



## Message from Director-General Ngozi Okonjo-Iweala

**T**hese are troubling times for global trade. Amid geopolitical tensions and the backdrop of the climate crisis, we see increased protectionism and unilateral policy measures. The data suggest that after years of talk of decoupling, trade may be starting to fragment along geopolitical lines.

And yet within these challenges there are exciting opportunities. Opportunities to harness digitalization to spur growth and job creation. Opportunities to use trade to enhance global food security and accelerate the push towards net-zero emissions. Opportunities to spread the benefits

of trade to more people and countries. The World Trade Organization has a vital role to play in enabling members to seize these opportunities - and in doing so, to make the global economy more inclusive, more sustainable and more resilient.

In 2023 – the main period covered by this report – merchandise trade volumes fell by 1.2 per cent after growing 3.0 per cent the year before, as many countries dealt with the lingering effects of inflation and high energy prices. But this decline was partially offset by strong growth in services trade, which increased by 9 per cent in value terms, boosted in

particular by the post-pandemic surge in tourism.

Despite trade tensions, political uncertainty, and shocks like COVID-19, world trade has been remarkably resilient in recent years. The value of total goods and commercial services trade in 2023, at US\$ 30.4 trillion, was close to record highs. Merchandise trade volumes at the end of 2023 were 6 per cent above their pre-pandemic peak in 2019, while the value of commercial services trade was up 21 per cent between 2019 and 2023 – and by more than 50 per cent for trade in digitally-delivered services.

As it marks its 30th anniversary this year, the WTO has continued to enable members to use trade as a means to improve living standards, create better jobs and promote sustainable development, in keeping with the mission articulated in the preamble to the Marrakesh Agreement that established the WTO. Since 1995, global trade has expanded nearly five-fold in value terms, driving faster growth in developing and developed economies, and helping lift over 1.5 billion people out of extreme poverty.

The future of trade is services, digital, green – and it must be inclusive. This Annual Report describes how, over the course of 2023 and through to our 13th Ministerial Conference in Abu Dhabi in February 2024,

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the WTO and its members moved forward on all these fronts, helping build the enabling environment for trade's evolution in the years ahead. At the same time, members left key business unfinished – notably on fisheries subsidies and agriculture.

Vis-à-vis services, MC13 saw the entry into force of new disciplines for domestic regulation aimed at cutting services-related red tape and making it more straightforward for service providers to enter foreign markets. Over 70 WTO members are committed to implementing these new disciplines.

On digital trade, members at MC13 helped preserve market predictability by extending by two years the longstanding moratorium against

levying customs duties on cross-border electronic transmissions. They agreed to keep up efforts to reinvigorate the Work Programme on E-Commerce to help developing and least-developed country members address the trade-related challenges they face in building their digital economies.

Meanwhile, throughout the year in Geneva, a large group of members continued to make progress in e-commerce negotiations on setting out some basic shared rules for digital trade.

With regard to making trade a stronger force for environmental sustainability, the year was marked by a steady flow

of formal acceptances by members of the WTO's Fisheries Subsidies Agreement, continuing through and beyond MC13. At the time of writing in July 2024, nearly 80 members have formally accepted the Agreement. This leaves us roughly 30 ratifications away from the two-thirds of the membership threshold for the Agreement to enter into force and start to protect marine fisheries and the livelihoods of the 260 million people worldwide who depend on the oceans for their food and incomes. The WTO's Fish Fund set up to help developing economies implement the Agreement has received more than CHF 14 million in contributions and pledges and will be ready to go as soon as the Agreement enters into force.

At MC13, we came very close to agreement on a second wave of provisions for the Fisheries Agreement, but unfortunately could not get to the finish line. Still, members laid a foundation for bringing these negotiations to a swift conclusion.

Also at the conference, ministers engaged in a groundbreaking open-ended conversation on sustainable development, looking at trade's role in addressing economic, social and environmental concerns.

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Another highlight on the green front was the growing recognition in the wider policy community of the role for trade in tackling climate change. The UN's COP28 Climate Change Conference in Dubai in December for the first time had a dedicated Trade Day, and the WTO Secretariat co-hosted a Trade House pavilion where we launched a new publication showcasing trade policy options governments could use to amplify their climate change policies.

As for inclusion, members made a number of important advances leading up to MC13. One was the formal adoption,

after years of negotiations, of WTO membership terms for Comoros and Timor-Leste - both least developed countries. In addition, members reached long-awaited decisions on special and differential treatment for developing countries, and on easing the transition for economies graduating out of least developed country status.

Another valuable step forward was the finalization of the Investment Facilitation for Development Agreement, which promises to help developing economies by simplifying investment-related procedures, helping them attract investment and connect to global markets. Over three-quarters of WTO members participate in this initiative and have requested its inclusion in the

WTO framework. Ministers at MC13 also had a structured conversation on socio-economic inclusion, looking at how trade could be used to empower women and expand opportunities for small businesses.

On agriculture, however, despite the sector's importance for employment, incomes and food security, we were unable to achieve a breakthrough. This was disappointing, but work continues in Geneva to find a path towards reforming the WTO agriculture rulebook.

The WTO continued its efforts to enable developing economies to take advantage of international market opportunities, including through the Aid for Trade initiative, targeted supply-side support via the Enhanced Integrated Framework and the Standards and Trade Development Facility, and capacity support through the Institute for Training and Technical Cooperation. At MC13, together with the International Trade Centre, we launched the Women Exporters in the Digital Economy (WEIDE) Fund to help women tap into international market opportunities in the digital economy.

As part of this Annual Report's comprehensive look at what the WTO did last year, you will be able read about how regular committee work continued to provide a platform for WTO members to discuss trade concerns, propose new solutions

to pressing issues and find ways of avoiding potential trade conflicts.

You can see how members continued to use the WTO dispute settlement system to resolve disputes, with ten panel reports circulated, including three where the disputing parties found a mutually agreeable solution. WTO members also advanced work on dispute settlement reform and reaffirmed the goal of having a fully functioning dispute settlement system in place by the end of 2024. Efforts to this end are continuing in Geneva in a formal process with a respected ambassador as facilitator, supported by six co-convenors who are leading different strands of technical work.

The report also describes highlights of the WTO's research work, and partnerships with a wide range of other international organizations in areas ranging from subsidies to carbon pricing, trade finance and digital trade.

Finally, I always say trade is about people. This report introduces you to a few people who improved their lives and livelihoods through trade.



**DR. NGOZI OKONJO-IWEALA**  
DIRECTOR-GENERAL