



**GENERAL COUNCIL - 15, 16 AND 17 JULY 2020**

APPOINTMENT OF THE NEXT DIRECTOR-GENERAL - MEETING WITH THE CANDIDATES

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**PRESENTATION TO THE GENERAL COUNCIL OF THE WORLD TRADE ORGANIZATION BY  
MR MOHAMMAD MAZIAD AL-TUWAIJRI**

17 JULY 2020

**Your Excellency Mr. Chairman,  
Distinguished Excellencies and Delegates,  
Ladies and Gentlemen,**

Before I start my statement, I would like to express my sincere, personal solidarity towards all people and governments affected by the tragedy caused by the COVID-19 pandemic. I sit on Saudi Arabia's Supreme Committee for responding to and overcoming the virus in our country, so I deal with first-hand and every day the challenges that I know all of our governments and people are facing. Collective effort at the WTO is an important part of countering the effects of COVID-19, and recovering from its ravages on international trade.

I would like to thank the Chairman of the WTO General Council, Member Delegations, and the Secretariat for giving me the opportunity to share my approach to continuous reform at the WTO, and to raise questions and ideas on how the WTO should be equipped to face 21<sup>st</sup> century challenges.

Before I proceed, I would like to provide some background that will illustrate my approach to life and to leadership. My family comes from generations of traders. I grew up with stories about my grandfather's travels by caravan across the desert to trade throughout our region. He and other traders were guided by the North Star, just as they were in all of your trading histories.

In my view, the only way for the WTO to succeed is for Members to establish goals, then set a course, following their True North toward those goals. In the journey of WTO Members, the DG is a compass to help Members stay on the path toward their goals with the support of the Secretariat. Businesses and governments cannot function without direction and leadership. And the WTO is no different.

I think we can all agree that a challenging situation has become even more difficult with the pandemic; it will likely get worse; and, we know that trade policy is an essential part of the response to the pandemic itself, and will be key to our collective recovery. The crisis that we see today further emphasizes the importance of working collectively to advance our common interests.

But, Your Excellencies, what is our True North? How will the WTO be guided to its destination? I would now like to talk through with you my impression of the problem, and to share my approach to staying on course for the WTO.

History has shown us again and again that crises can inspire both coordination and cooperation. The GATT and the WTO both emerged from major upheavals and uncertainties over the last century.

COVID-19 presents no less of a challenge, and requires no less of an inspired vision and strong leadership, especially because it affects all countries and people at the same time.

So, Your Excellencies, I look forward to the questions that you will ask a bit later, but at this point, I propose to consider three questions of my own:

**First**, what **opportunities and solutions** will emerge from current challenges?

**Second**, how can Members work together to leverage new ideas, new rules and new technologies to solve the emerging problems that we face today, and the issues that will arise tomorrow?

And, **third**, Your Excellencies, what kind of leadership is required to ensure that the multilateral trading system **delivers** on the vision and objectives set by Members?

I would like to offer my responses and my experience in relation to each of these questions which, I hope, will help you get to know me and my approach to management, problem solving and leadership.

Regarding what kind of leadership is required for the WTO, I believe that the leader of a Member-driven Organization must ensure that steady progress is made on **delivering** the goals and objectives set by Members. Some important goals and objectives, are set out in the preamble to the Marrakesh Agreement Establishing the WTO. I think we can all agree that the goals and objectives that Members originally set out are still relevant and worth pursuing.

However, from my point of view, we can also probably agree that the delivery of results under the main pillars of the WTO system has drifted off course, and that reform is now more urgent than ever, or the WTO risks losing its way.

In my view, we should question: in what manner and to what extent is the system not delivering – and, most importantly, **WHY is it not delivering?** I have many specific observations about these questions, but would like to concentrate here on the approach to continuous reform that I would apply as WTO DG, if granted this honor.

I have seen throughout my career that in order for any system to deliver intended outcomes, there must be a system in place to maintain True North at all times: for tracking, reporting and measuring progress, for resolving problems, and for adjusting operations in response to inevitable changes. As you all know, the WTO has three main functions for **monitoring** trade issues, **settling disputes**, and **negotiations**, which include improvements to existing rules, new rules and market access. We all know the WTO "bicycle theory", that we must continue to move forward, or fall down. If selected as DG, I would think through new approaches and theories. For example, I would suggest a "tricycle theory" for the WTO, bearing in mind that the WTO was designed with three wheels - to handle disputes, negotiations and monitoring. If all wheels do not spin as designed, the tricycle cannot carry the Members forward to reach their goal.

But before we repair the broken parts, we need to understand **WHY** these wheels are not turning, and for this we need to have a performance assessment system in place. We also need to recognize the consequences for the WTO of over-performance in litigation, while neglecting the negotiating and monitoring functions. A system out of balance cannot move forward.

**Businesses** have indicators for profitability and return on investment. And **governments** have economic and social development indicators to track the success of programs and results delivered in the public interest.

As Minister of Economy, I personally established and still Chair a new "Delivery Unit" of 50 people whose sole responsibility is to monitor, assess, and solve problems in order to ensure that the system delivers the transformation objectives set by the government. For any system, goals and objectives are only meaningful if they are actually delivered.

**Again, the WTO is no different.** If entrusted with the DG leadership mandate, I would establish **critical success factors** from Members' **goals and objectives**. Then, we would establish **key**

**performance indicators** to allow the objective measurement of performance of the core functions of dispute settlement, monitoring and negotiations.

Finally, as DG, with the help of the Secretariat, we would **collect evidence and data**, and **calculate metrics** to help you all understand where goals are being reached, or where performance on WTO objectives is falling short. This **structured analysis** would help Members to understand what changes of direction or re-focus in priorities are required to achieve their objectives.

If selected, I can promise that performance assessment and adjustment will need to continue as long as the WTO exists, because international trade, business and societal needs will change as much over the next 4, 8 and 25 years, as they have changed since 1995. As part of this effort, feedback loops of constructive suggestions will be encouraged to deliver continuous improvement.

If we do not respond to shortcomings, the system will not run smoothly, stakeholders will become dissatisfied, and alternative means will be found outside the WTO to achieve your goals and objectives.

The WTO needs a DG who helps Members to guide the system forward by constantly **assessing performance** and helping find ways to introduce gradual transitions toward improved functioning and, where necessary, to support reform to stay the course into the future. And one of my main goals would be to establish a well-functioning system that will carry Members forward long after my term.

Since 1995, the WTO has largely kept markets open, maintained a transparent, rules-based approach to international trade, and stood against protectionism particularly during periods of great economic and financial crisis.

But this "performance" might be called "maintaining the status quo". This is not good enough. In fact, as we see today, standing in place while the world is moving forward means that the WTO is falling behind.

Concerning, my second question of how can we work together to solve current and future problems, I am a pragmatic optimist who believes that as long as Members trust that they all remain committed to the True North of the WTO project, we will always find a way to work together.

In order to work together to solve problems, we need to identify the problems, and their root causes. Again, if all elements of a system are not functioning, the system will eventually break down.

As we work together to solve problems, we must be inclusive. In order to ensure that results reflect the broad interests of the Membership, all voices must be at the table in terms of both Members and genders. Regarding women's empowerment, the WTO Secretariat must walk the talk, including in all levels of management and staff.

Concerning working together through negotiations, I believe that Members will participate in negotiations when they are convinced that the agenda includes an incentive for them to participate. Therefore, in order to have a successful multilateral negotiation, the agenda needs to be balanced – it needs to include something for everyone. I support plurilateral negotiations as long as they are open to all Members, their outcome is applied to all on a most-favored nation basis, and they do not create rules that prejudice the interests of non-participants. I am aware that concerns remain about whether the current plurilateral approach will meet these criteria, and think more work is required in this area.

With full deference to the Member-driven and sovereign nature of the WTO, I am convinced problems can be solved through contributions by the WTO Secretariat staff's research, analysis and increased technical assistance, as well as through increased interaction with various sizes of businesses from all Members.

Finally, transparency is key to my approach to performance assessment and problem solving, so I would recommend periodic public reporting of WTO performance indicators against its goals and objectives.

And finally, concerning the first question on what opportunities and solutions will emerge from current challenges, the existing delay in convening Ministers for the 12<sup>th</sup> Ministerial Conference may be a blessing in disguise. If we move quickly to take advantage of the opportunity of having an additional year to prepare, we could find and deliver solutions at MC12, particularly on fishery subsidies and electronic commerce and digital trade, which would demonstrate that the WTO can address issues in the public good – that would deliver on your goal of "optimal use of the world's resources in accordance with the objective of sustainable development" – while recognizing the contribution of e-commerce to economic growth in all markets, which has been emphatically affirmed during the COVID-19 pandemic.

Although concluding the fishery subsidies negotiations would be a welcome sign that WTO Members can agree on **something**, we should not exaggerate the impression that this small step will make on our constituents. We need to aim higher, and the DG must work overtime to support a more complete agenda for the future of the WTO by MC12.

Having attended **annual** meetings of the IMF and World Bank, I suggest that WTO Ministerial Conferences could be held **annually** in order to bring ministers together, to build personal relations, and to explore common interests, without always expecting to have a negotiated deliverable at each meeting.

Concerning Special and Differential Treatment, the bottom line is, without negotiations that include incentives for everyone to participate actively, I do not think it will be possible for Members to address the issue of SDT. This is one of the main reasons that the negotiating function needs to start working. Members have various capacities to implement and take advantage of new rules and commitments, so it is clear that each Member must decide for itself what is in its own interest.

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Your Excellencies, no one has all the answers. But under my leadership as WTO DG, I would help provide solutions, and would help guide Members toward your goals – the goals set for the multilateral trading system.

If I am selected to be the DG, on day one, I would establish a WTO "Delivery Unit" that would immediately assess performance against your existing objectives based on data and economic evidence, and which would help ensure that all Members understand how the WTO is operating, where it is not delivering as intended, and which functions need your attention.

This initial assessment would include a deep internal review – a kind of MRI scan – so we can evaluate every aspect of the Organization, including the DG's office, and issues not immediately apparent on the surface.

After Members consider the nature of the problems, it will then be up to them – up to you – to set or revise goals and objectives, and we would then work to constantly assess and measure success going forward consistent with your vision for the future of the WTO.

Your Excellencies, thank you for your attention. It has been an honor to present my ideas to you, and I look forward to responding to your questions.

### **CLOSING STATEMENT**

Your Excellencies, it is clear to everyone that the road ahead of the WTO will be very difficult. When we emerge from the current hardships of COVID-19 and trade tensions, we will need to reform and rebuild in order to move ahead. I believe that this effort needs to begin urgently.

I have confidence in the WTO. I believe in its principles, and in its ability to deliver on the goals set by Members. And most importantly, I believe in you, in Members' ability to work collectively in the common interest to stay strong, and bound together for our mutual benefit.

As we say, [Arabic] –

This means "In no way can you break a bundle of sticks bound together. But once they are separated, they are easy to break."

If you put your trust in me as DG, I will help deliver the WTO to its goal, and to maintain its path, True North. For my entire career in private sector and in government leadership positions, I have assessed problems, prepared strategies, and implemented plans to deliver on goals successfully. I know that the circumstances of the WTO would keep me quite busy, and I welcome the challenge.

I would be honored to apply my passions and skills to achieve the worthwhile mission of the WTO, and to help guide all Members to the benefits of multilateral trade.

Thank you, Your Excellencies, it has been a pleasure to speak with you today.

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