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**The implementation and realization of the right to development and the implications of the 2030 Agenda for Sustainable Development**

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Good morning,

Thank you very much for inviting WTO to this very interesting interactive dialogue on SDG implementation.

In a changing economic landscape, trade becomes even more relevant in the implementation of the Agenda 2030 for Sustainable Development and SDGs. The WTO's long-term ambitions are very similar to the objectives and aims of Agenda 2030. Multilateral cooperation in the area of global trade is very much embodied in the WTO, not as an end in itself, but as a means to unleashing economic growth, alleviating poverty, raising living standards and ensuring full employment.

And these are not just aspirational objectives we have seen how trade has proven to be an engine for development and poverty reduction by boosting growth. Over the past 15 years accelerated economic growth in developing countries has resulted in narrowing of the income gap between developing and developed countries. This growth explosion has greatly contributed to an unprecedented reduction of poverty levels leading to an early achievement of MDG 1. Today, trade plays an important role in the economy of developing countries. To have an idea, trade now represents 34 per cent of developing countries' GDP on average – compared to 20 per cent for advanced countries.

Integration into the Multilateral Trading System of the WTO helps the long-term growth prospects of developing countries by providing them with access to new markets, new technologies and new investment. And by increasing growth trade can also make available the necessary resources to implement other development targets in the social and environmental sphere.

Trade is described in the Agenda as an engine for inclusive economic growth and poverty reduction that contributes to the promotion of sustainable development. Agenda 2030 commits leaders to "continue to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the WTO, as well as meaningful trade liberalization".

 In line with this approach, trade-related issues in the SDGs are reflected primarily under SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development. There are three trade-related targets under SDG 17. Target 17.10 calls for the promotion of the multilateral trading system under the WTO, "including through the conclusion of negotiations within its DDA". Target 17.11 aims to "Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020." Target 17.12 also focuses on LDC issues and calls on Members to "Realize timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs, consistent with WTO decisions, including by ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access".

Progress in these targets has been uneven. Trade weighted tariffs have been decreasing to an average 2.2% worldwide but there still remain large differences at the regional level that reflect global economic imbalances. When it comes to market participation although a Developing Countries have greatly increased their share in both exports of both goods and services since the start of the MDG period it seems to have stagnated since the start of the SDG period. And despite a slight upturn in 2017, the share of LDCs in world merchandise exports remains just below 1%. This suggests doubling LDCs’ share of global exports by 2020 from the 2011 level (1.1%), as the target suggests, would be a challenge.

 Other SDGs also refer to trade and the WTO, reflecting the cross-cutting nature of trade as a tool to help achieve specific goals, including on hunger and environmental protection. SDG 2 on hunger and food security calls on UN member states to "correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round".

Target 3.b of the SDGs also refers to the Doha Declaration on the TRIPS Agreement and Public Health, as a means to providing access to essential medicines and vaccines under SDG 3 on health.

Under SDG 8 on decent work and economic growth, target 8.a calls for countries to "increase Aid for Trade support for developing countries, in particular LDCs, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to LDCs." Target 10a in SDG 10 on reducing inequalities is a call for countries to "implement the principle of special and differential treatment for developing countries, in particular least-developed countries, in accordance with World Trade Organization agreements." Lastly, under SDG 14 on ocean and marine resource conservation target 14.6 seeks to, "by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing" and states that this should be an integral part of the World Trade Organization fisheries subsidies negotiations.

WTO has also already started to deliver in several of these SDG targets. First, under SDG:2 on Zero Hunger Target 2.b of this Goal urges the reduction of distortions in agricultural markets. The WTO's Export Competition in Agriculture Decision reached at the Nairobi Ministerial Conference delivers on this target by prohibiting the use of export subsidies and other measures of equivalent effect.

Second, under SDG:3 on Good Health and Well Being at the beginning of last year an amendment to the WTO TRIPs Agreement entered into force that will make it easier for developing countries to have a secure legal pathway to access affordable medicines in line with target 3.b of this goal.

Third, under SDG:14 on Life Below Water there was a decision at Buenos Aires expressing a firm commitment by members to eliminate subsidies that cause overfishing and overcapacity by the end of the year. This would deliver on target 14.6 of this goal by its deadline of the year 2020.

If anyone doubts that trade can serve as a driver of development, there are impressive figures to tell the story. Developing countries' share of global trade has jumped from 25% in 1995 to 40% in 2016. This has been the case for the large emerging markets of China, India and Brazil but is also true for several very small, former LDCs such as Samoa, Cape Verde and the Maldives.

All of these countries have graduated to developing country status and Vanuatu is expected to do so very soon. These countries mainstreamed their trade policies to tackle capacity constraints and emphasize using trade and attracting FDI to advance their economic growth and development which, in turn, helped them to achieve the required social benchmarks they needed to graduate.

But big structural changes are happening in the global economy that are making the link between trade and development more complex. Automation, digitization and new business models are revolutionising all aspects of our lives. And we need to respond to these changes. New technologies are completely transforming the way in which goods, services and information are produced and exchanged.

Of course, this process is not new. We saw it with steam and the industrial revolution in the 19th century and later with electricity, the assembly line and mass production in the 20th century. But now in the 21st century, what is unprecedented is the pace and speed of these new technological developments.

Thanks to innovations like containerization to fibre optics, production stages can happen in different countries, supplies and components also come from a score of different places. The internet has also had a huge impact on the way we trade. Trade in services, data and information is surging across digital platforms. And we know that traditional trade in manufactured goods, agricultural products or natural resources is also increasingly enabled by digital technologies.

All this presents many opportunities to continue to leverage trade as a tool to promote growth and development. At the same time, this unprecedented technological advance is also driving big structural changes in labour markets.

Productivity gains from new technologies are reducing the demand for labour in more traditional sectors, such as agriculture or manufacturing. Of course, this so called "fourth industrial revolution" is not going to make all our jobs disappear. But it is bringing huge changes. And while these processes have brought progress overall, we need to recognise that not everybody has been able to benefit and participate.

We need to respond to this and adapt. This is a challenge facing governments and societies everywhere – in both developed and developing economies. To help inform this conversation, we dedicated the 2017 World Trade Report precisely to the topic of the relation between technology, trade and jobs. While our 2018 WTR delves deeper into these issues by analysing how digital technologies are transforming global commerce.

Our research shows that sustainable and balanced economic progress will hinge on the ability of economies to adjust to changes and promote greater inclusiveness. There is not a 'one size fits all' recipe, approaches need to be tailored to a country's specific situation and mainstreamed into development policy objectives to ensure that trade is inclusive, that it benefits the largest possible sections of the population and that those who may be losing out are provided assistance to adjust.

Given the importance of trade in achieving the SDGs the WTO has recently issued a publication entitled “Mainstreaming trade to attain the SDGs” which looks at how engaging in international trade can help countries gain access to new markets and new investments, therefore boosting growth, raising living standards and promoting sustainable development. This report is meant to be a tool to guide members on the various aspects of how trade can contribute to the central objectives of reducing poverty through economic expansion.

It puts emphasis on how countries can get organized to mainstream trade to expand economic opportunities for poverty reduction. This is very important because trade has cross-cutting effects in the economy and significant linkages to other sectors. So, in order for countries to fully reap the benefits of trade, it is necessary to adopt approaches which aim to mainstream trade into their national sustainable development strategies.

The report looks at the SDGs from the economic, social and environmental perspectives and outlines how trade is contributing to making progress in each of these areas, including through reducing poverty, improving health and tackling environmental degradation. It also looks ahead and attempts to identify those emerging issues that require the attention of the international community. These include keeping up with the evolving character of international trade and ensuring access to technology for ICT enabled trade.

Finally, the publication concludes by outlining several suggestions directed at both developed and developing countries which would help to ensure that international trade contributes to accelerating progress in achieving the SDGs.

One recommendation made in the publication is to continue our work on reducing trade costs. Reducing trade costs will help to narrow inequalities and to accelerate progress in achieving SDG targets related to sustainable economic growth, gender equality and participation in international trade. In addition, reducing trade costs can help developing countries tap into the rapidly growing global market for sustainably sourced and produced goods, thereby supporting their own efforts to achieve better environmental protection and better trade opportunities.

Another recommendation is to enhance the services sector. In many developing countries, the services sector has a large share of GDP and employment. Services play a particularly important role in helping developing countries participate in global value chains, especially if they lack the infrastructure to fully take part in trade in goods. Moreover, services help to ensure that key environmental and other sustainable development technologies deliver benefits. The services sector therefore has enormous potential for supporting inclusive and sustainable development.

Building supply-side capacity and trade-related infrastructure is also critical to achieve the SDGs. This is why one of the WTO’s priorities is to continue to mobilize resources for developing countries and LDCs through the Aid for Trade initiative so that they can improve their supply capacity, strengthen trade-related infrastructure and add value to their exports.

Last but not least, another very important recommendation is to deploy further efforts to strengthen and reform the WTO to support efforts at the national level to achieve the SDGs and ensure that the benefits of trade are spread more widely. The series of successes at the WTO in recent years illustrates how the trading system can help to tackle priority trade issues for developing countries. The Trade Facilitation Agreement, the expansion of the Information Technology Agreement, the amendment of the TRIPS Agreement easing access to medicines, and the agreement to abolish agricultural export subsidies will all deliver important benefits.

 Moreover, the different approaches represented by these agreements show that the system is adaptable and dynamic in its response to the changing landscape and emerging challenges.

By delivering and implementing trade reforms which are pro-growth and pro-development, and by continuing to foster stable, predictable and equitable trading relations across the world, the WTO will play an important role in delivering the Sustainable Development Goals, just as it did with the Millennium Development Goals before them.

The multilateral trading system and the WTO bring predictability, security and fairness to international economic relations. And this is particularly important for developing countries to ensure that they can realize their right to development.

Thank you very much for your attention.