



# **International Monetary and Financial Committee**

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**IMFC Statement by Yi Xioazhun  
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## **IMF COMMITTEE OF GOVERNORS, 9 OCTOBER 2015**

Mr Yi Xioazhun, Deputy Director-General of the WTO

Since the global financial crisis, trade growth has slowed sharply relative to output. For the fourth consecutive year in 2015, world trade is expected to grow in line with world GDP, amidst slowing activity in emerging economies, falling prices for oil and other primary commodities, and strong fluctuations in exchange rates.

Consistent with the World Economic Outlook, the WTO has lowered its forecast for world trade growth in 2015 to 2.8% from 3.3% previously and reduced its estimate for 2016 to 3.9% from 4.0%, with risks firmly on the downside.

Trade will continue to pick up gradually in developed countries, but this will be offset by weaker import demand in emerging economies:

- China's imports have slowed as the country transitions from investment-led growth to a greater role for consumption,
- Falling commodity prices have squeezed export revenues in resource-rich developing economies,
- Financial markets in emerging markets have become more volatile as monetary policy remains uncertain in developed countries.

If we want to improve the global economic outlook, to boost productivity growth and avoid the "new mediocre", governments should embrace further trade opening and reform through the multi-lateral trading system. In particular, a strong set of negotiated outcomes from the upcoming WTO Ministerial Conference in Nairobi in December would increase confidence in the ability of

international institutions to deliver practical reforms to revive global economic growth.

A great deal of progress has been made in negotiations in the run-up to Nairobi, and a set of deliverables that would advance developing and least-developed country priorities is within reach, but much remains to be done. Vocal support from ministers and governors could contribute to a successful outcome.

Another step that countries could take to boost trade would be to ratify and implement the WTO Trade Facilitation Agreement (TFA), which was agreed at the ministerial conference in Bali in December 2013. By simplifying and speeding up trade procedures, the TFA is expected to provide a range of benefits, including lower trade costs, faster GDP growth, and greater export diversification, among others.

The TFA would be especially helpful in boosting trade in time-sensitive agricultural goods and components that figure prominently in global supply chains. This would allow more developing countries to participate in production networks and help them recover some of the dynamism that supported world trade and output growth following the financial crisis. Further trade liberalization will also contribute to productivity improvements in developed countries and raise their long-run growth prospects.

I urge ministers to continue to give a high priority to multi-lateral trade negotiations and to voice their support for WTO agreements and negotiations.

Thank you for your attention.