



Selecting a New WTO Director-General: Implications for the Global Trading System

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The United States and members of the World Trade Organization (WTO) have selected new leadership for the WTO Secretariat, following Director-General (DG) Roberto Azevêdo's unexpected early [resignation](#) in August 2020. On February 15, 2021, WTO members agreed by consensus on the appointment of Nigeria's Ngozi Okonjo-Iweala, a [historic decision](#) as the first woman and first African DG.

The appointment comes after prolonged delay, due to the Trump Administration's opposition. In October 2020, Ngozi Okonjo-Iweala and South Korea's Yoo Myung-hee [advanced](#) as the top of eight candidates, with the broadest support from the membership. After intensive consultations, the selection committee [announced](#) Okonjo-Iweala as the candidate most likely to attract the required consensus of all 164 WTO members, recommending her as the next DG. The United States was the only country that refused to back Okonjo-Iweala, who holds dual U.S. citizenship. The Trump Administration response was met with [critical reception](#) by numerous observers, amid concerns of [gridlock](#) over a decision. In February 2021, Yoo [withdrew her candidacy](#), and the new Biden Administration [announced](#) its support for Okonjo-Iweala, unlocking the process for an expeditious appointment.

WTO members and observers view fresh leadership as important to inject new momentum into the institution, amid efforts to salvage its relevance and chart a path forward. In the race, analysts variously called for an "honest broker" and dealmaker, politician over technocrat, or a "peacekeeper." As former finance minister of Nigeria and managing director of the World Bank, many observers see Okonjo-Iweala as [well qualified](#) and [poised](#) to navigate the challenges behind the work of the WTO Secretariat. WTO leadership may be particularly critical at this juncture, given members' divergent views over needed reforms and rules, a nonfunctioning dispute settlement system, and a recent spike in unilateral trade actions, which threaten the organization's legitimacy.

The WTO and global trading system face significant [challenges](#). The WTO's credibility hinges on the conclusion of outstanding negotiations, set back by the postponement of the 2020 Ministerial Conference, due to the Coronavirus Disease 2019 (COVID-19) pandemic. Meanwhile, a dispute settlement crisis continues and broader WTO reforms remain under discussion, complicated by wide differences among members. In the near-term, WTO members face challenges in responding to the [global trade and economic slowdown](#) and spread of [trade restrictions](#) in response to the COVID-19 pandemic. In the words of the outgoing DG: "The challenges facing the work of this Organization will always be formidable —

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commensurate with its relevance and role as an anchor of predictability and certainty in a fast-changing global economy.”

Debate over the WTO’s future direction has been of interest to Congress. Some Members have expressed support for ongoing WTO reform efforts (H.Res. 746, 116th Congress) and advocated for active U.S. leadership (S.Res. 651, 116th Congress).

The Role and Selection of the DG

Since the WTO is member-driven, the Secretariat headed by the DG has no decisionmaking powers. Its **primary role** is to provide technical and professional support to members on WTO activities and negotiations, monitor and analyze global trade developments, and organize ministerial conferences. Notwithstanding the lack of formal power, the DG is an advocate for the trading system and often **wields “soft power,”** relying on diplomatic and political heft in helping members build consensus or break stalemates—an increasingly difficult task. **Some argue** that the Secretariat should be granted more authority to table proposals and advance new rules.

The WTO General Council (GC), comprised of members, adopted the **current DG selection procedures** in 2002. The DG typically serves a four-year term, with possible reappointment. DG qualifications broadly include “extensive experience in international relations, encompassing economic, trade and/or political experience; a firm commitment to the work and objectives of the WTO; proven leadership and managerial ability; and demonstrated communication skills.” The original eight candidates in 2020 demonstrated a breadth of experience (**Table 1**).

DG candidates met with WTO members starting July 2020 to **present views**, which was followed by several rounds of internal consultations among members. A selection committee leads this process, headed by the GC Chair. After the committee recommends the candidate with the majority of members’ support, the final decision lies with the members.

Table 1. WTO DG Candidates

Candidate	Country	Background
Advanced to final round		
Ngozi Okonjo-Iweala	Nigeria	<ul style="list-style-type: none"> Former Finance Minister Former Managing Director World Bank
Yoo Myung-hee	South Korea	<ul style="list-style-type: none"> Trade Minister
Eliminated in second round		
Amina C. Mohamed	Kenya	<ul style="list-style-type: none"> Secretary for Sports, Culture and Heritage Former Foreign Affairs and Trade Minister Former Deputy Secretary-General UN
Mohammad Maziad Al-Tuwaijri	Saudi Arabia	<ul style="list-style-type: none"> Royal Court Adviser Former Economy and Planning Minister Former Banking Executive
Liam Fox	United Kingdom	<ul style="list-style-type: none"> Former Trade Secretary
Eliminated in first round		
Jesús Seade Kuri	Mexico	<ul style="list-style-type: none"> Foreign Affairs Under Secretary for North America Former Deputy DG of the WTO Former Deputy DG of the GATT
Abdel-Hamid Mamdouh	Egypt	<ul style="list-style-type: none"> Senior Counsel, King & Spalding LLP Former WTO official
Tudor Ulianovschi	Moldova	<ul style="list-style-type: none"> Former Foreign Minister Former Ambassador to WTO

Source: [WTO](#).

What's at Stake

Azevêdo was motivated to resign early to prevent the DG selection from coinciding with the rescheduled 12th WTO Ministerial Conference (MC12) in 2021, potentially diverting political attention from achieving critical outcomes. Such timing would also allow the incoming DG to better shape MC12's strategic direction. During Azevêdo's tenure, WTO members advanced some important achievements, such as the Trade Facilitation Agreement, but made little progress on resolving [major issues](#) leftover from the Doha agenda and advancing new priorities. [MC12 stakes are high](#), with agreements pending on longstanding priorities like fisheries subsidies, and ongoing plurilateral talks, including on e-commerce. Members have also urged the WTO to tackle serious [trade policy challenges](#) heightened by the COVID-19 pandemic.

WTO members also confront reforming the WTO, a difficult process but highly consequential for the institution's continued relevance. U.S. priorities have included reform of the treatment of developing country status, notification and transparency requirements, and disciplines on nonmarket economies. Meanwhile, trade disputes have accelerated between the United States and China, countries increasingly have resorted to unilateral punitive trade actions (the subject of several pending WTO disputes), and, more broadly, protectionist trade policies are rising, which undermine the spirit and letter of WTO rules. WTO dispute settlement (DS), generally considered a success of the system, is unable to function fully, amid sharp disagreements over the Appellate Body's (AB) role.

New leadership faces ushering the trading system through these various challenges. Okonjo-Iweala has [emphasized](#) an ambitious vision, but to restore its credibility, foremost the WTO must deliver early success and results. She pledged initial priorities of assisting in controlling the pandemic; laying the groundwork for MC12 success; and advancing DS reform.

U.S. Perspectives

The Trump Administration [characterized](#) the WTO as an institution that has failed the United States and the global trading system, documenting its concerns in its [trade policy agenda](#) and [AB critiques](#). In reversing the U.S. DG stance, the Biden Administration [praised](#) Okonjo-Iweala's leadership and experience, stating it looks forward to working with the new DG "to find paths forward to achieve necessary substantive and procedural reform of the WTO." The U.S. delegation [emphasized](#) U.S. hopes that the institution "lives up to its full potential as a body that promotes equitable economic growth through trade," and that the United States can be counted on as a "constructive partner."

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