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Statement of Director-General Elect Dr. Ngozi Okonjo-Iweala to the Special Session of the WTO General Council

The Chair of the General Council

Excellencies

Ladies and Gentlemen

Let me start by thanking you, Ambassador Walker, and Ambassadors Castillo and Aspelund for your hard work, commitment, and dedication in steering this selection process to its conclusion.

I would like to pay tribute to the seven other highly qualified candidates for having come forward to participate in this selection process. The energy and dedication they brought to the process enriched it and underscored our shared belief in the ability of the multilateral trading system to make a significant contribution to the expansion of the global economy for the benefit of all Members.

I would like to express my profound gratitude to the WTO membership for electing me to lead this organization at this critical juncture. Special thanks to President Muhammadu Buhari and all my Nigerian compatriots for their support and prayers. I also want to recognise and thank ECOWAS and AU Heads of State, the ACP SG and membership for their early support of my candidacy. Thank you to other Members who supported my candidacy from start to finish of the selection process.

Without the recent swift action by the Biden-Harris Administration to join the consensus of the membership on my candidacy, we would not be here today. I am grateful to the US for the prompt action and strong expression of support. Finally, my thanks to my family and friends too numerous to name here, for their strength and encouragement throughout this process. It has been a long and tough road full of uncertainty, but now it is the dawn of a new day, and the real work can begin.

Today, WTO Members are making history. For the first time in the seventy-three years of GATT and WTO, you are selecting a woman and an African as Director-General. This is groundbreaking and positive. I am grateful for the trust you have in me, not just as a woman and an African, but also in my knowledge, experience, and, as some of you have said, possessing the courage and passion to work with you to undertake the wide ranging reforms the WTO needs to reposition itself for the future. At the WTO, the DG leads from behind working with the talented secretariat staff to help Members achieve results. You can count on me to be proactive, to work hard, to be balanced, fair, professional, and objective, so as to continuously earn and sustain your trust. That

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way, together, we can restore and rebrand the WTO as a key pillar of global economic governance, a force for a strong, transparent, and fair multilateral trading system, and an instrument for inclusive economic growth and sustainable development.

The preamble to the Marrakesh Agreement states that the objectives of the WTO are to raise living standards, ensure full employment, increase incomes, expand the production of and trade in goods and services, and seek the optimal use of the world's resources in accordance with the objective of sustainable development. The preamble says it all! The WTO is about people! It's about decent work! Let us place its overarching purpose front and centre as a driver for all we seek to accomplish for the multilateral trading system.

The WTO was already facing acute challenges before COVID-19. These challenges have now been amplified by the pandemic. In addition to the regretful mounting loss of life, the pandemic has wreaked havoc on the global economy, impacting supply chains and disrupting transport and travel. The crisis has upended trade and economic activities leading to job losses and reduced incomes around the world. It has erased years of economic gains made by several developing countries and even decades of growth in some low income and least developed countries. Many have been pushed deeper into debt compromising their ability to meet the UN SDGs by 2030.

But there is hope on the horizon. The WTO expects world merchandise trade to rebound strongly this year. The IMF forecasts an 8% growth in global trade volumes in 2021 and a 6% growth in 2022 while it estimates global GDP to rebound from a -4.4% growth rate in 2020 to 5.5% in 2021, with a projected 4.2% growth rate in 2022.

However, we cannot be complacent. For the global economy to return to sustained growth, the global community will need to get a tight grip on the pandemic by intensifying cooperation to make equitable and affordable access to vaccines, therapeutics, and diagnostics a key plank of the recovery. With new COVID variants spreading rapidly all over, we must have a sense of urgency to getting control of the pandemic. The WTO can and must play a more forceful role in exercising its monitoring function and encouraging Members to minimise or remove export restrictions and prohibitions that hinder supply chains for medical goods and equipment. The International Trade Centre recently reported that up to 100 countries still maintain export restrictions and prohibitions.

WTO Members have a further responsibility to reject vaccine nationalism and protectionism. They should rather intensify cooperation on promising new vaccines, therapeutics, and diagnostics. There should be a "third way" to broaden access

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through facilitating technology transfer within the framework of multilateral rules, so as to encourage research and innovation while at the same time allowing licensing agreements that help scale up manufacturing of medical products. Some pharmaceutical companies are already ahead of the game because they are doing this. Astrazeneca has licensed production in several countries, and has recently declared that it is willing to look at more such arrangements. Johnson & Johnson seems willing to follow suit looking beyond contract manufacturing to licensing agreements. The Serum Institute of India, which is set to manufacture up to 1 billion doses of vaccines, is a good example. Facilitating such arrangements will enable the WTO to support the WHO ACT-Accelerator, especially the COVAX facility to get affordable vaccines quickly to poor countries. Looking beyond this pandemic, the WTO must be proactive in strengthening cooperation with other multilateral and bilateral partners, the private sector, and civil society to set a framework for dealing with problems of the global commons such as this pandemic. The private sector, civil society, and parliamentarians are important partners of the WTO with whom collaboration will be further nurtured going forward.

WTO Members agree that the organization needs reforms, but a lack of trust among members means that there is less agreement on the nature of these reforms or their sequencing. To restore its credibility, the WTO must deliver early success and results. I have already expanded above on a key area where such results are possible, that is assistance in controlling the COVID-19 pandemic through the nexus of trade and public health. At MC12, the success of which is a top priority for us all, we must reach agreement on some pressing issues and elaborate on work programmes for others. Apart from the issues related to the pandemic, I hope that we would have finalised the fisheries subsidies negotiations, leaving MC12 as the venue to conclude on modalities for implementation. I am acutely aware that the negotiations on fishery subsidies are difficult, but Members should exercise the necessary flexibility for progress to be made on this important issue. A robust agreement would be a win-win for trade and sustainability. It will signal to the world that the WTO is back, that it is capable of concluding a multilateral agreement vital for current and future generations. Members will need to overcome their differences and agree on prohibiting subsidies that contribute to illegal, unreported, and unregulated fishing, and that facilitate overfishing and overcapacity. It is now time to identify appropriate landing zones, taking into account the interest of all Members, and the need to fully fulfill SDG 14.6. The WTO cannot afford to stumble over this. The stakes are too high, the negotiations have been going on for far too long, and every effort must be made to conclude as soon as possible.

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Reform of the dispute settlement system, which has been a central element in guaranteeing security and predictability of the multilateral trading system, is of utmost importance to the membership. Some Members have criticised the way it functions and demanded reforms. It will be important to agree on the nature of these reforms, flesh them out, and develop a work programme for implementation that can be advanced at MC12. I believe that the set of recommendations proposed by Ambassador Walker could provide Members with a platform upon which to build so as to restore confidence in the dispute settlement system. A strengthened and robust system is in the interest of all Members, and as such, every effort should be made to improve it. We need a system that can garner the confidence of all, including small developing and least developed countries who have found it challenging to utilize.

The WTO rule book is outdated, and its rules lag behind those of several regional and bilateral trade agreements which are incorporating a lot of innovations. The rulebook must be updated to take account of 21st century realities such as e-commerce and the digital economy. The pandemic has heightened the importance and accelerated the role of e-commerce, which is expected to grow significantly in the coming years. E-commerce offers important opportunities for inclusivity of MSMEs and women in international trade, especially in developing countries. To make it possible for some developing and least developed countries to participate in the e-commerce negotiations, we must partner with governments and other organizations to bridge the digital divide. Success in the e-commerce negotiations could provide an impetus for reviving more broadly the negotiations on Trade in Services, a sector of increasing importance in the economy of most Members. Plurilateral initiatives have brought new energy in the Multilateral Trading System. Negotiating work on other joint statement initiatives – domestic regulation and investment facilitation – has continued fairly intensively despite the pandemic. Participants need to pursue their efforts to build support and attract interest from a significant part of the WTO membership, including from developing countries with a view to concluding at least the domestic regulation by MC12.

We should also work to ensure that the WTO best supports the green and circular economy and addresses more broadly the nexus between trade and climate change. Trade and environmental protection can be mutually reinforcing, both contributing to sustainable development. It will be important for Members to reactivate and broaden the negotiations on environmental goods and services. This would help promote trust and encourage Members to explore further ways in which trade can contribute positively to an improved climate. Care must, however, be taken to ensure that any disciplines are not used arbitrarily or as a disguised restriction on trade, and that they

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take into account the need for developing countries to be assisted to transition to the use of greener and more environmentally friendly technologies.

The WTO's work in new or innovative areas does not mean that traditional topics such as agriculture are forgotten. Agriculture is particularly important for many developing and least developing countries. Improving market access for export products of interest to these countries is of paramount importance, as is dealing with trade distorting domestic support. The growing domestic support entitlements of Members must be addressed to level the playing field, so as to provide opportunities for small scale farmers. In addition, it is possible for an early agreement on removal of export restrictions including favorable consideration of the exemption of WFP humanitarian purchases. Likewise, we must also strengthen disciplines on industrial subsidies. In that regard, it would be important to ensure that subsidies granted by Members to their state-owned enterprises in certain situations do not distort the conditions of competition. The issue of Special and Differential Treatment (SDT) is a divisive one that undermines trust. However, the voluntary action of some developing country Members to not avail themselves of SDT in the future points a way forward, so does the Trade Facilitation Agreement which allowed for taking into account each Member's particular development status.

Let me now turn to procedural reforms. We need to look at how we can strengthen the working procedures of various WTO bodies so that they can better serve the membership. Transparency is the lifeblood of the system and every effort should be made to assist Members to meet their notification and transparency obligations. The development and streamlining of online tools, including the introduction of E-agendas is a step in the right direction. Some WTO rules and procedures also need to be revisited, including the procedures for appointing DGs. Regarding Ministerials, Article IV of the Marrakesh Agreement provides that "there shall be an MC composed of representatives of all Members which shall meet at least once every two years." In today's fast changing, fast paced, but uncertain world, it may be opportune for members to review the frequency of Ministerials to assess whether yearly meetings would allow Members to better appraise the health of the MTS, surface problems, and together advance timely solutions. Furthermore, Members take decisions on the basis of consensus, and rightly so, since Article IX:1 of the Marrakesh Agreement provides that "the WTO shall continue the practice of decision-making by consensus followed under the GATT" but Members must be vigilant that the quest for consensus does not create situations in which welfare enhancing innovations or approaches of benefit to the membership are frustrated.

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The WTO Secretariat should be strengthened to enable it to provide cutting edge services to the membership in all relevant areas of WTO's work, including implementation, monitoring, dispute settlement and negotiations. An important change will be to move away from the current siloed way of working to a more team and task-based approach. The Secretariat has to be fit for purpose to take account of the changing dynamics of the global economy and priorities of Members.

Excellencies, ladies and gentlemen, let me conclude by saying that the challenges facing the WTO are numerous and tricky, but they are not insurmountable. There is hope. There is light at the end of the tunnel if we work together in a transparent manner that builds trust, builds bridges, defuses political tensions, and encourages convergence.

The pandemic and its economic fallout have highlighted the interdependence of countries, the importance of multilateralism, and the need to strengthen collaboration to achieve fair and balanced trade agreements that provide opportunities for all WTO Members, particularly least developed countries and small island states. By working together, we can build trust, and we can achieve a stronger, more relevant, and inclusive trading system. I am passionate about these goals. I am keen to support you to carry out the necessary reforms. I look forward to working closely with all of you in the coming months and years, to help build the WTO that we all want, a WTO that is about people, a WTO that is dynamic, robust, and that provides essential support to economic growth and sustainable development through trade. Once again ladies and gentlemen, I thank you for this opportunity.