific projects and initiatives.

WTO Chairs Programme

The WTO Chairs Programme, launched in 2010 to enhance knowledge and understanding of the trading system, completed its first four-year cycle in 2013. The programme aims to support and promote trade-related academic activities by universities and research institutions in developing and least-developed countries (LDCs). The programme will continue in 2014 with the addition of seven institutions.

The programme has provided funding over four years to the 15 academic institutions in developing countries originally selected as WTO Chairs. It has also given these Chairs access to WTO material and expertise. Events like the Chairs Programme Annual Conference or the biennial Global Review of Aid for Trade have provided Chairs with an opportunity to present their work to the Geneva-based policy community. In addition, the WTO Chairs Programme has encouraged networking and collaboration among Chairs.

The Chairs Programme also contributed in 2013 to the increasing consolidation of WTO Chairs' capacity to contribute to policy and decision making through research and outreach activities. This nexus between research and policy advice is one of the key objectives of the programme.

The Chairs contributed significantly to the Fourth Global Review of Aid for Trade in July, when they organized a side event on value chains. The event – "Design of policies targeting trade-related supply side constraints and connection to global and regional value chains" – drew on research carried out by Chairs. A book on this topic was published by the WTO in early 2014 – *Connecting to global markets – challenges and opportunities: case studies presented by WTO Chair-holders* – containing contributions from the 14 Chairs currently in the programme. In 2013, WTO Chairs hosted important international academic conferences, launched several new masters' degree programmes and published considerable peer-reviewed research.

Four years of achievement

Over the four years of the programme, more than 300 journal articles and research papers have been published in addition to 22 books and about 12 new masters' programmes. A new journal dedicated to trade and WTO-related issues was created in Latin America under the auspices of the programme. In terms of outreach, another pillar of the programme, over 300 seminars, conferences, workshops and roundtables have been organized over the years. Chairs have worked with government agencies, private and public sector companies and also with international organizations other than the WTO.

Universities participating in the WTO Chairs Programme



The WTO Chairs Programme issued on 30 October 2013 a call for tenders for the second 2014-17 phase of the programme. Academic institutions were invited to submit proposals by 8 December 2013. Seven chairs will be chosen through a competitive selection process. In making their selection, the WTO Secretariat, supported by the programme's Advisory Board, will take into account a number of criteria, including potential for developing capacities at the host institution and the relevance of research topics in relation to trade policy and WTO-related issues.

Academic Support Programme

The Academic Support Programme aims to support academic institutions from developing countries and LDCs that are

outside the scope of the Chairs Programme. Seeking to respond to requests submitted to the WTO Secretariat, it also supports existing or new academic projects through lecturing arrangements, donation of publications, research collaboration and a fellowship programme for doctoral students.

Activities during 2013 included the participation of WTO officials as invited lecturers in several university programmes and academic conferences. The programme organized short training courses at the WTO for affiliated universities. Several activities aimed at academic communities were organized with the WTO Reference Centres programme (see page 112), thus enhancing synergies between the two.



Background on cooperation with academic institutions
WTO academic cooperation activities seek to assist in the development and consolidation of the capacity of academics to design, offer and deliver courses and training programmes, and to conduct technical research on trade policy and WTO related matters. WTO support is implemented through the WTO Chairs Programme and the Academic Support Programme.

Secretariat and budget

- The WTO has 634 staff on the regular budget.

- In 2013, the WTO increased the number of nationalities represented among its staff to 78.

- The WTO's total budget for 2014 is CHF 197,203,900.

- In 2013, the WTO inaugurated a new reception centre, a renovated atrium, and a new building alongside the existing headquarters, bringing all staff under one roof for the first time.



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Background on 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 159 members.

WTO Secretariat

The WTO Secretariat is based in the WTO's headquarters in Geneva. It has 634 staff on the regular budget and is headed by Director-General Roberto Azevêdo, who began his term of office on 1 September 2013. His deputies – the four Deputy Directors-General – began their terms of office on 1 October. They are Yonov Frederick Agah of Nigeria, Karl Brauner of Germany, David Shark of the United States and Xiaozhun Yi of China.

The Secretariat's main duties are to supply technical and professional support for the various councils and committees, to provide technical assistance for developing countries, to monitor and analyse developments in world trade, to provide information to the public and the media, and to organize the ministerial conferences. The Secretariat also provides some forms of legal assistance in the dispute settlement process and advises governments wishing to become members of the WTO.

The Secretariat comprises staff from 78 WTO members. This is one more than at the end of 2012 following the first appointment of a Russian national in 2013. The professional staff is composed mostly of economists, lawyers and others with a specialization in international trade policy. There is also a substantial number of personnel working in other services, specifically in the areas of information technology, finance, human resources and language services.

Secretariat staff on the regular budget comprise professional and support service categories. The professional staff account for 57 per cent of the total and support service staff for 43 per cent. Women outnumber men at the WTO by 334 to 300. Of the professional staff, 42 per cent are female and 58 per cent male (see Figures 2, 3 and 4). The working languages of the WTO are English, French and Spanish.

The Human Resources Division continues to respond to the evolving needs of the Secretariat. Enhancing staff performance is the main driver behind a number of key human resources initiatives. These include robust management systems that allow WTO leadership to discuss staff expectations and evaluate staff performance as a means of determining who best merits a reward.

The WTO Staff Council, elected by staff members, promotes the interests of all staff within the Secretariat, provides staff with a forum for issues of concern, increases staff understanding of their rights and duties, represents the interests of staff and presents staff views to senior management.



Background on the WTO Secretariat

The Secretariat has no decision-making powers; all decisions in the WTO are taken by its members. The WTO's recruitment policy is based on the principle of equal opportunity for all, with the objective of ensuring the broadest possible diversification of the WTO Secretariat. The fullest regard is given to merit, qualifications and experience.

New recruits Q&A

Shashank P. Kumar

Dispute Settlement Lawyer, Appellate Body Secretariat
Nationality: Indian Date of Joining: 25 November 2013

What prompted you to apply for a job at the WTO?

Two years ago, I had the opportunity to work as an intern at the WTO Appellate Body and greatly enjoyed the work and the professional yet convivial environment. My experience as an intern, and the success of WTO dispute settlement in resolving international disputes, motivated me to apply for a job at the WTO.

What does your new job involve?

My primary responsibility is to assist the highest adjudicatory body at the WTO, the Appellate Body in its work. Additionally, I am involved in capacity building and teaching initiatives.

How well-known is the WTO in your country?

The WTO is quite well known in India. I believe that India has benefitted greatly from its responsible participation in the multilateral trading system, with the result that the WTO is frequently discussed in public debates. Critical perspectives, too, are not lacking, and assist in India's constructive engagement at the WTO.

Figure 1: WTO Secretariat organizational chart, as of 31 December 2013



“My immediate goal is to help ensure the effectiveness and efficiency of the WTO dispute settlement process”

What were you doing before you joined the WTO?

I worked as a judicial law clerk for two judges at the International Court of Justice, the principal judicial organ of the United Nations. I was also a legal adviser at the Iran-United States Claims Tribunal, responsible for settling claims between the United States and Iran in the aftermath of the Iran hostage crisis.

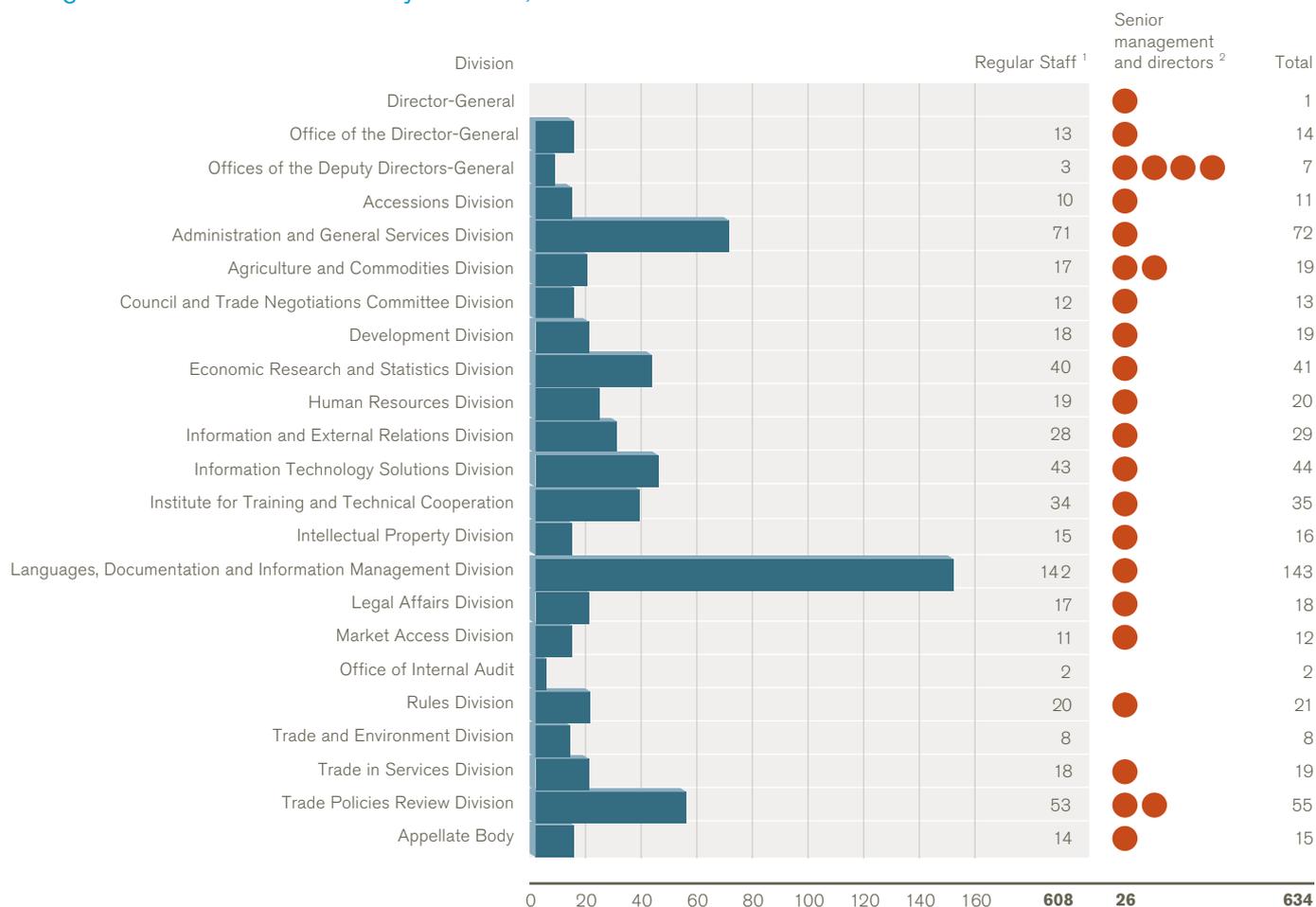
What are your goals?

My immediate goal is to help ensure the effectiveness and efficiency of the WTO dispute settlement process in what promises to be one of the busiest periods in its history. At a more general level, I wish to contribute to the awareness of, and respect for, the international rule of law.



The following graphics, giving a breakdown of staff membership in terms of gender and nationality, gender and divisions, and gender and grades, are provided for reasons of transparency.

Figure 2: Allocation of staff by division, as of 31 December 2013



¹ Regular budget posts, include posts not yet filled.

² Posts at grades 11 and 12.

New recruits Q&A

Roberta Lascari

Trade Policy Analyst, Market Access Division

Nationality: Italian Date of joining the WTO: 18 November 2013

What prompted you to apply for a job at the WTO?

At university, I studied international relations and my favourite topic was international trade and negotiations. When I was accepted as an intern at the WTO right after graduation, one of my biggest dreams came true. When I left the WTO to work for another organization, I knew that one day I would come back.

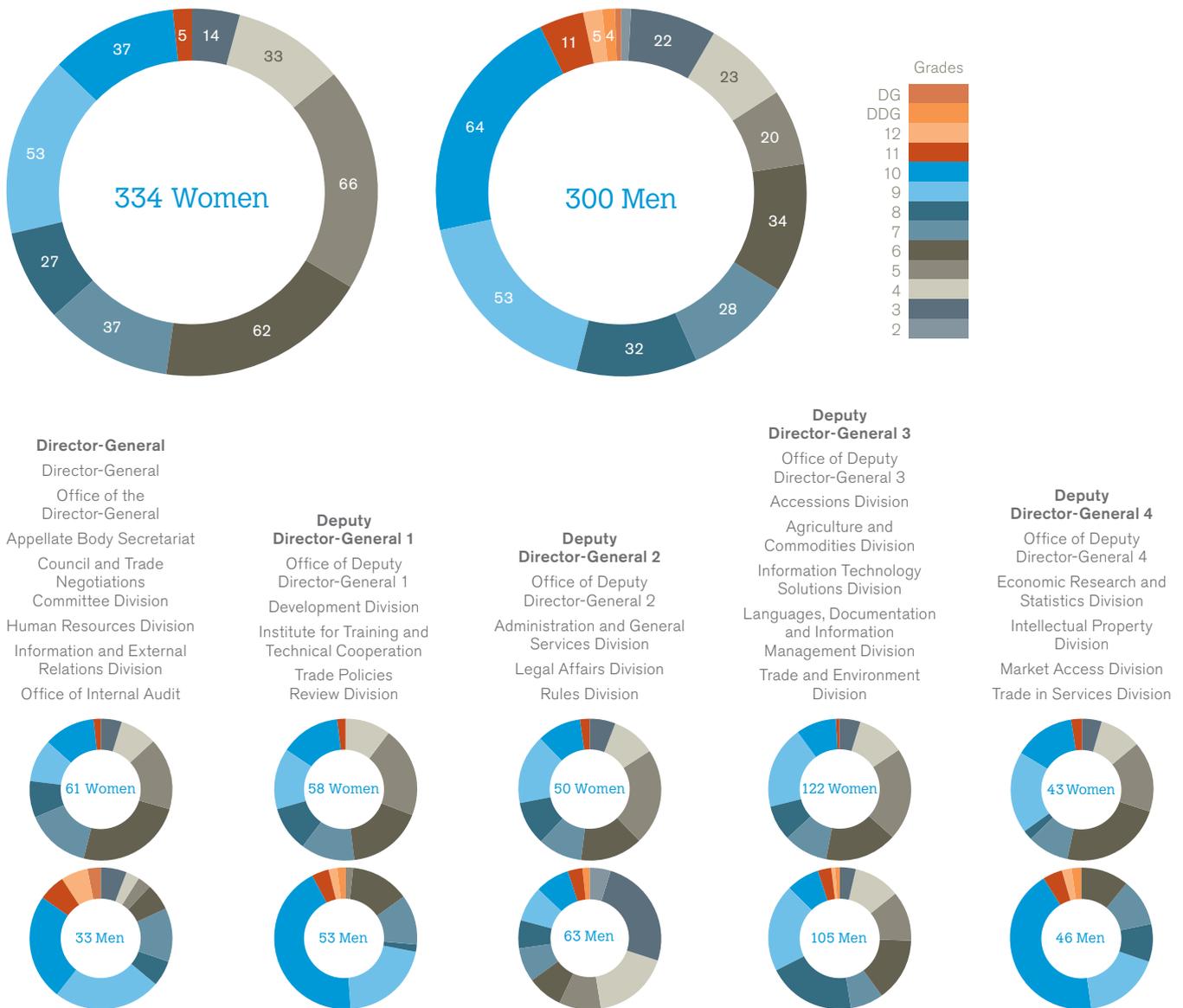
What does your new job involve?

My new job has to do with market access issues, ranging from tariff schedules and negotiations to rules of origin and customs valuation. The Market Access Division also provides technical assistance to developing countries to help them better understand WTO provisions on market access.

How well known is the WTO in your country?

Italy became a GATT Contracting Party in 1950. My country was also well represented by Mr Renato Ruggiero, who was WTO Director-General from 1995 to 1999. The WTO is well known to the Italian public and when important events occur, like ministerial conferences, the press covers them.

Figure 3: WTO staff on regular budget by grade and gender, as of 31 December 2013



“My goals are to contribute to the work of the WTO in promoting fair and predictable rules for international trade”

What were you doing before you joined the WTO?

I worked at the International Trade Centre, providing technical assistance to developing countries in forming export development strategies. The most interesting and challenging aspect of that work was to collaborate directly with beneficiaries from the private and public sectors. I travelled extensively to Africa to work in partnership with local counterparts.

What are your goals?

My goals are to contribute to the work of the WTO in promoting fair and predictable rules for international trade. I believe that the WTO provides the right forum for all countries to discuss and resolve their trade issues and reach agreements that promote economic and social development through trade.



SECRETARIAT AND BUDGET

Figure 4: WTO staff on regular budget by gender and nationality, as of 31 December 2013

78

Secretariat staff includes people from 78 WTO members



New recruits Q&A

Anna Varyanik

Trade Policy Analyst, Accessions Division

Nationality: Russian Date of joining the WTO: 26 September 2013

What prompted you to apply for a job at the WTO?

To me, the WTO was a great attraction because of its values. Having been engaged in international trade diplomacy for quite some time, I became a strong supporter of the idea of the rules-based multilateral trading system. I wanted to see it strengthened and to contribute to it to the extent I could.

What does your new job involve?

I am involved in managing WTO accession processes and assisting acceding governments in their smooth integration into the WTO system, including through the provision of technical assistance.

How well known is the WTO in your country?

Very well known. The accession of Russia to the WTO in 2012 was one of the major engines of development. The domestic reforms associated with accession have transformed Russia's economy, causing an inevitable rise in public interest. The WTO remains a focus of attention.

Europe

Member	Women	Men	Total	Member	Women	Men	Total
Albania	1	0	1	Netherlands	2	4	6
Austria	2	3	5	Norway	0	2	2
Belgium	3	2	5	Poland	2	2	4
Bulgaria	0	3	3	Portugal	1	3	4
Croatia	1	0	1	Romania	2	0	2
Denmark	1	1	2	Russian Federation	1	0	1
Estonia	1	0	1	Spain	26	13	39
Finland	2	3	5	Sweden	1	2	3
France	97	72	169	Switzerland	21	14	35
Germany	7	15	22	Turkey	2	1	3
Greece	3	2	5	United Kingdom	45	15	60
Hungary	0	1	1	Grand total	239	169	408
Ireland	10	1	11				
Italy	8	10	18				

334 Women, 300 Men
Total 634

Asia

Member	Women	Men	Total
Bangladesh	0	1	1
China	6	6	12
India	2	10	12
Japan	2	2	4
Jordan	1	0	1
Korea, Republic of	4	0	4
Malaysia	0	2	2
Pakistan	0	2	2
Philippines	5	8	13
Sri Lanka	1	2	3
Thailand	0	1	1
Grand total	21	34	55

Africa

Member	Women	Men	Total	Member	Women	Men	Total
Benin	0	2	2	Nigeria	0	2	2
Chad	0	1	1	Rwanda	0	1	1
Côte d'Ivoire	0	1	1	Senegal	0	1	1
Democratic Republic of the Congo	1	1	2	South Africa	0	1	1
Egypt	3	2	5	Tanzania	1	0	1
Ghana	0	1	1	Tunisia	2	3	5
Guinea	0	1	1	Uganda	3	0	3
Kenya	1	0	1	Zambia	1	0	1
Malawi	0	1	1	Zimbabwe	2	0	2
Mauritius	0	2	2	Grand total	15	22	37
Morocco	1	2	3				

Oceania

Member	Women	Men	Total
Australia	5	6	11
New Zealand	1	1	2
Grand total	6	7	13

“My goal is to contribute to the promotion of the rule of international law and global trade policy-making”

What were you doing before you joined the WTO?

I have been working with WTO-related issues for almost 10 years. Most recently, I was a legal affairs officer at the Permanent Mission of Russia to the United Nations in Geneva (2008-13) and before that, I was a capital-based lawyer at the Ministry of Economic Development (2004-08).

What are your goals?

My goal is to contribute to the promotion of the rule of international law and global trade policy-making through expanding the universality of WTO membership and strengthening the legal framework of the multilateral trading system.

Budget, finance and administration

In 2013, the WTO inaugurated a new reception centre, a renovated atrium, and a new building alongside the existing headquarters, bringing all staff under one roof for the first time. It also renovated one of its historic meeting rooms, the “Brazil Room”. The Committee on Budget, Finance and Administration regularly reviewed the budgetary and financial situation of the organization. A new external auditor was appointed.

The WTO officially opened the new building, which can accommodate up to 300 people, in June. The renovation project also included refurbishment of the atrium in the Centre William Rappard and the building of a new reception centre for visitors. Construction of a security perimeter will be completed in 2014. Following the opening of the new building, all WTO staff members are under one roof for the first time.

The Committee on Budget, Finance and Administration held seven meetings and presented four reports to the General Council in 2013. It obtained and reviewed, on a quarterly basis, reports on the financial and budgetary situation of the organization, the arrears of contributions from WTO members and observers, the management of human resources, the WTO pension plan and the building project.

Special attention was given to reforms in the area of human resources, including job profiling, and the application of the salary indexation methodology, which determines salary increases or cuts. WTO salary scales are indexed to other international organizations, mainly the United Nations. In accordance with the methodology, salary scales were cut a further 0.86 per cent in 2013, following cuts of 1.0 per cent and 2.4 per cent in 2011 and 2012, respectively. However, the 2013 cut had no effect on net salaries. After consulting members, the Director-General decided to continue the wage freeze in 2013.

The Committee carefully reviewed and took note of the annual report on diversity in the WTO Secretariat and the annual report of the Office of Internal Audit. The Director-General and the external auditor presented to the Committee the WTO 2012 financial performance report and the 2012 external auditor report, respectively. The Committee examined those reports and proposed to the General Council the approval of the 2012 audited accounts.

The Committee recommended the General Council approve pro-rata contributions for two new acceding members: the Lao People's Democratic Republic and Tajikistan.

On the building project, the Committee examined and approved two projects to be funded from the members' transition operating fund for a total amount of CHF 900,000. These were CHF 200,000 for additional work on the reception centre and CHF 700,000 for completing renovation work inside the security perimeter. The Committee also recommended the General Council approve the revision of the infrastructure contract that defines the relationship between the Swiss authorities and the WTO regarding the headquarters occupied by the Secretariat.

The Committee held a special informal meeting to review the issue of the rise in dispute settlement activity and its impact on the resources of the WTO Secretariat.

As the six-year mandate of the current external auditor expires with the audit of the 2013 accounts, the Committee launched a tendering process to identify a new external auditor and established a working group to review the offers received. The Committee recommended to the General Council the appointment of the German Bundesrechnungshof as the new external auditor of the accounts of the WTO Secretariat and the WTO pension plan, starting with the audit of the accounts for 2014 and for a period of six years.



Background on budget, finance and administration

The Committee on Budget, Finance and Administration monitors the WTO's budgetary and financial situation, including matters relating to the receipt of contributions, and undertakes any function assigned to it by WTO members. 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.



The newly-renovated Brazil Room, originally created in 1937 thanks to funds from the Brazilian Government, was re-inaugurated by Director-General Azevêdo at a ceremony in the WTO's headquarters on 9 September 2013.

WTO budget 2014-15

The WTO derives its income from annual contributions from its 159 members (see Table 3) and miscellaneous income. These contributions are based on a formula that takes into account each member's share of international trade. Miscellaneous income mainly consists of contributions from observer countries, income from the sale of publications and rental of meeting rooms.

The WTO's budget for 2014 (see Tables 1 and 2) is:

- WTO Secretariat: CHF 190,899,300
- Appellate Body and its Secretariat: CHF 6,304,600

The total WTO budget is CHF 197,203,900.

The WTO's budget for 2015 is:

- WTO Secretariat: CHF 190,699,300
- Appellate Body and its Secretariat: CHF 6,504,600

The total WTO budget is CHF 197,203,900.

Table 1: Consolidated expenditure 2013

Section	2013 Budget CHF	2013 Expenditure CHF	2013 Balance CHF
Work years (including salary and pension)	127,783,800	119,948,582	7,835,218
Temporary assistance	15,240,500	18,461,143	-3,220,643
Communications (including telecommunications and postal charges)	1,719,700	905,313	814,387
Building facilities (including rental, utilities, maintenance and insurance)	4,529,000	4,364,804	164,196
Permanent equipment	1,454,000	1,352,487	101,513
Expendable supplies	1,201,000	975,549	225,451
Contractual services (including reproduction, office automation and security)	8,936,600	8,064,551	872,049
Staff overheads (including training and insurance)	5,162,000	4,358,655	803,345
Missions	3,157,000	2,418,544	738,456
Trade policy courses	2,851,300	2,483,670	367,630
Various (including dispute settlement panels, publications, library and public information activities)	6,258,000	5,712,588	545,412
International Trade Centre	18,911,000	18,067,586	843,414
Grand Total	197,203,900	187,113,472	10,090,428

Table 2: Consolidated budget 2014

Section	2014 Budget CHF
Staff expenditure (including staff remuneration, pension and post-employment benefits, health and invalidity insurance, family and international benefits)	131,415,300
Temporary assistance (including short-term staff, consultants, panellists and Appellate Body Member fees)	17,167,050
General services (including telecommunications and post, contractual services and maintenance, energy and supplies, documentation and publication)	15,800,700
Travel and hospitality	7,480,800
Implementing partners total	273,000
Capital expenditure (including procurement of fixed assets and rental and leasing of equipment)	2,966,650
Financial expenditure (including bank and interest charges and building loan reimbursement)	1,230,000
Contributions to International Trade Centre and special reserves (including Appellate Body operating fund and Ministerial Conference operating fund)	20,870,400
Grand Total	197,203,900

TOTAL WTO BUDGET IN 2014

CHF 197,203,900

Table 3: Members' contributions to the WTO budget and the budget of the Appellate Body 2014

Member	2014 Contribution CHF	2014 Contribution %	Member	2014 Contribution CHF	2014 Contribution %
Albania	54,740	0.028%	Dominica	29,325	0.015%
Angola	490,705	0.251%	Dominican Republic	154,445	0.079%
Antigua and Barbuda	29,325	0.015%	Ecuador	215,050	0.110%
Argentina	780,045	0.399%	Egypt	572,815	0.293%
Armenia	33,235	0.017%	El Salvador	80,155	0.041%
Australia	2,584,510	1.322%	Estonia	179,860	0.092%
Austria	2,258,025	1.155%	European Union ¹	0	0.000%
Bahrain, Kingdom of	175,950	0.090%	Fiji	29,325	0.015%
Bangladesh	244,375	0.125%	Finland	1,129,990	0.578%
Barbados	29,325	0.015%	France	7,988,130	4.086%
Belgium	4,158,285	2.127%	Gabon	43,010	0.022%
Belize	29,325	0.015%	The Gambia	29,325	0.015%
Benin	29,325	0.015%	Georgia	54,740	0.028%
Bolivia, Plurinational State of	68,425	0.035%	Germany	16,410,270	8.394%
Botswana	60,605	0.031%	Ghana	117,300	0.060%
Brazil	2,381,190	1.218%	Greece	868,020	0.444%
Brunei Darussalam	64,515	0.033%	Grenada	29,325	0.015%
Bulgaria	336,260	0.172%	Guatemala	136,850	0.070%
Burkina Faso	29,325	0.015%	Guinea	29,325	0.015%
Burundi	29,325	0.015%	Guinea-Bissau	29,325	0.015%
Cambodia	74,290	0.038%	Guyana	29,325	0.015%
Cameroon	64,515	0.033%	Haiti	29,325	0.015%
Canada	5,253,085	2.687%	Honduras	87,975	0.045%
Cabo Verde	29,325	0.015%	Hong Kong, China	4,952,015	2.533%
Central African Republic	29,325	0.015%	Hungary	1,202,325	0.615%
Chad	37,145	0.019%	Iceland	78,200	0.040%
Chile	778,090	0.398%	India	3,853,305	1.971%
China	15,921,520	8.144%	Indonesia	1,634,380	0.836%
Colombia	488,750	0.250%	Ireland	2,128,995	1.089%
Congo	56,695	0.029%	Israel	842,605	0.431%
Costa Rica	146,625	0.075%	Italy	6,443,680	3.296%
Côte d'Ivoire	105,570	0.054%	Jamaica	66,470	0.034%
Croatia	287,385	0.147%	Japan	8,850,285	4.527%
Cuba	146,625	0.075%	Jordan	158,355	0.081%
Cyprus	117,300	0.060%	Kenya	109,480	0.056%
Czech Republic	1,429,105	0.731%	Korea, Republic of	5,526,785	2.827%
Democratic Republic of the Congo	87,975	0.045%	Kuwait, the State of	637,330	0.326%
Denmark	1,728,220	0.884%	Kyrgyz Republic	35,190	0.018%
Djibouti	29,325	0.015%	Lao People's Democratic Republic	29,325	0.015%
			Latvia	156,400	0.080%

¹ Contributions from the member states of the European Union are made individually by its member states.

Table 3: Members' contributions to the WTO budget and the budget of the Appellate Body 2014 (continued)

Member	2014 Contribution CHF	2014 Contribution %	Member	2014 Contribution CHF	2014 Contribution %
Lesotho	29,325	0.015%	Saint Lucia	29,325	0.015%
Liechtenstein	46,920	0.024%	Saint Vincent and the Grenadines	29,325	0.015%
Lithuania	287,385	0.147%	Samoa	29,325	0.015%
Luxembourg	785,910	0.402%	Saudi Arabia, Kingdom of	2,326,450	1.190%
Macao, China	211,140	0.108%	Senegal	44,965	0.023%
Madagascar	29,325	0.015%	Sierra Leone	29,325	0.015%
Malawi	29,325	0.015%	Singapore	4,508,230	2.306%
Malaysia	2,181,780	1.116%	Slovak Republic	782,000	0.400%
Maldives	29,325	0.015%	Slovenia	357,765	0.183%
Mali	29,325	0.015%	Solomon Islands	29,325	0.015%
Malta	80,155	0.041%	South Africa	1,069,385	0.547%
Mauritania	29,325	0.015%	Spain	4,590,340	2.348%
Mauritius	58,650	0.030%	Sri Lanka	140,760	0.072%
Mexico	3,376,285	1.727%	Suriname	29,325	0.015%
Moldova, Republic of	39,100	0.020%	Swaziland	29,325	0.015%
Mongolia	39,100	0.020%	Sweden	2,365,550	1.210%
Montenegro	29,325	0.015%	Switzerland	2,873,850	1.470%
Morocco	373,405	0.191%	Chinese Taipei	3,032,205	1.551%
Mozambique	43,010	0.022%	Tajikistan	29,325	0.015%
Myanmar	68,425	0.035%	Tanzania	78,200	0.040%
Namibia	50,830	0.026%	Thailand	2,207,195	1.129%
Nepal	35,190	0.018%	The former Yugoslav Republic of Macedonia	58,650	0.030%
Netherlands	5,986,210	3.062%	Togo	29,325	0.015%
New Zealand	432,055	0.221%	Tonga	29,325	0.015%
Nicaragua	46,920	0.024%	Trinidad and Tobago	119,255	0.061%
Niger	29,325	0.015%	Tunisia	244,375	0.125%
Nigeria	752,675	0.385%	Turkey	1,908,080	0.976%
Norway	1,657,840	0.848%	Uganda	46,920	0.024%
Oman	328,440	0.168%	Ukraine	809,370	0.414%
Pakistan	349,945	0.179%	United Arab Emirates	2,385,100	1.220%
Panama	199,410	0.102%	United Kingdom	7,954,895	4.069%
Papua New Guinea	44,965	0.023%	United States of America	22,298,730	11.406%
Paraguay	99,705	0.051%	Uruguay	103,615	0.053%
Peru	375,360	0.192%	Vanuatu	29,325	0.015%
Philippines	666,655	0.341%	Venezuela, Bolivarian Republic of	725,305	0.371%
Poland	2,207,195	1.129%	Viet Nam	856,290	0.438%
Portugal	922,760	0.472%	Zambia	62,560	0.032%
Qatar	551,310	0.282%	Zimbabwe	39,100	0.020%
Romania	713,575	0.365%			
Russian Federation	4,226,710	2.162%			
Rwanda	29,325	0.015%			
Saint Kitts and Nevis	29,325	0.015%			
			TOTAL	195,500,000	100.000%

Abbreviations

ASEAN	Association of Southeast Asian Nations	MFN	Most-favoured nation
CTD	Committee on Trade and Development	NAMA	Non-agricultural market access
DDA	Doha Development Agenda	NFIDCs	Net food-importing developing countries
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
EU	European Union	PTAs	Preferential trade arrangements
FAO	Food and Agriculture Organization	RTAs	Regional trade agreements
GATS	General Agreement on Trade in Services	SCM	Subsidies and Countervailing Measures
GATT	General Agreement on Tariffs and Trade	SMEs	Small and medium-sized enterprises
GDP	Gross domestic product	SPS	Sanitary and phytosanitary measures
GIs	Geographical indications	STDF	Standards and Trade Development Facility
GPA	Government Procurement Agreement	SVE	Small, vulnerable economy
HS	Harmonized System	TBT	Technical barriers to trade
ICC	International Chamber of Commerce	TNC	Trade Negotiations Committee
ILO	International Labour Organization	TPR	Trade Policy Review
IPU	Inter-Parliamentary Union	TPRM	Trade Policy Review Mechanism
ISO	International Organization for Standardization	TRIMs	Trade-related investment measures
ITA	Information Technology Agreement	TRIPS	Trade-related aspects of intellectual property rights
ITC	International Trade Centre	UNCTAD	United Nations Conference on Trade and Development
ITTC	Institute for Training and Technical Cooperation	WIPO	World Intellectual Property Organization
ITU	International Telecommunication Union		
LDCs	Least-developed countries		
MEAs	Multilateral environmental agreements		

0 is zero or became zero due to rounding.

Billion means one thousand million.

Minor discrepancies between constituent figures and totals are due to rounding.

Unless otherwise indicated, (i) all value figures are expressed in US dollars; (ii) trade figures include the intra-trade of free trade areas, customs unions, regional and other country groupings.

Note

This report covers the WTO's activities in 2013. 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 new 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. The publication replaces "10 Benefits of the WTO Trading System" and "10 Common Misunderstandings about the WTO".

Understanding the WTO

An introduction to the WTO, what it is, why it was created, how it works, and what it does, *Understanding the WTO* has been written specifically for non-specialists. More comprehensive than *WTO in Brief*, this publication details WTO agreements, the dispute settlement process, the Doha Round of negotiations and many other issues.

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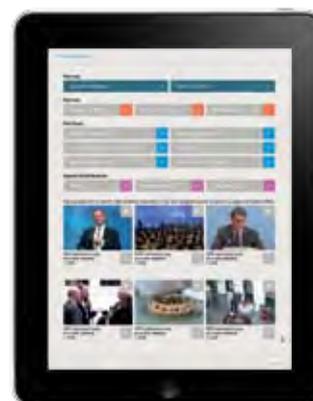
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World Trade Organization
Centre William Rappard
Rue de Lausanne 154
CH-1211 Geneva 21
Switzerland
Tel. switchboard: +41 (0)22 739 51 11
Fax: +41 (0)22 731 42 06
email: enquiries@wto.org
Website: www.wto.org

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