

## Remarks by DG Azevêdo

Chair, Ambassador Juan Carlos Gonzalez,  
Excellencies,  
Ladies and gentlemen,

Good morning. I am pleased to join you today.

This is always an important occasion. Even in this busy period as we finalise our preparations for Buenos Aires, it is right that we take this time to review the major developments in the international trading environment over the past 12 months.

Indeed, you could argue that this meeting is even more important in this context, as today's discussions will inform ministers' work in Argentina.

Transparency is essential to everything that we do at the WTO. It is vital to ensure the predictability and stability of the multilateral trading system. This was fully recognized by members in the 6th Appraisal of the TPRM undertaken last year.

This annual overview is a central component in our transparency efforts.

The Report before you today looks at the implementation of trade-related measures across the WTO membership in the last 12 months between mid-October 2016 and mid-October 2017.

It outlines a number of important trade-related developments, and gives an overall assessment of the main trends observed over this period.

It presents a comprehensive account of the state of notifications by WTO members.

And it looks at a wide range of other developments, including recent trade policy reviews and the implementation of the Trade Facilitation Agreement, the expanded ITA and other measures.

In a nutshell, the Report aims to offer a horizontal, objective and fact-based view of developments across the trade landscape.

Therefore, it is important to emphasize that none of the country-specific trade measures recorded in this Report are classified as protectionist or as WTO-inconsistent, illegitimate, unnecessary or arbitrary.

I stress that this exercise is not about judgements – it is about objectivity and facts.

In a moment, I will outline the key findings of the Report. But first, I would like to provide a brief background on the process of preparing this document.

As in the past, information for the Report has been collected from direct inputs submitted by members and observers, as well as from other official and public sources.

I would like to thank the delegations that have actively participated in this exercise by providing relevant information on time, and by ensuring the subsequent verification of this information.

Seventy-five members and two observers contributed to this overview. As the Chair just mentioned, this amounts to around 95% of world imports.

Although this figure is impressive, the fact is that we can still improve the participation of members. Over half of the membership did not take part.

I strongly encourage all members to do so in future.

Of course, the Secretariat remains available to help members' understanding of this exercise and to facilitate their participation.

The economic context for this year's report is interesting, to say the least.

International trade flows have rebounded strongly during the last 12 months after a sharp slowdown in 2016. In September we upgraded our forecast for trade growth in 2017. This was due to a sharp acceleration in global trade growth in the first half of the year. The original forecast was 2.4 per cent, and we are now forecasting growth of 3.6 per cent.

This improved outlook is very welcome, but substantial risks that threaten the world economy remain in place and could easily undermine any trade recovery.

Looking ahead, we need to keep up the hard work to help facilitate trade. And of course, this includes avoiding measures which can hamper and restrict trade flows.

So now, let me turn to the key findings of the Report.

It shows that 108 new trade-restrictive measures were put in place during the period. This equates to an average of 9 new measures per month. And it represents a marked reduction compared to the monthly average of 15 recorded in the previous period.

Members also implemented 128 new measures that facilitate trade. This amounts to around 11 trade-facilitating measures per month, which is significantly lower than the average of 18 measures per month recorded in the previous Report.

However, looking at the estimated coverage of these measures gives a different perspective.

From this angle, import-facilitating measures recorded in the period actually cover twice the value of the import-restrictive measures implemented.

Of course, we know that neither the numerical counting of measures nor their estimated trade coverage are bulletproof indicators of their real trade impact. However, both are useful to help illustrate the overall trend.

In addition, I am pleased to note that liberalization associated with the expansion of the WTO Information Technology Agreement continues to feature prominently. Import-facilitating measures associated with the ITA covered around 385 billion dollars during the review period.

So the picture is encouraging, but of course it could be much better. And further progress will require continued commitment. I urge members to redouble efforts to refrain from implementing new trade-restrictive measures, and to reverse existing measures.

Now, let me say a few words about the other findings of the Report.

On trade remedy measures, the review period saw a slight deceleration both in initiations of investigations and in terminations of measures, compared to the previous annual overview.

However, despite the numerical significance of trade remedy actions, the amount of trade covered by these measures is relatively small.

I should again stress, particularly in the case of trade remedies, that the Report does not call into question the WTO consistency of the measures listed nor whether they are a legitimate response to trade distortions introduced by the exporting parties.

Now, turning to general economic support measures and subsidies ...

These issues have not been covered substantively in this annual overview, given the poor response rate to the request for information. We continue to face considerable challenges in getting members to report on such measures. Members may wish to reflect and provide further guidance on how this issue might be best addressed in future reports.

In the area of trade in services, recent developments show that the sector is seeing further liberalization, especially through the strengthening and clarification of regulatory requirements.

At the same time, a number of services measures implemented during the review period appear to be trade-restrictive. We will continue monitoring this situation.

I also want to highlight the section of the report dedicated to providing members with an overview of the issues raised in individual Trade Policy Reviews over the past year.

We know that the high number of TPRs can place a significant burden of work on delegations, especially the smaller ones. Nonetheless, as the 6th Appraisal of the TPRM has shown, members attach a lot of importance to this exercise and want to make it useful and manageable to everyone.

The Report also draws attention to the changing technological landscape and to the increasing significance of intellectual property in economic development. It shows that several WTO members have adopted new national and regional policies related to IP and the digital economy.

I also wish to underline the continued commitment of members to notifying SPS and TBT measures for transparency purposes.

Each year the WTO receives more than 3,500 TBT and SPS notifications proposing new measures that may affect international trade. We are working with a number of partners to ensure that this information can be accessed in a simple and user-friendly way.

We created the ePing tool exactly for this purpose. It allows users to receive daily or weekly email alerts about SPS and TBT notifications covering products and markets of interest to them. And I am pleased to note that this initiative has attracted a lot of attention.

Finally, while the Report shows some improvements in terms of compliance and timeliness of members' notifications, the overall picture is far from satisfactory.

I want to echo the Chair's comments here.

Timely notifications constitute an essential element for the transparency of the multilateral trading system.

We must continue to explore how we can improve compliance with notification obligations, including looking at the reasons why some members have difficulties here.

So these are some of the principal findings that I wanted to share with you today.

I hope it can provide food for thought for your discussions.

I look forward to continue working with all of you to help strengthen this exercise and ensure that transparency remains a cornerstone of our work.

Thank you for listening. And thanks to the team in TPRD for their work in preparing this report.

I wish you a very productive meeting.