

WTO and the pandemic: Never let a crisis go to waste

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Memo to the new WTO Director-General: Never waste a crisis 10 February 2021, VoxEU.org column

Simon Evenett, Richard Baldwin 10 February 2021

Following the appointment of its new Director-General, the World Trade Organization has the best opportunity in years to revive its fortunes. This column, written as an open letter to the incoming Director-General of the WTO, argues why and offers ideas on how.

Dear Director-General,

Congratulations on your appointment. Bravo for taking up the challenge of revivifying a central pillar of multilateral governance, the World Trade Organization (Krueger 2020). We're sure you don't underestimate the scale of the challenge before you, but we hope you share our view that the present global crisis also represents an opportunity for the organisation, one for which your formidable knowledge of development and policymaking is well suited to seizing.

In anticipation of a successfully concluded Director-General selection process, we recently edited an

Related

Revitalising multilateralism: A new eBook
Simon Evenett, Richard Baldwin

WTO negotiation and institutional reform priorities: Stakeholder perspectives
Matteo Furlini, Bernhard Hoekman, Petros Mavroidis, Douglas Nelson, Robert Wolfe

New eBook: COVID-19 and Trade Policy: Why Turning Inward Won't Work
Richard Baldwin, Simon Evenett

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1

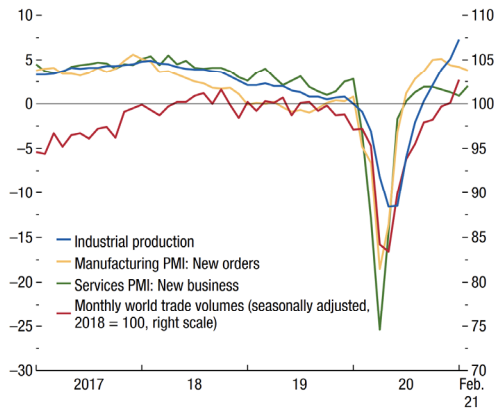
Talk in 3 parts:

1. Current economic situation
2. Current Covid situation
3. Opportunities for restoring "WTO Centrality" in world trade system

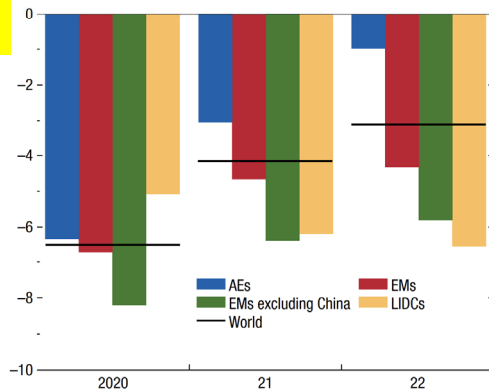
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Uneven recovery underway

Manufacturing and trade are back to pre-pandemic levels but services lag



Advanced Economies are recovering faster to pre-C19 growth rates

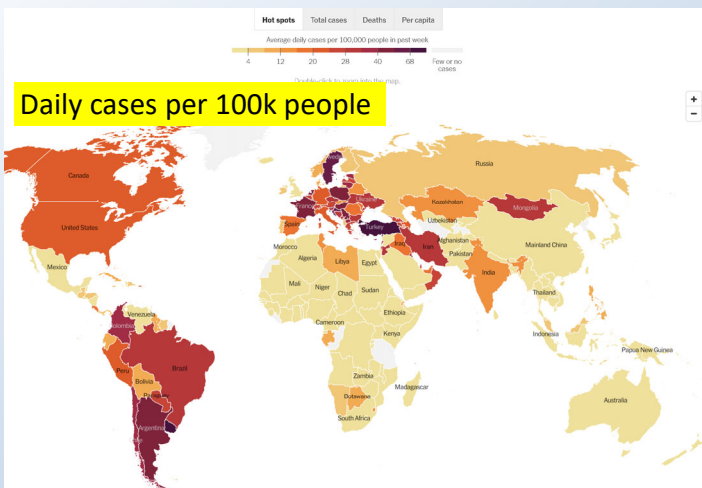


Source: IMF staff estimates.
 Note: Per capita real GDP (2017 purchasing-power-parity dollars) is used in the calculations. AEs = advanced economies; EMs = emerging market economies; LIDCs = low-income developing countries; WEO = World Economic Outlook.

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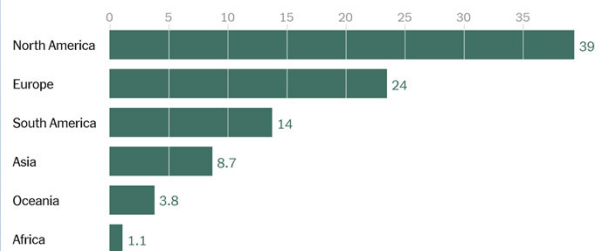
Pandemic is still raging

Daily cases per 100k people



Vaccination rate VERY uneven

Vaccination rates by continent
 Doses administered per 100 people



4

**Not over anywhere until it is
over everywhere**

**Mutation proportional to cases
(UK, South Africa, Manaus, India, etc)**

5

**Opportunity for WTO Centrality
(some unasked for advice)**

Think big!

Create momentum & restore centrality!

**WTO has an opportunity to demonstrate
the central role that trade can play in
addressing the world's most pressing
problems**

6

Issues to leverage

Covid is a trade problem (too)

Economic recovery needs trade recovery

Climate cooperation moving to centre stage post C-19

7

WTO leadership & C-19

Historic chance for WTO to be global champion for saving lives

Trade will be critical to defeating it globally

Start with a push to keep trade routes open in medical goods and vaccines (see the ideas in Evenett and Winters 2020 and Espita et al. 2020).

8

Ngozi Okonjo-Iweala, 31 Mar 2021

“One leading COVID-19 vaccine includes 280 components sourced from 19 different countries,”

“Trade restrictions make it harder to ramp up production.

“The WTO has helped keep trade flowing during the crisis.

“Now, the international community must leverage the power of trade to expand access to life-saving vaccines.”

9

Other issues for momentum

Climate cooperation moving to centre stage post C-19

Multilateral cooperation on digital trade

10

Thanks for listening