



Who we are

The World Trade Organization deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

Using this report

The 2009 Annual Report is split into two main sections. The first is a brief summary of the organization and a review of 2008. The second section provides more in-depth information.

Find out more

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A global membership

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SECTION TWO

Trade negotiations

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through rounds of negotiations. The most recent round began in 2001.

Implementation and monitoring

Various WTO councils and committees seek to ensure that WTO agreements are being properly implemented. All WTO members undergo periodic scrutiny of their trade policies and practices.

Dispute settlement

WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body.

Building trade capacity

The WTO aims to help developing countries build their trade capacity and allows them a longer time to implement trade agreements. Hundreds of training courses are organized each year for officials from developing countries.

Outreach

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance cooperation and raise awareness of trade issues.

Secretariat and budget

The WTO Secretariat has over 600 regular staff and coordinates the activities of the WTO. Most of the WTO's annual budget consists of contributions by its 153 members.

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DISPUTE
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BUILDING TRADE
CAPACITY

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SECRETARIAT
AND BUDGET

Virtually all decisions in the WTO are taken by consensus among all member countries.

Who we are

There are a number of ways of looking at the World Trade Organization. It is an organization for trade opening. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates a system of trade rules. Essentially, the WTO is a place where member governments try to sort out the trade problems they face with each other.

The WTO was born out of negotiations, and everything the WTO does is the result of negotiations. The bulk of the WTO's current work comes from the 1986–94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT). The WTO is currently the host to new negotiations, under the 'Doha Development Agenda' launched in 2001.

Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. But the WTO is not just about opening markets, and in some circumstances its rules support maintaining trade barriers — for example, to protect consumers or prevent the spread of disease.

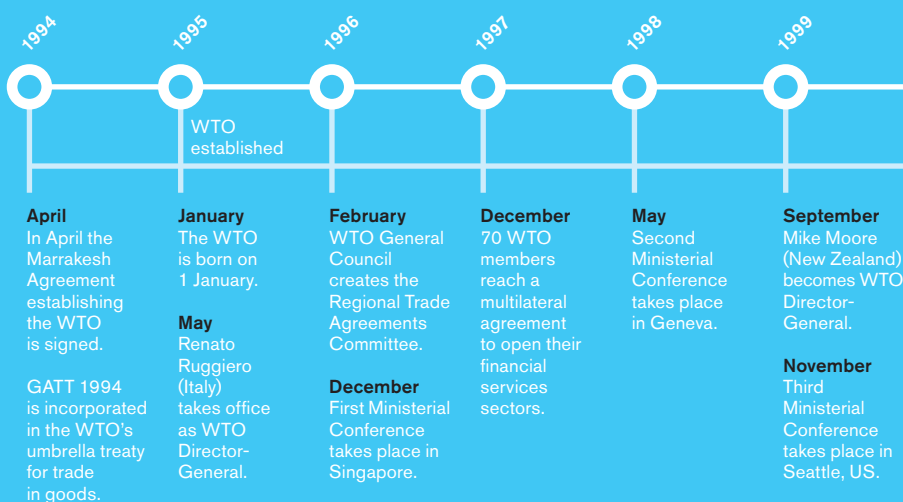
At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. These documents provide the legal ground rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives.

The system's overriding purpose is to help trade flow as freely as possible — so long as there are no undesirable side effects — because this is important for economic development and well-being. That partly means removing obstacles. It also means ensuring that individuals, companies and governments know what the trade rules are around the world, and giving them the confidence that there will be no sudden changes of policy. In other words, the rules have to be 'transparent' and predictable.

Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO system, often need interpreting. The most harmonious way to settle these differences is through some neutral procedure based on an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements.

A brief history

The WTO began life on 1 January 1995 but its trading system is half a century older. Since 1948, the General Agreement on Tariffs and Trade (GATT) had provided the rules for the system. Whereas GATT had mainly dealt with trade in goods, the WTO and its agreements now cover trade in services, and in traded inventions, creations and designs (intellectual property).



What we stand for

The WTO agreements are lengthy and complex because they are legal texts covering a wide range of activities. But a number of simple, fundamental principles run throughout all of these documents. These principles are the foundation of the multilateral trading system.

Non-discrimination

A country should not discriminate between its trading partners and it should not discriminate between its own and foreign products, services or nationals.

More open

Lowering trade barriers is one of the most obvious ways of encouraging trade; these barriers include customs duties (or tariffs) and measures such as import bans or quotas that restrict quantities selectively.

Predictable and transparent

Foreign companies, investors and governments should be confident that trade barriers should not be raised arbitrarily. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition – choice and lower prices.

More competitive

Discouraging 'unfair' practices, such as export subsidies and dumping products at below cost to gain market share; the issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade.

More beneficial for less developed countries

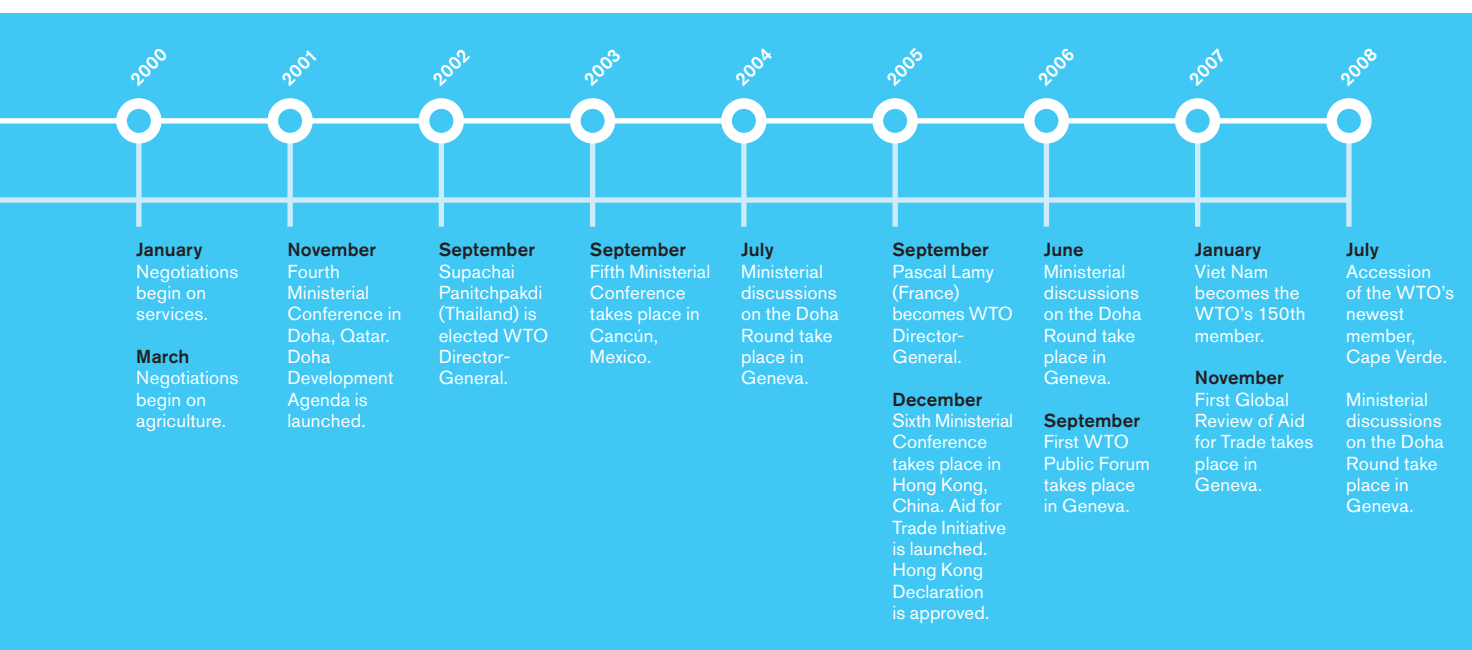
Giving them more time to adjust, greater flexibility and special privileges; over three-quarters of WTO members are developing countries and countries in transition to market economies. The WTO agreements give them transition periods to adjust to the more unfamiliar and, perhaps, difficult WTO provisions.

Protect the environment

The WTO's agreements permit members to take measures to protect not only the environment but also public health, animal health and plant health. However these measures must be applied in the same way to both national and foreign businesses. In other words, members must not use environmental protection measures as a means of disguising protectionist policies.

Understanding the WTO

Equal treatment is one of the basic principles of the multilateral trading system.



The WTO is run by its member governments.

What we do

The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva).

While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities. The Secretariat employs over 600 staff, and its experts – lawyers, economists, statisticians and communications experts – assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced.

Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added to the package. Many are now being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001.

Implementation and monitoring

WTO agreements require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted. Various WTO councils and committees seek to ensure that these requirements are being followed and that WTO agreements are being properly implemented. All WTO members must undergo periodic scrutiny of their trade policies and practices, each review containing reports by the country concerned and the WTO Secretariat.

Dispute settlement

The WTO's procedure for resolving trade quarrels under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the agreements are being infringed. Judgements by specially appointed independent experts are based on interpretations of the agreements and individual countries' commitments.

Building trade capacity

WTO agreements contain special provision for developing countries, including longer time periods to implement agreements and commitments, measures to increase their trading opportunities, and support to help them build their trade capacity, to handle disputes and to implement technical standards. The WTO organizes hundreds of technical cooperation missions to developing countries annually. It also holds numerous courses each year in Geneva for government officials. Aid for Trade aims to help developing countries develop the skills and infrastructure needed to expand their trade.

Outreach

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public on various aspects of the WTO and the ongoing Doha negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities.



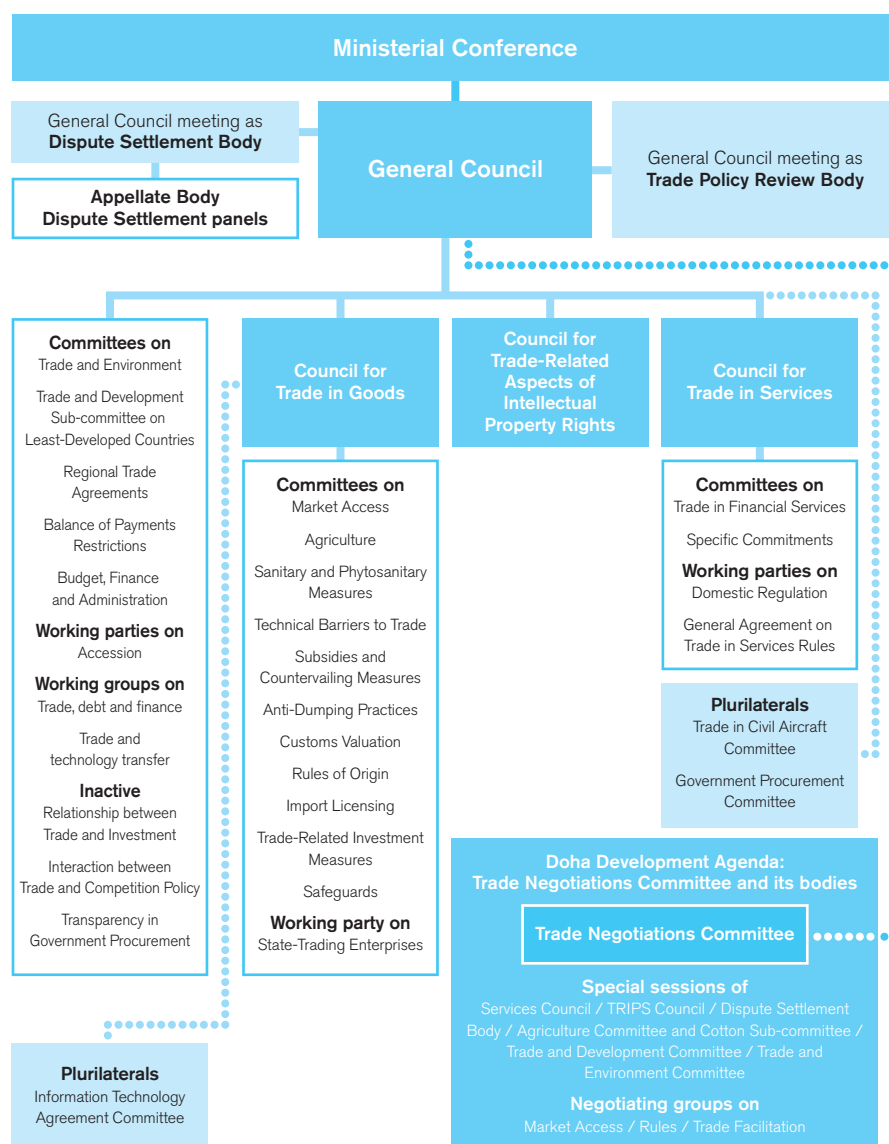
How it all comes together

The WTO's top-level decision-making body is the Ministerial Conference which usually meets every two years.

Below this is the General Council (normally ambassadors and heads of delegation in Geneva, but sometimes officials sent from members' capitals) which meets several times a year in the Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.



* All WTO members may participate in all councils and committees, with the exceptions of the Appellate Body, Dispute Settlement panels and plurilateral committees.

Understanding the WTO

Decisions are taken through various councils and committees, whose membership consists of all WTO members.

The WTO currently has 153 members accounting for almost 90 per cent of world trade.

Member	Year of accession
Albania	2000
Angola	1996
Antigua and Barbuda	1995
Argentina	1995
Armenia	2003
Australia	1995
Austria	1995
Bahrain, Kingdom of	1995
Bangladesh	1995
Barbados	1995
Belgium	1995
Belize	1995
Benin	1996
Bolivia	1995
Botswana	1995
Brazil	1995
Brunei Darussalam	1995
Bulgaria	1996
Burkina Faso	1995
Burundi	1995
Cambodia	2004
Cameroon	1995
Canada	1995
Cape Verde	2008
Central African Republic	1995
Chad	1996
Chile	1995
China	2001
Colombia	1995
Congo	1997
Costa Rica	1995
Côte d'Ivoire	1995
Croatia	2000
Cuba	1995
Cyprus	1995
Czech Republic	1995
Democratic Republic of the Congo	1997
Denmark	1995
Djibouti	1995
Dominica	1995
Dominican Republic	1995
Ecuador	1996
Egypt	1995
El Salvador	1995
Estonia	1999
European Communities	1995
Fiji	1996
Finland	1995
Former Yugoslav Republic of Macedonia	2003
France	1995

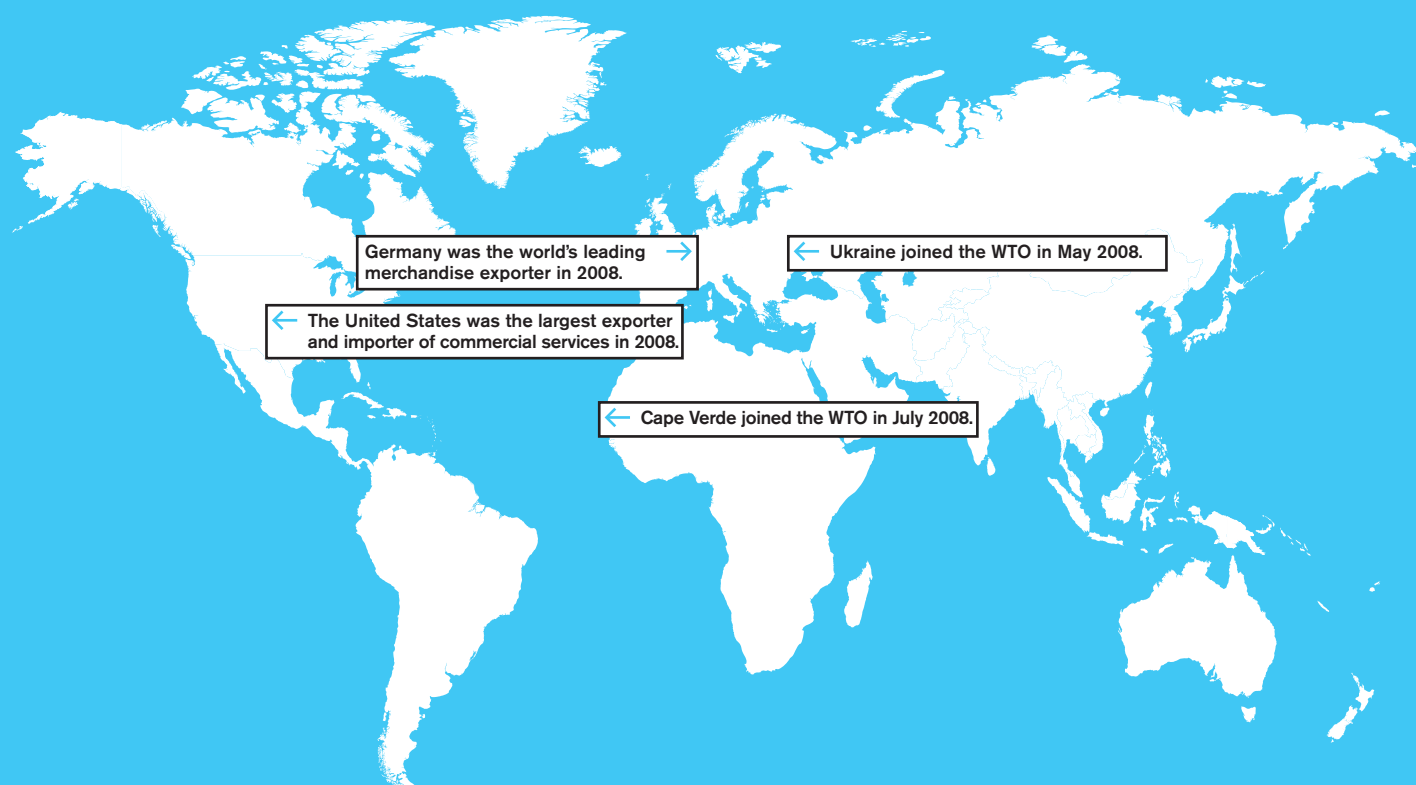
Member	Year of accession
Gabon	1995
The Gambia	1996
Georgia	2000
Germany	1995
Ghana	1995
Greece	1995
Grenada	1996
Guatemala	1995
Guinea	1995
Guinea Bissau	1995
Guyana	1995
Haiti	1996
Honduras	1995
Hong Kong, China	1995
Hungary	1995
Iceland	1995
India	1995
Indonesia	1995
Ireland	1995
Israel	1995
Italy	1995
Jamaica	1995
Japan	1995
Jordan	2000
Kenya	1995
Korea, Republic of	1995
Kuwait	1995
Kyrgyz Republic	1998
Latvia	1999
Lesotho	1995
Liechtenstein	1995
Lithuania	2001
Luxembourg	1995
Macao, China	1995
Madagascar	1995
Malawi	1995
Malaysia	1995
Maldives	1995
Mali	1995
Malta	1995
Mauritania	1995
Mauritius	1995
Mexico	1995
Moldova	2001
Mongolia	1997
Morocco	1995
Mozambique	1995
Myanmar	1995
Namibia	1995
Nepal	2004
Netherlands	1995
New Zealand	1995

Member	Year of accession
Nicaragua	1995
Niger	1996
Nigeria	1995
Norway	1995
Oman	2000
Pakistan	1995
Panama	1997
Papua New Guinea	1996
Paraguay	1995
Peru	1995
Philippines	1995
Poland	1995
Portugal	1995
Qatar	1996
Romania	1995
Rwanda	1996
Saint Kitts and Nevis	1996
Saint Lucia	1995
Saint Vincent & the Grenadines	1995
Saudi Arabia	2005
Senegal	1995
Sierra Leone	1995
Singapore	1995
Slovak Republic	1995
Slovenia	1995
Solomon Islands	1996
South Africa	1995
Spain	1995
Sri Lanka	1995
Suriname	1995
Swaziland	1995
Sweden	1995
Switzerland	1995
Chinese Taipei	2002
Tanzania	1995
Thailand	1995
Togo	1995
Tonga	2007
Trinidad and Tobago	1995
Tunisia	1995
Turkey	1995
Uganda	1995
Ukraine	2008
United Arab Emirates	1996
United Kingdom	1995
United States of America	1995
Uruguay	1995
Venezuela	
(Bolivarian Republic of)	1995
Viet Nam	2007
Zambia	1995
Zimbabwe	1995

* Members are mostly governments but can also be customs territories.



About two-thirds of the WTO's membership are developing countries.



Before joining the WTO, a new member has to gain the full support of the WTO membership.

Joining the WTO

The WTO is open to states or customs territories with full autonomy over their foreign economic relations. To become a member of the WTO, a government has to bring its economic and trade policies in line with WTO rules and principles, and to negotiate specific concessions and commitments that it will apply to its trade in goods and services. It can take many years to become a member of the WTO. However, the accession process is designed to ensure that new members are able to participate fully in the multilateral trading system from their first day of membership. Before joining the WTO, a new member has to gain the full support of the WTO membership.

During 2008, the WTO further expanded its membership. Ukraine became its 152nd member on 16 May, and Cape Verde became the 153rd on 23 July. Important progress was made in the accession process of a number of other countries. As of 31 December 2008, 29 governments were seeking to join the WTO.

Governments seeking to join the WTO

Afghanistan	Lebanon
Algeria	Liberia
Andorra	Libya
Azerbaijan	Montenegro
Bahamas	Russia
Belarus	Samoa
Bhutan	São Tomé and Príncipe
Bosnia and Herzegovina	Serbia
Comoros	Seychelles
Equatorial Guinea	Sudan
Ethiopia	Tajikistan
Iran	Uzbekistan
Iraq	Vanuatu
Kazakhstan	Yemen
Lao PDR	

A year in review

In 2008, work towards concluding the Doha Round of negotiations took on new importance and urgency in the light of the global financial crisis. Progress was made but a final deal remained elusive. Work continued in other areas.

Trade negotiations

Work to conclude the Doha Round of negotiations took a major step forward in 2008. In February, May and July, new draft blueprints (or 'modalities') for a final deal on agricultural and non-agricultural trade were issued by the agriculture and non-agricultural market access (NAMA) Chairs to reflect the latest discussions and thinking among WTO members.

In July a ministerial gathering representative of the membership took place in Geneva to push for a final deal for agriculture and NAMA modalities and to assess the latest progress in the negotiations on services (see page 19). Despite making progress on many issues, the talks ended in deadlock.

Throughout the autumn, work towards concluding the Doha Round took on new importance and urgency in the light of the global financial crisis. This resulted in the publication in early December of new draft texts for agriculture and NAMA. However, members' positions remained too far apart to be able to secure an agreement on 'modalities' in 2008.

See page 14.

Implementation and monitoring

WTO councils and committees continued to monitor the implementation of WTO agreements and to review whether requirements were being followed by WTO members. They considered requests from members regarding these requirements and provided a forum for discussion on various issues.

In 2008, there was a significant increase in the number of specific trade concerns brought to the attention of the Technical Barriers to Trade Committee. Notifications of regulatory measures also reached a record level in 2008 (see page 36).

Some of the other issues discussed by WTO councils and committees in 2008 included trade and climate change (see page 47), the impact of the food price crisis (see page 35) and the accession of new members.

In 2008, 35 new regional trade agreements (RTAs) were notified to the WTO. This is the largest number of RTA notifications in any single year since the establishment of the WTO. The Trade Policy Review Body carried out reviews of 17 WTO members in 2008.

See page 28.

Dispute settlement

The Dispute Settlement Body (DSB) met 19 times in 2008. During the year, it received 19 notifications from WTO members formally requesting consultations under the Dispute Settlement Understanding. During this period, the DSB established three panels to adjudicate five new cases (where more than one complaint is filed dealing with the same matter, such complaints are adjudicated by a single panel). This is the lowest number of panels established by the DSB since the inception of the dispute settlement system under the WTO in 1995.

The number of panels and appellate review proceedings opened for observation by the public continued to increase in 2008. At the request of the parties concerned, the panels' hearings were opened for public viewing in five disputes. A hearing before the Appellate Body was opened for the first time for public observation in 2008 in proceedings brought by the European Communities against the United States and Canada. Two other hearings in appellate proceedings were opened for public viewing during the year. Thirteen appeals of panel reports were filed with the Appellate Body in 2008.

See page 72.



The WTO's newest member, Cape Verde, takes its seat at the Trade Negotiations Committee meeting in July 2008.

Building trade capacity

In 2008 the Aid for Trade Initiative, which aims to help developing countries improve their capacity to trade, used the momentum from the First Global Review of Aid for Trade, held in November 2007, to focus on three clear priorities: improving monitoring of Aid for Trade flows and activities; accelerating the implementation of regional and national projects to build greater trade capacity; and strengthening developing-country ownership of Aid for Trade.

Capacity-building initiatives, market access for least-developed countries and the impact of the financial crisis on small, vulnerable economies were some of the issues discussed in 2008 by the Committee on Trade and Development which serves as the focal point for the coordination of all work on trade and development issues in the WTO.

A total of 496 training activities for government officials were provided by the WTO's Institute for Training and Technical Cooperation in 2008. These included Geneva-based activities as well as those held in WTO member countries and regions. Priority continued to be given to least-developed countries, which benefited from 42 per cent of all trade-related technical assistance activities.

See page 92.

Outreach

In 2008, contact with non-governmental organizations (NGOs), parliamentarians, other organizations and the general public was further developed through a variety of initiatives. These included the expansion of the annual WTO Public Forum which attracted a record number of 1,334 people to WTO headquarters in October.

The WTO organized four regional workshops for parliamentarians during the year in cooperation with regional parliamentarian associations. The WTO continued to cooperate with a variety of intergovernmental organizations, such as the United Nations, the International Monetary Fund and the World Bank. The WTO Director-General participated in 2008 in two meetings of the United Nations Chief Executives Board – a high-level body composed of heads of UN agencies, funds and programmes as well as Bretton Woods institutions and the WTO.

Over 150 information briefings were conducted at the WTO in 2008 involving about 4,700 participants. The WTO maintained regular contact with over 1,700 journalists around the world who have registered to use the media newsroom on the WTO website. Total page views of the WTO website were over 81 million, a 7 per cent increase on 2007.

See page 102.

Did you know?

9
days of trade talks among ministers in Geneva ended in deadlock in July 2008

35
new regional trade agreements were notified to the WTO in 2008 – the largest annual total since the WTO was established

3
dispute panels were established in 2008 – the lowest annual number since 1995

496
training activities for government officials were provided by the WTO in 2008

1,334
people attended the WTO Public Forum in 2008 – a record number



There is a strong renewal of political commitment to re-engage in the Doha negotiations and to conclude the Round in 2010.

PASCAL LAMY, DIRECTOR-GENERAL

A message from the WTO Director-General Pascal Lamy

Among chefs it is well known that it takes many hours of preparation and a careful blending of various ingredients to create the best results. The Doha Round of trade negotiations is no different. In July 2008, ministers gathered here in Geneva for intensive negotiations and we came very close to bringing many of the vital ingredients together. The resulting deadlock was certainly unfortunate but in no way does it signal the end of the road.

As the meeting ended, WTO members adamantly stated their desire to capture the progress made thus far and to move forward with renewed vigour. This commitment was particularly important in light of the financial and economic crisis that engulfed the world in late 2008 and which reverberates throughout the global economy to this day.

The publication of revised negotiating texts in agriculture and non-agricultural market access in December provided new momentum to the trade negotiations and work has continued in 2009 towards a conclusion of the Doha Round. Having listened very carefully to the views of all members over the past few months, I am convinced that there is a strong renewal of political commitment to re-engage in the Doha negotiations and to conclude the Round in 2010. But to achieve this, the political re-engagement by world leaders must be urgently translated into tangible progress in the negotiations.

Members agree that there is a need to intensify and advance work across the full scope of the negotiations. Negotiators here in Geneva have heeded the calls of leaders and returned to work quickly and seriously. The collective commitment to the Round remains very strong but much remains to be done in all negotiating groups.

To conclude the Doha Round in 2010, we will need to reach agreement on agriculture and industrial goods trade. We will need time to complete our schedules of commitments and to negotiate conclusions to the rest of the negotiating agenda which includes services, trade-related intellectual property rights, trade facilitation, WTO rules, trade and environment, and development issues.

The world economy remains fragile and the economic outlook is still uncertain. Trade is likely to decline by 10 per cent in 2009 and it is unclear how long it will take us to exit the economic crisis. Although there are some signs of recovery, we cannot afford to be complacent. This crisis is unprecedented in its scope and much of its social hardship is still to be felt. We must therefore act collectively to send the right signals and establish an appropriate trade environment for a sustainable recovery for all.

At my meetings with ministers, I have stressed that there is a need to keep trade open and to resist protectionist measures. The best way to keep trade open is to keep opening trade, hence the need to conclude the Doha Round as soon as possible. As for protectionist pressures, our latest monitoring report shows further slippage by WTO members even if we have not seen protectionist measures of huge intensity being applied.

The absence of such measures is thanks in large measure to the fact that existing WTO rules discourage governments from following this route. But we have seen low-intensity slippages, including many clear instances of such measures in the last few months.

The tracking of trade policy changes since the beginning of the crisis shows that trade-restrictive measures are currently outpacing trade-facilitating measures by two to one. This is despite pledges from world leaders to refrain from such actions. What we have seen is a sort of 'soft' protectionism where governments apply subsidies or favour domestic suppliers. Often such actions fall within WTO rules because disciplines in such areas are still weak. To avoid further backsliding, these disciplines will have to be tightened.



To keep trade flowing, we must continue to address the slowdown in trade finance, which has contributed to the collapse in trade. The G-20 made a strong start in addressing this problem by pledging US\$ 250 million to support trade finance through export credit agencies and multilateral development banks. The contraction of trade credit is part of the broader liquidity crisis and we have made some progress in pushing this problem to the fore and addressing it. Trade finance is the oil of global commerce so it is vital that we continue to monitor this situation. We will continue to do so by using our network of banks, governments and international institutions.

The Second Global Review of Aid for Trade, which recently took place at the WTO headquarters, looked at how effective this important initiative has been in helping developing countries improve their trade capacity. The presence of ministers, the United Nations Secretary General and the heads of international and regional institutions clearly signalled the importance of international cooperation in the face of the current economic downturn.

What is clear from the Review is that we need to continue to move from commitments to implementation. This means that we must work to conclude projects like the North-South Corridor in Africa, the Greater Mekong River Delta project in Asia and the Mesoamerica highway in Central America. We must also involve the private sector more. It is, after all, the private sector which will be the principal users and beneficiaries of improved infrastructure and production capacity.

We must also support the trend of developing countries helping each other. Countries such as Brazil, China and India are contributing money, time and effort to assist other developing countries. In many cases, those best positioned to extend this assistance are, at the end of the day, those who have gone through the development experience themselves.

At the forthcoming Ministerial Conference in December, we will have the opportunity to take stock of all of the ways in which the WTO is involved in keeping trade flowing. The gathering of ministers will engage in a broader evaluation of the functioning of the multilateral trading system. The conference will allow us to reflect on how we are working across the board, including how we are helping developing countries through initiatives such as Aid for Trade, how to bolster trade finance and how to make our organization and the global trading system it oversees work better for you.



Pascal Lamy
Director-General

Events of 2008

January 2008

Director-General (DG) attends World Economic Forum in Davos, Switzerland.

February

Revised negotiating texts on agriculture and industrial goods trade are issued.

April

DG participates at meetings of the International Monetary Fund and World Bank in Washington, D.C.

DG participates at UNCTAD meeting in Accra, Ghana.

DG convenes an Expert Group Meeting on Trade Finance in Geneva.

May

Revised negotiating texts on agriculture and industrial goods trade are issued.

Ukraine becomes the 152nd member of the WTO.

June

DG participates at OECD Ministerial Council Meeting in Paris.

July

Revised negotiating texts on agriculture and industrial goods trade are issued.

Ministerial gathering in Geneva to discuss the 'July package'.

Cape Verde becomes the 153rd member of the WTO.

September

WTO Public Forum 2008 takes place in Geneva.

Aid for Trade symposium takes place in Geneva.

November

DG creates a WTO Task Force on the financial crisis and its effects.

Second meeting of the Expert Group on Trade Finance convened in Geneva.

December

Revised negotiating texts on agriculture and industrial goods trade are issued.

Ministerial gathering in July 2008

In July 2008 the WTO Director-General Pascal Lamy invited ministers to Geneva with the aim of settling a range of questions that would shape the final agreement of the Doha Development Agenda.

The principal objective of the July meeting was to agree 'modalities' in agriculture and non-agricultural market access (NAMA) — including the formulas and other methods to be used to cut tariffs and agricultural subsidies, and the flexibilities that developing countries need to make these reductions. Agreeing modalities would determine the scale of reductions in tariffs on thousands of industrial and agricultural products and future levels of farm subsidies in the WTO's member countries. Other issues were also on the menu, including services and WTO rules.

On 21 July, roughly 40 ministers met, under the Chairmanship of the Director-General, in a bid to find consensus on agriculture and industrial goods trade, while discussing the best way forward in future negotiations on services, WTO rules and intellectual property. The ministers, ambassadors and senior officials who attended the daily meetings included the coordinators of all major groupings within the WTO, ensuring that all positions, countries and regions were represented in the negotiations. Meetings of the Trade Negotiations Committee, comprising representatives of all 153 members of the WTO, were also held regularly during the July talks.

Mid-way during the July meeting, a services signalling conference was held to give ministers the opportunity to highlight government's improved commitments to market opening in specific services sectors and to signal the commitments they expected from others.

After nine days of intense negotiations, the talks ended in deadlock as ministers fell short of their objective of establishing blueprint agreements for agriculture and industrial products. Mr Lamy said that out of a 'to-do list' of 20 topics, 18 had seen positions converge but the gaps could not narrow on two issues:

the special safeguard mechanism, which would allow developing countries to raise tariffs temporarily in order to deal with import surges; and 'sectoral' negotiations aimed at achieving greater tariff reductions for specific industrial products.

The Director-General said that the difference boiled down to some members wanting a high 'trigger' (a large import surge needed to initiate the tariff increase) in order to avoid curbing trade that was growing normally, while others wanted a lower trigger so that the safeguard could be employed more easily. "After more than 36 hours trying to find bridges between these two positions", he said, "it became clear that the differences were irreconcilable."

The differences on sectoral negotiations arose from the fact that industrial countries believed that the overall NAMA package was insufficient and could only be rectified through certain large emerging countries participating in the sectoral negotiations in which tariff cuts would be particularly key. Many emerging countries, on the other hand, wanted to adhere to previous commitments that participation in such negotiations would be strictly voluntary.

At a meeting of the Trade Negotiations Committee on 30 July, Pascal Lamy said that the substantial progress achieved in the past days should be preserved and urged members to look ahead "to how we can do better next time." In their comments, members broadly shared the view that the negotiations must continue, and that much was achieved in the nine days. Mr Lamy also stated that positive indications had been given by WTO members at the signalling conference about market access commitments across all major services sectors and modes of supply.

See also page 16.

Out of a 'to-do list' of 20 topics, 18 saw positions converge but the gaps could not narrow on two issues.



Trade negotiations

Work to conclude the Doha Round of negotiations took a major step forward in 2008. Following the publication of new draft blueprints – or ‘modalities’ – for a final deal on agricultural and non-agricultural trade, a ministerial gathering took place in July to seek consensus on a number of issues. Although the talks ended in deadlock, much progress was achieved.

Doha Development Agenda

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Trade negotiations

Work to conclude the Doha Round of negotiations took a major step forward in 2008.



Pascal Lamy at a meeting of the Trade Negotiations Committee in July 2008.

Doha Development Agenda

At the Fourth Ministerial Conference in Doha, Qatar, in November 2001 WTO member governments agreed to launch new trade negotiations. They also agreed to work on other issues, in particular the implementation of the present WTO agreements. The entire package is called the Doha Development Agenda (DDA). The negotiations take place in the Trade Negotiations Committee (TNC) and its subsidiaries, which are usually either regular councils and committees meeting in 'special sessions' or specially created negotiating groups. The TNC is chaired by the WTO Director-General and coordinates the work of the nine negotiating bodies, whose Chairs report to it.

Trade negotiations in 2008

Work to conclude the Doha Round of negotiations took a major step forward in 2008. In February, May and July, new draft blueprints – or 'modalities' – for a final deal on agricultural and non-agricultural trade – were issued by the agriculture and non-agricultural market access (NAMA) Chairs to reflect the latest discussions and thinking among WTO members.

In view of progress that was being made, the Director-General convened in July a ministerial gathering representative of the membership to push for a final deal for agriculture and NAMA modalities and to assess the latest progress in the negotiations on services (see page 12). The meeting began in Geneva on 21 July.

After almost 10 days of intensive talks, it became clear that members would not be able to bridge their differences on some issues, and the talks ended in deadlock. However, much progress had been achieved during this intensive phase of work and members were closer than ever to finalizing modalities in agriculture and NAMA. Pascal Lamy – in his capacity as Chair of the Trade Negotiations Committee (TNC) – noted that the reports circulated by the agriculture and NAMA Chairs underlined the breadth and depth of the progress made and called on members to safeguard the draft modalities text.

At the formal meeting of the TNC at the end of July, members reaffirmed their commitment to conclude the Doha Round of negotiations successfully and to continue looking for solutions to outstanding issues which had prevented agreement on modalities in agriculture and NAMA.

Throughout the autumn, work towards concluding the Doha Round took on new importance and urgency in the light of the global financial crisis. Political leaders underscored the critical importance of avoiding protectionism and inward-facing policies in times of financial uncertainty, and committed themselves to striving to reach agreement on modalities in agriculture and NAMA as a matter of urgency.

Despite some progress (including the publication in early December of new draft texts for agriculture and NAMA), it became clear that political commitment had not translated into significant convergence on substance, and that members' positions remained too far apart to be able to secure an agreement on 'modalities' in 2008.



Trade negotiations

At the TNC meeting in December the Chair urged delegations to focus on gathering necessary political momentum to conclude the Round. He said that in consulting with members, it was clear that work on agriculture and NAMA, which represented thousands of hours of consultation, should be preserved and used as a starting point in 2009. Although work in 2009 should continue on agriculture and NAMA to close the remaining gaps, re-energizing work in other areas of the negotiations could provide impetus towards a successful conclusion of the Round. He stressed that while 2008 had ended in disappointment, 2009 offered the opportunity for the WTO to demonstrate its worth, not only as a negotiating forum but as a bulwark against protectionist measures in the midst of the current economic crisis.

Agriculture

In 2008 the negotiations on agriculture made substantial progress. In the first half of the year, the Chair of the Negotiating Group, Crawford Falconer, issued two revised draft 'modalities' texts setting out the broad outlines for final commitments and indicating a number of flexibilities for specific situations. By the time of the ministerial meeting in July, many areas of the negotiations were nearing a point of consensus, as outlined in a further draft text issued earlier that month. However, discussions during the July meeting highlighted the outstanding issues where reaching agreement was still difficult and the talks ended in deadlock. Effort was made, in December 2008, to revisit these issues.

At the end of the year, Crawford Falconer circulated his latest revised draft 'modalities' text. The revisions in the text were based on consultations held between the Chair and WTO members between September and December. While the text captured progress made on a variety of issues discussed since the July meeting, gaps remained between the positions of various WTO members on several issues.

The changes in the text included the introduction of single numbers instead of ranges of numbers for cutting tariffs, for selecting sensitive and special products (i.e. products that may deviate from formula tariff reductions), and for domestic support (subsidies and other programmes). The text contained revised provisions on the present special safeguard (i.e. the temporary increase in import duty that WTO members may make to deal with import surges and price decreases) and on tariff simplification. In addition, it further fine-tuned flexibilities for different groups of countries. The Chair also issued three additional texts dealing with selection of sensitive products, creation of new tariff quotas, and the special safeguard mechanism (SSM) for developing countries, which would allow these countries to raise tariffs temporarily in order to deal with import surges and price decreases.

Discussions at the July meeting on the SSM were particularly contentious, highlighting divergent views about whether such a safeguard should be allowed in situations where the SSM would raise tariffs above commitments made in the Uruguay Round. Attempts were made to reach a compromise solution for the SSM but WTO members were unable to agree on the conditions that would trigger use of the SSM and possible limits to its application.

Implementation issues

In 2008 the Committee on Agriculture continued to review problems faced by developing countries in implementing existing WTO agreements. The Committee focused specifically on three areas: export credit and other financing; improving the work aimed at ensuring that net food-importing countries are not adversely affected by the outcome of the Uruguay Round; and ensuring transparency in the administration of tariff quotas. Review of these three issues falls under the Doha Development Agenda.

Based on the outcome of informal consultations held by the Chair with WTO members, the Committee agreed that the WTO Secretariat would draft a compendium of relevant documents as a first step in updating the information on implementation issues in existing Secretariat documents. For further information on implementation issues, see page 34.



Crawford Falconer, Chair of the Negotiating Group on Agriculture in 2008.

Trade negotiations

Market access for non-agricultural products

Intensive consultations took place in 2008 within the Negotiating Group on Market Access. A number of 'negotiating texts' were issued throughout the year, culminating in the publication of a draft text in December which leaves only a few, albeit important, political issues open.

Early in 2008, the then Chair of the Negotiating Group on Non-Agricultural Market Access (NAMA), Don Stephenson of Canada, issued his second draft 'modalities' text – or blueprint for a final deal on market access.

The new text caused a stir primarily because it removed the figures of 5 per cent and 10 per cent from the flexibilities available to developing countries to protect certain products from tariff cuts. These numbers had been part of the NAMA negotiations since July 2004.

There were other changes proposed, including an increase in the number of tariff lines subject to special treatment in the US and EC market because of their vulnerability to preference erosion (i.e. the loss or erosion of the preference enjoyed by some members with preferential access to the US and EU market, due to the overall reduction in tariffs).

Following the publication of this text, the Chair held a series of consultations. In one of them (relating to the overall formula for tariff reduction and the flexibilities available to developing countries), he aired some new options developed in order to help members get past the stalemate on the formula and flexibilities. One option, referred to as the 'sliding scale', envisaged a trade-off between flexibilities and the coefficient, which determines the level of tariff reduction. This option appeared to have more support than the others.

Intensive consultations were pursued on all open questions in the modalities text. This led to the Chair issuing a revised text, in May 2008, which differed substantively from the previous one in that it provided for a 'menu option' concerning the coefficients applicable to developing countries and the corresponding flexibilities. This was a variant of the option referred to as the sliding scale. Additional amendments included an anti-concentration provision (to prevent members from excluding entire sectors of their industry from liberalization), paragraphs providing for special treatment for members of the Southern African Customs Union and Mercosur (South American Common Market) and a new approach for members with low binding coverage (i.e. members that have a binding tariff commitment for only a small percentage of products). Many of these provisions had square brackets around them, meaning that they were still up for discussion.

A further intensive process of consultations was conducted by the Chair and by delegations in anticipation of the ministerial meeting that was expected to take place before the summer break. These consultations resulted in Chair Stephenson's final modalities text, issued on 10 July 2008. This text reflected the progress made, for example, on the Mercosur question and the anti-concentration provision. Further consultations were held until the July ministerial meeting, when the 'July package' was discussed among a group of seven members and subsequently shared with a broader group of 40 members (see page 12). An agreement on modalities was not possible in July, however, and the objective became to establish modalities by the end of the year.

In August 2008, Don Stephenson relinquished his post as Chair to assume new responsibilities in Canada, and Ambassador Luzius Wasescha from Switzerland was elected Chair of the negotiating group in October 2008.



Luzius Wasescha was elected Chair of the Negotiating Group on Market Access in October 2008.



The new Chair held over 40 bilateral discussions in the first few weeks of his term, which helped him design a work programme to the end of the year. This programme culminated in the publication of his first modalities text on 6 December 2008. The degree of convergence on many issues had allowed him to put forward a text which was almost complete. However, on certain issues (which included preference erosion), he had put forward what he believed to be the 'landing zones' (i.e. the range of possible solutions). This text was to be used as a basis for the next ministerial meeting, which ultimately was not convened, given the vast divergences in negotiating parties' positions, including on the sectoral initiative (i.e. the total elimination of tariffs in some selected sectors by those members that choose to participate in this initiative).

At the end of the year the Chair issued a report to the Trade Negotiations Committee, outlining the areas of work for 2009, including case-specific issues (Argentina, the Bolivarian Republic of Venezuela and South Africa), non-tariff barriers to market access, and the sectoral initiative.

Services

Negotiations on trade in services were dominated in 2008 by preparations for the ministerial meeting, which took place in July 2008. Members focused on two main elements: a Chair's 'text on services', which sets out the conditions needed to complete the service negotiations; and a 'signalling conference', which provided ministers with the opportunity to indicate possible future market access commitments in services.

'Text on services'

The Council for Trade in Services met frequently in special session during the first half of 2008 to advance the negotiations on trade in services. The main item of work was elaboration of a 'text on services', which establishes the main elements required to complete the services negotiations.

The services text deals with issues such as the level of ambition in the negotiations (i.e. the level of liberalization desired by WTO members), the binding of applied regimes (i.e. members agreeing to commit to a level of liberalization no worse than their current services regime), new market access, and the treatment of developing and least-developed countries (LDCs).

The text also indicates that to implement the LDC 'modalities' provided for in Article IV of the General Agreement on Trade in Services (GATS), which aims to increase the participation of developing countries in trade in services, a waiver solution is preferred (i.e. granting permission to certain WTO members to apply preferential market access to LDCs). Finally, it provides for timelines and other procedural details needed to conclude the negotiations in services.

Signalling conference

The Director-General, in his capacity as Chair of the Trade Negotiations Committee (TNC), convened a 'signalling conference', which took place during the ministerial meeting in July. The aim of the conference was to give ministers representing major participating WTO members in the service negotiations the opportunity to exchange indications of their own new and improved market opening commitments as well as the contributions expected from others.

In his report to the TNC, the Director-General expressed his satisfaction with the breadth and depth of the signals on market access exchanged by ministers. In particular, he noted the wide coverage of the signals in terms of sectors and modes of supply. He also noted the expressed need to reduce or eliminate economic needs tests (a mechanism that subjects the granting of market access to demand and/or supply conditions in the market) and to close the gap between members' current services regime and existing commitments. Finally he noted the signs of new market opening beyond current regimes and the importance of effective disciplines on domestic regulation.

Trade negotiations

A 'signalling conference' in July 2008 gave ministers the chance to indicate possible future market openings in services.

Trade negotiations



The Committee on Trade in Financial Services examined the possible ways, and implications, of expanding commitments on cross-border trade in financial services.

The Council for Trade in Services in special session continued to hear reports from plurilateral request/offer groups. These groups, structured on the basis of service sectors and modes of supply, allow members to clarify their requests to other members, who in turn provide their reactions. Members' statements reflected their overall satisfaction with the plurilateral request/offer mechanism.

Following the failure to achieve agreement on the final blueprint – or modalities – for agriculture and non-agricultural market access at the July 2008 ministerial meeting, market access negotiations on trade in services became inactive for the remainder of the year.

Committee on Trade in Financial Services

The Committee on Trade in Financial Services held two formal meetings in 2008. At these meetings, it continued to monitor progress in the acceptance of the Fifth Protocol to the GATS (containing the results of the 1997 negotiations on financial services), which has yet to be ratified by Brazil, Jamaica and the Philippines. In addition, the Committee carried out the seventh transitional review of China's implementation of its specific commitments in financial services, as mandated by its Protocol of Accession.

Several informal meetings were held to analyse topical issues for the Committee, such as the possible ways – and implications – of expanding commitments on cross-border trade in financial services and the trade-related aspects of Islamic finance and microfinance.

Working Party on Domestic Regulation

The Working Party on Domestic Regulation (WPDR) held two formal meetings and several informal meetings in 2008. The WPDR's mandate is to develop disciplines to ensure that measures relating to licensing requirements and procedures, qualification requirements and procedures and technical standards do not constitute unnecessary barriers to trade in services.

At an informal meeting held on 25 February 2008, WTO members discussed an informal note by the Chair on the development of regulatory disciplines under GATS Article VI: 4 (Domestic Regulation). This note is a revision of an earlier note, which attempted to combine in a single text various elements of the disciplines which had been the object of informal consultations among members. In informal consultations between March and July 2008, WTO members engaged in detailed discussions on all elements of the note, with a view to reaching drafting solutions on specific provisions in the text.

At formal meetings on 16 June and 26 November 2008, the Chair reported on the informal consultations and assessed the overall progress in the negotiations. His impression of the informal meetings held during the first part of 2008 was that there were a few critical issues on which delegations would ultimately need to make compromises, but that, nonetheless, a number of issues existed on which a good degree of convergence could be observed. Following the summer break, he concluded it would serve no purpose to call further meetings, due to the overall stalemate in the negotiations, and the resulting limited interest by members.

Committee on Specific Commitments

The Committee on Specific Commitments held two formal meetings in 2008. The main function of the Committee is to oversee the implementation of services commitments and the application of the procedures for the modification of schedules of commitments. The Committee aims to improve the technical accuracy and coherence of the schedules and the lists of most-favoured nation exemptions.

At its two formal meetings, the discussions focused on the relationship between existing schedules and new schedules that would result from the current negotiations. The Committee also discussed scheduling issues, in particular those related to economic needs tests (a mechanism that subjects the granting of market access to demand and/or supply conditions in the market).



Trade negotiations

Working Party on GATS Rules

The Working Party on GATS Rules (WPGR) held two formal meetings and several informal meetings in 2008. At these meetings, the Working Party focused on its contribution to consultations conducted by the Chair of the Council for Trade in Services in special session on the elements required for completion of the services negotiations.

The role of the WPGR is to carry out negotiations on emergency safeguard measures (i.e. emergency measures to temporarily suspend commitments); on opening of the government procurement market in services; and on possible disciplines on subsidies. The mandates for the negotiations are contained in the GATS and have been integrated into the Doha Round of negotiations.

On emergency safeguard measures, an annex with rules on the use of such measures has been proposed. Regarding government procurement, a draft framework for commitments has been put forward. On both subjects, however, the views of members remain highly divergent.

On the question of subsidies, the Working Party focused on an exchange of information between members, and on refining the definition of subsidies in services.

Trade-related aspects of intellectual property rights (TRIPS)

In 2008 Ambassador C. Trevor Clarke (Barbados) took over from Ambassador Manzoor Ahmad (Pakistan) as Chair of the TRIPS Special Session, which undertakes the negotiations on the establishment of a multilateral system ('register') for notifying and registering geographical indications (GIs) for wines and spirits. The TRIPS Council in regular session considered, among other things, the monitoring of members' obligations regarding their technology transfer incentives and the grounds for dispute settlement under the TRIPS Agreement. The Director-General's consultations continued on outstanding implementation issues concerning the scope of protection of GIs other than wine and spirits, and the linkage between TRIPS and the Convention on Biological Diversity (CBD).

Special Session – negotiations on a GI register

In July a large group of WTO members submitted a proposal which modified a number of members' previous positions in the register negotiations. The proposal also linked this issue to the implementation issues covered by the Director-General's consultations (see below). Another group of members (the 'Joint Proposal group') submitted an updated version of their register proposal.

The GI register is intended to facilitate the protection of GIs (i.e. place names and other terms used to identify products as originating from specific locations which give certain qualities or characteristics to the products). The TRIPS Agreement mandates negotiations on establishing a register, and work has continued since 1996. In 2005 the Hong Kong Declaration called for the talks to be 'intensified'.

There are currently three proposals on the table:

- the proposal by Hong Kong, China, of 23 April 2003
- the 'Joint Proposal' of 2005, revised on 24 July 2008
- the so-called 'W/52' proposal of 19 July 2008, as part of a composite proposal on draft modalities for negotiations on TRIPS issues.

Trade negotiations



At a WTO Secretariat workshop for least-developed countries (LDCs) in October 2008, developed countries explained how they provide incentives to companies for the transfer of technology to LDCs.

Following the call by WTO members in October 2008 to intensify technical work on the issue, the Chair held consultations in various formats, with a view to ensuring that the TRIPS Council's Special Session, like other negotiating groups, would be ready to provide input in the wider context of the Doha Round of negotiations at any time. In these meetings, proponents of the new proposal of 19 July 2008 responded to a range of questions from other members, in particular regarding the legal effects of the register foreseen under that proposal. While the technical discussions among members were detailed and useful on a number of aspects of the different proposals, they remained divided on two key issues of the register negotiations:

- legal effects (i.e. what legal consequences would flow from a registration in the system)
- participation (i.e. whether or not legal effects should apply to members choosing not to participate in the system).

Incentives for technology transfer

In October 2008 the TRIPS Council, in regular session, undertook its sixth annual review of how developed countries' governments provide incentives for their companies to transfer technology to least-developed countries (LDCs). For this review, developed countries updated the reports on their activities and the WTO Secretariat prepared a background note listing all the reports received in this regard since 2003.

Article 66.2 of TRIPS requires incentives for technology transfer to LDCs. Ministers agreed at Doha in 2001 that the TRIPS Council would "put in place a mechanism for ensuring the monitoring and full implementation of the obligations". This mechanism was set up by a Council decision in February 2003, detailing the information that developed countries should supply on how their domestic technology transfer incentives are functioning in practice.

At the request of the LDC Group, the WTO Secretariat organized a workshop in 2008 to discuss transfer of technology under Article 66.2. In order to improve the understanding of the reports submitted under this provision, a number of developed countries explained their reports in more detail. Experts from developed countries and LDCs discussed the operation of the system and how it could be improved.

Disputes over intellectual property protection

WTO members continued to refrain from raising disputes on the legally complex subject of 'non-violation and situation complaints' in line with the moratorium extension agreed at the 2005 Hong Kong Ministerial Conference. The issue remained on the TRIPS Council's agenda in 2008 to provide an opportunity for members to share any new thinking they might have.

In general, disputes can be brought under the WTO Dispute Settlement Mechanism not only if an agreement or commitment has been violated, but also if an expected benefit under an agreement has been nullified without violating the letter of the agreement. But for disputes over intellectual property protection, Article 64.2 of the TRIPS Agreement prescribed a five-year moratorium on such 'non-violation and situation complaints'. This moratorium has been extended by a series of Ministerial Conferences, including Hong Kong in 2005. Members disagree on whether the moratorium should be made permanent, although some are willing to discuss to what extent such disputes could apply under the TRIPS Agreement.

Consultations on outstanding implementation issues

Members continued to consult on the subjects of GI extension and the TRIPS-CBD linkage, as provided for under paragraph 39 of the 2005 Hong Kong Declaration, which deals with these questions as 'outstanding implementation issues'.



One set of consultations deals with whether or not the 'higher' or 'enhanced' level of protection currently only required for wine and spirits GIs under Article 23 of the TRIPS Agreement should also cover GIs for other products. Members differ on whether such an extension would help their trade in such products, or whether it would create an unnecessary legal and commercial burden.

The other set of consultations concerns the relationship between the TRIPS Agreement and the CBD. Recently the focus has been on proposals to amend the TRIPS Agreement to require patent applicants to disclose the country of origin or source of genetic resources and traditional knowledge in patent applications. A range of alternative proposals has also been submitted.

The proposal of 19 July 2008 referred to above also contained modified proposals on these outstanding implementation issues, including the proposal to formally include them in the negotiations as part of the 'Single Undertaking' (i.e. including these issues within the scope of the final package resulting from the Doha Round negotiations). Other members continued to resist inclusion of these issues within the negotiating package.

Trade and development

In 2008 the work of the Special Session of the Committee on Trade and Development followed a two-pronged approach: text-based discussions on proposals regarding specific WTO agreements; and consideration of possible elements of a mechanism for monitoring 'special and differential treatment' (S&D) provisions for developing countries. Progress was made in both areas in clarifying certain elements of the texts under consideration.

Work carried out in 2008

During 2008, the Special Session held three formal meetings and a large number of informal consultations for WTO members.

Agreement-specific proposals

WTO members engaged in text-based discussions on six Agreement-specific proposals. These comprised three proposals regarding the Agreement on Sanitary and Phytosanitary Measures and three proposals relating to the Agreement on Import Licensing. While members made some progress in terms of clarifying certain elements of the various proposals, no textual amendments were made to the language under discussion. The remaining ten Agreement-specific proposals were not addressed, and will not be considered until members put forward new language or ideas.

With regards to 'Category II' proposals – i.e. proposals for strengthening S&D provisions in WTO agreements being addressed by other WTO bodies – the Chairs of these bodies reported limited progress. However, a number of the Chairs indicated that issues raised in some of the proposals form an integral part of the ongoing Doha negotiations. In this context, the WTO Secretariat began a process of identifying those Category II proposals which could be addressed as part of the ongoing negotiations.

Monitoring mechanism

Members continued their work on further refining the possible elements of a monitoring mechanism on S&D. This work was carried out on the basis of a 'non paper' (i.e. an unofficial proposal) put forward by the Chair as well as two non papers submitted by developing countries. The submissions proposed additional elements to the Chair's proposal, including the insertion of a preamble to provide clarity on the objectives of the monitoring mechanism. The submissions also advocated a broader scope in terms of what the mechanism will monitor. While discussions were preliminary, some progress was made in terms of clarifying and building on existing work.

Trade negotiations



Background

Development issues and the interests of developing countries lie at the heart of the WTO's work. Many WTO agreements contain provisions which give developing countries special rights. The work to make these 'special and differential treatment' (S&D) provisions more precise, effective and operational is carried out in the Special Session of the Committee on Trade and Development.

Trade negotiations



Background

The Working Group on Trade and Transfer of Technology was set up to undertake an examination of the relationship between trade and transfer of technology. Its role is to consider making recommendations on steps that might be taken within the mandate of the WTO to increase the flow of technology to developing countries.

Future work

In 2009, WTO members are continuing text-based discussions on Agreement-specific proposals, building on the progress already made, with the aim of making recommendations as soon as possible. With regard to the Category II proposals, the Special Session is continuing to coordinate efforts with the relevant Chairs to accelerate progress on these proposals, particularly those that are not being considered as part of the ongoing negotiations. Members are also continuing to fine-tune the elements of the monitoring mechanism on the basis of the submissions put forward, with the intention of reaching an agreement on its scope, structure and terms of reference.

Trade and transfer of technology

The Working Group held four formal sessions in 2008, during which WTO members continued to examine the relationship between trade and transfer of technology and to consider possible recommendations for increasing the flow of technology to developing countries.

Relationship between trade and transfer of technology

Work on the relationship between trade and transfer of technology was carried out mainly on the basis of a World Bank study and a presentation by the Philippines. The Philippines' presentation emphasized that successful technology transfer plays an important role in stimulating the formation and growth of new high-tech companies. It also contributes to increasing the revenues of existing firms; makes a positive contribution to the country's economic development; improves the allocation of resources among economic sectors and industries; and encourages better organization within firms, leading to greater competitiveness, growth and productivity across the economy. The presentation also underscored some of the policy challenges that the Philippines had faced in its efforts to create a sound knowledge and technological base.

The World Bank study, entitled "Global Economic Prospects: Technology Diffusion in the Developing World" underscores the crucial role of trade, foreign direct investment, and direct access to technology through the Internet and migration. The study highlights technology and innovation as two key drivers of economic growth and increased productivity in the global market. The study also analyzes recent trends in technological progress, and considers how various factors influence the diffusion of technology in developing countries.

The discussions in the Working Group drew attention to the importance of public policy in encouraging public-private partnerships; the links between foreign investment and the growth of small and medium-sized enterprises; and the relationship between technology and human resources. The role of Aid for Trade in the context of capacity building and training (see page 99) was also underscored. Emphasis was also placed on knowledge-sharing exercises that could facilitate a better understanding of the complex links between trade and technology transfer.

Increasing flows of technology to developing countries

In considering possible recommendations regarding increasing flows of technology to developing countries, WTO members focused their discussion on two revised documents submitted by India, Pakistan and the Philippines. Discussions also centred around a new document entitled "Facilitating Access to Information on Appropriate Technology Sourcing – A step to increase flows of technology to developing countries", subsequently tabled by India, Pakistan and the Philippines, and which built upon their earlier submissions.

The paper emphasized the critical role of technology and innovation in improving productivity and promoting export growth and, as a result, bridging the technological gap between developed and developing countries. Promoting access to, and dissemination of, information in the technology-transfer process was also highlighted as critical. The document proposed the possibility of establishing a WTO web page that could provide information on what reasonably priced technology options are available, and also serve as a forum for introducing service providers. In addition, the document suggested that international organizations, such as the WTO, could pass on information on successful technology-acquisition programmes undertaken by governments.



Future work

In the coming year, the Working Group will continue to examine the relationship between trade and transfer of technology as well as to consider recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries. Discussions are likely to benefit from national experiences regarding the generation and transfer of technology as well as from presentations by other intergovernmental organizations. Work on possible recommendations will continue to be based on the submissions by members.

Trade and environment

In 2008 the Committee on Trade and Environment discussed in special session three issues: the relationship between existing WTO rules and the specific trade obligations set out in multilateral environmental agreements (MEAs); the procedures for regular information exchange between MEAs and the WTO and criteria for granting observer status to MEAs; and the elimination of barriers to trade in environmental goods and services. Ambassador Mario Matus (Chile) ended his mandate as Chair of the negotiating group on 27 February 2008, and was succeeded by Ambassador Manuel A. J. Teehankee (Philippines).

Multilateral environmental agreements

The Committee continued to examine proposals on the relationship between the WTO and MEAs, both in terms of the relationship between WTO and MEA rules and cooperation between the WTO and MEA secretariats. The Chair held several consultations with WTO members on the main ideas that could be reflected in a final outcome. These consultations have helped to identify the ideas that seem to be broadly supported, as well as the issues that may require further discussion. This work will provide a basis for the next phase of text-based negotiations.

Environmental goods and services

The Committee continued to discuss how to eliminate tariff and non-tariff barriers to trade in environmental goods and services. It focused in particular on the various proposals put forward by WTO members on how to achieve this, what goods and services should be covered (including climate-friendly goods and technologies), as well as the special treatment that developing countries may require.

Future work

Delegations will be invited to identify goods under environmental categories such as air pollution control, waste management and renewable energy, for which they believe market access should be improved. The needs of developing countries will also continue to be addressed as part of this work.

Trade facilitation

Negotiations on trade facilitation continued to make headway in 2008. Over the course of several formal sessions, the Negotiating Group on Trade Facilitation (NGTF) made progress on all elements of its work.

Under the chairmanship of Ambassador Sperisen-Yurt of Guatemala, WTO members revised their negotiating proposals, refining the legal language and merging multiple suggestions into consolidated texts. Progress was also made on the key issue of special and differential treatment (S&D) provisions, which give developing countries special rights.

In his July report to the Trade Negotiations Committee on the state of the NGTF's work, the Chair noted that the latest progress was reflected in the WTO Secretariat's revised compilation document. He observed that the negotiations continued to benefit from the 'bottom-up' process that had characterized the Negotiating Group's working method from the very start. He emphasized that this member-driven approach would provide the best means of bringing the negotiations to a successful conclusion.

Trade negotiations



One of the issues discussed by the Committee on Trade and Environment was the elimination of barriers to trade in environmental goods and services.

Trade negotiations

The Chair announced that further work to establish the text of the envisaged Trade Facilitation Agreement would continue on the basis of the compilation of proposals, using the worksheets and aides-memoires prepared by the WTO Secretariat. In these documents, account was taken of delegations' suggestions for additions, eliminations and modifications. It was underlined that all of these documents were without prejudice to members' positions, including their right to continue to make further contributions. Each document would be updated on a regular basis to reflect the latest state of affairs.

The Chair reported that the negotiations would continue in a variety of formats, combining NGTF sessions with complementary activities by the WTO membership. Special emphasis was placed on the informal process concerning S&D matters, which the Chair urged delegations to intensify.

To allow all countries to fully engage in and benefit from the negotiations, several donor governments provided funding for the participation of capital-based experts from developing and least-developed countries. These governments indicated that they were willing to maintain their support in 2009.

Work on the WTO Secretariat's technical assistance and capacity-building activities continued in 2008, with a comprehensive needs assessment programme getting under way. Jointly executed with other international organizations (such as the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations Conference on Trade and Development, the World Customs Organization and the World Bank) under the overall leadership of the WTO Secretariat, more than 40 national activities were completed in 2008.

WTO rules

The Rules Negotiating Group worked intensively during 2008 under the chairmanship of Ambassador Valles Galmés of Uruguay. Work shifted away from the consideration of proposals put forward by participants and focused on the discussion of the Chair's draft texts, as circulated to WTO members in late 2007. The draft contains revised texts of the Agreement on Anti-Dumping and the Agreement on Subsidies and Countervailing Measures, including an annex with proposed disciplines on fisheries subsidies.

Extensive discussions in the Group revealed sharply conflicting views on many of the issues reflected in the draft texts. Accordingly, in late December 2008, the Chair issued new draft texts of the Agreement on Anti-Dumping (see page 39) and the Agreement on Subsidies and Countervailing Measures (see page 37), as well as a 'road map' for further discussion of the issue of fisheries subsidies.

The new texts reflected a 'bottom-up' approach, providing draft legal language only in areas where some degree of convergence appeared to exist. In many other areas, the texts contained brackets, indicating issues where no convergence of views was emerging and summarizing in general terms the range of views regarding those issues. The Chair indicated his intention that the new texts provide a platform for further intensive discussions in 2009.

On regional trade agreements (RTAs), the negotiations have so far resulted in the General Council Decision on a Transparency Mechanism for RTAs, which has been applied provisionally since 2007. In order for the Mechanism to be adopted on a permanent basis, WTO members need to review, and if necessary modify, it as part of the overall results of the current round of trade negotiations. Members will also review the legal relationship between the Mechanism and relevant WTO provisions on RTAs.



Dispute Settlement Understanding

Negotiations towards improvement and clarification of the WTO's Dispute Settlement Understanding (i.e. the Understanding on Rules and Procedures Governing the Settlement of Disputes) continued in 2008 in special sessions of the Dispute Settlement Body, which consists of all member governments of the WTO. The sessions were chaired by Ambassador Saborío Soto, of Costa Rica.

To advance towards a rapid conclusion of the negotiations, the Chair held substantive consultations in various formats at the beginning of 2008, focusing on draft legal text on all issues under discussion. To ensure continued transparency and inclusiveness, each week of consultations was concluded with an informal meeting of the DSB Special Session, in order to update the entire membership on the progress made, and to discuss future work.

In July 2008 the Chair issued a report, under his own responsibility, to record the progress made and to give further impetus to the work towards a successful conclusion of the negotiations. The document included a consolidated draft legal text on all issues under discussion in the negotiations, based primarily on drafting proposals submitted by members. It also included some suggestions by the Chair on specific issues, based on the discussions.

Subsequently, the Chair held consultations with interested delegations and groups of delegations to discuss the way forward. Based on these consultations, an informal meeting of the DSB Special Session was convened in November to give participants an opportunity to react to the July document and to discuss future work. At that meeting, delegations endorsed the Chair's consolidated draft legal text as a basis for future work.

Delegations also supported continuing to work in a format comparable to the work conducted earlier in the year. A first set of consultations was held by the Chair in the first week of December. Members discussed some of the substantive issues under consideration on the basis of the draft legal text contained in the July document. This was followed by an informal meeting of the DSB Special Session.

Trade negotiations

Negotiations towards improvement and clarification of dispute settlement rules and procedures continued in 2008.

Implementation and monitoring

WTO councils and committees continued to monitor the implementation of WTO agreements and to review whether requirements were being followed by WTO members. They also provided a forum for discussion on various issues, ranging from trade and climate change to the food price crisis. Seventeen trade policy reviews of WTO members were undertaken in 2008.

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Implementation and monitoring



Background

The Ministerial Conference of the WTO consists of representatives of all WTO members. It is the highest decision-making body of the organization, and usually meets every two years.



Background

The General Council is entrusted with carrying out the functions of the WTO and taking actions necessary to this effect between meetings of the Ministerial Conference, in addition to carrying out the specific tasks assigned to it by the Agreement Establishing the WTO.

Ministerial Conference and General Council

Ministerial Conference

The next Ministerial Conference will be held in Geneva in December 2009.

Ministerial Conferences review ongoing work, give political guidance and direction to that work, and set the agenda for further work. The most recent Ministerial Conference was held in Hong Kong, China, in December 2005. A Conference was not held in 2007 or 2008 as WTO members were not in a position to decide on when such a meeting should take place given that the outcome of the Doha Round of negotiations remained uncertain.

General Council

During 2008, the General Council continued to oversee the progress of the Doha Round of negotiations on the basis of reports by the Director-General in his capacity as Chair of the Trade Negotiations Committee. The General Council also reviewed the progress of the Work Programme on Small Economies on the basis of reports from the Chair of the Committee on Trade and Development. Some of the other matters considered by the General Council in 2008 are listed below.

Non-recognition of rights under Articles XXIV:6 and XXVIII of GATT 1994

Honduras and Guatemala first raised this issue in December 2004 and it has been considered at each regular General Council meeting since then without reaching a satisfactory resolution. It relates to the European Communities' non-recognition of the claims of interest submitted by Honduras and Guatemala under Articles XXIV:6 and XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994. This is in connection with the EC's modification of its WTO concessions following the accession to the European Union of 10 new member states in May 2004, as well as the entry into force of an EC-wide tariff-only regime for bananas as from 1 January 2006.

Under WTO provisions, when a member wishing to modify its WTO Schedule of Concessions does not recognize claims of interest raised in the consultation and negotiation process, the member making the claim of interest can refer the matter to the General Council. Consultations on this issue continue to be pursued by the Council Chair, with the aim of facilitating a satisfactory resolution to the matter, including the issue of the rights of small and medium-sized exporting members under Article XXVIII.

Accession to the WTO

During 2008, the General Council continued to oversee both the accession processes of governments seeking to join the WTO, and the follow-up to these processes. In February, the Council established a Working Party to examine a request for accession from Equatorial Guinea. It also approved the terms and conditions for the accession of Ukraine. These had been agreed in discussions between Ukraine and WTO members which had begun in December 1993, when the first step in examining Ukraine's request for accession had been taken by the GATT Contracting Parties. In keeping with WTO provisions, Ukraine became a member 30 days after ratifying its Protocol of Accession.

In keeping with the provisions set out in China's Protocol of Accession, the General Council conducted its seventh review of China's implementation of its WTO commitments. The Council considered the following issues: reports of the subsidiary bodies on China's implementation of the WTO Agreement and of the related provisions of the Protocol; development of China's trade with WTO members and other trading partners; and recent developments regarding China's trade regime. The review is required to be conducted by the General Council and 16 subsidiary bodies each year for a period of eight years following China's accession, with a final review in the tenth year or at an earlier date decided by the General Council.



Waivers under Article IX (Decision-making) of the WTO Agreement

In keeping with WTO provisions, in 2008 the General Council considered and granted several requests for waivers from obligations under the WTO Agreement, as shown in Table 1. In July and December, in keeping with the provisions requiring that any waiver granted for a period of more than one year be reviewed not later than one year after it is granted and annually thereafter until the waiver terminates, the Council conducted reviews of the following multi-year waivers:

- Preferential Tariff Treatment for Least-Developed Countries (LDCs), granted on 15 June 1999 until 30 June 2009
- LDCs – Article 70.9 of the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement with respect to pharmaceutical products, granted on 8 July 2002 until 1 January 2016
- Albania – Implementation of Specific Concessions, granted on 26 May 2005 until 1 January 2009
- EC – European Communities' Preferences for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and the Former Yugoslav Republic of Macedonia, granted on 28 July 2006 until 31 December 2011
- Kimberley Process Certification Scheme for rough diamonds, granted on 15 December 2006, from 1 January 2007 until 31 December 2012
- CARIBCAN (Caribbean-Canada trade agreement), granted on 15 December 2006 until 31 December 2011
- Cuba – Article XV:6 (Exchange arrangements) of the GATT 1994, granted on 15 December 2006 until 31 December 2011
- United States – Former Territory of the Pacific Islands, granted on 27 July 2007 until 31 December 2016
- Mongolia – Export duties on raw cashmere, granted on 27 July 2007 until 29 January 2012.

Other issues

Other issues of concern which WTO members brought to the General Council for consideration during 2008 were:

- the EC's suspension of fresh beef imports from Brazil (raised by Brazil)
- the African Caribbean Pacific – EC Partnership Agreements and the possibility that they might include clauses requiring that any preferences made to other parties under regional agreements, or under arrangements made between developing countries, to be extended to the EC (raised by Brazil)
- concerns of the Informal Group of Developing Countries over the process of WTO accession for developing countries (raised by Sri Lanka on behalf of this Group).

The Council continued its follow-up to its 1 August 2004 Decision and the Hong Kong Ministerial Declaration regarding the development assistance aspects of cotton. In December it heard an update from the Director-General indicating improvements in the amount of development assistance committed to the cotton sector as well as in actual disbursements. However, he stressed that there was a need for continued engagement by the donor community on development assistance and also for continued domestic cotton sector reform.

In July, the Council heard a report from the Chair of the Committee on Trade and Development regarding transparency for preferential trade agreements. The Chair indicated that more time was needed before the Committee could come to a decision. In December, the Council agreed to postpone the deadline for the Committee's consideration of this matter and its report to the Council until July 2009.

In keeping with the provisions of the General Council Decision of August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (on compulsory licensing in the pharmaceutical sector), the TRIPS Council reviewed the functioning of that system with a view to ensuring its effective operation, and reported on the review to the Council in December.

Implementation and monitoring



Meeting of the General Council in July 2008.

As part of its overall oversight function, the General Council conducted a year-end review of WTO activities on the basis of annual reports from all subsidiary bodies. It also reviewed matters relating to the operation of the WTO budget and the WTO pension plan. Among other issues brought to the General Council for consideration during 2008 was a report from the Joint Advisory Group of the International Trade Centre – a joint subsidiary organ of the United Nations Conference on Trade and Development (UNCTAD) and the WTO.

Table 1: Waivers under Article IX (Decision-Making) of the WTO Agreement

In 2008 the General Council granted the following waivers from obligations under WTO Agreements which are still in effect.

Members	Type	Decision of	Expiry	Document
Argentina	Introduction of Harmonized System 1996 changes into WTO Schedules of Tariff Concessions – Extension of time-limit	31 July 2008	30 April 2009	WT/L/733
Panama	Introduction of Harmonized System 1996 changes into WTO Schedules of Tariff Concessions – Extension of time-limit	31 July 2008	30 April 2009	WT/L/734
Argentina, Australia, Brazil, China, Costa Rica, Croatia, El Salvador, European Communities, Iceland, India, Republic of Korea, Mexico, New Zealand, Nicaragua, Norway, Chinese Taipei, Thailand, United States, and Uruguay	Introduction of Harmonized System 2002 changes into WTO Schedules of Tariff Concessions	18 Dec 2008	31 Dec 2009	WT/L/744
Argentina, Australia, Brazil, Canada, Costa Rica, Croatia, Dominican Republic, El Salvador, European Communities, Guatemala, Honduras; Hong Kong, China; India, Israel, Korea; Macao, China; Malaysia, Mexico, New Zealand, Nicaragua, Norway, Pakistan, Singapore, Switzerland, Thailand, United States, and Uruguay	Introduction of Harmonized System 2007 changes into WTO Schedules of Tariff Concessions	18 Dec 2008	31 Dec 2009	WT/L/745
European Communities	Application of autonomous preferential treatment to Moldova	7 May 2008	31 Dec 2013	WT/L/722
Senegal	Minimum values in regard to the Agreement on the Implementation of Article VII (Valuation for Customs Purposes) of the GATT 1994	31 July 2008	30 June 2009	WT/L/735



Trade in goods

During its four formal sessions in 2008, the Council for Trade in Goods (CTG) made progress on the consideration of requests from members for waivers, further discussed what role, if any, it should play in the textiles and clothing sector following the termination of the Agreement on Textiles and Clothing, and dealt with other routine tasks.

The CTG approved and recommended for adoption by the General Council a number of waiver requests from members, including a request by the European Communities for a waiver for autonomous preferential treatment for Moldova; Senegal's request for an extension of its waiver to apply minimum customs values; and the extension of requests from Argentina and Panama related to the introduction of certain changes in their schedules under the Harmonized System (the global classification system for traded goods).

The CTG continued to make good progress in its discussions on the waiver requests for three United States preference programmes which are designed to promote economic development by offering broader access to the US market (the African Growth and Opportunity Act, the Caribbean Economic and Recovery Act, and the Andean Trade Preference Act). These requests have been under discussion since 2005, and will most likely be approved in 2009.

Turkey circulated its third proposal aimed at finding consensus on work in the Goods Council concerning the textile sector. This submission proposed that (i) a compilation of studies already prepared by other international organizations should be prepared by the WTO Secretariat, and (ii) this compilation should be further enhanced in a workshop organized in collaboration with the relevant international organizations.

Several members remained opposed to singling out textiles and clothing for in-depth work and analysis. Nevertheless, a number of countries believe there is a role for the WTO in assisting those members who are finding it difficult to adjust to the new economic situation in the sector since the phase-out of the Agreement on Textiles and Clothing. The Council will continue to study this issue in 2009.

The Council for Trade in Goods approved the recommendation of the Working Party on State Trading that the frequency of notifications on state trading be maintained at every two years instead of three, for two additional two-year periods. It also carried out China's Transitional Review in accordance with its Protocol of Accession. The Goods Council report and the reports of its subsidiary bodies were sent to the General Council. The CTG took note of the reports of the Committee on Market Access.

Regarding EU enlargement (with the addition of 10 new member states in 2004 and 2007), the Goods Council agreed to extend the periods of withdrawal by WTO members of substantially equivalent trade concessions for the new EU members. For the 2004 EU enlargement, this was the eighth such extension, and for the 2007 enlargement, it was the third extension.

Market access

In 2008 the Committee on Market Access began to consider ways of addressing the situation of some 60 WTO members who have not yet followed the procedures to introduce Harmonized System (HS) changes agreed in 1996 to their schedules of commitments. The Committee will seek to address this shortfall by making use of the WTO Secretariat's experiences in the context of the HS changes agreed in 2002. Some 80 per cent of the WTO membership has had their 2002 changes to their schedules of commitments verified multilaterally.

Implementation and monitoring



Background

The Council for Trade in Goods (CTG) is responsible for the workings of all WTO agreements dealing with trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The CTG has 11 committees dealing with specific subjects (such as agriculture, market access and subsidies). These also consist of all WTO members.



Background

The Committee on Market Access supervises the implementation of concessions relating to tariffs and non-tariff measures and provides a forum for consultation on these issues. One of its tasks is to oversee the Harmonized System (HS), which allows countries to classify goods on a common basis.



Background

The Agreement on Agriculture aims to reform trade in the sector and to make policies more market-oriented. The rules and commitments apply to market access, domestic support (subsidies and other programmes) and export subsidies and other methods used to make exports artificially competitive.

In respect of the HS changes agreed in 2007, progress has been negligible and only two files had been submitted by members by the end of 2008. However, it was agreed that the Committee would give this further attention in 2009, and that consultations would be held in this regard. The Committee also examined requests for waiver extensions which had been made in the context of the HS changes. These waivers allow members to introduce the HS changes into their national tariffs, but to undertake the WTO legal procedures at a later date. The Committee approved two individual requests for waiver extensions made in respect of the HS 1996 changes, and the extension of the 'collective' waivers for the HS 2002 and HS 2007 changes.

During its four meetings in 2008, the Committee on Market Access noted its concern over members' continued lack of timely submissions for the integrated database, which contains data dating back many years on members' tariffs and trade. The information from this database, and from the Consolidated Tariff Schedules database of members' goods concessions, is used for several purposes. These include the calculation of ad valorem equivalents (the duties levied on an item, based on its value rather than on quantity); the preparation of WTO members' electronic schedules on goods (commonly referred to as 'electronic negotiating files') and responding to requests arising from the negotiations; as well as for preparing the 'World Tariff Profiles' publication produced in cooperation with the International Trade Centre and the United Nations Conference on Trade and Development.

Among its other activities, the Committee on Market Access conducted the seventh transitional review of China in accordance with its Protocol of Accession. The Committee was also updated on the situation regarding notifications of quantitative restrictions on imports, and took note that the situation in respect of notifications to non-tariff barriers to market access remained unchanged since 2001. The Committee also took note of the WTO Secretariat document providing details on the most recent information available in the tariff library and on the website addresses where more recent national tariffs can be found. Furthermore, it noted the Secretariat document entitled "Situation of Schedules of WTO Members", giving up-to-date information on each member's schedules of concessions.

Agriculture

The Committee on Agriculture held three meetings in 2008 to deal with questions and answers by WTO members about how they are implementing the Agreement on Agriculture. The questions were based partly on information notifications received from members since previous Committee meetings.

Some of the issues raised in the Committee included:

- compositional standards for cheese
- the consistency of certain subsidies with the terms of the Agreement on Agriculture
- the European Communities' revised commitments due to EU enlargement
- export subsidies in sugar and wheat
- food aid
- measures relating to trade in poultry products
- the special agricultural safeguard.

Since 1995, the Committee has reviewed over 2,440 information notifications submitted by members. Of this total, 132 were submitted in 2008. By the end of 2008, only 12 members had fully complied with their notification obligations for the period 1995 to 2007.

Transitional review of China

In September 2008 the Committee on Agriculture held the seventh transitional review of China's accession commitments in relation to agricultural trade policies. These transitional reviews are required annually for the first eight years after China's accession to the WTO, and once more after about 10 years. During the 2008 review, members raised questions with respect to tariff rate quotas, discriminatory value-added tax (VAT) exemptions, and export VAT refunds.



Food price crisis

At the December 2008 meeting of the Committee on Agriculture, other international organizations – including the International Monetary Fund (IMF), the Food and Agriculture Organization (FAO), the United Nations Conference on Trade and Development (UNCTAD) and the International Grains Council – stressed that high agricultural prices were likely to pose both nutritional and broader economic problems for poor importing countries. While food prices were declining from the high levels experienced earlier in the year, the prices at the end of 2008 were still high when compared with those of earlier years.

The international organizations said that the solution to the crisis was to increase their assistance to the countries in need, improve farmers' productivity, and reform disciplines on tariffs, subsidies and food aid in the WTO's Doha Round of negotiations.

Sanitary and phytosanitary measures

In 2008 the Committee on Sanitary and Phytosanitary (SPS) Measures adopted revised notification formats and procedures for WTO members, including encouraging members to submit SPS notifications when they introduce new measures based on international standards (even though this is not required by the SPS Agreement). It also provided the recommended time periods for receiving comments, publication of regulations, and their entry into force. The proposed new formats are compatible with the objective of permitting online submission of notifications, which is expected to become possible in 2009.

As of 31 December 2008, a total of 1,271 notifications (including corrigenda, addenda and revisions) had been submitted to the WTO. This is greater than the number submitted in 2007 (1,193). A total of 144 members (94 per cent of the membership) had notified the WTO that they had established an enquiry point, which is responsible for answering all SPS questions and providing relevant documents. Some 135 members had identified their notification authority, which is responsible for implementing, on a national level, the notification requirements of the SPS Agreement. An informal procedure was adopted in 2008 to match officials managing SPS transparency matters with counterparts willing to serve as 'mentors'.

Private sector standards

Following the request by many WTO members for the establishment of a small working group to address the issue of SPS standards set by private sector bodies, the Chair circulated a series of questions to solicit suggestions for specific Committee actions. The WTO Secretariat prepared a summary of the responses, and on the basis of these, proposed an approach, which was subsequently adopted by the Committee.

The SPS Committee's work in the area of private sector standards was complemented by information sessions organized by the Standards and Trade Development Facility (STDF) and by presentations by non-governmental organizations. The STDF information session focused on how to comply with private sector standards. Speakers from private sector standard-setting and accreditation bodies provided information on initiatives to ensure that developing countries' voices are heard in the private standards arena. They also spoke about advances in the recognition of equivalence between schemes, efforts to reduce the costs of certification for developing country suppliers and the creation of a network to promote dialogue and the exchange of information between private sector standard holders, suppliers, certifiers and other interested parties.

Specific trade concerns

In 2008 the SPS Committee considered a wide range of specific trade concerns. The issues discussed included concerns related to bans on poultry due to anti-microbial treatments, restrictions due to avian influenza, sampling requirements when maximum residue levels of pesticide are exceeded, the impact of regulations on traditional foods and a draft plant health standard developed by the North American Plant Protection Organization which would involve ships being inspected for the Asian Gypsy Moth before entering certain territorial waters. In total, 16 new trade concerns were raised in 2008, nine previously raised concerns were discussed again, two were reported to have been resolved and two were reported to have been partially resolved.

Implementation and monitoring



Background

The Sanitary and Phytosanitary (SPS) Measures Agreement establishes the rights and obligations of members regarding measures taken to ensure food safety, to protect human health from plant- or animal-spread diseases, to protect plant and animal health from pests and diseases, or to prevent other damage from pests. Governments must ensure that their SPS measures are based on scientific principles.



A workshop held at the WTO in March 2008 looked at countries' ability to meet food safety and animal-plant health standards.



Background

The Agreement on Technical Barriers to Trade tries to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade.

Second review of the SPS Agreement

Two issues remain outstanding from the Second Review of the SPS Agreement: clarification of the procedure for WTO members for using the Chair's 'good offices' (i.e. ad hoc consultations) and the relationship between the SPS Committee and the standard-setting bodies referenced in the SPS Agreement (the FAO/WHO Codex Alimentarius Commission, the World Organization for Animal Health and the FAO Secretariat of the International Plant Protection Convention).

Work began on preparations for a workshop to address existing standard-setting procedures and how to make the relationship between the organizations more effective. The workshop is scheduled for October 2009.

Regionalization

The SPS Committee adopted guidelines to facilitate the recognition of pest-free or disease-free areas ('regionalization'), as required by Article 6 (Adaptation to Regional Conditions, Including Pest- or Disease-Free Areas and Areas of Low Pest or Disease Prevalence) of the SPS Agreement. The decision, adopted on 16 May 2008, identifies the usual procedures for seeking recognition that a given area is free of a specific pest or disease, and for granting this recognition.

Training course

In addition to national and regional SPS training seminars, an intensive two-week specialized course on SPS implementation was provided in October 2008.

Technical barriers to trade

The Committee on Technical Barriers to Trade (TBT) held three meetings in 2008. At these meetings, experts on standards and regulations discussed ways of refining governments' implementation of the TBT Agreement. This is seen as increasingly important in view of the growing number of notifications provided by WTO members concerning draft TBT measures and the lengthening discussions of trade concerns in the Committee. The WTO Secretariat organized its first specialized two-week course in Geneva focusing on the challenges for developing countries of implementing the TBT Agreement.

Workshop on Good Regulatory Practice

The TBT Committee organized a workshop in March 2008 on 'Good Regulatory Practice'. Over 200 government officials used this opportunity to explore ways of making governments' implementation of the TBT Agreement more effective. Participants in the workshop noted that the quality of regulation is a key issue, and that there is a growing emphasis on 'better' regulation, rather than deregulation.

Participants emphasized that transparency, openness and accountability in the development of regulations is important. Participation by all parties affected by a government's regulatory activities will enhance predictability and clarity. Increased certainty will, in turn, help to increase awareness of, and lend legitimacy to, government regulatory actions. TBT experts also stressed the need to foster regulatory cooperation between WTO members. Such dialogue helps promote confidence among trading partners, thereby contributing to the convergence of regulations and the reduction of unnecessary barriers to trade.

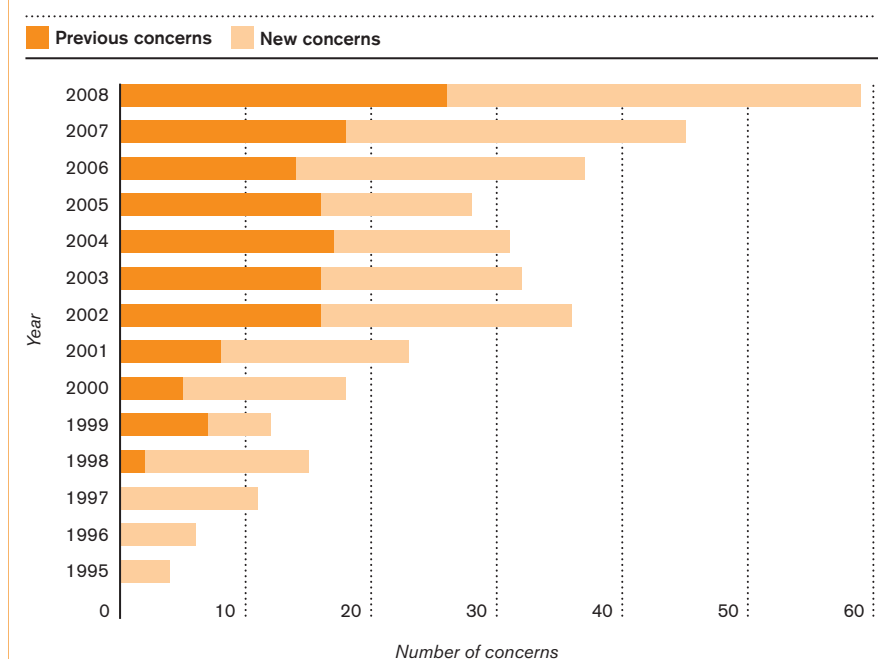
Trade concerns

In 2008, there was a significant increase in the number of specific trade concerns brought to the attention of the TBT Committee (see Figure 1). Most of these related to measures that had been notified to the WTO; notifications of regulatory measures also reached a record level in 2008.

These 'specific trade concerns' relate either to proposed measures notified to the TBT Committee (in accordance with the notification requirements in the TBT Agreement), or to measures currently in force. Committee meetings afforded members an opportunity to review trade concerns formally or informally in a bilateral or multilateral setting, and to seek further clarification.



Figure 1: Specific trade concerns raised in the TBT Committee 1995 to 2008



Specialized training course

In autumn 2008, the Trade and Environment Division organized the first specialized course on the TBT Agreement, which was held over two weeks. The course was attended by 25 government officials from developing countries, and was intended to help developing countries address the challenges of implementing the TBT Agreement.

Subsidies and countervailing measures

In line with procedures adopted by the General Council in 2007, certain developing members have received extensions of the transition period for the elimination of export subsidies in respect of certain programmes. In October 2008, the Subsidies and Countervailing Measures Committee conducted an annual review of those members' compliance with the transparency and other requirements contained in the procedures. On the basis of the review, and in accordance with the procedures, the Committee agreed to renew the annual extension of the transition period to the end of 2009 for the members and programmes in question.

In 2008 the WTO Secretariat circulated updated information on the developing members that are exempt from the prohibition on export subsidies by virtue of being listed in Annex VII(b) of the SCM Agreement. To qualify for this exemption, a listed member must have per capita GNP less than US\$ 1,000 as reported by the World Bank. A member listed in the annex does not cross this threshold until its GNP per capita reaches US\$ 1,000 in constant 1990 dollars for three consecutive years. Members are also exempt from the prohibition on export subsidies as long as they remain least-developed countries.

The information circulated by the Secretariat indicated for each member listed in the annex: (i) gross national income (GNI) per capita in constant 1990 dollars, covering the three most recent years for which data are available (2004 to 2006); and (ii) GNI per capita in current dollars for 2006. The listed members remaining below the threshold are: Bolivia, Cameroon, Congo, Côte d'Ivoire, Egypt, Ghana, Guyana, Honduras, India, Indonesia, Kenya, Nicaragua, Nigeria, Pakistan, Philippines, Senegal, Sri Lanka and Zimbabwe.

Implementation and monitoring



Background

The Subsidies and Countervailing Measures (SCM) Agreement regulates the use of subsidies by WTO members, as well as the use of countervailing measures (usually in the form of increased duties) by members where subsidized imports of a product are causing or threatening to cause injury to the domestic industry producing that product. The SCM Committee provides WTO members with the opportunity to discuss any matters relating to the SCM Agreement. The Committee reviews members' notifications of specific subsidies; notifications of national countervailing duty legislations; semi-annual reports of countervailing duty investigations, measures and actions taken; ad hoc notifications of preliminary and final countervailing actions taken; and the authorities competent to initiate and conduct investigations.



Implementation and monitoring

Countervailing measures to offset subsidies increased significantly in 2008.

The SCM Agreement requires WTO members to notify their specific subsidies by 30 June of each year. Members are asked to give priority to submitting new and full notifications every two years while the Committee gives less emphasis to the review of updated notifications. The Committee held special meetings in April and October 2008 at which it continued its review of new and full subsidy notifications made in 2005 and 2007.

The SCM Committee also reviewed members' notifications related to countervailing duty legislation, and actions, at its regular meetings in April and October 2008.

The SCM Agreement provides for a Permanent Group of Experts (PGE), composed of five independent persons who are highly qualified in the fields of subsidies and trade relations. The PGE provides assistance to panels regarding whether a subsidy is prohibited and provides advisory opinions at the request of the SCM Committee or WTO member. At a special meeting held on 31 July 2008, the Committee elected four new members to the PGE (Dr Chang-fa Lo, Dr Manzoor Ahmad, Mr Zhang Yuqing and Mr Jeffrey A. May).

Figure 2: Countervailing measures by year 1995 to 2008

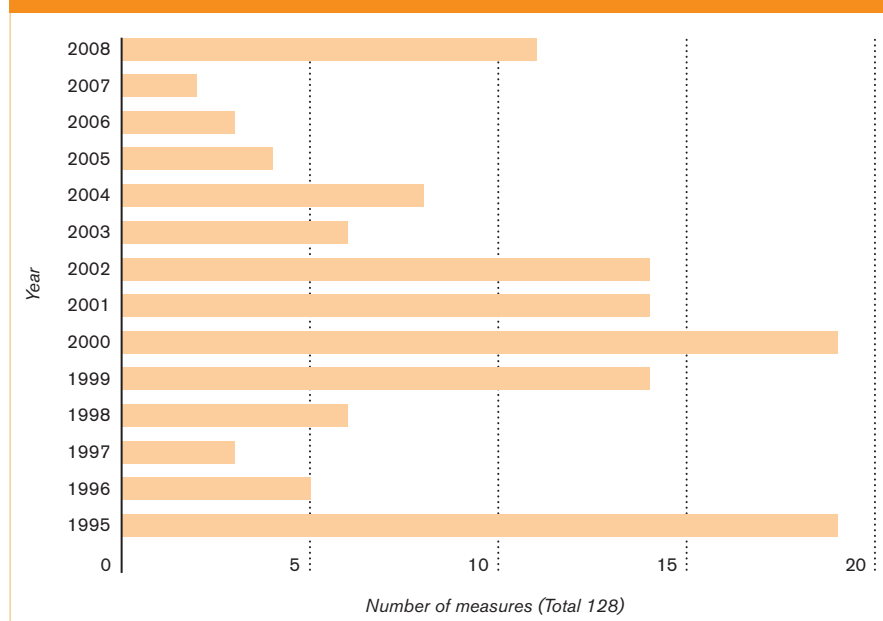
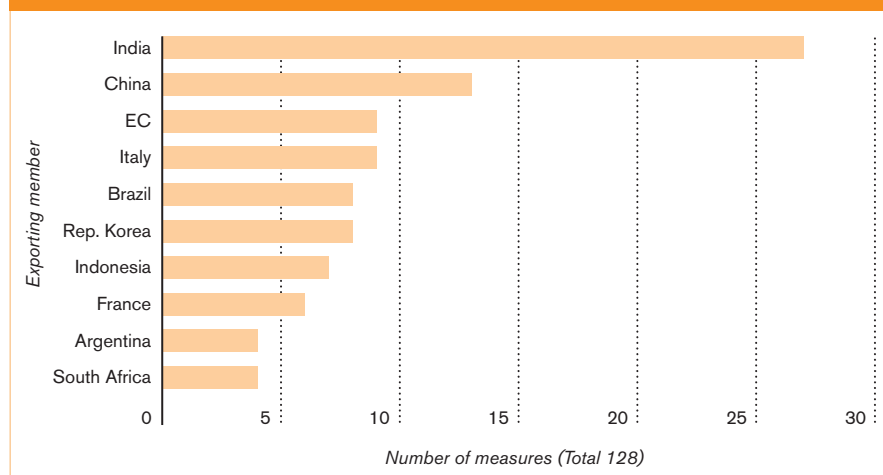


Figure 3: Countervailing measures by exporting member 1995 to 2008



Anti-dumping practices

In October 2008, the Committee on Anti-Dumping Practices adopted a revised format for the semi-annual reports submitted by WTO members. The new format, backed by virtually all WTO members as a major advance in transparency, includes a number of important improvements, such as the use of mandatory language and clear definitions, instructions for each item to be reported, and the inclusion of a number of new items.

The new format is to be used for reports covering the first half of 2009, i.e. the next cycle of reports to be submitted at the end of August 2009. Given the changes that it incorporates, the format should help to resolve issues relating to the completeness of the information submitted.

Figure 4: Anti-dumping – number of measures 1995 to 2008

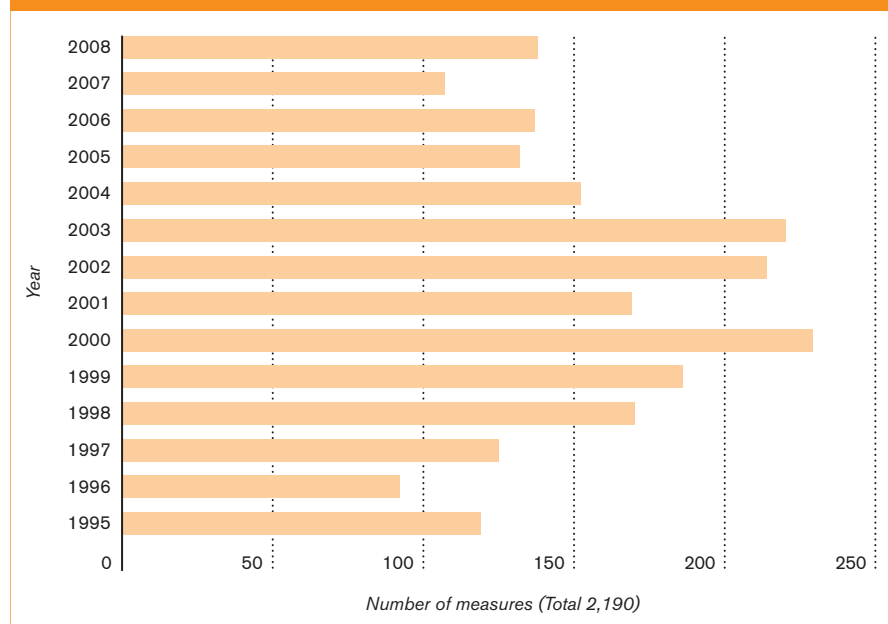
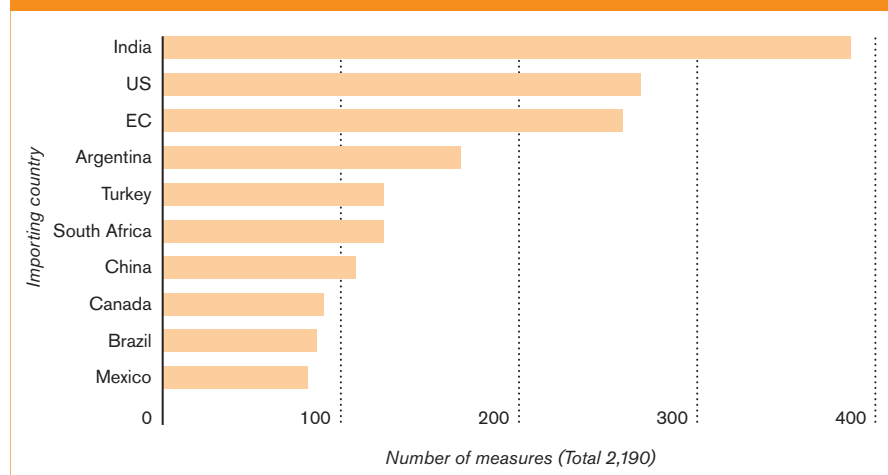


Figure 5: Anti-dumping measures by importing country 1995 to 2008



Implementation and monitoring



Background

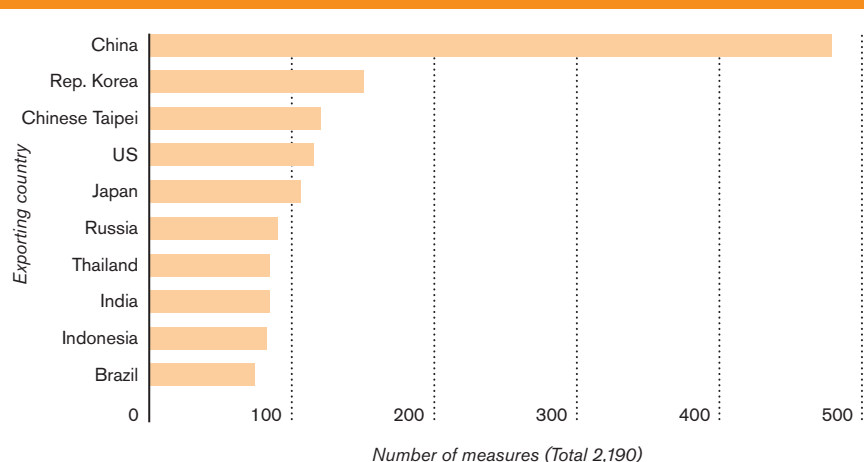
WTO members are allowed to apply 'anti-dumping' measures on imports of a product where the exporting company exports the product at a price lower than the price it normally charges in its own home market for the same product (a dumping price), if the dumped imports cause or threaten to cause material injury to the domestic industry producing that product in the importing member. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement. The Committee reviews members' notifications of national anti-dumping legislations; semi-annual reports of anti-dumping investigations, measures and actions taken; ad hoc notifications of preliminary and final anti-dumping actions taken; and the authorities competent to initiate and conduct investigations.



Background

For importers, the process of estimating the value of a product at customs can present problems that may be as much of a burden as the actual duty rate charged. The WTO Agreement on Customs Valuation aims to develop a fair, uniform and neutral system for the valuation of goods for customs purposes. Work on this issue in the WTO is carried out by the Committee on Customs Valuation.

Figure 6: Anti-dumping measures by exporting country 1995 to 2008



Customs valuation

By the end of 2008, no developing countries were still delaying application of the provisions of the Customs Valuation Agreement, nor making reservations (under paragraph 2, Annex III) to retain their officially established minimum values as a basis for valuing goods. In the area of notifications, however, 46 members had still to notify their national implementing legislation.

The Customs Valuation Agreement stipulates that members must ensure that their laws, regulations and administrative procedures conform with the provisions of the Agreement, and must notify the Committee on Customs Valuation of any changes in this regard. Such notifications are subject to examination in the Committee. Eighty members (with the 27 individual EU member states being counted as a single member) had notified their national legislation on customs valuation by the end of 2008.

Fifty-six members had not yet notified their responses to the 'Checklist of Issues' concerning the administration of the Agreement and working procedures of the Committee, even though this was a requirement under the Agreement. With respect to the Decisions on interest charges and on the valuation of carrier media-bearing software, such as CD-ROMs, only 36 members had notified the date from which they were applying the Decisions. These figures represent a slight improvement over the previous year.

The Committee made little progress in its discussions on preventing customs fraud by strengthening cooperation between members' customs administrations (as mandated in Decision 8.3 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns). While India maintained its view that the WTO should elaborate a binding mechanism for the exchange of export values between customs administrations, most other members considered that the establishment of such a mechanism was impeded by significant concerns, such as the preservation of confidentiality, accuracy of data, and the existence of similar mechanisms and arrangements in this area. Furthermore, several members noted that this matter is also being addressed in the Negotiating Group on Trade Facilitation, which is a more appropriate forum.

The Committee on Customs Valuation adopted its 2008 report to the Council for Trade in Goods. Adoption of the fourth to the fourteenth annual reviews remains blocked by an unresolved issue concerning India's interpretation of paragraph 2, Annex III of the Agreement (regarding valuing goods on the basis of officially established minimum values). India has committed itself to reviewing the issue in 2009.



The Committee completed China's Transitional Review in accordance with its Protocol of Accession. The WTO Technical Committee – established under the auspices of the World Customs Organization to promote, on a technical level, uniformity of interpretation and application of the Customs Valuation Agreement – presented reports on its sessions during 2008.

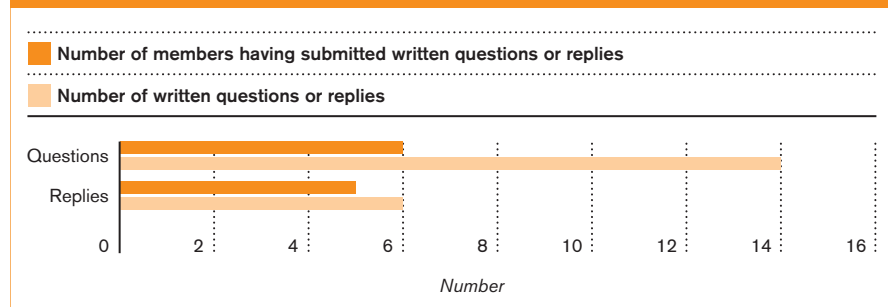
Rules of origin

The Committee on Rules of Origin (CRO) met twice in 2008 to resolve all technical issues as soon as possible, while work on the 'implications for other WTO agreements' and in the machinery sector continues to be suspended pending guidance from the General Council. The main focus of the CRO's work was to draft the overall architecture of the work programme, with several drafts being produced. The CRO also endorsed six product-specific rules of origin, and agreed to adopt eight product-specific rules of origin.

Import licensing

The Committee on Import Licensing dealt with an increasing number of members' trade concerns regarding the fair and equitable application and administration of licensing regimes; the time limits for processing licence applications; publication of information concerning licensing procedures and notification to the Committee; as well as products subject to import licensing procedures. The Committee considered 14 written comments and questions from six members on the notifications submitted and/or on import licensing procedures maintained by members and six responses to these queries, submitted by five members (see Figure 7). It also considered specific concerns and comments expressed orally regarding certain import licensing procedures applied by some members.

Figure 7: Written questions and replies submitted in 2008



At the two meetings held during 2008, the Committee on Import Licensing reviewed 51 notifications submitted by members: eight of these notifications related to the publication of import licensing procedures (Articles 1.4(a) and 8.2(b)); nine were on the institution of licensing procedures or changes in these procedures (Article 5); and 34 related to responses to the annual questionnaire on import licensing procedures (Article 7.3). Figure 8 shows members' compliance with transparency obligations, which has increased since last year, but the lack of notifications in some areas remains a source of concern for the Committee.

Implementation and monitoring



Background

The main objective of the Agreement on Rules of Origin (the laws, regulations and administrative procedures which determine a product's country of origin) is to harmonize rules of origin applied under non-preferential trade conditions, and to ensure that such rules do not create unnecessary obstacles to trade. The Agreement sets out a Harmonization Work Programme to be followed by the Technical Committee on Rules of Origin and the Committee on Rules of Origin (CRO). Due to the complexity of the issues being considered, the Work Programme could not be finalized within the deadline foreseen by the Agreement and the CRO has therefore continued its work. A major stumbling block has been the implications for other WTO agreements of implementing the harmonized rules of origin.



Background

The Agreement on Import Licensing Procedures establishes disciplines on members' import licensing systems, with the principal objective of ensuring that the procedures applied for granting import licences do not, themselves, restrict trade. By becoming members of the WTO, governments commit themselves to simplifying and bringing transparency to their import licensing procedures, and to administering them in a neutral and non-discriminatory manner.

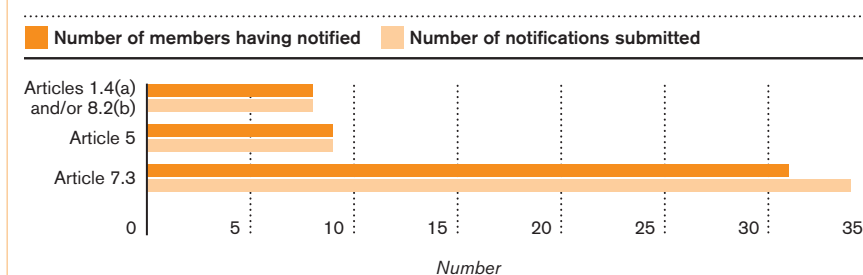




Background

A WTO member may take a 'safeguard' action (i.e. temporarily restrict imports of a product) to protect a specific domestic industry from an increase in imports of any product which is causing, or which is threatening to cause, serious injury to the industry. In these circumstances, WTO members have the right to apply safeguard measures on imports of a product from all sources (but not from a specific member or group of members). The Agreement on Safeguards provides detailed rules concerning the investigation that must be conducted, and concerning the application of safeguard measures. WTO members are required to notify the WTO of major actions/developments related to safeguard investigations and measures.

Figure 8: Number of members having notified and number of notifications submitted in 2008



The Committee on Import Licensing carried out its annual review of the implementation and operation of the ILP Agreement; the seventh biennial review of the implementation and operation of the Agreement; and the seventh transitional review of China, in accordance with its Protocol of Accession. With regard to the latter, one member posed written questions to China on its applied import licensing procedures.

Two technical assistance activities took place in 2008, with the aim of improving the administrative capability of authorities to clearly understand the aims, purposes and particularities of the ILP Agreement. Training was also provided to help authorities to distinguish between import licences and other trade barriers whose legitimate objectives might be better served through less trade-restrictive or trade-distorting measures (such as technical regulations, or sanitary and phytosanitary measures). These activities were attended by representatives of the various ministries and governmental institutions which deal with import licensing regimes, and enabled some participants to submit updated notifications to the Committee.

Safeguards

In 2008, the Safeguards Committee held two meetings, in April and October. The Committee reviewed the notifications from members concerning national legislation/regulations in the area of safeguards, as well as major actions/developments related to safeguard investigations and measures.

Figure 9: Safeguard initiations 1995 to 2008

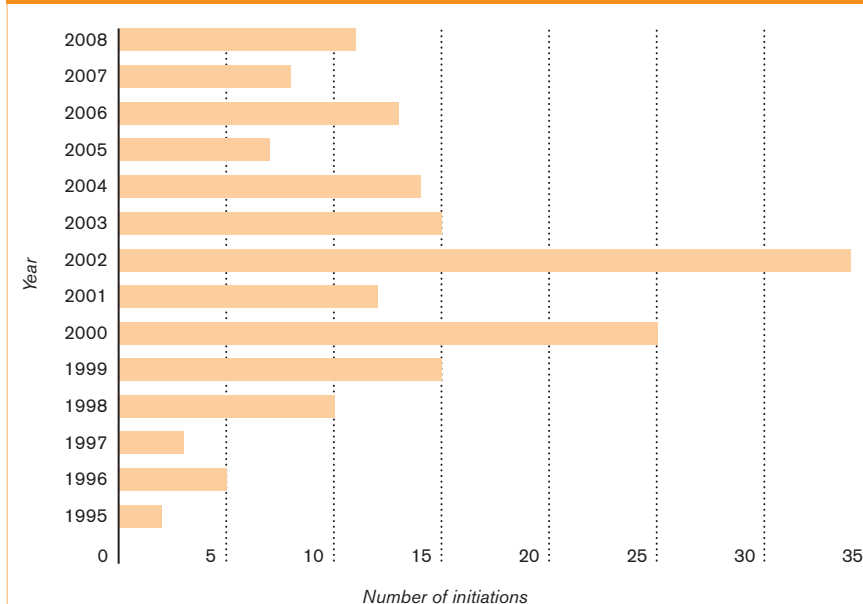
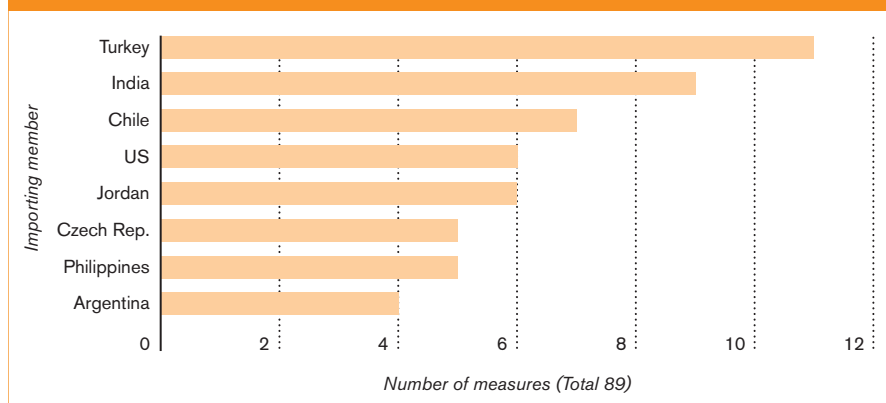


Figure 10: Safeguard measures by importing member 1995 to 2008



Trade-related investment measures

The Trade-Related Investment Measures (TRIMs) Committee monitors the operation and implementation of the TRIMs Agreement, and allows members the opportunity to consult on any matters relating to the Agreement's operation and implementation. In 2008 the TRIMs Committee held one meeting, in the autumn.

Information technology

The Committee on the Information Technology Agreement (ITA) continued to receive survey responses in 2008 regarding conformity assessment procedures for electromagnetic capability/electromagnetic interference (EMC/EMI) used by ITA participants. Of the 44 ITA participants (counting the 27 member states of the EU as one), 24 have now provided this information.

In considering ways to advance and expand its work on non-tariff barriers (NTBs) other than EMC/EMI, the ITA Committee took note of reports from participants on their contributions to the work being carried out on NTBs in other bodies of the WTO, such as the Negotiating Group on Market Access. The Committee continued its work on classification divergences for information technology products. Participants agreed to advance the Committee's work on classification divergences, and requested the Committee Chair to work with the Secretariat to prepare an informal paper listing participants' suggestions on the way forward.

In 2008, the Committee also discussed the European Communities' proposal on the review of the ITA. Participants had an intense exchange of views on the proposal and a number of queries were put to the EC representative, seeking further information and clarification. The Chair of the Committee encouraged both sides to engage bilaterally, with a view to enabling the Committee to begin informal consultations on this review as soon as possible.

The Committee also reviewed the status of implementation of the ITA. It welcomed Ukraine as a new participant and continued the consultations with respect to additional IT products for tariff elimination (ITA II). By the end of 2008, there was a total of 71 ITA participants.

Implementation and monitoring



Background

The Agreement on Trade-Related Investment Measures (TRIMs) recognizes that certain investment measures can restrict and distort trade. It states that WTO members may not apply any measure that discriminates against foreign products or that leads to quantitative restrictions, which are prohibited by Articles III and XI, respectively, of the General Agreement on Tariffs and Trade (GATT). A list of TRIMs considered to be inconsistent with these articles is part of the Agreement.



Background

The aim of the Information Technology Agreement (ITA) is to eliminate tariffs on computers, telecommunication equipment, semiconductors, semiconductor manufacturing equipment, software and scientific instruments. On 1 January 2000 and 1 January 2005, most developed and developing participating members reduced tariffs for most of these products to zero, while certain tariff lines for some participants were granted longer implementation periods. The Committee on the ITA oversees issues concerning the Agreement.

Implementation and monitoring



Background

State trading enterprises are defined as governmental or non-governmental enterprises, such as marketing boards, that are granted exclusive or special rights or privileges to influence through their purchases/sales the level/direction of imports/exports. They are required to act in a manner consistent with the WTO principles of non-discriminatory treatment.



Background

The Trade in Civil Aircraft Agreement aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment by eliminating duties on such products (identified in the Agreement's Product Coverage Annex), promoting fair and equal competitive opportunities for civil aircraft manufacturers, and by regulating government support in civil aircraft development, production and marketing. The Agreement establishes a Trade in Civil Aircraft Committee, which provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.

State trading enterprises
www.wto.org/statetrading



Trade in civil aircraft
www.wto.org/aircraft



Background

The function of the Council for Trade in Services, in its regular sessions, is to facilitate the operation of the General Agreement on Trade in Services (GATS) and to further its objectives. The Council consists of all WTO members and reports to the WTO's General Council.

State trading enterprises

In October 2008 the Council for Trade in Goods extended for a further two years the recommendation by the Working Party on State Trading Enterprises that new and full notifications from WTO members be required every two years rather than every three, and that the requirement for updating notifications be eliminated. This requirement was originally introduced in 2004 for a four-year trial period in an effort to improve the notification record of members.

In early 2009 informal consultations by the Working Party agreed a number of informal actions in an effort to improve the timeliness and completeness of notifications, including a technical assistance session in conjunction with the regular meeting of the Working Party scheduled for October 2009. It is hoped that this and other actions will improve the ability of WTO members to comply with their notification obligations.

Trade in civil aircraft

In 2008 the Trade in Civil Aircraft Committee held one meeting, where it elected a new Chair and discussed the Technical Note prepared by the Secretariat. The Note covered the revisions to the Product Coverage Annex that may be necessary to bring it into conformity with the Harmonized Commodity and Description System that entered into force in 2007.

Albania acceded to the Trade in Civil Aircraft Agreement in 2008, becoming the thirty-first signatory, 20 of whom are member states of the European Communities.

Trade in services

The Council for Trade in Services (CTS) experienced a quiet year in 2008, as members' attention was primarily focused on the issues under discussion in the Special Session of the CTS, which oversees the services negotiations in the Doha Round (see page 19). The CTS held two formal meeting during the year.

At its meeting on 5 December 2008, the CTS concluded the seventh transitional review of the implementation by China of its WTO commitments and related provisions on its Protocol of Accession. The Council also took note of the report from the Committee on Trade in Financial Services on its review, which formed part of the CTS's report on this matter to the General Council.



Trade-related aspects of intellectual property rights (TRIPS)

During 2008, the Council for TRIPS was chaired by Ambassador Yonov Agah (Nigeria), Ambassador Gail Mathurin (Jamaica) and Ambassador Dennis Francis (Trinidad and Tobago). Topics for discussion included the review of intellectual property legislation in individual countries, the relationship between the TRIPS Agreement and the Convention on Biological Diversity, TRIPS and public health, and a number of other issues, in addition to the issues reported in the section on negotiations (see page 21).

Reviewing intellectual property legislation

The TRIPS Council promotes transparency among members by reviewing their domestic intellectual property legislation. In 2008 the TRIPS Council reviewed the legislation of Viet Nam (as a new WTO member) and took note of the material still required to complete the pending reviews of six other members. These reviews started in 2001 and 2002 after the transition periods for developing countries expired. In October 2008 the Council undertook the seventh annual transitional review of how China has implemented the intellectual property commitments it made in its WTO membership agreement (the Protocol of Accession).

Plants, animals, biodiversity and traditional knowledge

In parallel with the Director-General's consultative process on outstanding implementation issues (see page 21), the TRIPS Council continued to address a cluster of subjects related to biotechnology, biodiversity, genetic resources and traditional knowledge, as instructed under the 2005 Hong Kong Ministerial Declaration. These cover:

- the review of the provisions of TRIPS Article 27.3(b), which deals with the question of patentability of plant and animal inventions and the protection of plant varieties
- the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD)
- the protection of traditional knowledge and folklore.

The discussion was based on members' papers, which focused on the relationship between the TRIPS Agreement and the CBD.

TRIPS and public health

In October 2008 the TRIPS Council carried out its annual review of the functioning of the present 'Paragraph 6' system. It received information that the first export of drugs produced under the flexibility of this system had taken place as a consignment of the HIV/AIDS drug 'Apo-TriAvir', which was shipped from Canada to Rwanda.

Agreed in August 2003, the Paragraph 6 system introduced additional flexibility for developing countries to import generic versions of patented medicines, made under a 'compulsory licence', if they are unable to manufacture the medicines themselves in sufficient quantities. The system of compulsory licences allows a competitor to a patent owner to produce the product or use the process under licence.

Implementation and monitoring



Background

Intellectual property rights have become an important economic factor over the last few decades. The TRIPS Agreement is the most comprehensive international treaty governing the protection and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members, is responsible for administering the TRIPS Agreement. It also reviews the intellectual property legislation of individual WTO members.

The system fulfilled the instructions given in Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health in 2001. The Decision in 2003 waived the constraints of Article 31(f) of the TRIPS Agreement, which previously constrained countries from producing generics exclusively for exportation under a compulsory licence.

The Council's report on this review contains information on the implementation and use of the system established under the 2003 Decision. In December 2005, WTO members agreed to convert the 2003 waiver into a permanent amendment of the TRIPS Agreement. The original deadline for members to accept the amendment has been extended until the end of 2009, as the number of members notifying their acceptance of the amendment has still not reached the required two-thirds. By the end of 2008, those accepting the amendment were: the United States; Switzerland; El Salvador; Korea; Norway; India; the Philippines; Israel; Japan; Australia; Singapore; Hong Kong, China; China; the European Communities; Mauritius; Egypt; Mexico; and Jordan.

Technical and financial cooperation

At the October 2008 meeting of the TRIPS Council, developed countries updated the information on their technical and financial cooperation activities. Updated information was also received from the WTO Secretariat and a number of intergovernmental organizations that are observers to the Council. The Council further discussed a communication received from Brazil, entitled "Technical Cooperation and Capacity Building: 'Cluster' A of the Development Agenda".

The Council also discussed the priority needs for least-developed countries (LDCs) regarding technical and financial cooperation. As part of a decision extending the transition period for applying their TRIPS obligations, LDC members are requested to identify their priority needs in this area so that they can be effectively addressed by technical assistance from developed countries that are members of the WTO. Uganda and Sierra Leone reported in detail on their needs assessment processes.

Inter-agency cooperation

The TRIPS Council Secretariat continued to work closely with other relevant international agencies, such as the World Intellectual Property Organization (WIPO), the World Health Organization (WHO), the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD), the International Telecommunications Union (ITU) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Other issues

The TRIPS Council also reviewed implementation of the whole TRIPS Agreement (under Article 71.1), and the application of the provisions on geographical indications (under Article 24.2).

The Council's work on the incentives for technology transfer to least-developed countries (Article 66.2) and on 'non-violation and situation complaints' is described on page 22.



Trade and environment

The Committee on Trade and Environment (CTE) – meeting in regular session – focused in 2008 on the effect of environmental measures on market access, especially in relation to developing countries. It also continued to discuss labelling requirements for environmental purposes and examined situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and developing countries.

Market access

The CTE was briefed on recent developments in a number of areas related to market access, such as organic agricultural products, private standards, sustainable biofuel certification and energy subsidies. The briefing also included recent developments in multilateral environmental agreements and regional trade agreements with environmental provisions. New Zealand shared its experience on environmental provisions in regional trade agreements, and stated its belief that cooperation, dialogue and consultation were a better approach than punitive action.

Environmental labelling

Australia informed the CTE of its national experience on minimum energy performance standards and mandatory labelling requirements, and noted that these requirements had led to an increase in sales of energy-efficient appliances.

Environmental database

The WTO Secretariat presented the 2005 Environmental Database, which aims to improve the transparency of trade measures used for environmental purposes. The database lists the environment-related measures or provisions notified in 2005 under the WTO agreements, as well as the environment-related measures, provisions or programmes mentioned in the Trade Policy Reviews of 2005.

Trade and climate change

The CTE discussed trade and climate change. Presentations were made by Indonesia on the Bali Trade Ministers Informal Dialogue on Climate Change Issues, and by the United Nations Framework Convention on Climate Change (UNFCCC) on the outcome of the 13th session of the Conference of Parties (COP 13) to the UNFCCC, held in Bali, in 2007. The progress towards COP 14, which will be held in Copenhagen in 2009, was also considered.

Trade and environment workshops

In 2008, the WTO Secretariat organized three regional workshops on trade and the environment: for the Caribbean (in Barbados, 4–6 February); for Central and Eastern Europe, Central Asia and the Caucasus (in Vienna, 15–17 July); and for Latin American countries (in Argentina, 2–4 December). At the workshops, participants were introduced to the relevant WTO rules with respect to trade and the environment. They were also informed about the work of the CTE and the status of the trade and environment negotiations in the Doha Round. The workshops provided WTO members with an opportunity to share experiences on trade and environment matters, and promoted greater dialogue between trade and environment officials.

Implementation and monitoring



Background

The Committee on Trade and Environment was established to identify the relationship between trade and the environment, and to make recommendations on whether any changes to the WTO's trade agreements are needed.

Implementation and monitoring



Background

Trade liberalization through the negotiation of regional trade agreements (RTAs) is a key objective for many WTO members. The overall number of RTAs in force has been increasing steadily, and is likely to grow further as many RTAs are currently under negotiation.

Regional trade agreements

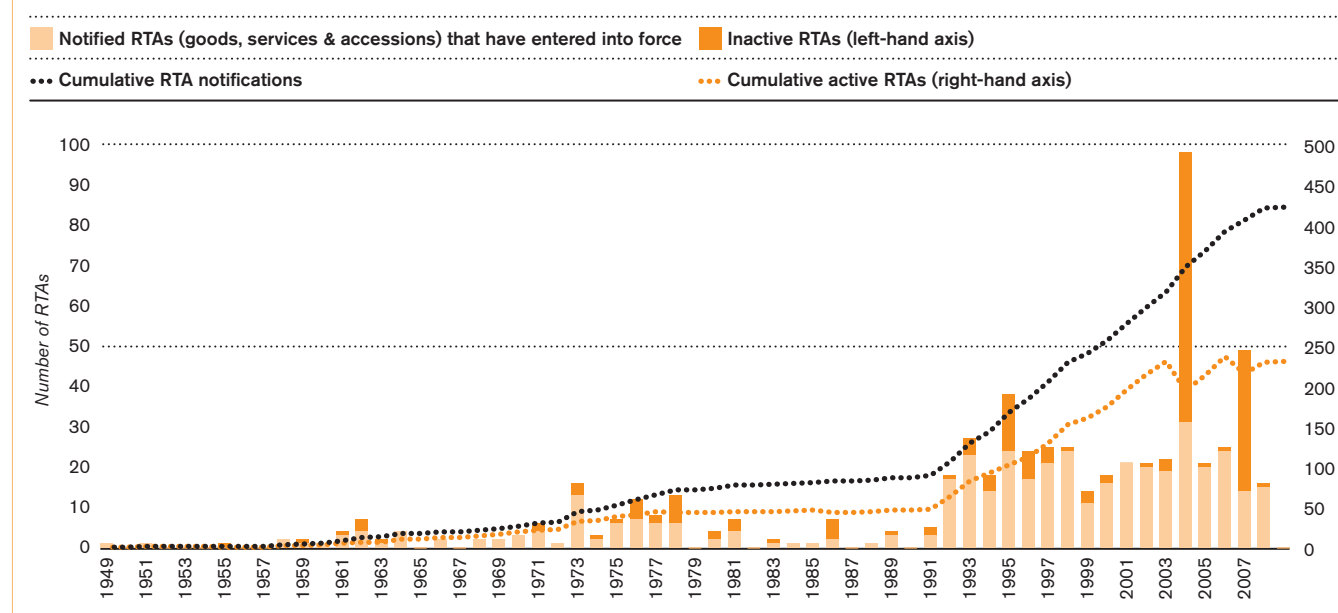
In 2008, 35 new regional trade agreements (RTA) were notified to the WTO. This is the largest number of RTA notifications in any single year since the establishment of the WTO. Of the 422 RTAs notified to the WTO as of 31 December 2008, 230 were in force (see Figure 11). The first regional trade agreements between existing RTAs were notified in 2008: an RTA between the European Free Trade Association and the Southern African Customs Union and an RTA between the European Community and the Caribbean Forum of African, Caribbean and Pacific states.

RTAs by region

About half of the RTAs notified in 2008 are from the Asia-Pacific region, while the other half consists of partners from Europe, the Commonwealth of Independent States (CIS) region, Latin America, the Caribbean and Africa. Of the 35 notified RTAs, 10 are inter-regional.

The depth and scope of the regulatory regimes of RTAs varies considerably, ranging from agreements limited to regulating trade in goods to comprehensive agreements covering commitments in services and containing provisions in areas such as investment, competition policy, trade facilitation, government procurement, intellectual property, electronic commerce and, in some cases, labour and environment. While these different RTA regulatory regimes make international trade more complex and may undermine key WTO principles, such as transparency, predictability and non-discrimination, some have argued that such innovations may lay the groundwork for future multilateral trade rules.

Figure 11: All RTAs notified to the GATT/WTO (1949 to 2008) by year of entry into force



Notes:

Since the trade in goods and the trade in services aspects of RTAs are notified separately to the WTO, they are counted separately. Of the 422 RTAs notified to the WTO as of 31 December 2008, 230 were in force. Of these, 145 were notified under GATT Article XXIV, dealing with trade in goods, 58 under General Agreement on Trade in Services Article V, dealing with trade in services, and 27 under the Enabling Clause covering developing countries.



Monitoring RTAs

The Committee on Regional Trade Agreements (CRTA) is responsible for monitoring RTAs notified to the WTO. Its tasks include the consideration of RTAs and the implications of such agreements for the multilateral trading system.

Following the General Council's decision, in December 2006, to provisionally adopt a Transparency Mechanism for Regional Trade Agreements, the CRTA's activities have changed substantially. The Mechanism, which was established by the Negotiating Group on Rules set up under the current round of multilateral trade negotiations, provides specific guidelines on when a new RTA should be notified to the WTO Secretariat, and the related information and data to be provided.

All RTAs – regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994 (dealing with trade in goods), the Enabling Clause (covering developing countries) or General Agreement on Trade in Services (GATS) Article V (dealing with trade in services) – are subject to the provisions and procedures of the Transparency Mechanism. Agreements notified under Article XXIV of the GATT 1994 and Article V of the GATS are considered by the CRTA, while agreements notified under the Enabling Clause are considered in a dedicated session of the Committee on Trade and Development. The General Council decision requires WTO members to inform the WTO Secretariat in the event of any subsequent changes to a notified agreement. The Mechanism also encourages members to inform the WTO Secretariat of any agreements that are in the process of being negotiated, or that have been signed but are not yet in force.

Agreements that are in force and that have been notified to the WTO Secretariat are considered by the CRTA, normally within one year of the date of notification. The examination is based on a 'factual presentation' prepared by the WTO Secretariat, on its own responsibility, on the basis of information and data provided – as specified in the Annex to the Transparency Mechanism – by the parties to the agreement, and in full consultation with these parties.

The factual presentations describe the main provisions of the agreement and the degree of trade liberalization to be achieved between the parties during its implementation period. In 2008, there were three sessions of the CRTA, during which it considered 21 RTAs (compared with 11 in 2007 – see Table 2 below).

Table 2: Regional trade agreements considered in 2008

US-Morocco (goods and services)	Panama-Singapore (goods and services)
EC-Albania (goods)	India-Singapore (goods and services)
Trans-Pacific Strategic Economic Partnership (goods and services)	Chile-China (goods)
El Salvador-Panama (goods and services)	Mercosur (services)
Japan-Mexico (goods and services)	Japan-Chile (goods and services)
Jordan-Singapore (goods and services)	EFTA-Tunisia (goods)
EFTA-Egypt (goods)	

Note: RTAs for trade in goods and trade in services are counted separately.

Implementation and monitoring

35 regional trade agreements were notified to the WTO in 2008 – the largest annual total since the WTO was established.

Implementation and monitoring

A new database available to the public contains information on all RTAs notified to the WTO.

The Transparency Mechanism requires the Secretariat to prepare factual abstracts on RTAs which the CRTA had examined prior to the adoption of the 2006 General Council decision. During 2008, 11 RTA factual abstracts were prepared (in addition to eight factual abstracts prepared in 2007) in consultation with the relevant RTA parties, and were posted on the WTO website. The General Council decision also urges members to inform the WTO of any RTAs under negotiation or having been signed. As of December 2008, 38 such 'early announcements' were provided to the Secretariat, 11 involving RTAs that had been signed but were not yet in force (six of which have subsequently been notified after entering into force), and 27 involving RTAs under negotiation.

RTA database

As called for by the General Council's decision on transparency, all the information on RTAs notified to the WTO is contained in an RTA database, which can be consulted at <http://rtais.wto.org>. The database, which became available to the public in January 2009, contains textual information on all RTAs notified to the WTO, including links to the official texts and annexes of each agreement, as well as information on the examination or consideration process in the WTO. For those RTAs which have already been the subject of a factual presentation, the database also contains the relevant trade and tariff data.

Future work

The provisional Transparency Mechanism is to be reviewed by members. If necessary, it will be modified in light of the experience gained from its provisional application and replaced by a permanent Mechanism. Members are also required to review the legal relationship between the Mechanism and relevant WTO provisions on RTAs. These two tasks remain to be completed.

Apart from the question of RTA transparency, the Negotiating Group on Rules also has a mandate to work on the substantive WTO rules relating to RTAs, normally referred to as the 'systemic issues'. However, there was no progress on this issue during 2008, due to long-standing institutional, political and legal difficulties, as WTO members have been unable to reach a consensus on the format or substance of the reports or examinations which are entrusted to the CRTA. Having established the Transparency Mechanism on RTAs, the Negotiating Group on Rules is now attempting to address these difficulties.



Trade policy reviews

During 2008 the Trade Policy Review Body (TPRB) carried out reviews of 17 WTO members: Pakistan, Ghana, Mexico, Brunei Darussalam, Madagascar, Mauritius, China, the United States, Oman, Singapore, Barbados, Republic of Korea, Norway, Jordan, Dominican Republic and, jointly, Switzerland and Liechtenstein. The Chair's concluding remarks for these reviews are shown below. Seventeen reviews of 22 members – including the European Communities as one – are scheduled for 2009.

The TPRB is a full-membership body of equal ranking to the General Council and the Dispute Settlement Body. During 2008, the TPRB was chaired by Ambassador Frederick Agah (Nigeria). Under the Trade Policy Review Mechanism (TPRM), the four largest trading entities (currently the European Communities (EC), the United States, China and Japan) are reviewed every two years; the next 16 largest trading partners undergo review every four years; and the remaining WTO members every six years. It has been agreed that these intervals may, if necessary, be extended by up to six months.

Trade policy reviews in 2008

By the end of 2008, a total of 264 reviews had been conducted, covering 135 WTO members. The United States has been reviewed nine times; Canada, the European Communities and Japan have been reviewed eight times each; eight members (Australia; Hong Kong, China; Indonesia; Republic of Korea; Norway; Singapore; Switzerland; and Thailand) have each been reviewed five times; five members (Brazil, India, Malaysia, Mexico, and Turkey) have been reviewed four times each; 26 members have undergone review three times each during this period; and the remaining 37 members have each been reviewed twice.

Over the past few years, greater focus has been placed on reviews of least-developed countries (LDCs). By the end of 2008, reviews had covered 27 of the 32 LDCs that are members of the WTO.

Appraisal of the TPRM

During 2008 the TPRB undertook the third appraisal of the operation of the TPRM. Overall, WTO members found that the mechanism was functioning effectively and that its mission and objectives remained important.

Transparency

Documents distributed for reviews are made available in electronic format to all WTO member delegations through the Secretariat's Document Management System. Press briefings are held by the Chair or the senior staff of the Trade Policies Review Division, and in some cases by the member under review. The summary observations of the Secretariat Report, the WTO press release, the Concluding Remarks by the Chair and the Trade Policy Review (TPR) reports (both by the member under review and the Secretariat) are available immediately on the WTO website. TPR reports are published on behalf of the WTO by Bernan Associates to ensure a wide and efficient distribution of the reports. Substantial progress has continued to be made in enhancing awareness of the mechanism.

Implementation and monitoring



Background

The objective of the Trade Policy Review Mechanism (TPRM) is to encourage all WTO members to adhere to the WTO's rules, disciplines and commitments, and thus to contribute to the smoother functioning of the multilateral trading system. The TPRM aims to achieve this objective by attaining greater transparency and a better understanding of the trade policies and practices of WTO members. The mechanism, through its regular trade policy reviews (TPRs), allows for the collective examination by WTO members of the full range of individual members' trade policies and practices in all areas covered by the WTO agreements, and of their impact on the functioning of the multilateral trading system. Reviews take place against the background of the member's wider economic and developmental needs, policies and objectives as well as the external trading environment. They are not intended to serve as a basis for the enforcement of obligations, for dispute settlement procedures, or to impose new policy commitments.



Several WTO members praised Pakistan's reforms in the financial and telecommunications sectors and encouraged Pakistan to further liberalize other services.

The TPRB reviewed the trade policies and practices of 17 countries in 2008. The concluding remarks by the Chair are provided below.

Pakistan

"This third Trade Policy Review of Pakistan has considerably improved our understanding of trade and related policy developments since 2002 and the challenges Pakistan faces in sustaining, and indeed improving, its economic growth. I am grateful to the Federal Minister of Commerce, Shazada Alam Monnoo and Ambassador Manzoor Ahmad and their delegation, the discussant, Ambassador Karen Tan of Singapore, as well as members for contributing to the TPRB [Trade Policy Review Body] meeting's useful exchange of views. Pakistan's response to the large number of questions is also much appreciated.

Members expressed their regret over recent events in Pakistan and the hope that these would not adversely affect Pakistan's economic development and prosperity. They commended Pakistan for its impressive economic performance, the decline in the unemployment rate, poverty reduction, its improved ranking in the UN Human Development Index, and for becoming a more outward-oriented economy. They recognized that economic fundamentals had improved, but also pointed to the challenges posed by the persistent structural weaknesses, low tax collection, current account deficits, lack of export diversification, and political uncertainty. Despite widespread praise for Pakistan's generally liberal investment regime and increased FDI [foreign direct investment] inflows, certain members expressed concern over persisting impediments, including procedural complexities.

Members commended Pakistan's active role in the multilateral trading system, and particularly its contribution to the Doha Round negotiations, notably to trade facilitation, NAMA [non-agricultural market access], agriculture, services, and TRIPS [trade-related intellectual property rights] areas. Several members noted Pakistan's increased participation in regional and bilateral trade agreements.

Although members praised Pakistan's recent tariff-related achievements, they observed that its complex customs tariff and the gap between average bound and applied MFN [most-favoured nation] tariff rates cause uncertainty for its trading partners; thus, they urged Pakistan to simplify its tariff and reduce the gap. Certain members commended the measures taken to improve customs automation and streamline customs procedures. On the other hand, there were some areas of concern, including customs valuation practices, the use of 'regulatory duties', anti-dumping measures, and certain types of trade restrictions, where Pakistan was encouraged to make improvements. Certain members expressed concern over the impact of export taxes and multiple tax and non-tax incentives, with the latter possibly favouring local content. Others urged Pakistan to notify its export and agriculture assistance schemes.

Several members commended Pakistan's efforts to strengthen protection of intellectual property rights, although concern was expressed over deficiencies in certain areas (e.g. trademarks, patent protection, book piracy). Some members encouraged legislative amendments and further transparency in government procurement, as well as reduced state ownership in the economy.

Several members praised reforms in the financial and telecommunication sectors and encouraged Pakistan to further liberalize other services; some of them urged improved GATS [General Agreement on Trade in Services] commitments in certain services activities (e.g. transportation).

This Review has been most informative and has afforded many useful insights into Pakistan's trade policies as well as the challenges it faces. I would once again like to thank the Pakistani delegation, the discussant, and members for contributing to an enlightening two days of discussions. We look forward to receiving Pakistan's responses to outstanding questions within the next month."



Implementation and monitoring

Ghana

"This third Trade Policy Review of Ghana has allowed us to significantly improve our understanding of its trade and related policies, and their development since the previous Review in 2001. Our discussions have greatly benefited from the participation of Mr Kwaku Agyemang-Manu, Deputy Minister of Trade, Industry, Private Sector Development, and Presidential Special Initiatives, and his delegation. Our thanks are also due to our discussant, Ambassador Arsene Balihuta, for his insightful and stimulating contribution, and the engagement of many delegations.

Members commended Ghana on its impressive economic performance over the past few years, with high real GDP [gross domestic product] growth rates, decreasing inflation, improved fiscal situation, and substantial progress in poverty reduction. The strong growth of Ghana's economy has been supported by trade liberalization through, inter alia, reduction of tariff rates and the number of bands, as well as the streamlining of customs procedures. Ghana participates in the Economic Community of West African States (ECOWAS), enjoys non-reciprocal trade preferences from various trading partners, and is finalizing its negotiations on an Economic Partnership Agreement with the EC [European Communities].

Members welcomed Ghana's commitment to the WTO, including the DDA [Doha Development Agenda] negotiations, but encouraged it to increase its notifications under various WTO agreements. They indicated that extending the scope of tariff-binding commitments, reducing bound rates, and further reducing applied tariffs would contribute to better resource allocation. Concerns were raised about the application of various other duties and charges on products on which they have been bound at zero. Members noted Ghana's generally liberal investment regime, but asked for information about the few remaining restrictions. Some members also encouraged Ghana to adopt a competition policy and to reduce the role of state-owned enterprises.

Members appreciated Ghana's policy objective of increasing its regional and global integration, and strengthening and diversifying its export base. Further information was sought on development plans for the agriculture and manufacturing sectors and the administration of the new mining regime. Some members also requested clarification on the import restrictions maintained by Ghana, including prohibitions on SPS [sanitary and phytosanitary] and TBT [technical barriers to trade] grounds. Other issues of interest to members included customs procedures and valuation; currency conversion and surrender requirements; export promotion and subsidies; incentive schemes, including fuel subsidies; government procurement; protection of intellectual property rights; and services, including GATS [General Agreement on Trade in Services] commitments, financial services, telecoms, transport, and tourism.

Members appreciated the responses provided by the Ghanaian delegation, and look forward to receiving written answers to any outstanding questions.

In conclusion, members congratulated Ghana on the positive economic results it has achieved during the last few years. They encouraged Ghana to pursue its reforms, including of its trade regime, and to improve its multilateral commitments on goods and services, with a view to enhancing the transparency and predictability of the regime, and adherence to WTO principles. Members could help by keeping their markets open for products and services of interest to Ghana, and by providing technical assistance."

Mexico

"This fourth Trade Policy Review of Mexico has allowed this Body to consider Mexico's trade and investment policies and practices against the background of its economic and institutional environment. We owe the success of this Review to the participation of the Vice Minister of International Trade Negotiations, Ms Beatriz Leycegui, of Ambassador Fernando de Mateo and the rest of the Mexican delegation, to the forthright comments by the discussant, Ambassador Claudia Uribe, and to the active involvement of many members.

Implementation and monitoring



Mexico's progress in liberalizing its trade regime was welcomed by WTO members, who expressed support for the authorities' aim to introduce further reforms.

Members welcomed Mexico's robust economic growth, which had come hand in hand with its deeper integration into the world economy. However, a cyclical economic slowdown is a risk, and reducing poverty remains an important challenge in the long run. Mexico was thus urged to carry out the needed structural reforms to enhance competitiveness and improve economic performance. In this regard, Mexico provided details on its reform agenda, and how it aims to raise productivity and economic growth in a sustainable manner.

Members expressed great appreciation for Mexico's constructive role in the multilateral trading system, and its contribution to the Doha Development Agenda. Mexico underscored that it considers the WTO to be the main mechanism for trade liberalization, with its extensive network of preferential agreements playing a complementary role.

Members commended Mexico's commitment to trade liberalization, as demonstrated by its unilateral reduction of tariffs in 2006. However, Mexico was urged to continue simplifying its trade regulations and to reduce the gap between bound and applied tariffs in order to increase the predictability of its trade regime. Concerns were expressed regarding issues such as customs fees, the estimated price mechanism, certification requirements, anti-dumping, and SPS [sanitary and phytosanitary] and TBT [technical barriers to trade] measures. Mexico pointed out that customs modernization and transparency are key components of its reform efforts.

Responding to questions on the incentive schemes it maintains, Mexico clarified that none of them is contingent upon exportation. On competition policy, Mexico was congratulated for the improvements it has made, although implementation problems persist. Some members called for the elimination of domestic preferences in government procurement and for Mexico to join the GPA [the Plurilateral Agreement on Government Procurement], which Mexico indicated it is not currently considering. Mexico also responded in detail to a range of questions concerning its intellectual property regime.

Foreign investment has played an important role in Mexico's development strategy but restrictions apply in different areas of the all-important services sector, including telecommunications and transport. Members encouraged Mexico to reduce such restrictions, and to improve its GATS [General Agreement on Trade in Services] commitments with a view to closing the gap between these and Mexico's legal framework.

Questions were raised about the effectiveness of the support given to the agriculture sector, and the transparency of tariff-quota administration, with Mexico engaging to submit various related outstanding notifications. Mexico acknowledged the need for reform in the energy sector, and indicated that, while changes are under consideration, the liberalization of existing investment restrictions is not.

In conclusion, members congratulated Mexico for its steadfast support of the multilateral trading system, and welcomed the progress it has made in liberalizing its trade regime. Members also expressed unequivocal support for the authorities' aim to introduce reforms that include further trade and investment liberalization complemented by internal measures. Implementing such reforms represents a challenge that will require the collaboration of diverse domestic stakeholders. Success in this endeavour would be instrumental for Mexico to attain the higher prosperity to which it aspires.

I would like to close this Review by thanking once again Vice Minister Leycegui, Ambassador de Mateo, and the rest of the Mexican delegation, as well as the discussant and the numerous members that took part in this meeting, for contributing to an extremely valuable review. I would also like to express my appreciation to the Mexican delegation for the many responses provided during the meeting. We look forward to receiving the outstanding responses within the next month."



Implementation and monitoring

Brunei Darussalam

"The second Trade Policy Review of Brunei Darussalam has been thorough and informative and has allowed members to come to a better understanding of Brunei's trade and trade-related policies and of the challenges it faces as it seeks to diversify its economy. I thank Mr Dato Lim Jock Hoi and his delegation, as well as the discussant, Ambassador Marie-Claire Swärd Capra of Sweden, and members of the TPRB [Trade Policy Review Body] for contributing to our fruitful exchange of views. The reports by Brunei and the Secretariat, as well as the detailed responses of the delegation of Brunei Darussalam to the many questions posed, have provided a valuable resource for reflection and for transparency within the WTO.

Brunei is a small, relatively open economy whose prosperity is based on its abundant petroleum and natural gas resources. However, the prospect of an eventual depletion of these resources has prompted the government to continue pursuing an active industrial policy to encourage economic diversification particularly to develop downstream oil and gas activities, financial and business services, hospitality and tourism, and logistics. Members expressed support for Brunei's efforts to implement its economic diversification agenda. Noting that progress has been relatively slow, members asked whether the authorities are considering significant policy changes to accelerate diversification. Questions were also raised about other policies relating to employment, pricing, and fiscal management.

Members welcomed Brunei's commitment to an open, rules-based and non-discriminatory trading system with relatively low applied MFN [most-favoured nation] tariffs and no import quotas. They also welcomed Brunei's assurance that regional arrangements would be complementary to the multilateral trading system. Regarding the DDA [Doha Development Agenda], members encouraged Brunei to continue its liberalization efforts to reduce the gap between applied and bound tariffs on industrial products. Some members noted that more work needs to be done on liberalizing the services sector, and urged Brunei to make a comprehensive offer – including on financial and telecom services – in the Doha Round. In the agri food sector, some members sought assurances from Brunei that its Halal certification programme and import requirements will not become overly burdensome or more trade-restrictive than necessary.

Several aspects of the trade and investment regime are characterized by a lack of transparency, including the availability of information about foreign investment policies, the procurement and state-trading activities of state enterprises, the timeliness of WTO notifications, and the coverage of financial and economic statistics. In response, the Brunei delegation outlined steps being taken to improve the transparency of government policies and regulations, especially those pertaining to the strengthening of institutional capacity and meeting the challenge of human resource restraints. It is clear that such steps could go a long way to promoting a greater awareness of Brunei's policies and enhancing its attractiveness as a trade and investment partner. Members also pointed out that addressing transparency in the government procurement process – including making procurement guidelines available and accessible to all potential suppliers in a timely fashion – could improve Brunei's image as a destination for foreign investment. Given the importance of government entities in Brunei's economy, members welcomed the news that Brunei is exploring membership in the WTO Agreement on Government Procurement.

With respect to intellectual property rights, Brunei has strengthened its legal framework for IPR [intellectual property rights] protection and is considering accession to the WIPO [World Intellectual Property Organization] Treaties on Copyright and Performances and Phonograms. However, members expressed concern about IPR enforcement, which needs to be more effective to discourage commercial activities that infringe intellectual property, such as optical disk piracy. Some members noted that Brunei has, to date, no legislation on competition, although it appears that it is exploring the possibility of introducing such legislation in line with APEC [Asia-Pacific Economic Cooperation] principles. Brunei also noted that competition policies are used on a sectoral basis in telecommunications, financial services, and the oil and gas industry.

In conclusion, I feel that we should congratulate Brunei Darussalam on maintaining a relatively open trade and investment regime. I think that we are all aware of certain difficulties Brunei faces in policy transparency and implementation, but the delegation made Brunei's commitment to continued trade and economic reform and to the WTO very clear. Generally, I think we appreciate that technical assistance in some areas might ease Brunei's implementation problems. I think we also agree that further liberalization of the trade regime, including additional GATS [General Agreement on Trade in Services] commitments, could assist Brunei both in its efforts to diversify its economy and in its further integration into the multilateral system, to the benefit of the WTO membership in general. We look forward to receiving any outstanding responses as soon as possible. I would once again like to thank the Brunei Darussalam delegation for its efforts, the discussant for her insightful comments, and members for contributing to what has been an enlightening two days of discussions."

Madagascar

"This second Trade Policy Review of Madagascar had allowed us to significantly improve our understanding of its trade and related policies, and their evolution since its previous Review in 2001. Our discussions had greatly benefited from the participation of Mr Razafimahefa, Minister of the Economy, Trade and Industry, and his delegation. Our thanks were also due to our discussant, HE Mr Mohammed Loulichki, for his thoughtful and stimulating contribution, as well as to delegations for their comments.

Members had commended Madagascar on its impressive economic performance since 2002, with high real GDP [gross domestic product] growth rates and decreasing inflation. They had expressed the hope that continuation of this economic performance would help to alleviate poverty. A least-developed country, Madagascar had benefited from a large reduction of its multilateral debt, as well as substantial donor support. It had liberalized trade by lowering the simple average tariff, eliminating mandatory pre-shipment inspection and other import taxes, and customs procedures had been streamlined. Madagascar's open-skies policy had greatly expanded the supply of air transport services and had helped to revitalize tourism. Madagascar participated in regional integration through its membership of the COMESA [Common Market for Eastern and Southern Africa] and SADC [Southern African Development Community], enjoyed preferential access to the EC [European Communities] market under the EBA ['Everything But Arms'] Initiative and the Cotonou Agreement, and to the markets of other trading partners, including the United States under the [African Growth and Opportunity Act] AGOA's LDC [least-developed country] provisions. Madagascar was finalizing its negotiations on an Economic Partnership Agreement with the EC.

Members had encouraged Madagascar to improve the transparency of its trade regime and related policies by making key notifications on, inter alia, customs valuation, licensing procedures, and on restrictions maintained on SPS [sanitary and phytosanitary] grounds or because of TBT [technical barriers to trade]. They had urged Madagascar to comply with the national treatment principle with respect to excise duty on tobacco products and alcoholic beverages, and to fully align its intellectual property rights regime with the relevant WTO provisions. The tax regime could be improved if ad hoc exemptions were limited. Madagascar was encouraged to implement its new competition regime fully and to become an observer at the WTO Committee on Government Procurement.

Members had enquired about plans to restructure the state-owned enterprise in the energy sector with a view to attracting investment by independent producers. Madagascar had been asked to clarify the state of its fisheries resources and the measures being taken to manage them on a sustainable basis. Further information had been sought on the investment regime, and on tourism services. Other issues of interest to members had included the regimes for business-related professional services and express postal services; plans for expanding rice production and exports; and policies under consideration to sustain exports and reduce the trade deficit.

Members had appreciated the responses provided by the delegation of Madagascar, and looked forward to receiving written answers to any outstanding questions.



In conclusion, members had commended Madagascar on its participation in the multilateral trading system. They had congratulated it on its commitment to trade reform and encouraged it to take further steps to enhance the transparency and predictability of its trade regime, and to adhere more closely to WTO principles. Members had urged Madagascar to improve its multilateral commitments on goods and services, notably by expanding their scope to more non-agricultural goods and to telecommunications and maritime transport services, as well as by lowering bound rates. Members could help by keeping their markets open to products and services of interest to Madagascar, and by providing technical assistance."

Mauritius

"This third Trade Policy Review of Mauritius has given us an opportunity to considerably improve our understanding of its trade and related policies, and their evolution since its previous Review in 2001. Our discussions have greatly benefited from the participation of Mr Anand Priya Neewoor, Secretary for Foreign Affairs, and his delegation. I would also like to thank our discussant, Mr Henning Stiró, for his thought-provoking contribution, and delegations for their thoughtful interventions.

Members commended Mauritius on its reforms that have, since 2003, resulted in the recovery of its economy. Mauritius has taken steps to liberalize trade by significantly increasing the number of duty-free import items, and therefore reducing the simple average tariff. It has also eliminated the discrimination in the implementation of tariffs and other duties based on the sources of imports. Customs procedures have been simplified through the introduction of a channel system in 2003. In addition, Mauritius has reformed its investment regime by eliminating most of its incentive schemes and moving toward a more general regime, based on low taxes and promotion of targeted projects. Referring to Mauritius' plans to become a duty-free island, members sought information about the way this would be reconciled with its participation in regional agreements aiming at customs unions.

Members encouraged Mauritius to further improve the transparency of its trade regime by making key notifications, notably in agriculture. The regime would also gain in predictability if the scope of tariff binding were extended, the gaps between applied and bound rates reduced, and the existing services commitments enhanced to make them better reflect the actual more liberal services sector. Elimination of non-tariff barriers would improve the transparency of Mauritius' trade regime. Members urged Mauritius to bring other duties on tea imports to their bound level. Mauritius was also encouraged to accelerate the legislative process, notably in the areas of competition and intellectual property rights, and to become an observer to the Plurilateral Agreement on Public Procurement.

Clarification was sought on the investment regime for foreigners in tourism services. Other issues of interest to members included government intervention in the economy; increasing use of specific tariffs; policy and perspectives for the textile and apparel industry; legislation on professional services; energy; and Aid for Trade needs.

Members appreciated the responses provided by the delegation of Mauritius.

In conclusion, members were appreciative of Mauritius' trade reforms and of its active participation in the multilateral trading system. They urged Mauritius to pursue its reforms and take further steps to enhance the predictability of its trade regime, mainly through the extension and improvement of its multilateral binding commitments on goods and services. Members could help Mauritius in its adjustment efforts, including the dismantling of its capacity constraints, by providing assistance through the Aid for Trade framework, a concept Mauritius actively helped to develop."

Implementation and monitoring



WTO members encouraged Mauritius to further improve the transparency of its trade regime, notably in agriculture.

China

"This second Trade Policy Review of the People's Republic of China has provided an excellent opportunity to improve transparency, and thereby obtain a better understanding of China's trade and related policies. I thank Assistant Minister Qiu Hong and her delegation together with the discussant, Ambassador Noor Yacob of Malaysia, and Members of the Trade Policy Review Body for contributing to our exchange of views. China's response to a large number of questions is also much appreciated. I join members in extending sympathies to the victims and those suffering as a result of the recent earthquake in the Sichuan province of China.

Members complimented China on its strong attachment to the WTO and its support for the Doha Development Agenda. Many members also expressed their appreciation of China's assistance to LDCs. On China's bilateral/regional trading agreements (RTAs), which it regards as a necessary supplement to multilateral trade liberalization, members hoped that they would not diminish China's commitment to the multilateral trading system.

Members commended China's continuing reforms, including trade liberalization, which had contributed to real economic growth of over 10 per cent annually since its previous Review, resulting in rapidly rising per capita income and poverty reduction. Many members noted that China's growth provided an impressive example of how a country can foster development. China has also continued to be one of the largest recipients of inward foreign direct investment. Clearly, the multilateral trading system, of which China has been a member for more than six years, has also contributed to China's economic growth, by keeping foreign markets open to China's exports. Nevertheless, China faces a number of challenges. These include the need to stimulate domestic consumption without fostering inflation, growing income inequality between urban and rural areas, unequal growth in different sectors of the economy, and social welfare and environmental concerns. Some members called for a greater flexibility in China's monetary/exchange rate policy, which would be facilitated by a more smooth-functioning capital market.

Members remarked on the fact that all China's tariff lines are bound, and that the relatively low applied MFN [most-favoured nation] rates are close to bound MFN rates, thereby imparting a high degree of predictability to its tariff regime. Nonetheless, members were concerned about remaining regulatory and other barriers to trade and investment, especially customs procedures, import restrictions, anti-dumping measures, standards, technical regulations, and SPS [sanitary and phytosanitary measures], and restrictions on foreign investment. Concerns were also raised on China's export regime, which had become more restrictive, and could potentially distort product markets. Members appreciated China's efforts to enhance transparency, but some aspects of China's policy regime, including standards and domestic regulations, remained complex and opaque; members looked forward to improvements in this regard. Many members welcomed China's application to join the Agreement on Government Procurement, in December 2007.

Members welcomed China's move towards adopting new competition and property rights legislation. However, members expressed concern that industrial policies entailing government intervention were still used in certain sectors, particularly manufacturing, including iron and steel. Many members thought that, despite China's continued efforts, the enforcement of intellectual property rights remained insufficient, partly due to the lack of appropriate infrastructure and insufficient manpower. They urged China to continue to address this matter.

Agricultural reform was commended by members, although some were concerned about tariff and non-tariff barriers and the reintroduction of price controls on some agricultural products. Members noted that, in China, labour productivity in agriculture is one-fifth of that in the rest of the economy. Members called for more market-oriented energy pricing.



On services, many members noted that commitments undertaken by China are more extensive than those of most other developing countries. However, liberalization in services has been slower than in other areas and most service sectors remain subject to both a high degree of state control and significant restrictions on foreign investment and private-sector activities. Members encouraged China to continue to accelerate its liberalization of services.

With China now the world's third-largest economy and trader, members looked to China to assume greater leadership in shaping the multilateral trading system. Members urged China to continue its active participation in the current negotiations and to continue to work towards a successful conclusion of the Doha Development Agenda.

This Review has been very useful in providing us with an update of China's trade policies and practices. I would once again like to thank the Chinese delegation for their efforts, the discussant for his insightful and thoughtful comments, and members for contributing to what has been a very extensive and informative two days of discussions. We look forward to receiving responses to the remaining questions within the next month."

United States

"This ninth Trade Policy Review of the United States has allowed us to hold a frank discussion on US trade policies and practices, focusing on changes since the last US review, in March 2006. The discussions have benefited from the full engagement of the US delegation, led by Ambassador Allgeier, from the constructive contributions by the discussant, Ambassador Uribe, and from the comments by members.

Members noted that the United States is the world's largest economy and trader, and recognized the efficiency that characterizes it. However, they were concerned about the slowdown of US economic activity. The United States indicated that exports had helped mitigate the slowdown, and that the stimulus package adopted in 2008 would keep the economy growing for the next few quarters, with growth accelerating towards the end of 2008.

Members welcomed the United States' reaffirmation that the multilateral trading system remains at the core of its trade policy. Continued US leadership was seen as key to ensuring a successful outcome to the DDA [Doha Development Agenda] negotiations, with the US delegation stressing the broad support in the US Congress for an ambitious result from the negotiations. While noting that, in general, the United States has complied with WTO notification obligations and DSB [Dispute Settlement Body] rulings, members stressed that some notifications were lagging and the full implementation of certain rulings remained pending. Members also referred to various aspects of US preferential trade initiatives, and expressed appreciation for its contribution to Aid for Trade.

Members recognized the overall openness of the US trade regime, but were concerned about tariff peaks and other specific trade-related measures. They considered certain technical regulations and SPS [sanitary and phytosanitary] measures to be unduly trade restrictive. Members also noted the persistence of some market access restrictions in government procurement. The United States replied to a large number of questions posed by members concerning its IPR [intellectual property rights] regime.

The use of anti-dumping measures by the United States gave rise to concern, especially with respect to the increase in investigation initiations in 2007, the lengthy duration of measures, continued disbursements under the repealed Byrd Amendment, and methodological aspects of investigations including 'zeroing'.

Implementation and monitoring



The United States indicated that exports had helped mitigate the economic slowdown and that the stimulus package adopted in 2008 would keep the economy growing.

Members also expressed concern at the recently adopted 2008 Farm Bill, considering it a missed opportunity to improve the market orientation of the US agricultural sector. They noted the new bill's potential for increasing trade-distorting support, and questioned its compatibility with the goals of the DDA. The US authorities noted that the implementing regulations for the 2008 Farm Bill are yet to be issued and that any new US commitments made in the DDA context will be the subject of further implementing legislation. Several members urged the United States to reconsider its assistance to biofuels in the context of rising food prices. The United States replied that its increased conversion of cereals into biofuels is only one of several factors contributing to higher prices for such commodities.

Border measures and security were another major theme of this Review. While members expressed understanding of US efforts to enhance security, many indicated that measures, like the 100 per cent scanning requirement, impose additional costs on international trade. Therefore, they encouraged the United States to ensure that security-related initiatives are the least trade-restrictive possible. Some members also noted that recent legislative reforms to the review process of the national security implications of FDI [foreign direct investment] may create uncertainty for foreign investors.

On services, members noted in particular their concern with respect to the Jones Act in maritime transport, foreign ownership caps in air transport, the lack of a unified insurance market, and restrictions on [GATS] mode 4 [movement of natural persons] services supply.

I would like to conclude by noting that this Review has taken place at a particularly challenging time for the multilateral trading system and the world economy. Members recognized that the United States maintains a largely open trade regime but also expressed concern about a number of specific measures and policies. In this regard, it is my understanding that members were reassured by the United States stating that it remains firm in its belief in the value of open markets and the WTO, and that a successful DDA outcome is its top trade negotiating priority. The latter is of utmost importance because strengthening the multilateral trading system would be to the benefit of the US and world economies alike.

In closing I would like to thank once again the United States delegation for the oral and written responses provided during the meeting; we all look forward to receiving answers to the remaining questions within one month.

This concludes the ninth Trade Policy Review of the United States. However, before I adjourn the meeting, I wish, on a personal note, to mention that Mr David Walters, in charge of economic affairs in USTR [United States Trade Representative], has been part of the US effort in each of its nine Reviews. This is his last Review. Thank you Mr Walters for all your work – we all wish you well. I also thank the interpreters for their hard work."

Oman

"This first Trade Policy Review of the Sultanate of Oman has given us a better understanding of its trade and related policies, and of the challenges it faces. Our discussions have greatly benefited from the full and open engagement of the high-level Omani delegation led by HE Mr Maqbool Ali Sultan, Minister of Commerce and Industry, as well as the insightful comments by the discussant, and the thoughtful interventions by many delegations.

Members commended Oman on its impressive economic performance over the past few years, with high real GDP [gross domestic product] growth, low inflation, and surpluses in its overall fiscal position and its external current account. This was a result of its liberal trade regime, its macroeconomic reforms and development strategy implemented since the mid 1990s, and high oil and natural gas export earnings as from mid 1999. Members also appreciated Oman's efforts to diversify its economy away from crude oil, and for ensuring intergenerational equity in the exploitation of its non-renewable resources, through the improvement of education and health services, and modernization of its infrastructure. Delegations also praised Oman for the steps taken to improve its investment climate, but urged it to remove the remaining prohibitions on foreign ownership.



Implementation and monitoring

Members welcomed Oman's commitment to the WTO, including the DDA [Doha Development Agenda] negotiations, and encouraged it to fully meet its notifications under various WTO Agreements. Oman's market for all products is quite open, and the bulk of its trade takes place on an MFN [most-favoured nation] basis. Nonetheless, delegations noted Oman's participation in the Gulf Cooperation Council (GCC), the Pan Arab Free-Trade Area (PAFTA), as well as in bilateral trade agreements, most of which are not yet fully implemented. The need to maintain the notification of the GCC under Article XXIV [Territorial Application – Frontier Traffic – Customs Unions and Free-trade Areas] of the GATT 1994 was also mentioned.

Members asked Oman to reduce the gap between its MFN applied average tariff of 5.5 per cent and its average bound tariff of 13.8 per cent. Some delegations also raised concerns about Oman's requirement for consular formalities on imports, and the use of minimum import prices on tobacco and tobacco products. Members also noted the absence of competition legislation. They encouraged Oman to amend its government procurement regime to remove the price preferences for domestic and GCC products, and accede to the Plurilateral Agreement on Government Procurement. Members urged Oman to further reduce state ownership throughout the economy by pursuing its privatization programme. They sought information on the development plans regarding oil and natural gas, and manufacturing. Some members requested clarification on the import restrictions maintained by Oman, notably on SPS [sanitary and phytosanitary measures] and TBT [technical barriers to trade] grounds. Other issues of interest to members included incentive schemes (e.g. for exports); protection of intellectual property rights; agriculture and fisheries (state support); and services, including GATS [General Agreement on Trade in Services] commitments, financial services, telecoms, transport, and tourism.

Members appreciated the responses provided by the Omani delegation, and look forward to receiving written answers to any outstanding questions within one month.

In conclusion, members congratulated Oman on the relative openness of its economy. They encouraged it to pursue its reforms, including by further improving its multilateral commitments on goods and services. This would enhance the transparency and predictability of its trade regime, and its adherence to WTO principles. Members could help by keeping their markets open for products and services of interest to Oman, and by providing technical assistance."

Singapore

"The fifth Trade Policy Review of Singapore has given us a much clearer understanding of Singapore's trade policies and practices, together with the globalization challenges it faces. I thank Mr Ravi Menon, Second Permanent Secretary of Ministry of Trade and Industry, and his delegation as well as the discussant, Ambassador Shinichi Kitajima of Japan, and members of the TPRB [Trade Policy Review Body] for contributing to our informative and constructive exchange of views during these two days. Singapore's response to the large number of questions is much appreciated.

Members noted that Singapore continues to be one of the most open and competitive economies in the world. With trade a multiple of GDP [gross domestic product], Singapore remains committed to promoting a free, rules-based multilateral trading system. Singapore continues to be a steadfast supporter of an ambitious outcome in the Doha Round; it was commended for its active participation in the NAMA [non-agricultural market access] and other negotiating groups, and for its efforts to move the negotiations forward. Members also commended Singapore's contribution to the WTO Aid for Trade Initiative. Some members shared Singapore's view that WTO-consistent trade liberalization at regional and bilateral levels can form building blocks for the multilateral trading system.



WTO members noted that Singapore continues to be one of the most open and competitive economies in the world.

Members congratulated Singapore on its strong overall economic performance. Although its high degree of openness risks leaving Singapore vulnerable to periodic external shocks, the economy's flexibility had enabled Singapore to adjust relatively rapidly to these shocks by improving productivity, for example by investing in R&D [research and development], and thus contributing to economic growth. Singapore was commended for creating and maintaining a highly competitive business environment in which the unemployment rate has decreased to its lowest level in a decade and inflows of foreign direct investment are substantial. Some members encouraged Singapore to address the widening of income inequalities.

Members noted that the scope of Singapore's tariff bindings remains at around 70 per cent of all lines, and that the bound rates are substantially higher than the MFN [most-favoured nation] applied rates; they urged Singapore to both increase the coverage of its bindings and to lower bound rates, thus narrowing the discrepancy between its bound and applied rates. Members noted that Singapore's highly computerized and trade-facilitating customs procedures result in substantial benefits to both traders and government agencies. Singapore was also commended for its policy of advocating the adoption of international standards to facilitate market access and enterprise competitiveness.

Members also noted the enactment of an economy-wide competition law and expressed interest in Singapore's assessment of the economic impact of the new law, and of the functioning of the Competition Commission. Members noted the trend towards government-linked corporations (GLCs) operating on the same basis as private companies, significant divestments by Temasek, and the enhancement of corporate governance regulation. Some members noted Singapore's wide-ranging improvements in the protection of intellectual property rights as part of its broader effort to encourage innovation and create a knowledge-based economy.

Members also welcomed Singapore's liberalization efforts in financial services, energy, and telecommunications. Some members encouraged Singapore to further liberalize services, including legal and other professional services, banking, and port services.

To conclude, I would again like to thank Singapore's delegation for its efforts in helping us to better understand its trade and trade-related policies and the domestic and international contexts in which they evolve. I would once again also like to thank the discussant for his insightful comments, and members for contributing to what has been a very enlightening two days of discussions. As the discussant stated, Singapore has established a benchmark or a textbook case that other members will have to follow. We look forward to receiving responses to the remaining questions within the next month."

Barbados

"The second Trade Policy Review of Barbados has allowed this Body to appraise in detail the evolution of the country's trade policies since 2002. I thank Minister Sinckler, Permanent Secretary Chandler, Ambassador Clarke, and their team for engaging so constructively in this Trade Policy Review exercise. I would also like to thank the discussant, Ambassador Hernández, and members who participated in the discussion as part of this exercise.

This has been a very positive review. Barbados' experience stands out as a good model for developing countries, especially those facing similar challenges due to their small size. We have heard widespread praise by members for the reforms Barbados has undertaken, its success in diversifying its economy, and the general openness of its trade and investment regime. These factors were seen as important contributors to Barbados' ability to maintain high standards of human development. However, the delegation of Barbados noted that this good performance has come at the cost of a marked increase in the country's national debt, and that Barbados' prosperity is fragile because of its vulnerability to external shocks. In this respect, Barbados could further strengthen its fiscal situation to allow for greater use of counter-cyclical policies.



Implementation and monitoring

Members welcomed Barbados' commitment to the multilateral trading system, and expressed their appreciation for Barbados' contribution to the work of the WTO, particularly its coordination of the small vulnerable economies (SVEs) group. A number of members suggested that Barbados should reflect its liberal services regime in deeper and wider commitments under the GATS [General Agreement on Trade in Services]. Barbados noted that it is reviewing its offer within the context of the ongoing WTO services negotiations. Barbados was also encouraged to submit its outstanding notifications to the WTO, and to consider requesting technical assistance in order to help accomplish this. Barbados noted that it has sought faithfully to discharge its WTO obligations, but faces a number of constraints linked to its small size and increased pressure of negotiations.

Members agreed that Barbados' import regime is largely open, but some members highlighted the need for further reducing applied tariffs, as well as narrowing both their dispersion and the gap between bound and applied tariffs. Barbados reported that an environmental levy previously collected only on imports now also applies to domestic goods. Barbados was encouraged to eliminate the few existing restrictions to foreign investment. Members also made enquiries into Barbados' plans to eliminate its export subsidy programmes by 2015.

Members congratulated Barbados for its introduction of comprehensive competition policy legislation, whose effective implementation was seen as important for improving the functioning of Barbados' domestic markets. Members also commended Barbados for the reforms introduced to its intellectual property legislation to make it more compatible with the TRIPS [Trade-Related Aspects of Intellectual Property Rights] Agreement, and for the liberalization of its telecommunications sector. Barbados provided replies to questions concerning a number of service activities such as tourism, transport, telecommunications, and professional and financial services. We thank the delegation of Barbados for their responses to written questions.

I would like to close this meeting by thanking, once again, the delegation of Barbados, the discussant, and the members that took part in this meeting for contributing to an informative review. May I also thank the interpreters for their hard work. I would also like to express my appreciation to the delegation of Barbados for addressing the various issues that members have raised both in writing and orally. I think we now have a much more clear picture of your trade policies and priorities. I hope that the very positive outcome of your second Trade Policy Review will be an additional strong motivation for your continued active engagement in the multilateral trading system."

Korea

"The fifth Trade Policy Review of Korea has given us a much clearer understanding of Korea's trade policies and practices and of the challenges that it faces. I thank Mr Ahn Ho-young, Deputy Trade Minister of the Ministry of Foreign Affairs and Trade, and his delegation, as well as the discussant, Ambassador Bozkurt Aran of Turkey, and members of the TPRB [Trade Policy Review Body] for contributing to our informative and constructive exchange of views during these two days. Korea's response to the large number of questions is also very much appreciated.

Members commended Korea for its prudent macro-economic policies and structural reforms, including its continuing pursuit of open trade and investment policies, which have contributed to it becoming a more outward-oriented economy enjoying stable growth, declining unemployment, increasing per capita incomes, and contained inflation. In the midst of the present financial upheaval, several members recalled Korea's recovery from the Asian financial crisis through increased liberalization (rather than protectionism); an important lesson in today's global economic environment.

Several members noted that inward FDI [foreign direct investment] has declined as a proportion of GDP [gross domestic product], and is low by industrialized country standards. They encouraged Korea to further liberalize its foreign investment regime and continue structural reforms, especially involving deregulation and privatization. Members welcomed measures taken to create a business-friendly environment, including the creation of the Presidential Council on National Competitiveness.



Korea was commended by WTO members for its continuing pursuit of open trade and investment policies, which have contributed to it enjoying stable growth and declining unemployment.

Implementation and monitoring



Norway is seen by many as an example of how to sustain high living standards through policies that foster close integration in the global economy and sound management of natural resources.

Members praised Korea's active and constructive participation in the Doha Round. At the same time, some members urged Korea to ensure that its regional trade agreements are complementary to the multilateral trading system. Members also acknowledged Korea's support for the WTO's technical assistance activities.

Korea was commended for its streamlined customs procedures. Members noted that the tariff remains relatively high, given Korea's level of development, and somewhat complex, involving a multiplicity of rates. Members were concerned that Korea's flexible tariff mechanism allows discretionary changes in certain rates. Members also remarked that the average applied MFN [most-favoured nation] tariff for agricultural products is more than eight times higher than the tariff for non-agricultural products. They encouraged Korea to step up agricultural reforms and thus reduce distortions in both production and trade of agricultural goods. Members also expressed concern about several aspects of Korea's agricultural tariff rate quotas, which are underutilized even for commodities for which Korea's domestic prices are significantly higher than world levels. Members urged Korea to make improvements in these and other areas so as to make its trade regime more transparent and predictable.

Some members were concerned about Korea's recourse to anti-dumping actions and to changes in its calculation of dumping margins. Certain members sought clarifications on some aspects of technical standards and SPS [sanitary and phytosanitary] practices. Some members noted Korea's further strengthening of intellectual property rights and expressed interest in other related developments.

Some members noted the high degree of government intervention in agriculture, and expressed concern regarding subsidies to the fisheries sector. Other members wondered about the ways for enhancing competitiveness of the services sector, whose labour productivity was half that of manufacturing. In addition, certain members raised questions over the lack of foreign participation in telecoms and broadcasting, as well as plans for market opening with regard to professional services.

To conclude, I would again like to thank Korea's delegation for enabling us to better understand its trade and trade-related policies and the domestic and international contexts in which they are formulated and implemented. I would also like to thank the discussant for his insightful comments, and members for contributing to what has been a very enlightening two days of discussions. We look forward to receiving responses to the remaining outstanding questions within the next month."

Norway

"The fifth Trade Policy Review of Norway has allowed this Body to appraise in detail the evolution of the country's trade policies since 2004. I thank Chief Negotiator Mr Sørli, Ambassador Johansen and their team for engaging so constructively in this Trade Policy Review exercise. I would also like to thank the discussant, Ambassador Teehankee, and members who participated in the discussion as part of this exercise.

I should like to emphasize that this has been a very positive review. We have heard widespread praise by members for Norway's recent economic success, and its high standard of living and level of human development. Members have noted that this success is not only the result of improved terms of trade but also of sound macro-economic policies and the general openness of Norway's trade and investment regime.

Equally, members have commended Norway for its support for and active participation in the multilateral trading system and the Doha Development Agenda. In particular, members noted Norway's attention to development issues through its contribution to the Global Trust Fund, and its new GSP [Generalized System of Preferences — programmes by developed countries granting preferential tariffs to imports from developing countries] and Aid for Trade initiatives, which have been enhanced over the review period. Some members shared Norway's concern that anti-dumping and countervailing measures could be used as protectionist measures, and thus commended Norway for not using these instruments. However, members also suggested that Norway would enhance the predictability of its trading regime by closing the gap between bound and applied tariffs. Norway undertook to submit its lagging WTO notifications as soon as possible.



Implementation and monitoring

Members observed that some of the issues raised at Norway's previous Review remained of concern today, notably, agricultural policies. They drew attention to a contrast between these policies and the very liberal import regime for industrial products. Norway has emphasized the importance it gives to ensuring a viable domestic agriculture sector, and that protection to agriculture covers a narrow range of products and is in line with its WTO commitments. Nevertheless, members urged Norway to undertake further reform and liberalization of the sector.

With respect to questions about the high level of state participation in the economy, Norway has noted that the present government places a strong emphasis on state ownership, which is seen as contributing to safeguard the public interest. To improve transparency and efficiency, the roles of policy maker and market regulator have been separated from the role of owner. Norway also responded to various questions concerning its foreign investment regime, measures affecting imports, intellectual property rights, and policies in sectors such as maritime transport and professional services.

In conclusion, it is my sense that members considered Norway as an example of how to sustain high living standards through policies that foster close integration in the global economy and sound management of natural resources. Members recognized that Norway's trade regime is generally liberal, but encouraged Norway to liberalize agriculture in order to benefit its domestic consumers and help strengthen the multilateral trading system, of which Norway has historically been one of the strongest supporters.

I would like to close this meeting by thanking, once again, the discussant and the members who took part in this meeting for contributing to an informative review. May I also thank the interpreters for their hard work. I would also like to thank the delegation of Norway for addressing the various issues that members have raised both in writing and orally. However, we look forward to receiving responses to the follow-up questions within the next month."

Jordan

"This first Trade Policy Review of the Hashemite Kingdom of Jordan has allowed us to improve our understanding of its trade and related policies, and the developments since its accession to the WTO in 2000. Our discussions have greatly benefited from the participation of HE Amer Al-Hadidi, Minister of Industry and Trade, and his delegation. We are also grateful for the contribution of our discussant, Mr Teepu Khan, and for the full engagement of many members.

Members commended Jordan on its impressive economic performance in spite of a challenging external environment. High real GDP [gross domestic product] growth, relatively low inflation, and a declining public debt are the fruits of an ambitious economic reform programme centred on structural reforms and trade liberalization. While Jordan's measures to liberalize its investment regime were welcomed, it was also noted that foreign investment remains restricted in certain activities, notably transport services. Members encouraged Jordan to improve its business environment, strengthen competitiveness, and further open up its economy, with a view to diversifying it.

Members recognized Jordan's commitment to the WTO, including the current round of trade negotiations. They also acknowledged Jordan's participation in various regional and bilateral trade agreements. It was noted that the reduction of bound tariff rates, and further simplification and rationalization of Jordan's tariff regime should contribute to better resource allocation. Some members encouraged Jordan to reform its government procurement regime, and looked forward to its accession to the plurilateral Agreement on Government Procurement. Clarification was sought on why a penalty is charged at customs when importers fail to present an importer card, and why not all importers were eligible for an importer card.

Implementation and monitoring



WTO members commended the Dominican Republic's commitment to trade liberalization but some members considered that more liberal policies are needed in the agriculture sector.

A number of concerns were also raised, notably with regard to certain aspects of Jordan's SPS [sanitary and phytosanitary] regime, compliance with notification obligations under the WTO, customs procedures (including customs formalities), import prohibitions and licensing, price controls, and internal taxation. Members also asked questions with respect to technical barriers to trade; intellectual property; agriculture; energy; manufacturing (including textiles and clothing); and services. Jordan was reminded of its commitment to phase out export subsidies by 2015 at the latest. Some members also urged that trade-related technical assistance be provided to Jordan.

Members expressed their appreciation for the responses provided by the Jordanian delegation to questions that were posed during the review exercise, and looked forward to receiving written answers to any outstanding questions within one month.

In conclusion, members congratulated Jordan on the positive economic results it has achieved since its WTO accession. They encouraged Jordan to pursue its reforms and improve its multilateral commitments on goods and services, with a view to enhancing the transparency and predictability of its trade regime, and adherence to WTO principles. Members could help by keeping their markets open for products and services of interest to Jordan.

Once again, I thank members for their active participation in the first Trade Policy Review of Jordan and the Secretariat for the excellent report. I also thank the interpreters for their usual efficient work."

Dominican Republic

"This third Trade Policy Review of the Dominican Republic has been highly informative, and afforded this Body the opportunity to appraise in detail the evolution of the country's trade policies since 2002. This was made possible largely by the constructive engagement of Ambassadors Piantini and Hernández Bona, and the rest of their team. I would also like to acknowledge the valuable contribution to this exercise of the discussant, Mr Yi-fu Lin, and thank members for their participation.

Members welcomed the Dominican Republic's rapid economic recovery after the 2002–04 financial crisis, made possible in large part by the implementation of sound fiscal and monetary policies as well as structural reforms. However, some members noted that the economy is still prone to cyclical fluctuations and urged the Dominican Republic to persist with its reform efforts in order to be better prepared to face external shocks. In this respect, the Dominican Republic outlined the measures it is taking as a response to the deteriorating conditions of the world economy.

Members recognized the active role of the Dominican Republic in the multilateral trading system, in particular the DDA [Doha Development Agenda] negotiations, and welcomed its ratification of the Fifth Protocol to the GATS [General Agreement on Trade in Services] and its adherence to the ITA [Information Technology Agreement]. Members took note of the great importance the Dominican Republic has attached to its participation in regional trade agreements, as part of its efforts to further integrate into the global economy.

Members commended the Dominican Republic's commitment to trade liberalization, as demonstrated by its unilateral MFN [most-favoured nation] tariff reductions since 2002. They urged the Dominican Republic to reduce its bound rates to reflect applied tariffs in order to increase the certainty of its import regime. Members also acknowledged the Dominican Republic's efforts to facilitate trade and modernize customs, but posed questions about certain customs valuation practices. Members also queried the transparency in the adoption of technical regulations and SPS [sanitary and phytosanitary] measures. The Dominican Republic noted that work is under way to set up the necessary infrastructure and mechanisms to ensure more timely notifications.



Implementation and monitoring

Members commended the Dominican Republic for the strengthening of its legal and institutional framework, including in the areas of competition policy, government procurement, and intellectual property rights. Several members urged the Dominican Republic to continue taking steps to eliminate the distortions arising from fiscal incentives, and to comply with its international commitments in this area. The Dominican Republic confirmed its engagement to comply with such commitments.

Some members considered that more liberal policies are needed in the agriculture sector, and questioned the administration of tariff rate quotas. The Dominican Republic stated that no limits are set on the importation of any product, including rice. The Dominican Republic described the steps it is taking to address inefficiencies in the electricity sector. It also noted that it is revising its biofuels regime to ensure consistency with WTO obligations.

Members noted the reforms undertaken by the Dominican Republic to modernize and liberalize its service sector. They encouraged the Dominican Republic to continue along that path, and to expand its GATS commitments to reflect the current legal framework. The Dominican Republic replied to numerous questions posed by members concerning specific aspects of its service regime. The Dominican Republic further noted that amendments to its insurance regulations are under consideration to ensure their WTO consistency.

In conclusion, members welcomed the Dominican Republic's commitment to trade liberalization, and its conviction that this should be a central pillar of development. The considerable reforms undertaken since 2002 have demonstrated the Dominican Republic's capacity to weather the current adverse global economic environment, and to further restructure its economy in order to sustain its economic and social development.

I would like to close this Review by thanking once again Ambassadors Piantini and Hernández and the rest of their delegation, as well as the discussant and the members that took part in this meeting. I would also like to express my appreciation to the delegation of the Dominican Republic for the many responses provided and look forward to receiving responses to any outstanding questions within one month. Finally, I thank the interpreters for their hard work."

Switzerland and Liechtenstein

"The third joint Review of Switzerland and Liechtenstein has been informative, open, and thought-provoking. The delegation of Switzerland, led by HE Ambassador Ineichen-Fleisch, and the delegation of Liechtenstein, led by HE Ambassador Frick, have been highly cooperative. We have greatly benefited from the perceptive remarks by our discussant, Mr Faizel Ismail of South Africa, and the active involvement of many members.

Members commended Switzerland and Liechtenstein on their economic performance in recent years, and stressed that external trade, including access to foreign markets, is central to both economies. Members appreciated the commitment and support by both countries to the multilateral trading system, particularly Switzerland's technical cooperation efforts in favour of developing and acceding countries. Members also noted that both countries are participating in various free-trade arrangements. In particular, Switzerland's bilateral agreements with the expanding European Communities (EC) have resulted in notable market liberalization between the two partners, and considerable convergence of Swiss regulations to those of the EC. Liechtenstein is a member of the European Economic Area and all trade agreements concluded by Switzerland also apply to Liechtenstein. Concerns were expressed about the potentially discriminatory aspects of such economic integration for other WTO members, and information was sought about the future bilateral agreements between Switzerland and Japan, and between EFTA [European Free Trade Association] and Canada.

Members noted that the tariff structure for Switzerland and Liechtenstein has remained unchanged since their last Review in 2004, and enquired about plans to move away from specific to *ad valorem* duties; to reduce tariff peaks; and eliminate nuisance rates. Members commended Switzerland and Liechtenstein for maintaining generally low tariff protection for non-agricultural products, and Switzerland for implementing agricultural reforms with the intention of eliminating export subsidies for 'basic agricultural products'. Members observed that the agriculture sector remains highly protected and this has contributed to high domestic prices for agricultural and food products. Concerns were raised about specific measures, including export subsidies, direct payments, the price compensation scheme, and tariff quotas and their complex administration system consisting of various procedures, notably the 'prise en charge'. They encouraged Switzerland to consider the benefits of a more open agriculture sector for consumers and food processors, as well as for exporters.

Members commended both countries for not having taken any contingency trade remedies. They welcomed the ongoing efforts to increase domestic competition, and encouraged the countries to continue with the reforms. Other issues of interest to members include economic prospects and planned reforms in the light of the global economic slowdown; investment regimes (including incentive schemes and remaining restricted areas); rules of origin for non-reciprocal preferences; technical and sanitary/phytosanitary regulations; intellectual property regime; and services (telecommunications, tourism, construction, professional, and financial services).

Members appreciated the comprehensive responses provided by the two delegations, and looked forward to receiving written answers to any subsequent questions that may be submitted within one month.

This Review has given members the opportunity to gain a much better understanding of the policy developments in Switzerland and Liechtenstein since 2004. The wide interest shown by members is reflected in the depth of the interventions and the large number of advance written questions. The importance of further reforms by both countries, in particular greater liberalization of agriculture, have been emphasized. I should like to thank the two delegations for their willing and cooperative presence in this meeting, and members for their active participation.

Once again, I thank members for their active participation in the third joint Trade Policy Review of Switzerland and Liechtenstein, and the Secretariat for the excellent report. I also thank the interpreters for their usual efficient good work."



Trade, debt and finance

In 2008 the Working Group on Trade, Debt and Finance made a significant contribution to raising awareness about the global lack of trade finance, both by issuing its regular reports on the obstacles preventing trade finance from flowing in difficult times and by acting as a forum for discussion of WTO Secretariat initiatives. In particular, it provided a very useful forum for interaction between WTO members and the multi-institutional advisory group (the so-called Expert Group on Trade Finance) convened by the WTO Director-General.

The Working Group met twice in 2008, under the Chairmanship of Martin Glass, Permanent Representative of the Hong Kong Special Administrative Region of China.

At the meeting in July, at the suggestion of the Chair, several delegations made statements on issues that they regarded as important for the direction of the Group's work. In particular, they emphasized the need to review the implications of the current financial crisis for traders, investors and for the world trading system in general – especially relating to the availability of trade finance for developing countries. On this issue, the WTO Secretariat debriefed the Group about the outcome of an Expert Group Meeting on Trade Finance that had been convened by the WTO on 25 April. It was suggested by some members that delegations might follow up with written submissions to engage the Working Group in meaningful discussion of these matters.

At the second meeting in November, WTO members discussed a written submission from Brazil focusing on various issues linked to the availability of trade finance in world markets, in particular for developing countries. A representative from the Secretariat of the Basel Committee on Banking Supervision made a presentation on certain important implications of the Basel II framework for trade financing, some of which had been referred to by Brazil in its submission, and also answered questions from members.

The representative of Hong Kong, China, presented a written submission on measures taken by his authorities to address the scarcity and rising cost of trade finance. The WTO Secretariat also debriefed the Working Group on the outcome of the second meeting of the Expert Group on Trade Finance convened by the WTO on 12 November.

Implementation and monitoring

The Working Group on Trade Debt and Finance acted as a forum between WTO members and the Expert Group on Trade Finance convened by Pascal Lamy.

Implementation and monitoring



Background

The procurement of goods and services by government agencies typically accounts for at least 15 per cent of GDP. This proportion is continuing to grow as countries increase their public infrastructure spending as an element of economic stimulus packages. The WTO Agreement on Government Procurement (GPA) includes a growing number of economies committed to opening up market access to the key sectors of government procurement covered by the Agreement. It is designed to ensure that parties to the Agreement do not protect domestic products or suppliers, or discriminate against foreign products or suppliers in the covered sectors. The GPA therefore plays an important role as a bulwark against protectionism and ensures public funds are spent transparently and cost-effectively.

Agreement on Government Procurement

The Agreement on Government Procurement (GPA) is a plurilateral agreement, which means it only applies to WTO members who have separately agreed to be bound by it, and who go through a separate accession process. Membership of the GPA was set to expand with a decision late in 2008 on the accession of Chinese Taipei. Eight other WTO members continued with the process of acceding to the GPA: Albania, China, Georgia, Jordan, the Kyrgyz Republic, Moldova, Oman and Panama. A further six WTO members have provisions regarding accession to the GPA in their respective Protocols of Accession to the WTO: Armenia, Croatia, the Former Yugoslav Republic of Macedonia, Mongolia, Saudi Arabia and Ukraine.

At the end of 2008, the parties to the GPA were: Canada; the European Communities (including its 27 member states); Hong Kong, China; Iceland; Israel; Japan; Korea; Liechtenstein; the Kingdom of the Netherlands with respect to Aruba; Norway; Singapore; Switzerland; and the United States. It therefore already covers a significant proportion of the global procurement market. In 2007, the US government procurement market fully open to international competition under GPA rules was valued to be in excess of US\$ 1.3 trillion. The accession of Chinese Taipei has been estimated to create new market access opportunities worth up to US\$ 20 billion annually for GPA parties.

The GPA is administered by the Committee on Government Procurement, which in 2008 held two formal meetings and a series of informal meetings, focusing on negotiations and accession issues.

In 2008 the GPA Committee considered modifications to the Appendices to the Agreement, statistical reports, notifications of changes in domestic legislation and notifications of the thresholds of smaller scale procurement orders below which GPA obligations do not apply.

Negotiations

The GPA contains a built-in commitment to further negotiations, with the following objectives:

- to improve and update the Agreement in the light of developments in information technology and in procurement methods
- to extend the coverage of the Agreement
- to eliminate remaining discriminatory measures.

A key related objective is to facilitate accession to the Agreement by other WTO members, and in particular developing countries.

In 2008, GPA parties pursued negotiations on both coverage and text-related issues in informal sessions of the Committee.



Technical cooperation and training

The following technical cooperation activities on government procurement took place in 2008:

- three regional workshops (in the Caribbean, Latin America and French-speaking African countries)
- two national seminars (in Benin and Aruba)
- one Geneva-based workshop.

Cooperation with other international organizations

In 2008 the WTO cooperated in the area of government procurement with the United Nations Commission on International Law (UNCITRAL), the Organisation for Economic Co-operation and Development (OECD) and the Inter-American Development Bank (IDB).

Implementation and monitoring

Dispute settlement

In 2008 the Dispute Settlement Body (DSB) received 19 notifications from WTO members formally requesting consultations under the Dispute Settlement Understanding. During the year the DSB established three panels to adjudicate five new cases – the lowest annual number since the establishment of the WTO. Thirteen appeals of panel reports were filed with the Appellate Body in 2008.

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Dispute settlement



Background

The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes arising from any agreement contained in the Final Act of the Uruguay Round that is covered by the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). The DSB has the sole authority to establish dispute settlement panels, adopt panel and Appellate Body reports, maintain surveillance of the implementation of recommendations and rulings, and authorize suspension of concessions in the event of non-implementation of recommendations.

Dispute settlement activity in 2008

The Dispute Settlement Body (DSB) met 19 times in 2008. During the year, it received 19 notifications from WTO members formally requesting consultations under the Dispute Settlement Understanding (DSU). During this period, the DSB established three panels to adjudicate five new cases (where more than one complaint is filed dealing with the same matter, such complaints are adjudicated by a single panel). This is the lowest number of panels established by the DSB since the inception of the dispute settlement system under the WTO in 1995.

The DSB adopted eight panel and/or Appellate Body reports in six cases, concerning six distinct matters (where there are multiple complaints adjudicated by a single panel, a separate report is issued for each complaint).

With respect to compliance reports, the DSB adopted three panel and/or Appellate Body reports concerning two distinct matters. In addition, mutually agreed solutions, settlements or withdrawals were notified in six cases, twice as many as in 2007. This was mainly due to China and various complaining parties reaching an agreement in relation to their disputes in the form of a Memorandum of Understanding and notifying the DSB accordingly.

The number of panels and appellate review proceedings opened for observation by the public continued to increase in 2008. At the request of the parties concerned, the panels' hearings were opened for public viewing in five disputes. At the request of the parties concerned, a hearing before the Appellate Body was opened for the first time for public observation in 2008 in the proceedings brought by the European Communities against the United States and Canada in *Continued Suspension of Obligations in the EC – Hormones Dispute*. Two other hearings in appellate proceedings were also opened for public viewing during the year.

The following section provides an update on developments in 2008 in cases which are presently active within the dispute settlement system. The cases are listed in order of their dispute settlement (DS) number, which is created when the case is opened. Cases at the consultation stage are listed at the end of this section.

Trade dispute:

WT/DS27

European Communities – Regime for the Importation, Sale and Distribution of Bananas – Second Recourse to Article 21.5 of the DSU by Ecuador; European Communities – Regime for the Importation, Sale and Distribution of Bananas – Recourse to Article 21.5 of the DSU by the United States

Complainants: **Ecuador, United States**

Respondent: **European Communities**

Circulation of Panel Compliance Reports: 7 April 2008 (Ecuador), 19 May 2008 (United States)

Circulation of Appellate Body Compliance Reports: 26 November 2008

Reports adopted: 11 December 2008 (Ecuador), 22 December 2008 (United States)

The disputes concern the European Communities' Bananas Import Regime. The disputed regime consists of a duty-free tariff quota of 775,000 metric tonnes (mt) for bananas originating in African, Caribbean and Pacific (ACP) countries and a tariff set at € 176/mt for bananas from all other countries. Before the Panel, Ecuador and the United States claimed that the EC Bananas Import Regime was inconsistent with Article I (General



Most-Favoured-Nation Treatment) and Article XIII (Non-discriminatory Administration of Quantitative Restrictions) of the General Agreement on Tariffs and Trade (GATT) 1994. Ecuador raised an additional claim under Article II (Schedules of Concessions) of the GATT 1994.

In an issue not appealed to the Appellate Body, both panels found that the preference granted by the European Communities of an annual duty-free tariff quota of 775,000 mt of imported bananas originating in ACP countries constituted an advantage, which was not accorded to 'like' bananas originating in other countries, and was therefore inconsistent with Article I:1 of the GATT 1994. The Panel also found that the European Communities had failed to demonstrate the existence of a waiver from Article I:1 for the time after the expiration of the Doha Waiver to cover the preference granted by the European Communities to the duty-free tariff quota of bananas from ACP countries.

In the case initiated by Ecuador, the European Communities argued that the Panel was precluded from conducting the assessment requested by Ecuador because the European Communities had implemented a suggestion made by the first Ecuador compliance panel in the dispute. The Appellate Body upheld the Panel's finding that it could make the assessment, and observed that because a WTO member has chosen to follow a suggestion does not create a presumption of compliance in DSU Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) proceedings.

In both cases, the Appellate Body upheld, although for different reasons, the Panel's finding that the EC bananas import regime, in particular its duty-free tariff quota reserved for ACP countries, was inconsistent with Article XIII:1 and Article XIII:2 of the GATT 1994 because non-ACP countries were denied access to this quota.

In the case initiated by Ecuador, the Appellate Body reversed the Panel's finding that the waiver approved in November 2001 by the Ministerial Conference in Doha constituted a subsequent agreement between the parties extending the tariff quota concession for bananas listed in the EC's Schedule of Concessions beyond 31 December 2002, until the rebinding of the EC's tariff on bananas.

The Appellate Body also reversed the Panel's finding that the EC's tariff quota concession for bananas was intended to expire on 31 December 2002 on account of paragraph 9 of the Framework Agreement on Bananas and found that it remained in force until the rebinding process had been completed, and the resulting tariff rate had been consolidated into the EC Schedule. Consequently, although for reasons different from those set out by the Panel, the Appellate Body upheld the Panel's finding that the tariff applied by the European Communities to imports of bananas from other countries, set at € 176/mt, without consideration of the tariff quota of 2.2 million mt bound at an in-quota tariff rate of € 75/mt, was an ordinary customs duty in excess of that provided for in the EC Schedule of Concessions, and therefore was inconsistent with Article II:1(b) of the GATT 1994.

Trade dispute:

WT/DS267

United States – Subsidies on Upland Cotton – Recourse to Article 21.5 of the DSU by Brazil

Complainant: **Brazil**
Respondent: **United States**

Circulation of Panel Compliance Report: 18 December 2007
Circulation of Appellate Body Compliance Report: 2 June 2008
Reports adopted: 20 June 2008

On 12 February 2008 the United States notified its decision to appeal to the Appellate Body on certain aspects of the Panel Compliance Report. On 25 February 2008, Brazil also notified its decision to appeal to the Appellate Body on certain issues of law and legal interpretations in the Panel Compliance Report.

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

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77, 78, 79, 80, 81, 84, 86, 87

United States
77, 80, 82, 83, 84, 86, 87



With respect to the Panel's terms of reference, the Appellate Body upheld the Panel's conclusion that Brazil's claims relating to export credit guarantees under the revised Export Credit Guarantee (GSM 102) programme for pig meat and poultry meat were properly within the scope of the DSU Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) proceedings. The Appellate Body also upheld the Panel's finding that Brazil's claims against marketing loan and counter-cyclical payments made by the United States after 21 September 2005 were properly within the scope of the DSU Article 21.5 proceedings.

The Appellate Body upheld the Panel's conclusion that the effect of marketing loan and counter-cyclical payments provided to United States upland cotton producers is significant price suppression in the world market for upland cotton within the meaning of Article 6.3(c) (Serious Prejudice) of the Subsidies and Countervailing Measures (SCM) Agreement, constituting "present" serious prejudice to the interests of Brazil within the meaning of Article 5(c) (Adverse Effects) of the SCM Agreement. In making this finding, the Appellate Body held that the examination of price suppression necessarily involves a counterfactual analysis of whether prices would have been higher or would have increased more in the absence of the subsidies.

The Appellate Body then reviewed and upheld the Panel's examination of the existence of significant price suppression in the meaning of Article 6.3(c), noting that several of the factors evaluated by the Panel supported the proposition that the effect of marketing loan and counter-cyclical payments is "significant" price suppression in the world market for upland cotton.

The Appellate Body upheld the Panel's finding that export credit guarantees provided under the revised GSM 102 programme were "export subsidies", because the premiums charged were inadequate to cover the long-term operating costs and losses of the programme, within the meaning of item (j) of the Illustrative List of Export Subsidies, given in Annex I of the SCM Agreement. The Appellate Body upheld the Panel's finding under item (j) of the SCM Agreement Annex I despite having found that the Panel's analysis of certain quantitative evidence concerning the financial performance of the revised GSM 102 programme did not meet the requirements of Article 11 (Function of Panels) of the DSU.

Having found that the Panel acted inconsistently with Article 11 of the DSU, the Appellate Body completed the analysis and concluded that the Panel's finding on the structure, design and operation of the revised GSM 102 programme, in the light of the quantitative evidence, provided a sufficient evidentiary basis for the conclusion that the revised GSM 102 programme operated at a loss within the meaning of item (j). The Appellate Body also upheld the Panel's consequential finding that the United States acted inconsistently with Article 10.1 (Prevention of Circumvention of Export Subsidy Commitments) and Article 8 (Export Competition Commitments) of the Agriculture Agreement, and Article 3.1(a) and Article 3.2 (Prohibition) of the SCM Agreement, and therefore that the United States had failed to comply with the DSB's recommendations and rulings.

On 25 August 2008, Brazil requested that the two arbitration proceedings, suspended in November 2005, be resumed. On 1 October 2008 the parties agreed on replacement arbitrators, as two of the arbitrators originally selected were no longer able to serve in these proceedings.



Trade dispute: WT/DS320, WT/DS/321

United States – Continued Suspension of Obligations in the EC – Hormones Dispute;
Canada – Continued Suspension of Obligations in the EC – Hormones Dispute

Complainant: **European Communities**
 Respondents: **United States (DS320), Canada (DS321)**

Circulation of Panel Reports: 31 March 2008
 Circulation of Appellate Body Report: 16 October 2008
 Reports adopted: 14 November 2008

The European Communities challenged the continued application by Canada and the United States of the retaliatory measures they had been authorized to take by the DSB as a result of the non-compliance of the European Communities in the *EC – Hormones disputes*. The European Communities argued that because of its notification of the adoption of a new directive (Directive 2003/74/EC), it was now in conformity with the original DSB rulings. Consequently, Canada and the United States should have either removed their retaliatory measures or had recourse to the dispute settlement procedures available under the DSU if they believed that the new EC Directive was still incompatible with the recommendations and rulings of the DSB in the *EC – Hormones* cases.

The Appellate Body upheld the Panels' finding that the European Communities had not established a violation of Article 23.1 (Strengthening of the Multilateral System) and Article 3.7 (General Provisions) of the DSU as a result of a breach of Article 22.8 (Compensation and the Suspension of Concessions) of the DSU, because it was not established that the measure found to be inconsistent with the Sanitary and Phytosanitary Measures (SPS) Agreement in the *EC – Hormones* dispute had been removed.

The Appellate Body reversed the Panels' finding that Canada and the United States had breached Article 23.1 of the DSU by maintaining the suspension of concessions after the notification of Directive 2003/74/EC. The Appellate Body found that the maintenance of the suspension of concessions that has been duly authorized by the DSB will not constitute a violation of Article 23.1 as long as it is consistent with other rules of the DSU, including paragraphs 2 to 8 of Article 22. It also reversed the Panels' finding that Canada and the United States had breached Article 23.2(a) of the DSU by making a unilateral determination that Directive 2003/74/EC was WTO-inconsistent, noting that statements made by Canada and the United States at DSB meetings constituted a "determination" within the meaning of Article 23.2(a).

The Appellate Body found that where an implementing measure is taken after the suspension of concessions is imposed and parties disagree as to whether this measure achieves compliance with the DSB's recommendations and rulings, both parties have a duty to engage in WTO dispute settlement in order to establish whether the suspension of concessions must be terminated pursuant to Article 22.8 of the DSU. The Appellate Body further found that the proper procedure for this purpose is compliance proceedings under Article 21.5 (Surveillance and Implementation of Recommendations and Rulings) of the DSU.

With regard to Articles 5.1 and 5.7 (Assessment of Risk and Determination of the Appropriate Level of Sanitary or Phytosanitary Protection) of the SPS Agreement, the Appellate Body reversed the Panels' findings that the import ban relating to oestradiol-17 β (one of the hormones at issue) was not based on a risk assessment as required by Article 5.1, and that the provisional import ban relating to the other five hormones did not meet the requirements of Article 5.7. However, the Appellate Body was unable to complete the analysis and therefore made no findings on the consistency or otherwise of the definitive and provisional import bans with Articles 5.1 and 5.7 of the SPS Agreement.

The Appellate Body also found that the Panels had violated the European Communities' due process rights in its consultations with certain scientific experts and therefore failed to conduct an "objective assessment of the matter" as required by Article 11 (Function of Panels) of the DSU.

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

Canada

80, 84, 88

European Communities

74, 78, 79, 80, 81, 84, 86, 87

United States

74, 75, 80, 82, 83, 84, 86, 87



Dispute settlement

Trade dispute:	WT/DS332
Brazil – Measures Affecting Imports of Retreaded Tyres	
Complainant:	European Communities
Respondent:	Brazil
Circulation of Panel Report: 12 June 2007 Circulation of Appellate Body Report: 3 December 2007 Reports adopted: 17 December 2007	
<p>At the DSB meeting of 15 January 2008, Brazil said that it intended to implement the recommendations and rulings of the DSB in a manner consistent with its WTO obligations. In that regard, Brazil stated it was ready to consult with the European Communities on the appropriate duration of the reasonable period of time for implementation. On 4 June 2008 the European Communities requested binding arbitration under Article 21.3(c) (Surveillance of Implementation of Recommendations and Rulings) of the DSU. On 29 August 2008 the arbitration award was circulated to WTO members. The arbitrator determined that the reasonable period of time for Brazil to implement the recommendations and rulings of the DSB was 12 months from the adoption of the Panel and Appellate Body reports. The reasonable period of time expired on 17 December 2008.</p>	
Trade dispute:	WT/DS336
Japan – Countervailing Duties on Dynamic Random Access Memories from Korea	
Complainant:	Korea
Respondent:	Japan
Circulation of Panel Report: 13 July 2007 Circulation of Appellate Body Report: 28 November 2007 Reports adopted: 17 December 2007	
<p>At the DSB meeting of 15 January 2008, Japan announced its intention to implement the recommendations and rulings of the DSB in a manner consistent with its WTO obligations. In that regard, Japan stated it was prepared to consult with Korea to reach an agreement on the reasonable period of time. On 25 February 2008, Korea requested that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) (Surveillance of Implementation of Recommendations and Rulings) of the DSU. On 5 May 2008 the arbitration award was circulated to WTO members. The arbitrator determined that the reasonable period of time for Japan to implement the recommendations and rulings of the DSB was eight months and two weeks from the date of the adoption of the Panel and Appellate Body reports. The reasonable period of time expired on 1 September 2008.</p> <p>On 9 September 2008, Japan and Korea notified the DSB of Confirmed Procedures under Articles 21 and 22 (Compensation and the Suspension of Concessions) of the DSU. Also, on 9 September 2008, Korea requested the establishment of a compliance panel. At its meeting on 23 September 2008 the DSB agreed to refer the question of whether Japan had complied with the DSB recommendations and rulings to a compliance panel. China, Chinese Taipei, the European Communities and the United States reserved their third-party rights. On 8 October 2008 the compliance panel was composed.</p>	
Trade dispute:	WT/DS337
European Communities – Anti-Dumping Measure on Farmed Salmon from Norway	
Complainant:	Norway
Respondent:	European Communities
Circulation of Panel Report: 16 November 2007 Report adopted: 15 January 2008	



Dispute settlement

Norway made a complaint under the Anti-Dumping Agreement and Article VI (Anti-dumping and Countervailing Duties) of the GATT 1994 against the European Communities' imposition of its anti-dumping measure on farmed salmon from Norway pursuant to Council Regulation (EC) No. 85/2006 of 17 January 2006. Norway presented a number of claims of WTO-inconsistency encompassing almost all aspects of the European Communities' investigation and measure.

The Panel rejected the entirety of Norway's claims in respect of the identification of the product under consideration, concluding that Articles 2.1 and 2.6 (Determination of Dumping) of the Anti-Dumping Agreement did not require the European Communities to have defined the product under consideration to include only products that are all 'like'.

The Panel also concluded that nor do these Articles establish an obligation on investigating authorities to ensure that, where the product under consideration is made up of categories of products, all such categories of products are individually 'like' each other, thereby constituting a single 'product'. The Panel found that the exclusion of certain categories of economic operators from the definition of the domestic industry resulted in an investigation concerning a domestic industry that did not comport with the definition set forth in Article 4.1 (Definition of Domestic Industry) of the Anti-Dumping Agreement and found consequential violations of Article 5.4 (Initiation and Subsequent Investigation) and Articles 3.1, 3.2 and 3.5 (Determination of Injury) of the Anti-Dumping Agreement. The Panel concluded that sampling is not prohibited in injury analysis.

The Panel considered 27 separate claims concerning technical issues regarding calculations of the margin of dumping. The Panel upheld 14 of Norway's claims, while rejecting eight other claims made by Norway. The Panel's rulings clarified, among other things, the investigating authority's (IA) power to limit its anti-dumping investigation to a sample, rules governing determination of constructed normal value including various cost adjustments, rules governing determination of the amounts for SG&A (selling, general and administrative) costs and profits, reliance on 'facts available', and the basis for determining the margins of dumping for non-investigated cooperating companies.

The Panel considered claims relating to injury and causation and found violations under Articles 3.1, 3.2, 3.4 and 3.5 of the Anti-Dumping Agreement despite having concluded that the determinations were necessarily flawed as a result of the violations already found. Its rulings clarified, among other things, the treatment of certain imports as dumped for purposes of injury analysis, the obligation on the IA to consider arguments presented and the requirement to address other causes of injury.

With respect to the remedies imposed on dumped products, the Panel found that the European Communities had erred in its calculation of the amounts of minimum import prices imposed, thus failing to ensure that anti-dumping duties were collected in the 'appropriate amounts', in violation of Articles 9.2 and 9.4(ii) (Imposition and Collection of Anti-dumping Duties) of the Anti-Dumping Agreement. The Panel, however, rejected additional claims under Articles 9.1, 9.2 and 9.3 of the Anti-Dumping Agreement and Article VI:2 of the GATT 1994.

On the procedural aspects of the investigation, the Panel upheld Norway's claim that the IA had acted inconsistently with Article 6.4 (Evidence) of the Anti-Dumping Agreement by failing to provide timely opportunities for interested parties to see certain information before the IA, although it rejected other claims alleging a right to see confidential information, disclosure of essential facts and the contents of public notices under Articles 12.2 and 12.2.2 (Public Notice and Explanation of Determinations) of the Anti-Dumping Agreement.

Further trade disputes involving these countries can be seen on the following pages:

Brazil

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European Communities

74, 77, 80, 81, 84, 86, 87

Japan

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Trade dispute:	WT/DS339, WT/DS340, WT/DS342
China – Measures Affecting Imports of Automobile Parts	
Complainants: European Communities (DS339), United States (DS340), Canada (DS342)	
Respondent: China	
Circulation of Panel Report: 18 July 2008 Circulation of Appellate Body Report: 15 December 2008 Adoption of Reports: 12 January 2009	
<p>The dispute concerned three legal instruments enacted by China that imposed: a 25 per cent 'charge' on imported auto parts "characterized as complete motor vehicles" based on specified criteria; and prescribed administrative procedures associated with the imposition of that charge.</p> <p>The Appellate Body upheld the Panel's characterization of the charge as an "internal charge" under Article III:2 (National Treatment on Internal Taxation and Regulation) of the GATT 1994, rather than as an "ordinary customs duty" under Article II:1(b) (Schedules of Concessions) of the GATT 1994, because, after considering the characteristics of the measure, the Panel had correctly ascribed legal significance to various factors, including the fact that the obligation to pay the charge accrued <i>internally</i>, after the auto parts entered China and were produced/assembled into motor vehicles. The Appellate Body rejected China's argument that the Harmonized System (HS) serves as relevant context for determining this threshold issue.</p> <p>The Appellate Body upheld the Panel's finding that the measures violated Article III:2 of the GATT 1994 because they imposed an internal charge on imported auto parts that was not imposed on 'like' domestic auto parts. The Appellate Body also upheld the Panel's finding under Article III:4 because, under these measures, imported parts were given less favourable treatment than like domestic auto parts. This less favourable treatment included subjecting only imported parts to additional administrative procedures. In an issue not appealed to the Appellate Body, the Panel also rejected China's defence of its measures under Article XX(d) (General Exceptions) of the GATT 1994 in the event that the Panel found that they violated Article III or Article II of the GATT 1994. The Panel found that China had not proven that the measures were "necessary to secure compliance" with its Schedule of Commitments.</p> <p>The Panel had also made alternative findings that even if the 'charge' were an ordinary customs duty rather than an internal charge, it would be inconsistent with Articles II:1(a) and (b) of the GATT 1994 because it corresponded to the tariff rate for motor vehicles (25 per cent), in excess of the applicable tariff rate for auto parts (10 per cent) under China's Schedule. The Appellate Body found it unnecessary to review these alternative findings as it had upheld the Panel's categorization of the charge as an internal charge under Article III:2 of the GATT 1994.</p> <p>With respect to the treatment of imports of CKD (completely knocked down) and SKD (semi-knocked down) motor vehicle kits, the Panel rejected the complainants' claim that China violated Article II:1(b) of the GATT 1994 by classifying such kits as motor vehicles because the term "motor vehicles" in China's Schedule could be interpreted to include such kits.</p> <p>At the time of its accession to the WTO, China did not have separate tariff lines for CKD and SKD kits. However, in paragraph 93 of its Accession Working Party Report, it committed that, if it adopted such tariff lines, it would specify tariff rates of no more than 10 per cent for such kits. The Panel accepted claims by Canada and the United States that China's measures violated this commitment, but its findings were reversed on appeal. The Appellate Body found that the Panel had erred in construing the measures as imposing an ordinary customs duty on imports of such kits when, in its earlier analysis of the complainants' claims with respect to Article III of the GATT, the Panel had treated the 'charge' imposed on imported auto parts as an internal charge.</p>	



Trade dispute:

WT/DS341

Dispute settlement

Mexico – Definitive Countervailing Measures on Olive Oil from the European CommunitiesComplainant: **European Communities**Respondent: **Mexico**

Circulation of Panel Report: 4 September 2008

Report adopted: 21 October 2008

The dispute concerns countervailing measures imposed in August 2005 by Mexico on imports of olive oil from the European Communities.

The European Communities made a number of claims regarding the investigation carried out by the Mexican authorities. The Panel upheld two of the EC claims. It found that the requirement in Article 11.11 (Initiation and Subsequent Investigation) of the Subsidies and Countervailing Measures (SCM) Agreement that investigations shall in no case last longer than 18 months was unequivocal, and that Mexico had exceeded this time limit. The Panel also found that Mexico had failed to comply with the requirement in Article 12.4.1 (Evidence) of the SCM Agreement to require interested parties to submit non-confidential summaries of confidential information, or in exceptional circumstances, to explain why summarization is impossible. Blanket statements are insufficient for such explanations.

The Panel found, however, that the European Communities had not established under Article 12.8 of the SCM Agreement that Mexico's investigating authority had failed to disclose the essential facts as required by that Article, nor that Mexico had infringed the requirement in Article 13.1 (Consultations) of the SCM Agreement to invite the exporting members for consultations prior to initiation.

With respect to the substantive claims, the Panel upheld one of the European Communities' claims and found that it had not established the rest. Specifically, the Panel found that by examining data from three discontinuous periods in the injury investigation, Mexico had not complied with the requirement in Article 15.1 (Determination of Injury) of the SCM Agreement that its injury determination be made pursuant to an objective examination of positive evidence. Given this finding, the Panel exercised judicial economy on the European Communities' additional claims under Articles 15.1 and 15.4.

The Panel did find that the European Communities had not demonstrated any violation of Article 15.5 because Mexico provided reasoned and adequate explanations of its conclusions with respect to causation, in particular that the evidence relied upon and the explanations provided by Mexico reasonably and adequately support its conclusions that the other known factors did not contribute to injury experienced by the domestic industry.

The European Communities claimed that Article 1 (Definition of a Subsidy) and Article 14 (Calculation of the Amount of the Subsidy in Terms of the Benefit to the Recipient) of the SCM Agreement, which define a subsidy and provide guidance on how to calculate the benefit to the recipient in particular situations, required Mexico to conduct a "pass-through" analysis to determine how much of the subsidy granted to the olive oil was actually contained in the exported product, which had been the subject of a series of arm's-length transactions prior to exportation.

The Panel found that the requirement to conduct a pass-through analysis was not found in the provisions cited by the European Communities in its claim. The Panel also held that even if there were such a requirement in these provisions, the investigating authority's conclusion was reasonable that under the facts of the investigation, no pass-through analysis was required.

As part of its claims in this dispute, the European Communities asserted that to constitute a domestic industry within the meaning of the SCM Agreement, the applicant(s) must be a "producer". The EC also asserted that to qualify as a "producer", it is necessary that an enterprise be producing actual output at or near the time of filing the application and during the investigation period for determining the existence of subsidization. The

Further trade disputes involving these countries can be seen on the following pages:

Canada

77, 84, 88

China

84, 86, 88

European Communities

74, 77, 78, 79, 84, 86, 87

Mexico

83, 84

United States

74, 75, 77, 82, 83, 84, 86, 87



European Communities argued that because the applicant in the olive oil investigation was not a producer, the initiation was improper because the application had not been 'by or on behalf of the domestic industry' as required by the SCM Agreement. The EC argued that Mexico had not properly made a determination that the domestic industry was being injured as required by Article VI:6(a) (Anti-dumping and Countervailing Duties) of the GATT 1994 and Article 15 (Determination of Injury) of the SCM Agreement.

The Panel found that such an interpretation had no basis in the ordinary meaning of the Agreement, given its context and in light of the object and purpose of the treaty. The Panel considered that to be a producer of a good, an enterprise must be in the business of producing that good, but that the Agreement contains no specific rules as to when exactly such production must occur. The European Communities thus did not establish that the initiation of the investigation and the injury determination were flawed because there was no domestic industry.

Trade dispute:

WT/DS343, WT/DS345

**United States – Measures Relating to Shrimp from Thailand;
United States – Customs Bond Directive for Merchandise Subject to
Anti-Dumping/Countervailing Duties**

Complainants: **Thailand (DS343), India (DS345)**

Respondent: **United States**

Circulation of Panel Reports: 29 February 2008

Circulation of Appellate Body Report: 16 July 2008

Reports adopted: 1 August 2008

Both cases concerned the enhanced continuous bond requirement (EBR) imposed by United States Customs beginning 1 February 2005 on frozen warm-water shrimp. The complainants in these disputes challenged the WTO-consistency of the EBR. Before the Panel, the complainants argued that the EBR was not consistent with Article 18.1 (Final Provisions) of the Anti-Dumping Agreement, which prohibits WTO members from taking "specific action against dumping ... except in accordance with the provisions of GATT 1994", as interpreted by the Anti-Dumping Agreement.

The United States responded that the EBR did not constitute "specific action against dumping" and that, in any event, it was "in accordance" with Article VI (Anti-dumping and Countervailing Duties) of the GATT 1994, and in particular, the Ad Note to Articles VI:2 and VI:3 to the GATT 1994 (the 'Ad Note') since the EBR constituted "reasonable security". In addition, Thailand claimed that the United States acted inconsistently with Article 2.4.2 (Determination of Dumping) of the Anti-Dumping Agreement by using zeroing when combining the results of multiple comparisons in the original anti-dumping investigation related to shrimp.

The Panel found that the EBR, as applied to frozen warm-water shrimp, constituted "specific action against dumping" which was not "in accordance with the GATT 1994", under Article 18.1 of the Anti-Dumping Agreement, since it was not a "reasonable security" within the meaning of the Ad Note. Despite the Panel's overall conclusion that the EBR, as applied, was WTO-inconsistent, Thailand and India each appealed certain legal issues and the United States in turn cross-appealed certain issues. The United States did not contest Thailand's claim under Article 2.4.2 of the Anti-Dumping Agreement, and the Panel upheld Thailand's claim under that Article.

In the appeal, the Appellate Body followed the Panel's approach in considering first whether the EBR had been taken "in accordance with the provisions of the GATT 1994", in particular, GATT Ad Article VI, paragraphs 2 and 3. The Appellate Body first determined the temporal scope of the Ad Note, and agreed with the Panel that the phrase "pending final determination of the facts in any case of suspected dumping" authorizes the taking of reasonable security after the imposition of an anti-dumping duty order, pending the determination of the final liability for the payment of the anti-dumping duty.



Dispute settlement

In order to determine the reasonableness of security, the Appellate Body developed a two-step test: first, there should be a determination, resting upon a rational and sufficient evidentiary basis, that the margins of dumping of exporters are likely to increase, so that there is significant additional liability to be secured. Next, there must be a determination of whether the security is commensurate with the magnitude of the non-payment risk. In this case, the Appellate Body upheld the Panel's conclusion that the EBR was not reasonable because the evidence was insufficient to demonstrate that there was a likelihood of an increase in margins of dumping for shrimp.

With respect to the United States' defence under Article XX(d) (General Exceptions) of the GATT 1994, the Appellate Body also upheld the Panel's finding that the EBR is not "necessary" to secure compliance with certain United States "laws and regulations" governing the final collection of anti-dumping duties since the United States had not demonstrated that the margins of dumping were likely to increase resulting in significant additional unsecured liability. Consequently, the Appellate Body did not find it necessary to express a view whether a defence under this provision was available for a measure that had been found to be inconsistent with Article 18.1 of the Anti-Dumping Agreement and Ad Article VI of the GATT 1994. The Panel's findings under Article 2.4.2 of the Anti-Dumping Agreement were not appealed.

Trade dispute: WT/DS344

United States – Final Anti-Dumping Measures on Stainless Steel from Mexico

Complainant: **Mexico**
Respondent: **United States**

Circulation of Panel Report: 20 December 2007
Circulation of Appellate Body Report: 30 April 2008
Reports adopted: 20 May 2008

The dispute is one in a series of disputes that have concerned a methodology commonly referred to as "zeroing". Under this methodology, when calculating a margin of dumping for a product on the basis of comparisons of normal value and export prices, the United States Department of Commerce (USDOC) treats the results of comparisons, for which the export price exceeds normal value, as zero.

The Panel had found that "simple zeroing in periodic reviews" – that is, zeroing in the context of calculating a margin of dumping by comparing prices of individual export transactions with monthly weighted average normal values – was not inconsistent with Articles VI:1 and VI:2 (Anti-dumping and Countervailing Duties) of the GATT 1994 and Articles 2.1, 2.4 (Determination of Dumping), and Article 9.3 (Imposition and Collection of Anti-dumping Duties) of the Anti-Dumping Agreement. In reaching its conclusion, the Panel decided not to follow the legal interpretations adopted by the Appellate Body in previous zeroing cases: *US – Zeroing (Japan)* and *US – Zeroing (EC)*.

The Appellate Body reversed all of the Panel's findings that were appealed and found instead that simple zeroing in periodic reviews is inconsistent in the periodic reviews at issue, in this case with the United States' obligations under Article VI:2 of the GATT 1994 and Article 9.3 of the Anti-Dumping Agreement. The Appellate Body explained that simple zeroing results in the levy of an amount of anti-dumping duties that exceeds the exporter's or foreign producer's margin of dumping – which operates as a ceiling for the amount of anti-dumping duties that can be levied in respect of the sales made by an exporter. Having reversed all the findings of the Panel that were appealed, the Appellate Body found it unnecessary, for purposes of resolving the dispute, to make additional findings under Article VI:1 of the GATT 1994 and Articles 2.1 and 2.4 of the Anti-Dumping Agreement.

In its appeal, Mexico claimed that the Panel had failed to discharge its responsibilities under Article 11 (Function of Panels) of the DSU by making findings that "directly contradict[ed]" those in previous Appellate Body reports adopted by the DSB. In its consideration of this issue, the Appellate Body recalled that Appellate Body reports are not binding, except with respect to resolving the particular dispute between the parties.

Further trade disputes involving these countries can be seen on the following pages:

India
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Mexico
81, 84
Thailand
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United States
74, 75, 77, 80, 84, 86, 87



Dispute settlement

The Appellate Body emphasized, however, that this does not mean that subsequent panels are free to disregard the legal interpretations and reasoning contained in previous Appellate Body reports that have been adopted by the DSB. The legal interpretations embodied in adopted Panel and Appellate Body reports become part and parcel of the body of WTO law accumulated to date. The Appellate Body added that ensuring “predictability” in the dispute settlement system, as contemplated in Article 3.2 (General Provisions) of the DSU, implies that, absent cogent reasons, an adjudicatory body will resolve the same legal question in the same way in a subsequent case.

Although expressing concern about the Panel's decision to depart from well-established Appellate Body jurisprudence clarifying the interpretation of the same legal issues, and having reversed all of the Panel's findings that had been appealed, the Appellate Body did not make an additional finding that the Panel also failed to discharge its duties under Article 11 of the DSU.

At the DSB meeting on 2 June 2008 the United States notified the DSB that it intended to comply with its WTO obligations and stated that it would need a reasonable period of time for implementation. On 11 August 2008, Mexico requested that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) (Surveillance of Implementation of Recommendations and Rulings) of the DSU. On 31 October 2008 the arbitration award was circulated to WTO members. The arbitrator determined that the reasonable period of time for the United States to implement the DSB recommendations and rulings was 11 months plus 10 days from the date of adoption of the Panel and Appellate Body reports. The reasonable period of time was set to expire on 30 April 2009.

Trade dispute: WT/DS354

Canada – Tax Exemptions and Reductions for Wine and Beer

Complainant: **European Communities**
Respondent: **Canada**

On 17 December 2008 the European Communities and Canada informed the DSB of a mutually agreed solution under Article 3.6 (General Provisions) of the DSU. The mutually agreed solution entails the reduction, on a most-favoured nation basis, of applied customs duties on certain products imported into Canada.

Trade dispute: WT/DS359

China – Certain Measures Granting Refunds, Reductions or Exemptions from Taxes and other Payments

Complainant: **Mexico**
Respondent: **China**

Panel established: 31 August 2007

On 7 February 2008, China and Mexico informed the DSB that they had reached an agreement in relation to this dispute, in the form of a Memorandum of Understanding.

Trade dispute: WT/DS360

India – Additional and Extra-Additional Duties on Imports from the United States

Complainant: **United States**
Respondent: **India**

Circulation of Panel Report: 9 June 2008
Circulation of Appellate Body Report: 30 October 2008
Reports adopted: 17 November 2008



The dispute concerns a complaint brought by the United States against two specific border measures imposed by India on imports of certain products entering its customs territory. In particular, the United States challenged the "Additional Duty" imposed by India on imports of alcoholic liquor for human consumption (beer, wine, and distilled spirits, collectively "alcoholic beverages") and the "Extra-Additional Duty" imposed by India on imports of a wider range of products, including certain agricultural and industrial products as well as alcoholic beverages.

The Appellate Body reversed the Panel's finding that the United States had failed to establish that the Additional Duty and the Extra-Additional Duty were inconsistent with Articles II:1(a) and II:1(b) (Schedules of Concessions) of the GATT 1994 and explained that it did not see a textual or other basis for the Panel's conclusion that "inherent discrimination" is a relevant or necessary feature of charges covered by Article II:1(b).

The Appellate Body further found that the Panel erred in its interpretation of the two elements of Article II:2(a), that is "equivalence" and "consistency with Article III:2 (National Treatment on Internal Taxation and Regulation) of the GATT 1994". In particular, the Appellate Body disagreed with the Panel's conclusion that the term "equivalent" does not require any quantitative comparison of the charge and internal tax. Instead, the Appellate Body considered that the term "equivalent" calls for a comparative assessment that is both qualitative and quantitative in nature. Moreover, the Appellate Body clarified that the element of "consistency with Article III:2" must be read together with, and imparts meaning to, the requirement that a charge and a tax be "equivalent".

The Appellate Body considered that the Additional Duty and Extra-Additional Duty would be inconsistent with Article II:1(b) of the GATT 1994 to the extent that they would result in the imposition of duties in excess of those set forth in India's Schedule of Concessions.

Trade dispute: WT/DS367

Australia – Measures Affecting the Importation of Apples from New Zealand

Complainant: **New Zealand**

Respondent: **Australia**

Panel established: 12 March 2008

At the DSB meeting on 21 January 2008 a panel was established to examine measures imposed by Australia on the importation of apples from New Zealand, which New Zealand alleges are inconsistent with Australia's obligations under the Sanitary and Phytosanitary Measures (SPS) Agreement. Chile, the European Communities, Japan, Chinese Taipei, Pakistan and the United States reserved their third-party rights.

On 3 March 2008, New Zealand requested the Director-General to compose the Panel. On 12 March 2008 the Director-General composed the Panel. On 19 September 2008 the Chair of the Panel informed the DSB that due to the nature and scope of the dispute, including the Panel's decision to seek scientific and technical expert advice pursuant to Article 11 (Consultations and Dispute Settlement) of the SPS Agreement and Article 13 (Right to Seek Information) of the DSU, the Panel would not be able to issue its report within six months. The Panel expected to issue its final report to the parties by July 2009.

Trade dispute: WT/DS371

Thailand – Customs and Fiscal Measures on Cigarettes from the Philippines

Complainant: **Philippines**

Respondent: **Thailand**

Panel established: 17 November 2008

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

Canada

77, 80, 88

China

80, 86, 88

European Communities

74, 77, 78, 79, 80, 81, 86, 87

India

82

Mexico

81, 83

Thailand

82

United States

74, 75, 77, 80, 82, 83, 86, 87



Dispute settlement

On 7 February 2008 the Philippines requested consultations with Thailand concerning a number of Thai fiscal and customs measures affecting cigarettes from the Philippines. The Philippines claims that Thailand administers these measures in a manner that violates Article X:3(a) (Publication and Administration of Trade Regulations) of the GATT 1994.

In addition, the Philippines makes separate claims in respect of various customs valuation measures that affect imports of cigarettes. The Philippines claims that as a result of these measures, Thailand acts inconsistently with various provisions of the Customs Valuation Agreement. According to the Philippines, Thailand does not use the transaction value as the primary basis for customs valuation as required, and fails to conform to the sequence of valuation methods mandated by the Customs Valuation Agreement; instead, it uses a valuation method with no basis in the Agreement.

The Philippines also claims that Thailand's *ad valorem* excise tax, health tax and TV tax, on both imported and domestic cigarettes, are inconsistent with Article III:2 (National Treatment on Internal Taxation and Regulation) and Article X:1 of the GATT 1994 which requires the publication of trade laws and regulations of general application. The Philippines also claims that Thailand's VAT regime is inconsistent with Articles III:2, III:4 and X:1 of the GATT 1994.

On 29 September 2008 the Philippines requested the establishment of a panel. At its meeting on 17 November 2008 the DSB established a panel. Australia, China, Chinese Taipei, the European Communities, India and the United States expressed an interest in the case and reserved their third-party rights.

Trade dispute:

WT/DS372

China – Measures Affecting Financial Information Services and Foreign Financial Information Suppliers

Complainant: **European Communities**

Respondent: **China**

On 3 March 2008 the European Communities requested consultations with China concerning measures affecting financial information services and foreign financial information services suppliers in China, which it claimed were adversely affecting financial information services and foreign financial information services suppliers in China. The European Communities considered these measures were inconsistent with China's obligations under various provisions of the General Agreement on Trade in Services (GATS), the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement and China's Protocol of Accession.

On 4 December 2008, China and the European Communities informed the DSB that they had reached an agreement in relation to this dispute in the form of a Memorandum of Understanding.

Trade dispute:

WT/DS373

China – Measures Affecting Financial Information Services and Foreign Financial Information Suppliers

Complainant: **United States**

Respondent: **China**

On 3 March 2008 the United States requested consultations with China concerning measures affecting financial information services and foreign financial information services suppliers in China.

The United States contended that the measures accorded less favourable treatment to foreign information services and services suppliers than that accorded to Chinese financial information services and services suppliers, which were not affected by these requirements and restrictions. The United States also claimed that China was preventing foreign financial information services suppliers from establishing any commercial presence in China other than limited representative offices. The United States considered



that the measures were inconsistent with various provisions of the General Agreement on Trade in Services (GATS), China's schedule of obligations under the GATS, and China's Protocol of Accession.

On 4 December 2008, China and the United States informed the DSB that they had reached an agreement in relation to this dispute in the form of a Memorandum of Understanding.

Trade dispute: WT/DS374

South Africa – Anti-Dumping Measures on Uncoated Wood-free Paper

Complainant: **Indonesia**
Respondent: **South Africa**

On 9 May 2008, Indonesia requested consultations with South Africa on its continued imposition of definitive anti-dumping measures on imports of uncoated wood-free white A4 paper from Indonesia.

Indonesia claimed that the failure by South Africa to terminate the anti-dumping measure imposed on imports of uncoated wood-free white A4 paper from Indonesia was inconsistent with South Africa's obligations under Article 11.3 (Duration and Review of Anti-dumping Duties and Price Undertakings) of the Anti-Dumping Agreement to terminate anti-dumping measures no later than five years following the date of their imposition, unless a determination is made in a properly conducted sunset review that expiry would be likely to lead to the continuation or recurrence of dumping and injury.

Indonesia claimed that, to the extent that the sunset review initiated by South Africa on 2 April 2004 could be considered as still ongoing, the failure of South Africa to conclude the review was inconsistent with the obligations of South Africa under Article 11.4 of the Anti-Dumping Agreement to conclude sunset reviews expeditiously and normally within 12 months.

On 20 November 2008, Indonesia informed the DSB that South Africa had promulgated an amendment to the Schedule of the Customs and Excise Act withdrawing the anti-dumping measures imposed on uncoated wood-free white A4 paper from Indonesia with retrospective effect from 27 November 2003. As the anti-dumping measures had been terminated, Indonesia withdrew its request for consultations.

Trade dispute: WT/DS375, WT/DS376, WT/DS377

European Communities and its member states – Tariff Treatment of Certain Information Technology Products

Complainant: **United States (DS375), Japan (DS376), Chinese Taipei (DS377)**
Respondent: **European Communities and its member states**

The United States and Japan on 28 May 2008 and Chinese Taipei on 12 June 2008 requested consultations with the European Communities and its member states with respect to their tariff treatment of certain information technology products.

The United States, Japan and Chinese Taipei claim that the tariff treatment which the European Communities and its member states accord to certain information technology products does not respect their commitments to provide duty-free treatment for these products under the Information Technology Agreement (ITA) in that duties are imposed on these products contrary to their scheduled duty-free tariff concessions arising from the ITA.

The United States, Japan and Chinese Taipei assert that a number of EC customs classification legal instruments, alone or in combination with Council Regulation (EEC) No. 2658/87 of 23 July 1987, appear to be inconsistent with the European Communities' and its member states' obligations under Articles II:1(a) and II:1(b) (Schedules of Concessions) of the GATT 1994 and their Schedules.

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

China
80, 84, 88

European Communities
74, 77, 78, 79, 80, 81, 84

Japan
78

United States
74, 75, 77, 80, 82, 83, 84

The United States and Chinese Taipei also claim that the publication of certain amended explanatory notes in the EC Official Journal after their application by its member states is inconsistent with the European Communities' obligations under Articles X:1 and X:2 (Publication and Administration of Trade Regulations) of the GATT 1994.

On 19 August 2008 the United States, Japan and Chinese Taipei jointly requested the establishment of a panel. At its meeting on 23 September 2008 the DSB established a panel. Australia; Brazil; China; Costa Rica; Hong Kong, China; India; Korea; the Philippines; Singapore; Thailand; Turkey and Viet Nam expressed an interest in the case and reserved their third-party rights.

Trade dispute:

WT/DS378

China – Measures Affecting Financial Information Services and Foreign Financial Information Suppliers

Complainant: **Canada**

Respondent: **China**

On 20 June 2008, Canada requested consultations with China with respect to measures affecting financial information services and foreign financial information services suppliers in China.

According to Canada, these measures accord less favourable treatment to foreign financial information suppliers than that accorded to Chinese financial information services and services suppliers which are not affected by these requirements and restrictions. Canada also claimed that China was preventing foreign financial information services suppliers from establishing any commercial presence in China other than limited representative offices. Canada considered that the measures at issue were inconsistent with Article XVI (Market Access), Article XVII (National Treatment) and Article XVIII (Additional Commitments) of the General Agreement on Trade in Services (GATS), China's Schedule of obligations under the GATS, and China's Accession Protocol.

On 4 December 2008, China and Canada informed the DSB that they had reached an agreement in relation to this dispute in the form of a Memorandum of Understanding.



Requests for consultations		
Dispute	Complainant	Date of request
Thailand – Customs Valuation of Certain Products from the European Communities (WT/DS370)	European Communities	25 January 2008
United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China (WT/DS379)	China	19 September 2008
India – Certain Taxes and other Measures on Imported Wines and Spirits (WT/DS380)	European Communities	22 September 2008
United States – Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products (WT/DS381)	Mexico	24 October 2008
United States – Anti-Dumping Administrative Reviews and other Measures Related to Imports of Certain Orange Juice from Brazil (WT/DS382)	Brazil	27 November 2008
United States – Anti-Dumping Measures on Polyethylene Retail Carrier Bags from Thailand (WT/DS383)	Thailand	26 November 2008
United States – Certain Country of Origin Labelling (COOL) Requirements (WT/DS384)	Canada	1 December 2008
European Communities – Expiry Reviews of Anti-Dumping and Countervailing Duties imposed on Imports of PET from India (WT/DS385)	India	4 December 2008
United States – Certain Country of Origin Labelling Requirements (WT/DS386)	Mexico	17 December 2008
China – Grants, Loans and other Incentives (WT/DS387)	United States	19 December 2008
China – Grants, Loans and other Incentives (WT/DS388)	Mexico	19 December 2008

Dispute settlement



Background

The Appellate Body consists of seven members appointed by the Dispute Settlement Body (DSB). Each member is appointed for a term of four years, with the possibility of being reappointed for one further four-year term. An appeal of a panel's ruling is heard by three members of the Appellate Body.

Appellate Body

Thirteen appeals of panel reports were filed with the Appellate Body in 2008, out of a total of 15 reports that could have been appealed. Ten of these appeals related to original proceedings. Three appeals related to panel proceedings under Article 21.5 (Determination of compliance) of the Dispute Settlement Understanding (DSU), involving cases where the two parties disagreed whether a panel's original ruling had been implemented or not.

A full list of appeals filed in 2008 is provided in Table 1.

Table 1: Appeals filed in 2008

Panel reports appealed	Date of appeal	Appellant ^a	Other appellant ^b	Date of circulation of Appellate Body Report	Date adopted by the DSB
<i>US – Stainless Steel (Mexico)</i> , DS344	31 Jan 2008	Mexico	–	30 April 2008	20 May 2008
<i>US – Upland Cotton (Article 21.5 – Brazil)</i> , DS267	12 Feb 2008	United States	Brazil	2 June 2008	20 June 2008
<i>US – Shrimp (Thailand)</i> , DS343	17 Apr 2008	Thailand	United States	16 July 2008	1 Aug 2008
<i>US – Customs Bond Directive</i> , DS345	17 Apr 2008	India	United States	16 July 2008	1 Aug 2008
<i>US – Continued Suspension</i> , DS320	29 May 2008	European Communities	United States	16 Oct 2008	14 Nov 2008
<i>Canada – Continued Suspension</i> , DS321	29 May 2008	European Communities	Canada	16 Oct 2008	14 Nov 2008
<i>India – Additional Import Duties</i> , DS360	1 Aug 2008	United States	India	30 Oct 2008	17 Nov 2008
<i>EC – Bananas III (Article 21.5 – Ecuador II)</i> , DS27	28 Aug 2008	European Communities	Ecuador	26 Nov 2008	11 Dec 2008
<i>EC – Bananas III (Article 21.5 – US)</i> , DS27	28 Aug 2008	European Communities	–	26 Nov 2008	22 Dec 2008
<i>China – Auto Parts (EC)</i> , DS339	15 Sept 2008	China	–	15 Dec 2008	12 Jan 2009
<i>China – Auto Parts (US)</i> , DS340	15 Sept 2008	China	–	15 Dec 2008	12 Jan 2009
<i>China – Auto Parts (Canada)</i> , DS342	15 Sept 2008	China	–	15 Dec 2008	12 Jan 2009
<i>US – Continued Zeroing</i> , DS350	6 Nov 2008	European Communities	United States	4 Feb 2009	19 Feb 2009

^a Pursuant to Rule 20 of the Working Procedures for Appellate Review.

^b Pursuant to Rule 23(1) of the Working Procedures for Appellate Review.

Appellate proceedings were consolidated in *US – Shrimp (Thailand)* and *US – Customs Bond Directive*; *US – Continued Suspension* and *Canada – Continued Suspension*; *EC – Bananas III (Article 21.5 – Ecuador II)* and *EC – Bananas III (Article 21.5 – US)*; and *China – Auto Parts (EC)*, *China – Auto Parts (US)*, and *China – Auto Parts (Canada)*. Further information about the Appellate Body and appellate proceedings in 2008 may be found in the Appellate Body's *Annual Report for 2008*.



Appellate Body members

At the end of 2008, the seven Appellate Body members were:

- Luiz Olavo Baptista (Brazil)
- Lilia Bautista (Philippines)
- Jennifer Hillman (United States)
- Shotaro Oshima (Japan)
- Giorgio Sacerdoti (Italy)
- David Unterhalter (South Africa)
- Yuejiao Zhang (China).

Luiz Olavo Baptista served as Chair of the Appellate Body from 18 December 2007 to 17 December 2008. On 15 December 2008, Appellate Body members elected David Unterhalter to serve as Chair of the Appellate Body from 18 December 2008 to 11 December 2009.

The second terms of office of A. V. Ganesan (India) and Georges Abi-Saab (Egypt) expired on 31 May 2008. They were replaced by Shotaro Oshima and Yuejiao Zhang, who began their terms of office on 1 June 2008. Mr Oshima and Ms Zhang were sworn in on 20 May 2008.

On 12 November 2008, Mr Baptista informed the Chair of the Dispute Settlement Body that, owing to health reasons, he was compelled to resign from the office of Appellate Body member. His resignation became effective on 11 February 2009.

New members

Born in Japan on 20 September 1943, Shotaro Oshima is a law graduate from the University of Tokyo. He was a diplomat in the Japanese Foreign Service until March 2008, when he retired after 40 years of service, his last overseas posting being Ambassador to the Republic of Korea.

From 2002 to 2005, Mr Oshima was Japan's Permanent Representative to the WTO, during which time he served as Chair of the General Council and of the Dispute Settlement Body. Prior to his time in Geneva, he served as Deputy Foreign Minister responsible for economic matters and was designated as Prime Minister Koizumi's Personal Representative to the G-8 Summit in Canada in June 2002. In the same year he served as the Prime Minister's Personal Representative to the United Nations World Summit on Sustainable Development in South Africa. From 1997 to 2000, he served as Director-General for Economic Affairs in the Ministry of Foreign Affairs, responsible for formulating and implementing major policy initiatives in Japan's external economic relations.

Since April 2008, he has been Visiting Professor at the Graduate School of Public Policy, University of Tokyo.

Yuejiao Zhang was born in China on 25 October 1944 and is Professor of Law at Shantou University in China. She is an arbitrator on China's International Trade and Economic Arbitration Commission. She also served as Vice-President of China's International Economic Law Society.

Ms Zhang served as a Board Director to the West African Development Bank from 2005 to 2007. Between 1998 and 2004, she held various senior positions at the Asian Development Bank (ADB), including as Assistant General Counsel, Co-Chair of the Appeal Committee, and Director-General of the ADB. Prior to this, she held several positions in government and academia in China, including as Director-General of Law and Treaties at the Ministry of Foreign Trade and Economic Cooperation (1984–1997), where she was involved in drafting many of China's trade laws. From 1987 to 1996, she was one of China's chief negotiators on intellectual property and was involved in the preparation of China's patent law, trademark law, and copyright law. She also served as the chief legal counsel for China's WTO accession.

Between 1982 and 1985, Ms Zhang worked as legal counsel at the World Bank. She was a member of the Governing Council of UNIDROIT (International Institute for the Unification of Private Law) from 1987 to 1999 and a Board Member of International Development Law Organization (IDLO) from 1988 to 1999. Ms Zhang has a Bachelor of Arts from China High Education College, a Bachelor of Arts from Rennes University of France, and a Master of Laws from Georgetown University Law Center.

Dispute settlement

Two new members of the Appellate Body began their terms of office in June 2008.

Building trade capacity

Building the trade capacity of developing countries through initiatives such as Aid for Trade was one of the major issues discussed by the Committee on Trade and Development in 2008. During the year, Aid for Trade focused on three clear priorities: improving monitoring; accelerating implementation of projects; and strengthening developing-country ownership of the initiative. A total of 496 training activities were provided for government officials.

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Small economies	95
Least-developed countries	96
Enhanced Integrated Framework for least-developed countries	97
Aid for Trade	99
Technical cooperation and training	100



Background

The Committee on Trade and Development (CTD) serves as the focal point for the coordination of all work on trade and development issues in the WTO. The Committee deals with a variety of development-related issues such as technical cooperation and training and notifications under the Enabling Clause, which allows developed members to give more favourable treatment to developing countries.

Trade and development

Capacity-building initiatives, market access for least-developed countries (LDCs) and the impact of the financial crisis on small, vulnerable economies were some of the issues discussed by the Committee on Trade and Development and its sub-committee on LDCs in 2008.

The Committee on Trade and Development (CTD) – meeting in Regular Session – held five formal meetings in 2008. It also held its first Dedicated Session on regional trade agreements (RTAs) to consider notifications of RTAs under the Enabling Clause. The Committee also considered issues relating to commodities, transparency for preferential trade arrangements (PTAs) and duty-free and quota-free (DFQF) market access for least-developed countries (LDCs). Discussions were also held on the WTO's technical assistance activities.

The report of the 41st Session of the Joint Advisory Group on the International Trade Centre (the joint agency of the WTO and the United Nations) was presented to the Committee. The CTD also considered a communication from China on the latest developments within the framework of the Forum on China-Africa Cooperation.

Notifications under the Enabling Clause

In 2008, WTO members made notifications under the Enabling Clause regarding the Generalized System of Preferences (GSP) schemes (i.e. programmes by developed countries granting preferential tariffs to imports from developing countries) of Norway and the United States. The CTD continued its consideration of the GSP notification from the European Communities.

Regarding RTAs, the Committee took note of the notification by China, made on behalf of the participating states of the Asia-Pacific Trade Agreement, concerning the Amendment to the First Agreement on Trade Negotiations among Developing Member Countries of the Economic and Social Commission for Asia and the Pacific (Bangkok Agreement). The Committee also considered issues concerning the requested change in the notification status of the Gulf Cooperation Council Customs Union to the Enabling Clause.

According to the provisions of the transparency mechanism for RTAs, newly notified RTAs under the Enabling Clause are to be considered by the CTD meeting in Dedicated Session. In this regard, the first Dedicated Session on RTAs was held in 2008 to consider the Egypt-Turkey Free Trade Agreement. RTAs notified under the Enabling Clause in 2008 included the Pakistan-Malaysia Agreement, the Pakistan-Sri Lanka Agreement, the South Asian Free Trade Agreement, the Agreement on Trade, Commerce and Transit between India and Bhutan and the Pacific Island Countries Trade Agreement.

Commodities

The Chair consulted with WTO members on how to further address the work on commodities in the CTD. In this regard, the United Nations Conference on Trade and Development (UNCTAD) made a presentation on its mandate on commodities and on the work that has been undertaken in this area since the UNCTAD XII Conference in April 2008. It was agreed that the agenda item concerning commodity issues would only be considered at future meetings if a member so requested, or if the Committee decided to invite a relevant international organization to make a presentation on commodities.



Building trade capacity

Preferential trade arrangements

The proponents of a transparency mechanism for preferential trade arrangements (PTAs) – Brazil, China, India and the United States – circulated a draft proposal in October 2008, which they introduced to the Committee. When reporting to the General Council in December 2008, the Chair requested a further extension until July 2009 for the CTD to consider the matter and report back for appropriate action, in view of the fact that certain issues remained to be settled.

Duty-free and quota-free market access for LDCs

Duty-free and quota free (DFQF) market access for least-developed countries (LDCs) remains a standing item on the CTD's agenda. Under this item, India introduced its Duty Free Tariff Preference (DFTP) Scheme for LDCs. The CTD conducted its third annual review of the implementation of the Hong Kong Decision on DFQF. A communication from the United States, providing information on the steps being taken to implement the Decision, was considered.

Technical cooperation and training

The WTO's technical assistance and training activities (see page 26) were discussed by the Committee. The CTD took note of the 2007 Annual Report on Technical Assistance and Training and the Technical Cooperation Audit Report for 2007. The former provides an overview of the WTO's technical assistance and training activities in 2007, while the latter evaluates these activities. The WTO Secretariat provided information on the status of implementation of the Biennial Technical Assistance and Training Plan for 2008 and 2009.

Small economies

In 2008 the Dedicated Session held one formal meeting. The WTO Secretariat prepared an updated paper to assist the Dedicated Session in monitoring the progress of small vulnerable economies' proposals in the relevant WTO bodies. The small, vulnerable economies (SVEs) also requested assistance from the Secretariat in analysing the impact of the current financial crisis on demand for SVE goods and services in key sectors, such as tourism and financial services, as well as the impact on the availability of trade finance and flows of official development assistance.

The Dedicated Session of the CTD will continue to monitor the situation in the Doha negotiations and the Secretariat will update the Committee on the latest developments. The Secretariat intends to respond to requests from SVEs to monitor the situation with respect to the financial crisis and its impact on their economies.



Background

The Committee on Trade and Development – in Dedicated Session – oversees the Work Programme on Small Economies. The CTD monitors the progress of proposals from small, vulnerable economies (SVEs) in the different WTO bodies.



Building trade capacity



Background

The Sub-Committee on Least-developed Countries (LDCs) is the dedicated platform in the WTO to address issues of specific concern and interest to LDCs. Following the Doha Ministerial Conference, a WTO Work Programme was adopted by members in February 2002. The Programme covers: (i) market access for LDCs; (ii) trade-related technical assistance and capacity-building initiatives for LDCs; (iii) accession of LDCs to the WTO; and (iv) LDC participation in the multilateral trading system.

Least-developed countries

The Sub-Committee on Least-developed Countries held three formal meetings in 2008. The main subjects considered were: (i) market access for LDCs; (ii) trade-related technical assistance and capacity-building initiatives for LDCs; and (iii) accession of LDCs to the WTO.

Market access for LDCs

Market access for LDCs was considered at all the meetings of the Sub-Committee. The Secretariat prepared detailed background notes on market-access issues for LDCs, including information on recent trends in LDC trade, market-access conditions in developed and developing country markets, and information on recent market-access initiatives undertaken in favour of LDCs.

In 2008, the Sub-Committee gave special attention to the area of trade in services, with particular relevance to LDCs. It completed its consideration of the two Secretariat notes prepared in 2007 relating to "Market Access Issues for Least-developed Countries in the Area of Trade in Services". These documents contain statistics on service trade flows in LDCs, as well as information on their service sector reforms.

The Sub-Committee's work on services was further advanced with a detailed presentation from the United Nations Conference on Trade and Development (UNCTAD) on its work related to LDC trade in services. The Sub-Committee will continue to host presentations from relevant international organizations that have undertaken service sector studies in the LDCs, with a view to enhancing WTO members' understanding of the various aspects of trade in services.

Another topical issue discussed in 2008, under the item on market access, was the issue of LDC trade in agricultural products. To facilitate discussions on this issue, the Secretariat prepared two documents containing information on trends in food and agricultural trade, causes of the recent rise in food prices and the impact of these rises on LDCs, and factors affecting the production and trade of agricultural products. The Sub-Committee will continue to follow developments in agriculture and food commodity prices, and their implications for LDC trade.

Technical assistance and capacity-building

The Sub-Committee regularly monitors the progress of the WTO's trade-related technical assistance (TRTA) and other capacity-building initiatives for LDCs, such as the Integrated Framework (see page 97) and the Standards and Trade Development Facility (STDF) (see page 35). The WTO Secretariat compiled a report on the technical assistance and training activities it has undertaken for LDCs. These activities represented 44 per cent of all the WTO's technical assistance in 2007, demonstrating that the LDCs continue to receive priority in the delivery of the WTO's TRTA.

The Chair of the Enhanced Integrated Framework (EIF) Interim Board reported twice on the status of the implementation of the EIF (see page 98). The STDF Secretariat made a progress report on the programme, in particular on developments relating to LDCs. As of October 2008, LDCs had benefited from 20 project preparation grants (PPGs), representing more than 60 per cent of the total value of PPGs being funded by the STDF. In addition, LDCs are beneficiaries of 15 projects which represent nearly 50 per cent of the total value of the projects being funded by the STDF.



Accession of LDCs to the WTO

The issue of LDC accessions received increased attention in 2008, in view of a request by the LDC Coordinator calling for a review of the implementation of the LDC Accession Guidelines. The Sub-Committee, following consultations between its Chair and WTO members, requested the Secretariat to prepare a detailed note on LDC accession to facilitate an in-depth discussion. As of October 2008, 12 LDCs (Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Lao PDR, Liberia, Samoa, São Tomé and Príncipe, Sudan, Vanuatu and Yemen), representing more than one-third of the ongoing accession negotiations, were at various stages of their accession process.

Other matters

The LDC Coordinator made a report on the LDC Trade Ministers' Meeting held in Maseru, Lesotho, from 27 to 29 February 2008. The Maseru Declaration adopted at that meeting sets out the position of LDCs in different areas of the Doha Development Agenda (DDA) negotiations, and forms the basis for LDC participation in the ongoing DDA negotiations. At the same meeting, the United Nations Industrial Development Organization (UNIDO) brought the Ministerial Declaration adopted at the LDC Ministerial Conference (Vienna, November 2007) to the attention of the Sub-Committee.

Enhanced Integrated Framework for LDCs

The Enhanced Integrated Framework (EIF) for least-developed countries started operations in the latter part of 2008.

Global governance

The Executive Director of the EIF Executive Secretariat took office in October 2008, thereby effectively establishing the EIF Executive Secretariat. The EIF Secretariat is housed in the WTO but reports to the EIF Board on policy and programme implementation issues and to the Director-General of the WTO on Secretariat administrative issues.

In 2008, the EIF Interim Board continued to be the key global decision-making body. It consists of representatives of LDCs, donors and the six IF agencies. It met regularly at the WTO in 2008 to bring the EIF into operation.

The United Nations Office for Project Services (UNOPS), which was selected as the EIF Trust Fund Manager in 2007, became fully operational in 2008, and has staff and offices operating in Geneva, Dakar, Nairobi and Bangkok. In 2008, funds started to flow into UNOPS. Agreements between each EIF donor and the Trust Fund Manager have been drawn up, agreed and put into operation. This has paved the way for initial transfers of fresh funds from the donors to the EIF Trust Fund, in accordance with the pledges made in September 2007 at the Pledging Conference in Stockholm (US\$ 250 million was pledged for the first five years of the EIF). Committed funds are continuing to flow in.

National governance

Many eligible LDCs have set up National Steering Committees and National Implementation Units around their EIF Focal Points, to coordinate activities related to the implementation of the EIF.

Preparation of projects for funding

In 2008, many eligible LDCs started to prepare project proposals with the help of the EIF's Programme Implementation Unit and, since October 2008, the EIF Executive Secretariat. EIF projects can be funded through different funding channels, such as the country's traditional donors ('Aid for Trade'), as well as through the EIF Trust Fund.

The EIF Trust Fund has two separate 'windows': Tier 1 and Tier 2. Tier 1 projects (institutional capacity-building) are intended to improve the capacity of the national EIF managers to manage the EIF process in their countries and thereby help make trade a core element of national development strategies. Tier 2 projects (designed to promote broader trade capacity-building and poverty reduction) aim to provide bridging money to jump-start activities identified as priorities in the EIF 'diagnostic' phase (known as the "Diagnostic Trade Integration Study" or DTIS).

Building trade capacity



Background

The Enhanced Integrated Framework (EIF) is an international partnership combining the efforts of the least-developed countries (LDCs) with those of the six core IF agencies (the International Monetary Fund, the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Development Programme, the World Bank and the WTO), donors and other development partners, such as UNIDO. The main aim of the EIF is to respond to the trade capacity-building needs of LDCs and enable them to become full and active players and beneficiaries of the multilateral trading system. The EIF is designed to be the predominant mechanism available to help LDCs map out their trade priorities and to present these as part of their national development strategies. As such, it is Aid for Trade in action for the LDCs.

Building trade capacity

The Enhanced Integrated Framework, which responds to the trade capacity-building needs of LDCs, became operational in late 2008.

Implementation

The EIF is not a new mechanism but an enhanced version of the IF which has existed since 1997. All beneficiaries of the IF are automatically beneficiaries of the EIF. In 2008, while work continued to make the enhanced IF operational, further progress was made in implementing the IF in the 45 LDCs which are already involved in the process.

In 2008, Cape Verde, Liberia, Niger, Sudan and the Solomon Islands validated their DTIS. These studies evaluate internal and external constraints on a country's integration into the world economy, and recommend areas where trade-related assistance (including productive capacity building and trade-related infrastructure) and policy actions can help the country overcome potential barriers. By validating the studies, the beneficiary countries give their full political support to the DTIS and to the EIF process in general.

In 2008, 35 LDCs had undertaken and validated a DTIS: Angola, Benin, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Ethiopia, Gambia, Guinea, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Solomon Islands, Sudan, Tanzania, Uganda, Vanuatu, Yemen and Zambia. A further nine LDCs are in the process of preparing a DTIS: Afghanistan, Democratic Republic of Congo, East Timor, Guinea Bissau, Haiti, Kiribati, Samoa, Togo and Tuvalu. A request from Equatorial Guinea to join the EIF is pending.

The EIF continued to collaborate in 2008 with other initiatives, such as the WTO's Standards and Trade Development Facility (see page 97).

EIF and Aid for Trade

In 2008, there was general recognition by the relevant parties that the EIF is one of the main channels available to the LDCs to implement the Aid for Trade Initiative (see page 98). The funding of actions identified by LDCs under the EIF is carried out through various channels. These include the EIF's own Trust Fund. More importantly, funding is provided through bilateral, regional or multilateral development partners active in respective IF-beneficiary LDCs. Funding is also provided through national budgets – especially in countries where assistance by development partners is largely delivered as budget support and where the country's financial state allows for government investment in trade development – and through private sector sources of funding.

Regarding the most important source of funding – bilateral, regional or multilateral development partners – the EIF serves as a tool to attract additional Aid for Trade resources. The bulk of the funding for the actions included in the DTIS – such as infrastructure projects – needs to come from the LDCs' development partners, over and above contributions from the EIF Trust Fund. The funding required to address the trade priorities listed in the Action Matrix of the DTIS, and which cannot be met from the EIF Trust Fund, can be sought from each country's development partner community.



Aid for Trade

In 2008 the Aid for Trade Initiative used the momentum from the First Global Review of Aid for Trade, held in November 2007, to focus on three clear priorities: improving monitoring of Aid for Trade flows and activities; accelerating the implementation of regional and national projects to build greater trade capacity; and strengthening developing-country ownership of Aid for Trade.

Activities in 2008

In 2008, the Committee on Trade and Development (CTD) held three formal sessions on Aid for Trade. The meetings focused on global monitoring, including updating the self-assessment questionnaires for donors and partner countries (these were sent out at the end of 2008), exploring ways of increasing the involvement of developing countries in Aid for Trade and identifying indicators to help benchmark progress in building trade capacity. A Symposium on Evaluation: Identifying Indicators for Monitoring Aid for Trade was held at the WTO on 15 and 16 September 2008.

In October the CTD focused on Aid for Trade projects being carried out through the WTO's Standards and Trade Development Facility (see page 35). This includes projects in Cambodia, Guatemala and Uganda, which have all received Aid for Trade assistance to help them meet sanitary and phytosanitary requirements in their key export markets.

Work continued on the preparation of national and sub-regional Aid for Trade reviews in collaboration with country officials, donors, regional development banks and other key stakeholders in the Asia and Pacific region, Africa, and Latin America and the Caribbean. The aim was to identify countries and regions which would undergo reviews in the course of 2009, and to demonstrate how Aid for Trade strategies can produce results.

Further efforts were made throughout the year to encourage the establishment of regional Aid for Trade networks, including representatives from the regional development banks, the Organisation for Economic Co-operation and Development, the World Bank, the UN Economic Commissions, the WTO, and leading donors active in the region. The aim of these networks is to assist countries and sub-regions in identifying Aid for Trade priorities and mobilizing the necessary resources.

Building trade capacity



Background

The Aid for Trade Initiative, launched in 2005, aims to help developing countries, particularly least-developed countries (LDCs), develop the trade-related skills and infrastructure that is needed to expand their trade. In the WTO, Aid for Trade matters are considered by the Committee on Trade and Development (CTD).

A symposium on monitoring Aid for Trade was held at the WTO in September 2008.

Building trade capacity



Background

The main aim of the WTO's trade capacity-building programme is to help beneficiary countries deal effectively with the many challenges of the multilateral trading system. The WTO's trade-related technical assistance (TRTA) programme contributes to multilateral efforts to enhance the delivery of Aid for Trade to developing countries and to improve the impact of this initiative (see page 96).

Technical cooperation and training

Following a recent evaluation of the trade-related technical assistance (TRTA) programme, a number of changes were introduced in 2008. A new vision for the programme was developed, with a view to enhancing its efficiency and impact.

First, eTraining – the WTO's online training course for government officials from developing countries – has been firmly placed at the core of the TRTA programme. Through eTraining, the WTO Secretariat has been able to ensure that participants in advanced WTO courses already have a full understanding of the fundamental WTO concepts and principles.

A second key element in the new approach to technical assistance (TA) is the strengthening of the regional dimension of TRTA. One of the main objectives is to ensure that in designing TA activities, specific national and regional issues are incorporated to ensure the relevance of the training and consistency with the countries' emerging priorities. This regional approach is in line with the overall approach of the Aid for Trade strategies.

Thirdly, the WTO Secretariat has expanded its outreach programmes, including its work with parliamentarians (see page 106), the private sector and the academic community.

Fourthly, emphasis has been put on enhancing coordination of TA programmes at all levels (i.e. in-house, with other agencies, with donors and with beneficiaries) as well as enhancing consistency between products, with a view to creating a higher level of complementarity between the assistance on offer and a higher level of learning, thus enhancing the impact of the trade-related technical assistance programme.

Overview of activities

The TRTA programme covers eTraining, global training courses (i.e. courses not targeted at a specific region, Regional Trade Policy Courses, Regular Trade Policy Courses and the academic programmes) as well as regional and national activities (seminars and workshops).

In 2008, a total of 496 activities were provided by the WTO's Institute for Training and Technical Cooperation. These included Geneva-based activities as well as those held in WTO member countries and regions. The majority of these activities were organized in partnership with other international organizations.

A total of 23 eTraining modules were undertaken in 2008 by over 2,000 participants from all regions and countries of the world. Four three-month Trade Policy Courses for government officials were held in Geneva in 2008; two in English, one in French and one in Spanish. In addition, three-month Regional Trade Policy Courses were held in Benin for French-speaking Africa, in Singapore for the Asia-Pacific region, and in Jamaica for the Caribbean.

Twenty-seven global TRTA activities were undertaken in Geneva, including the regular 'Geneva Weeks', which were held twice in 2008. The purpose of the Geneva Weeks is to inform non-resident members about recent developments in the work programme of the WTO, and in the ongoing Doha negotiations.

Activities by region

The TRTA programme places particular emphasis on providing assistance to Africa and to least-developed countries (LDCs), whose integration into the multilateral trading system remains a priority for the WTO. Thus, the majority of activities during 2008 were held in Africa – 111 national activities representing 41 per cent of all national activities, and 27 regional activities, representing 31 per cent of regional activities.



Participants at a Regional Trade Policy Course held in Benin in September 2008.



Sixty national and 15 regional activities were held in Asia and the Pacific, while in the Latin American region 26 national activities and 20 regional activities were organized. In addition, a total of 23 national and regional activities and two conferences were organized in Central and Eastern Europe, Central Asia and the Caucasus; a total of 24 national and regional activities and conferences were organized in the Arab and Middle East countries; and a total of 22 national and regional activities were organized in the Caribbean. For a full breakdown of activities by region, see Table 1.

In 2008, priority continued to be given to LDCs, which benefited from 42 per cent of all TRTA activities. This includes national activities held in LDCs (a total of 102) as well as regional activities in which LDCs participated. In addition, other products have been specifically created for LDCs, or have LDCs as a priority. These include the Enhanced Integrated Framework (see page 97), the three-week Introduction Courses for LDCs, the Reference Centres Programme, the Netherlands Trainee Programme, and the Mission Internship Programme. Some 148 activities were regional and global events while a total of 234 activities were held at the national level, reflecting the continued demand for national training activities.

The majority of activities held at the national level specifically addressed aspects of the WTO agreements. Other than the more general seminars aimed at capacity building, the greatest demand was for topic-related seminars on services and on assistance in producing Trade Policy Reviews (see page 51), followed by training on trade in services, WTO rules, non-agricultural market access, trade-related intellectual property rights, sanitary and phytosanitary measures, dispute settlement and notifications.

Financing the TRTA programme

One of the main challenges for the TRTA programme during 2008 continued to be ensuring timely and adequate levels of funding. The programme continues to be financed mainly from the Doha Development Agenda's Global Trust Fund with funding provided by WTO members. This funding was renewed for the 2008–09 Technical Assistance Plan.

The Second Global Aid for Trade Review, in July 2009, provided an opportunity for a continued dialogue among WTO members on ways to optimize the financing of the TRTA programme, particularly in light of the current global and economic crisis.

Figure 1: Trade-related technical assistance (TRTA) by region in 2008

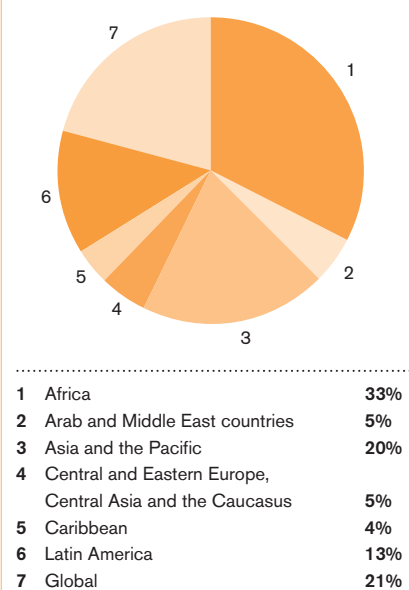


Table 1: Trade-related technical assistance (TRTA) by region in 2008 (1 January to 31 December)

TRTA by region	National		Regional		Global ⁽¹⁾		Other (conferences, meetings, etc.)		Total	
	Number of activities	As a % of total activities	Number of activities	As a % of total activities	Number of activities	As a % of total activities	Number of activities	As a % of total activities	Number of activities	As a % of total activities
Africa	111	47	27	31	0	0	25	22	163	33
Arab and Middle East countries	11	5	7	8	0	0	6	5	24	5
Asia and the Pacific	60	26	15	17	0	0	23	20	98	20
Central and Eastern Europe, Central Asia and the Caucasus	14	6	7	8	0	0	2	2	23	5
Caribbean	12	5	10	12	0	0	0	0	22	4
Latin America	26	11	20	23	0	0	16	14	62	13
Sub-total	234	100	86	100	0	0	72	63	392	79
Global	0	0	0	0	62	100	42	37	104	21
Total	234	100	86	100	62	100	114	100	496	100

⁽¹⁾ Activities under the TRTA 'Global' category are not targeted at a specific region, but include, for example, the Geneva-based courses and topic-specific workshops and symposia, distance learning, internship programmes and the advisory role on legal issues – Dispute Settlement Understanding (DSU).

Outreach

In 2008, contact with non-governmental organizations, parliamentarians, other organizations and the general public was further developed through a variety of initiatives. These included the expansion of the annual WTO Public Forum, which attracted a record number of 1,334 people to the WTO in October. Over 150 information briefings were conducted at the WTO in 2008 involving about 4,700 participants.

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Outreach



Background

The WTO maintains a regular dialogue with non-governmental organizations on various aspects of the WTO and the ongoing Doha negotiations, with the aim of enhancing cooperation and increasing public awareness of WTO activities.



WTO Public Forum 2008.

Relations with non-governmental organizations

In 2008, relations with non-governmental organizations (NGOs) were further developed through a variety of initiatives. These included the annual WTO Public Forum, regular NGO briefings organized by the WTO Secretariat and a pilot project granting NGOs access to the WTO building for specific meetings and activities.

Workshops

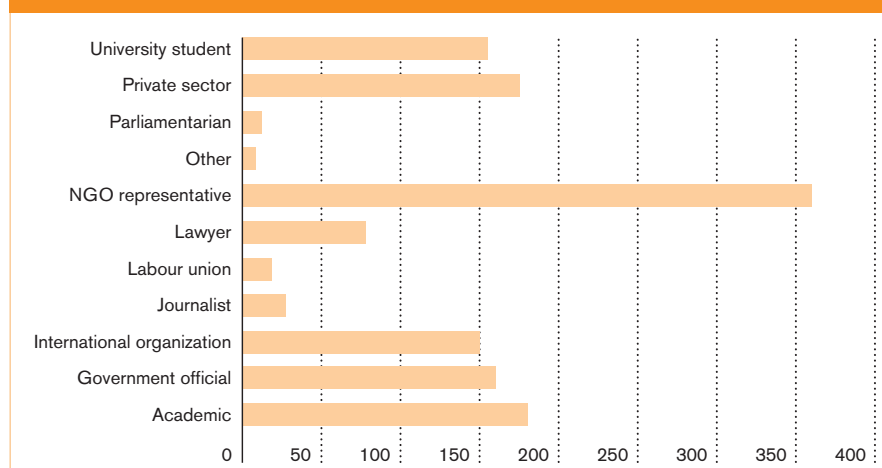
In collaboration with partner institutions, the WTO continued to organize regional and national workshops for NGO representatives in developing countries. Regional workshops are organized with NGOs that have a good network of contacts in that particular area. These outreach activities are instrumental in fostering greater NGO awareness and interest in the multilateral trading system. They contribute to promoting dialogue and understanding. In 2008, a regional workshop in Mexico was attended by more than 50 representatives of NGOs from the Latin American region.

WTO Public Forum

A record number of 1,334 people took part in the 2008 Public Forum, which was held in WTO headquarters on 24 and 25 October. The Public Forum provides participants with the opportunity to express their views and to voice their concerns on a multitude of challenges facing the multilateral trading system.

The theme of the Forum in 2008, "Trading into the Future", was designed to give NGOs, governments, academics, businesses, students and many others (see Figure 1) the chance to debate how the multilateral trading system could best reflect the future needs and aspirations of the global community. Some 42 sessions were held over the two-day period, with most sessions organized by NGOs and other participants. Summaries of each session have been published in *WTO Public Forum 2008* (see page 110).

Figure 1: Summary of participation in the 2008 Public Forum



NGO briefings

In 2008 the WTO Secretariat undertook 21 NGO briefings. This included briefings by the Director-General to discuss the state of play in the Doha Round negotiations. In addition, the Chairs of the negotiating groups briefed NGOs on the status of the negotiations in their respective areas. Feedback from participants concerning these briefings was very positive. In particular, the daily briefings that were organized during the ministerial meeting in July were highly appreciated.

Figure 2 shows the subjects covered by NGO briefings in 2008, and Figure 3 shows the number of briefings held each year since 2000. Overall, a total of 112 NGO briefings have been organized since 2000, with 68 of these taking place over the past three years.

Figure 2: NGO briefings by subject 2008

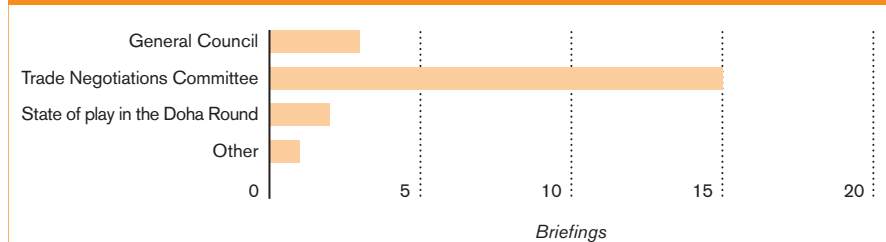
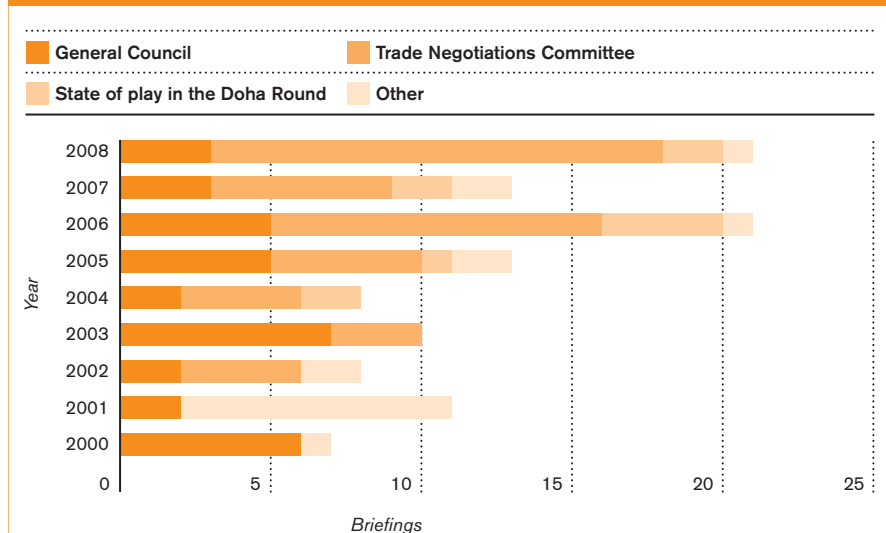


Figure 3: NGO briefings per year from 2000 to 2008



NGO access to the WTO

In 2008 a pilot project got under way to allow Geneva-based NGO representatives to access the WTO building for specific meetings and activities. This included the ministerial meeting held in WTO headquarters in July. The pilot project is a response to the long-standing request of the NGO community in Geneva to have more permanent access to the WTO. It also recognizes the growing interest of the NGO community in the day-to-day activities of the WTO.

NGO papers

NGOs can submit their position papers and studies to the WTO Secretariat and have them posted on the WTO website (www.wto.org). A monthly list of available NGO papers is sent to WTO members. In 2008, four papers were submitted by NGOs.



NGO briefing held during the July 2008 ministerial meeting.



Background

In view of their constitutional role in ratifying the WTO agreements that are negotiated by their governments, parliamentarians play an important role in the activities of the WTO. The WTO seeks to maintain an open dialogue with parliamentarians and to help them gain a deeper understanding of the organization and its work. The WTO participates in the meetings of ad hoc parliamentary bodies and organizes workshops for parliamentarians at national and regional levels.

Reaching out to parliamentarians

At the Annual Parliamentary Conference on the WTO held in Geneva, the Director-General briefed parliamentarians on the outcome of the July ministerial meeting and the importance of completing the Doha Round. The WTO organized four regional workshops for parliamentarians during the year in cooperation with regional parliamentary associations.

Formal meeting of parliamentary bodies

The Annual Parliamentary Conference on the WTO was held in Geneva in September 2008. Recognizing the importance of parliaments in advancing the Doha Development Agenda, the WTO Director-General called on parliamentarians to help the WTO complete 'modalities' – the final blueprint – for agricultural and industrial goods by the end of the year and to complete the Doha Round in 2009.

The Parliamentary Conference on the WTO began as a forum for parliamentarians to review and scrutinize trade matters. The Conference is jointly organized by the Inter-Parliamentary Union (IPU) and the European Parliament (EP), and is often held in parallel with WTO ministerial conferences. The Conference aims to bring a parliamentary dimension to multilateral cooperation on trade issues. The WTO Director-General regularly addresses the Conference, which engages parliamentarians in dialogue with Geneva-based trade diplomats, including the Chairs of WTO negotiating groups.

The IPU's Steering Committee on WTO matters met twice in 2008. The Steering Committee is made up of around 30 parliamentarians representing the various IPU members. The WTO Director-General, senior staff of the WTO, the Chair of the WTO General Council and Geneva-based ambassadors regularly participate in its meetings to brief legislators on the latest developments in the Doha negotiations and on other important issues facing the multilateral trading system.

Regional workshops

In 2008 the WTO Secretariat organized four regional workshops for parliamentarians in cooperation with regional parliamentary associations. These workshops were held in:

- Ouagadougou, Burkina Faso (a workshop for French-speaking parliamentarians, organized with the Assemblée Parlementaire de la Francophonie)
- Montevideo, Uruguay (a workshop for parliamentarians of the Americas, organized with the Inter-American Development Bank and Grupo Uruguayo de la Unión Interparlamentaria)
- Costa Rica (a workshop for parliamentarians from Central and South America, organized with the Legislative Assembly of Costa Rica and the Inter-Parliamentary Forum of the Americas)
- Abu Dhabi, United Arab Emirates (a workshop for Arab members of parliament, organized with the Arab Monetary Fund).

The WTO regularly cooperates with other regional parliamentary associations, such as the Commonwealth Parliamentary Association, to organize outreach activities at the regional level in other parts of the world.

The outreach activities are designed to increase parliamentary understanding of the WTO, and to provide up-to-date information on developments concerning the Doha negotiations. Regional initiatives complement the national workshops for parliamentarians, which are carried out as part of the WTO's regular technical assistance work. Through these initiatives, the WTO has been able to enhance working relations with parliamentarians as well as with regional and local parliamentary organizations. Reports and other details about these initiatives can be found on the WTO web page for parliamentarians.



Building international cooperation

In 2008 the WTO continued to cooperate with a variety of intergovernmental organizations, such as the United Nations, the International Monetary Fund and the World Bank.

United Nations

The WTO Director-General participated in 2008 in the two regular meetings of the United Nations Chief Executives Board (CEB) – a high-level body composed of heads of UN agencies, funds and programmes as well as Bretton Woods institutions and the WTO. The CEB is chaired by the UN Secretary General.

The role of the CEB is to enhance international cooperation on global issues. WTO Secretariat officials participate in meetings of the Board's subsidiary bodies dealing with programme and management issues. The WTO Secretariat is also represented at the high-level United Nations Coordination Committee, which monitors progress in achieving the United Nations' Millennium Development Goals, as well as meetings of the UN Economic and Social Council, which deals with development issues.

United Nations Conference on Trade and Development (UNCTAD)

The WTO continued to cooperate closely with the United Nations Conference on Trade and Development (UNCTAD) to coordinate training and technical assistance to developing and least-developed countries.

UNCTAD is a major partner of the WTO in programmes such as the Enhanced Integrated Framework (see page 97) and the Joint Integrated Technical Assistance Programme. The WTO and UNCTAD also sponsor various interregional information sessions and training activities to help representatives from developing countries learn more about the WTO and trade negotiations. These activities usually involve staff from both the WTO and UNCTAD. The WTO also cooperates with UNCTAD within the framework of the Trade and Productive Capacity Cluster, which aims to coordinate trade and development operations.

The WTO Director-General participated in the 12th UN Conference on Trade and Development, which was held in Accra, Ghana, in April 2008 and in the International Conference on Financing for Development, which was held in Doha, Qatar, at the end of 2008.

Organisation for Economic Co-operation and Development (OECD)

The Director-General participated in the annual OECD Ministerial Meeting in 2008. The WTO and the OECD have a long-standing and close working relationship at all levels, with WTO Secretariat officials participating in many OECD meetings, including the OECD's Annual Forum.

Other intergovernmental organizations

During 2008 the WTO cooperated on trade issues and the needs of developing countries with a number of other intergovernmental organizations, such as the United Nations Development Programme, the International Trade Centre, the International Monetary Fund and the World Bank.

The WTO also has long-standing working relationships with other organizations, such as the Food and Agriculture Organization (FAO), the World Customs Organization (WCO), the World Intellectual Property Organization (WIPO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Outreach



Background

The WTO works closely with other intergovernmental organizations and regional bodies, especially those involved in trade-related issues. This cooperation helps to ensure coordinated action and a coherent approach to international trade policies.



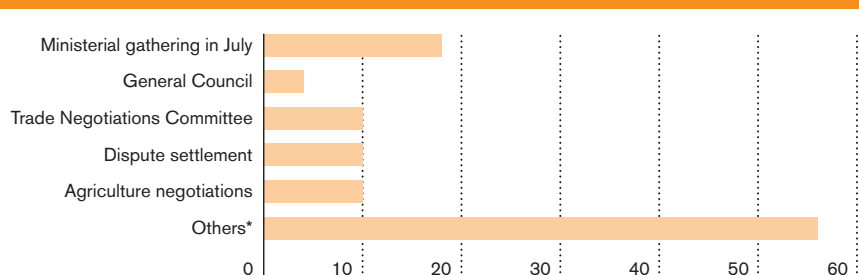
Journalists listening to a briefing on developments in the Trade Negotiations Committee.

Public information activities

Contact with the media and the public

In 2008 the Information and Media Relations Division of the WTO continued to have regular contact with journalists in Geneva through over 100 press conferences and press briefings. The main subjects covered were trade negotiations, meetings of the General Council and dispute settlement (see Figure 4). In July, the WTO hosted roughly 300 journalists during the nine days of intensive trade negotiations involving ministers. During these negotiations, the WTO organized 18 press conferences, including 13 by ministers.

Figure 4: WTO press conferences/briefings in 2008 by subject



* Others include non-agricultural market access (NAMA) negotiations, Services, TRIPS, Rules and Trade Policy Reviews.

The WTO also maintained regular contact with over 1,700 journalists around the world who have registered to use the media newsroom on the WTO website. They all received regular email bulletins on developments at the WTO.

In 2008 the WTO held two training seminars for journalists. Organized in conjunction with the Friedrich Ebert Stiftung Institute, these seminars are primarily designed for journalists from developing countries. The aim is to help journalists gain a better understanding of the WTO and trade issues and to allow them to meet informally with WTO experts. The seminars are held at the WTO and last for three days.

In 2008 one seminar was held in English and the other was held in Spanish. The English seminar was attended by journalists from China, Egypt, Ghana, India, Indonesia, Israel, Lesotho, Mozambique, Nigeria, Pakistan, Palestine, South Africa, Sri Lanka, Tanzania, Thailand, Turkey, Viet Nam and Zambia. The Spanish seminar was attended by journalists from Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Spain and Uruguay.

There was a sustained level of contact with the public in 2008 through 153 information briefings at the WTO involving about 4,700 participants from around the world. Most groups travelled specifically to Geneva to learn more about the WTO and the international community. While the majority of groups consisted of postgraduate students from Europe and the United States, approximately one-third of visitors were from developing countries. Around 70 per cent of the presentations were given in English, 15 per cent in French, 5 per cent in Spanish while the remaining 10 per cent were given in other languages, including German, Italian, Dutch, Thai, Korean and Finnish.

Over 60,000 public email enquiries and comments were received by the WTO in 2008.

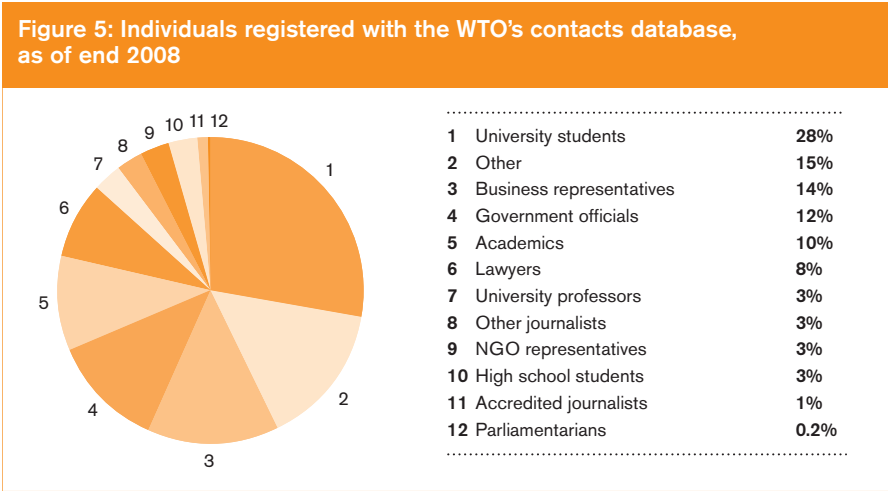


WTO website

The website attracted an average of nearly one million visits per month during 2008. Total page views were over 81 million, a 7 per cent increase on 2007. Total data downloaded grew by 50 per cent over the same period. Some of the most downloaded files included *International Trade Statistics* (over 70,000 downloads), *Understanding the WTO* (over 45,000) and the *World Trade Report* (over 34,000).

In 2008, podcasting was expanded to bring greater transparency to WTO activities, such as informal negotiating meetings. Statements by the Chairs of the negotiating groups are posted on the website on a regular basis. Users can subscribe to be automatically updated each time a new audio file is published.

By the end of the year, almost 135,000 individuals had registered with the contacts database to receive regular email bulletins on WTO developments (see Figure 5). This list consists largely of academics, consultants, government officials and students with a specific interest in trade issues.



WTO publications

In 2008 the WTO published over 100 publications in the WTO's three working languages: English, French and Spanish. Many of these publications can be downloaded free of charge from the WTO website. Printed copies can be purchased from the WTO online bookshop: onlinebookshop.wto.org

Annual publications

World Trade Report 2008 English ISBN 978-92-870-3454-0 | CHF 60

The theme of the 2008 Report is "Trade in a Globalizing World". The Report focuses on the gains from international trade and the challenges arising from higher levels of integration. It addresses a range of interlinking questions, starting with a consideration of what constitutes globalization, what drives it, what benefits does it bring, what challenges does it pose and what role does trade play in this world of ever-growing interdependency.

Annual Report 2008 English ISBN 978-92-870-3457-1 | CHF 50

The *Annual Report* summarizes the WTO's activities in 2007 and provides detailed information on the organization's structure, staff and budget.

Outreach



The theme of the 2008 **World Trade Report** is 'Trade in a Globalizing World'.

International Trade Statistics 2008

English ISBN 978-92-870-3466-3 | CHF 50



International Trade Statistics 2008 offers a comprehensive overview of the latest developments in world trade, covering the details of merchandise trade by product and trade in commercial services by category. Each chapter is introduced by a highlights section that identifies the most salient trends in the data and illustrates them with numerous charts and maps. There is also a methodological chapter that explains essential concepts and definitions used in compiling the statistics, and an appendix with detailed data on trade by region up to 2007.

Trade Profiles 2008

English ISBN 978-92-870-3460-1 | CHF 30



Trade Profiles is a quick source of information on national and trade statistics of WTO members and countries which are in the process of negotiating WTO membership. These trade profiles combine information on trade flows and trade policy measures of members, WTO observers and other selected economies.

World Tariff Profiles 2008

English ISBN 978-92-870-3463-2 | CHF 50



The 2008 edition of *World Tariff Profiles* presents a comprehensive and updated compilation of the main tariff indicators for the WTO's members as well as for other countries and customs territories. Information on each country's market access is presented in summary tables – allowing cross-country comparisons – and in country pages. *World Tariff Profiles* is a joint publication of the WTO, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC).

WTO Public Forum 2007

English ISBN 978-92-870-3372-4 | CHF 30



The second edition of the *Public Forum* addresses the discussions and concerns raised during the 2007 WTO Public Forum, whose theme was "How Can the WTO Help Harness Globalization?". The topics include the impact of global trade on an already fragile environment, the ever-present economic and trade differences between North and South, and the Doha Development Round and its ensuing benefits for increased global trade. CD-ROM included.

WTO Dispute Settlement: One-Page Case Summaries (1995 – 2007)

English ISBN 978-92-870-3469-4 | CHF 30



The publication attempts to summarize on a single page the core facts and substantive findings contained in the adopted panel and, where applicable, Appellate Body reports for each decided case. Where relevant, the publication also summarizes key findings on significant procedural matters. The index enables readers to search the disputes by articles and by WTO agreement.

New publications

The WTO Building

English ISBN 978-92-870-3424-3 | CHF 20



The WTO Building provides a fascinating insight into the artwork, architecture, and history of the Centre William Rappard, home to the World Trade Organization. The book describes the origins of the building, which previously housed the International Labour Organization and the General Agreement on Tariffs and Trade. Lavishly illustrated, the brochure highlights the many works of art and decorative items donated by countries and institutions over the years.



A Handbook on Accession to the WTO

PB : English ISBN 978-0-521-72868-3 | CHF 55
HB: English ISBN 978-0-521-42594-0 | CHF 125



The Handbook provides the first detailed explanation and analysis of how governments become members of the WTO. The WTO Agreement, which came into force on 1 January 1995, provides few details on how this process takes place. The steps in the detailed negotiations leading up to accession have evolved over the years through the actual process that governments have followed to become members of the WTO. This handbook provides a unique account of how the process has evolved and details exactly what is involved. Co-published with Cambridge University Press.

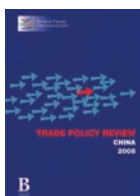
The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts

English ISBN 978-05-217-8580-8 | CHF 70
Luxury Leather-bound Edition with Bookmarks | CHF 200



This new version includes a 167-page subject index. The book contains the legal texts of the agreements negotiated in the Uruguay Round, now the legal framework of the WTO. It includes the updated General Agreement on Tariffs and Trade (GATT), the original GATT text, the General Agreement on Trade in Services (GATS), the Agreement on Trade-Related Intellectual Property Rights (TRIPS) and the new dispute settlement mechanism. Co-published with Cambridge University Press.

Trade Policy Reviews



Surveillance of national trade policies is a fundamentally important activity of the WTO. All WTO members are periodically reviewed, the frequency of each country's review varying according to its share of world trade. The reviews consist of detailed chapters examining the trade policies and practices of the member. Reports are available in English, French and Spanish. Co-published with Bernan Press | CHF 100 each

2008 *Trade Policy Reviews*: Barbados, Brunei Darussalam, China, Dominican Republic, Ghana, Jordan, Liechtenstein/Switzerland, Madagascar, Mauritius, Mexico, Norway, Oman, Pakistan, Republic of Korea, Singapore, United States of America

WTO Status of Legal Instruments 2008

English ISBN 978-92-870-3487-8 | CHF 20



This volume is concerned with the instruments drawn up by the members of the WTO or drawn up under their auspices since the inception of the WTO and represents a consolidated compilation of these data for each instrument. The instruments are generally numbered in the chronological order in which they were concluded. They are classified under five chapter headings.

Dispute Settlement Reports 2006



The *Dispute Settlement Reports* of the WTO include panel and Appellate Body reports, as well as arbitration awards, in disputes concerning the rights and obligations of WTO members under the provisions of the Marrakech Agreement. The date of each volume corresponds to the date in which the dispute was resolved. These are the only WTO authorized and paginated reports, available in English only. Co-published with Cambridge University Press | CHF 200 per volume.

Secretariat and budget

The WTO Secretariat has 627 regular staff representing 69 nationalities. Renovation work began in mid-2008 on the renovation and extension of the WTO building. Work is expected to be completed by end-2012. The WTO derives most of the income for its annual budget, which totalled CHF 189,257,600 in 2008, from contributions by its 153 members.

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WTO Secretariat

The WTO Secretariat, with offices in Geneva, has 627 regular staff and is headed by Director-General Pascal Lamy. Since decisions are taken by members, the Secretariat has no decision-making powers. Its main duties are to supply technical and professional support for the various councils and committees, to provide technical assistance for developing countries, to monitor and analyze developments in world trade, to provide information to the public and the media and to organize the ministerial conferences. The Secretariat also provides some forms of legal assistance in the dispute settlement process and advises governments wishing to become members of the WTO.

The Secretariat staff includes individuals representing 69 nationalities. The professional staff is composed mostly of economists, lawyers and others with a specialization in international trade policy. There is also a substantial number of personnel working in support services, including informatics, finance, human resources and language services. The total staff complement is composed almost equally of men and women. The working languages of the WTO are English, French and Spanish.

The Appellate Body was established by the Understanding on Rules and Procedures Governing the Settlement of Disputes to consider appeals to decisions by Dispute Settlement panels. The Appellate Body has its own Secretariat. The seven-member Appellate Body consists of individuals with recognized standing in the fields of law and international trade. They are appointed to a four-year term, and may be reappointed once.

Figure 1: WTO Secretariat organization chart – August 2009

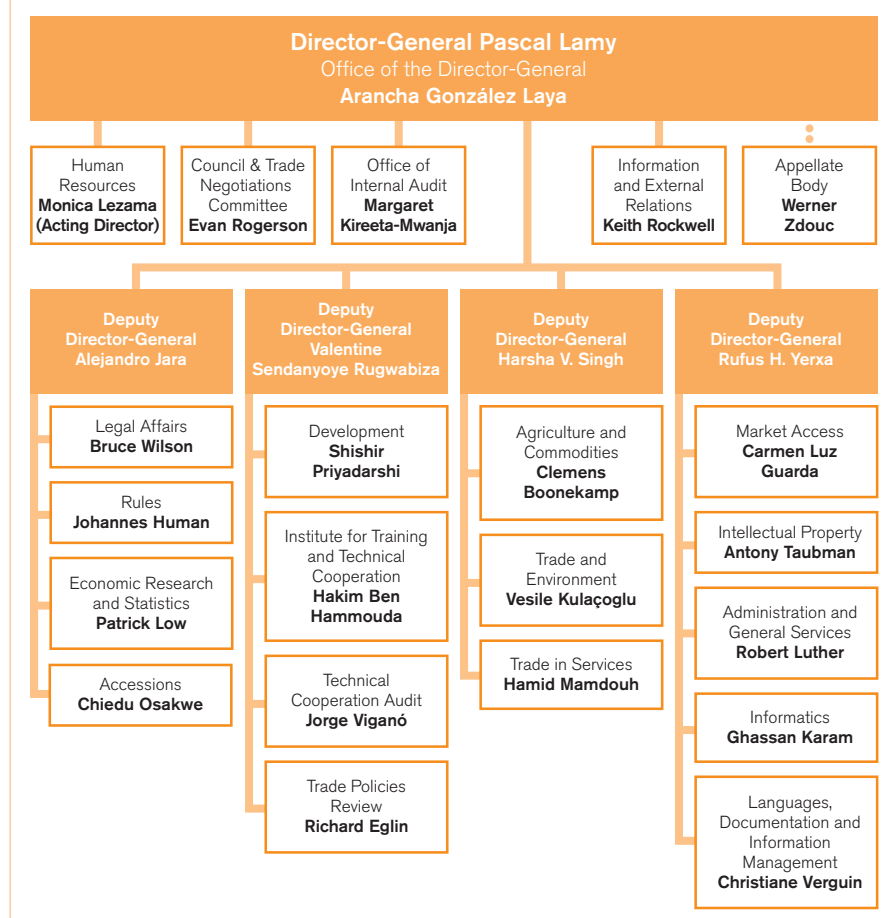


Table 1: Allocation of staff by division

Division	Regular staff*	Senior management and directors*	Total
Director-General	–	1.0	1.0
Office of the Director-General	12.0	2.0	14.0
Offices of the Deputy Directors-General	4.4	4.0	8.4
Accessions Division	7.8	1.0	8.8
Administration and General Services Division	77.5	1.0	78.5
Agriculture and Commodities Division	14.5	1.0	15.5
Council and TNC Division	12.5	1.0	13.5
Development Division	11.0	1.0	12.0
Doha Development Agenda Special Duties Division	2.0	1.0	3.0
Economic Research and Statistics Division	46.0	2.0	48.0
External Relations Division	7.8	1.0	8.8
Human Resources Division	17.6	1.0	18.6
Informatics Division	38.0	1.0	39.0
Information and Media Relations Division	21.0	1.0	22.0
Institute for Training and Technical Cooperation	31.5	1.0	32.5
Intellectual Property Division	12.0	1.0	13.0
Languages, Services and Documentation Division	156.8	1.0	157.8
Legal Affairs Division	15.8	1.0	16.8
Market Access Division	11.0	1.0	12.0
Medical Unit	2.5	–	2.5
Office of Internal Audit	2.0	1.0	3.0
Rules Division	20.0	1.0	21.0
Technical Cooperation Audit	1.5	–	1.5
Trade and Environment Division	7.0	1.0	8.0
Trade and Finance Trade Facilitation Division	8.4	1.0	9.4
Trade in Services Division	16.0	1.0	17.0
Trade Policies Review Division	37.9	1.0	38.9
Appellate Body	14.0	1.0	15.0
Total	608.5	31.0	639.5

* Regular budget posts, including posts not yet filled. Figures in decimals indicate members of staff who work a percentage of the working week (e.g. 80 per cent). Some posts are also split between two divisions.

Secretariat and budget

The WTO Secretariat consists of staff from 69 countries.

Table 2: WTO staff on regular budget by gender and nationality as of 31 December 2008

Country	Women	Men	Total
Argentina	3	5	8
Australia	4	5	9
Austria	2	3	5
Belgium	4	1	5
Benin	–	1	1
Bolivia	2	2	4
Brazil	3	5	8
Bulgaria	–	1	1
Canada	9	14	23
Chile	3	2	5
China	3	2	5
Colombia	2	5	7
Congo, the Democratic Republic of the	–	1	1
Costa Rica	2	1	3
Côte d'Ivoire	–	1	1
Cuba	–	1	1
Denmark	1	1	2
Ecuador	–	1	1
Egypt	2	3	5
Estonia	1	–	1
Finland	2	3	5
France	102	78	180
Germany	5	12	17
Ghana	–	1	1
Greece	3	2	5
Guatemala	1	–	1
Honduras	1	–	1
Hong Kong, China	1	–	1
Hungary	–	1	1
India	3	9	12
Ireland	9	2	11
Italy	6	7	13
Japan	1	2	3
Korea, Republic of	3	1	4
Lesotho	–	1	1



Table 2: WTO staff on regular budget by gender and nationality as of 31 December 2008 (continued)

Country	Women	Men	Total
Malawi	–	1	1
Malaysia	1	2	3
Mauritius	–	2	2
Mexico	1	4	5
Morocco	1	1	2
Netherlands	2	4	6
New Zealand	2	3	5
Nigeria	–	1	1
Norway	–	2	2
Pakistan	–	1	1
Peru	2	3	5
Philippines	4	5	9
Poland	2	2	4
Portugal	–	1	1
Romania	2	–	2
Rwanda	1	–	1
Saint Lucia	1	–	1
Senegal	–	1	1
South Africa	–	1	1
Spain	30	15	45
Sri Lanka	2	2	4
Sweden	2	2	4
Switzerland	27	19	46
Tanzania	1	–	1
Thailand	–	1	1
Trinidad and Tobago	1	–	1
Tunisia	2	4	6
Turkey	2	1	3
Uganda	2	–	2
United Kingdom	51	17	68
United States of America	21	9	30
Uruguay	1	5	6
Venezuela	1	3	4
Zimbabwe	1	–	1
Total	341	286	627

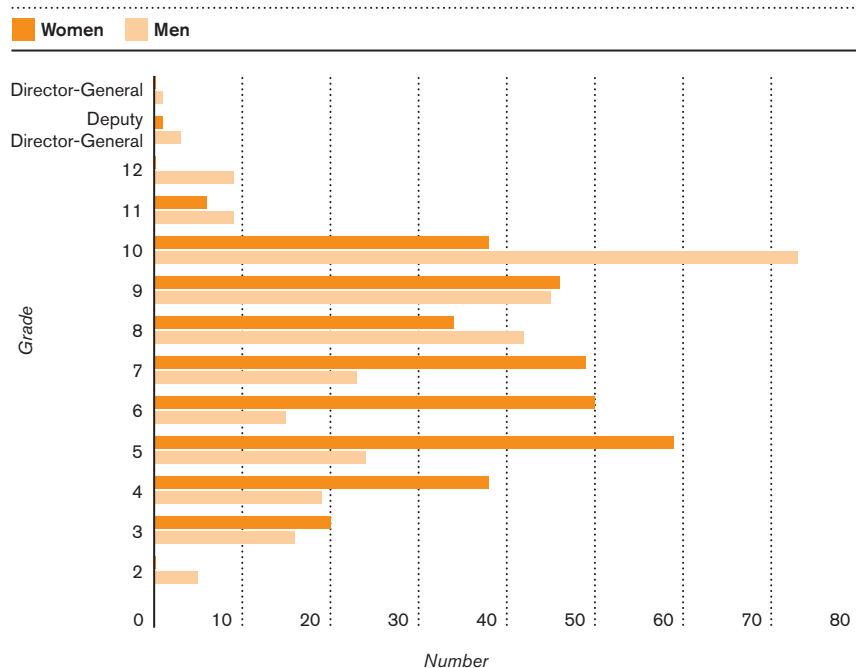
Table 3: WTO staff on regular budget by grade and gender as of 31 December 2008

Division	Gender	Grades														Total	
		2	3	4	5	6	7	8	9	10	11	12	DDG	DG			
Director-General																	
Director-General	Men	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	
Office of the Director General	Women	-	-	-	2	2	2	-	-	2	1	-	-	-	-	9	
Appellate Body	Men	-	-	-	-	-	-	-	3	1	-	-	-	-	-	4	
	Women	-	-	1	-	1	3	-	-	1	-	-	-	-	-	6	
Council and Trade Negotiations Committee Division	Men	-	-	-	-	-	2	1	1	3	1	-	-	-	-	8	
	Women	-	1	1	1	2	1	-	-	3	-	-	-	-	-	9	
Doha Development Agenda Special Duties Division	Men	-	-	-	-	-	-	-	-	4	-	1	-	-	-	5	
	Women	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	
Human Resources Division	Men	-	-	-	-	-	1	-	-	-	1	-	-	-	-	2	
	Women	-	2	2	3	1	5	1	1	1	-	-	-	-	-	16	
Information and Media Relations Division	Men	-	-	-	-	-	-	2	-	-	1	-	-	-	-	3	
	Women	-	2	-	3	3	1	2	-	-	-	-	-	-	-	11	
Medical Unit	Men	-	-	1	2	-	1	1	2	3	-	1	-	-	-	11	
	Women	-	-	1	-	-	1	-	-	1	-	-	-	-	-	3	
Office of Internal Audit	Women	-	-	-	-	-	-	-	1	1	-	-	-	-	-	2	
Deputy Director-General 1																	
Office of Deputy Director-General 1	Women	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1	
	Men	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	
Accessions Division	Women	-	-	2	-	1	-	1	-	-	-	-	-	-	-	4	
	Men	-	-	-	-	-	1	1	-	2	-	1	-	-	-	5	
Economic Research and Statistics Division	Women	-	-	3	1	2	2	3	3	2	-	-	-	-	-	16	
	Men	-	-	1	3	2	3	10	4	7	1	1	-	-	-	32	
Legal Affairs Division	Women	-	-	1	-	2	1	2	1	1	-	-	-	-	-	8	
	Men	-	-	-	-	1	-	1	1	4	-	1	-	-	-	8	
Rules Division	Women	-	1	1	-	1	2	2	1	2	-	-	-	-	-	10	
	Men	-	-	-	-	-	-	2	3	3	1	-	-	-	-	9	
Deputy Director-General 2																	
Office of Deputy Director-General 2	Women	-	-	-	-	1	-	-	-	-	-	-	-	1	-	2	
Development Division	Women	-	-	1	1	1	1	1	1	1	-	-	-	-	-	7	
	Men	-	-	-	-	-	-	1	1	2	1	-	-	-	-	5	
External Relations Division	Women	-	-	2	1	1	1	-	1	-	-	-	-	-	-	6	
	Men	-	-	-	-	-	-	-	1	1	1	-	-	-	-	3	
Institute for Training and Technical Cooperation	Women	-	-	2	5	2	2	1	2	2	-	-	-	-	-	16	
	Men	-	-	-	1	-	-	2	7	7	1	-	-	-	-	18	
Technical Cooperation Audit Division	Women	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	
	Men	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	
Trade and Finance and Trade Facilitation Division	Women	-	1	-	1	-	1	-	2	2	-	-	-	-	-	7	
	Men	-	-	-	-	-	-	-	-	2	-	1	-	-	-	3	



Table 3: WTO staff on regular budget by grade and gender as of 31 December 2008 (continued)

Division	Gender	Grades														Total
		2	3	4	5	6	7	8	9	10	11	12	DDG	DG		
Deputy Director-General 3																
Office of Deputy Director-General 3	Women	–	–	–	–	–	1	–	–	–	–	–	–	–	–	1
	Men	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1
Agriculture and Commodities Division	Women	–	–	1	–	2	1	2	3	1	2	–	–	–	–	12
	Men	–	–	–	–	–	–	1	1	1	–	–	–	–	–	3
Trade and Environment Division	Women	–	–	–	1	–	1	–	2	1	1	–	–	–	–	6
	Men	–	–	–	–	–	–	–	1	1	–	–	–	–	–	2
Trade in Services Division	Women	–	1	1	2	–	1	1	1	2	–	–	–	–	–	9
	Men	–	–	–	–	–	–	–	3	5	–	1	–	–	–	9
Deputy Director-General 4																
Office of Deputy Director-General 4	Women	–	–	–	–	–	1	–	–	–	–	–	–	–	–	1
	Men	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1
Administration and General Services Division	Women	–	–	4	10	3	3	3	2	2	–	–	–	–	–	27
	Men	5	15	10	7	6	3	2	–	4	1	–	–	–	–	53
Informatics Division	Women	–	–	–	1	2	1	2	1	–	–	–	–	–	–	7
	Men	–	–	1	3	4	5	7	4	4	–	1	–	–	–	29
Intellectual Property Division	Women	–	–	1	–	1	2	1	1	2	–	–	–	–	–	8
	Men	–	–	–	–	–	–	1	–	3	–	–	–	–	–	4
Language Services and Documentation Division	Women	–	10	7	23	19	11	9	17	8	1	–	–	–	–	105
	Men	–	3	6	7	2	4	7	10	4	–	–	–	–	–	43
Market Access Division	Women	–	–	1	1	2	1	–	–	2	1	–	–	–	–	8
	Men	–	–	–	–	–	–	1	1	2	–	–	–	–	–	4
Trade Policies Review Division	Women	–	1	6	2	–	3	3	6	1	–	–	–	–	–	22
	Men	–	–	–	1	–	3	2	2	9	–	1	–	–	–	18
Total		5	38	57	83	65	72	76	91	111	15	9	4	1	627	

Figure 2: WTO staff on regular budget by grade and gender




Background

The Committee on Budget, Finance and Administration monitors the WTO's budgetary and financial situation, including the implementation of schemes and measures regarding the receipt of contributions from WTO members. It considers issues concerning human resources management and hears progress reports on the WTO Pension Plan and the accommodation needs of WTO staff. The Committee reports to the General Council.

Budget, finance and administration

In 2008 the Committee on Budget, Finance and Administration addressed the long-term housing needs of the WTO Secretariat, reviewed the accession of two new WTO members from a financial perspective and recommended approval of the WTO budget for 2009.

In May 2008, the Committee recommended that the Director-General sign an agreement with the Swiss Confederation regarding the long-term housing needs of the WTO Secretariat. The agreement provides for the complete renovation of the headquarters of the WTO (Centre William Rappard), optimization of its office space, and the addition of a new office building on the south car park. Following signature of the agreement, renovation work began in mid 2008. The agreement also details the temporary rental of offices, to which more than 200 staff were moved at the end of 2008. The renovation and extension is expected to be completed by the end of 2012.

The Committee reviewed the financial aspects of the accession of two new members: Ukraine on 16 May 2008 and Cape Verde on 23 July 2008.

The new Head of the Office of Internal Audit was introduced to the Committee. The Office of Internal Audit will execute its mandate according to the Internal Audit Charter, liaise with the external auditor and provide recommendations to improve operations.

The Committee reviewed and recommended that the General Council approve the revision for the 2009 budget, which amounts to CHF 189,257,600 (see Table 5). It also started to review a proposal presented by the WTO Pension Plan Management Board to maintain the actuarial balance of the Plan in the long term.

Annual budget

The WTO derives most of the income for its annual budget from contributions by its 153 members (see Table 6). These contributions are based on a formula that takes into account each member's share of international trade. The remainder of the 2009 budget comes from miscellaneous income, which mainly includes contributions from observer countries and income from the sale of publications.

The WTO's total budget for 2009 is as follows:

- budget for the WTO Secretariat: CHF 183,744,10
- budget for the Appellate Body and its Secretariat: CHF 5,513,500

The total WTO budget is CHF 189,257,600.

Table 4: Consolidated expenditure 2008

Section	Budget 2008 CHF	Expenditure 2008 CHF*
Work years (including salary and pension)	117,917,800	115,267,170
Temporary assistance	14,963,000	15,232,300
Communications (including telecommunications and postal charges)	1,888,500	1,850,770
Building facilities (including rental, utilities, maintenance and insurance)	3,805,000	5,750,230
Permanent equipment	2,427,800	3,091,420
Expendable	1,327,000	1,249,950
Contractual services (including reproduction, office automation and security)	8,537,700	9,099,750
Staff overheads (including training and insurance)	4,153,500	3,978,800
Missions	2,939,000	2,631,570
Trade policy courses	3,823,600	3,168,820
Various (including dispute settlement panels, publications, library and public information activities)	5,812,500	5,650,360
Unforeseen	100,000	0
International Trade Centre	17,196,100	16,859,900
Total	184,891,500	183,831,040

* According to unaudited accounts.

Table 5: Consolidated revised budget for 2009

Section	Budget 2009 CHF
Work years (including salary and pension)	121,437,200
Temporary assistance	14,975,500
Communications (including telecommunications and postal charges)	1,811,500
Building facilities (including rental, utilities, maintenance and insurance)	3,696,000
Permanent equipment	2,198,000
Expendable	1,305,000
Contractual services (including reproduction, office automation and security)	9,250,000
Staff overheads (including training and insurance)	4,633,500
Missions	2,939,000
Trade policy courses	3,823,600
Various (including dispute settlement panels, publications, library and public information activities)	6,228,400
Unforeseen	100,000
International Trade Centre	16,859,900
Total	189,257,600

Table 6: Members' contributions to the WTO budget and the budget of the Appellate Body 2009

Member	2009 contribution CHF	2009 contribution %
Albania	41,294	0.022
Angola	251,518	0.134
Antigua and Barbuda	28,155	0.015
Argentina	591,255	0.315
Armenia	28,155	0.015
Australia	2,149,165	1.145
Austria	2,563,982	1.366
Bahrain	152,037	0.081
Bangladesh	189,577	0.101
Barbados	28,155	0.015
Belgium	4,810,751	2.563
Belize	28,155	0.015
Benin	28,155	0.015
Bolivia	45,048	0.024
Botswana	63,818	0.034
Brazil	1,683,669	0.897
Brunei Darussalam	73,203	0.039
Bulgaria	266,534	0.142
Burkina Faso	28,155	0.015
Burundi	28,155	0.015
Cambodia	63,818	0.034
Cameroon	52,556	0.028
Canada	6,308,597	3.361
Cape Verde	28,155	0.015
Central African Republic	28,155	0.015
Chad	28,155	0.015
Chile	625,041	0.333
China, People's Republic of	11,070,546	5.898
Chinese Taipei	3,386,108	1.804
Colombia	364,138	0.194
Congo	45,048	0.024
Costa Rica	161,422	0.086
Côte d'Ivoire	116,374	0.062
Croatia	313,459	0.167
Cuba	116,374	0.062
Cyprus	123,882	0.066
Czech Republic	1,304,515	0.695
Democratic Republic of the Congo	28,155	0.015
Denmark	1,846,968	0.984
Djibouti	28,155	0.015
Dominica	28,155	0.015
Dominican Republic	174,561	0.093
Ecuador	170,807	0.091
Egypt	465,496	0.248
El Salvador	101,358	0.054
Estonia	165,176	0.088
European Communities	–	0.000
Fiji	28,155	0.015
Finland	1,199,403	0.639
Former Yugoslav Republic of Macedonia	45,048	0.024
France	8,851,932	4.716
Gabon	45,048	0.024

Table 6: Members' contributions to the WTO budget and the budget of the Appellate Body 2009 (continued)

Member	2009 contribution CHF	2009 contribution %
Gambia	28,155	0.015
Georgia	37,540	0.020
Germany	16,521,354	8.802
Ghana	78,834	0.042
Greece	906,591	0.483
Grenada	28,155	0.015
Guatemala	125,759	0.067
Guinea	28,155	0.015
Guinea-Bissau	28,155	0.015
Guyana	28,155	0.015
Haiti	28,155	0.015
Honduras	65,695	0.035
Hong Kong, China	5,341,942	2.846
Hungary	1,139,339	0.607
Iceland	86,342	0.046
India	2,333,111	1.243
Indonesia	1,392,734	0.742
Ireland	2,351,881	1.253
Israel	897,206	0.478
Italy	7,256,482	3.866
Jamaica	82,588	0.044
Japan	9,946,223	5.299
Jordan	133,267	0.071
Kenya	84,465	0.045
Korea, Republic of	4,859,553	2.589
Kuwait	486,143	0.259
Kyrgyz Republic	28,155	0.015
Latvia	127,636	0.068
Lesotho	28,155	0.015
Liechtenstein	45,048	0.024
Lithuania	228,994	0.122
Luxembourg	733,907	0.391
Macao, China	140,775	0.075
Madagascar	28,155	0.015
Malawi	28,155	0.015
Malaysia	2,256,154	1.202
Maldives	28,155	0.015
Mali	28,155	0.015
Malta	78,834	0.042
Mauritania	28,155	0.015
Mauritius	61,941	0.033
Mexico	3,767,139	2.007
Moldova	30,032	0.016
Mongolia	28,155	0.015
Morocco	305,951	0.163
Mozambique	37,540	0.020
Myanmar, Union of	52,556	0.028
Namibia	39,417	0.021
Nepal	30,032	0.016
Netherlands	6,167,822	3.286
New Zealand	469,250	0.250

Table 6: Members' contributions to the WTO budget and the budget of the Appellate Body 2009 (continued)

Member	2009 contribution CHF	2009 contribution %
Nicaragua	39,417	0.021
Niger	28,155	0.015
Nigeria	442,972	0.236
Norway	1,623,605	0.865
Oman	228,994	0.122
Pakistan	330,352	0.176
Panama	163,299	0.087
Papua New Guinea	39,417	0.021
Paraguay	63,818	0.034
Peru	255,272	0.136
Philippines	824,003	0.439
Poland	1,698,685	0.905
Portugal	972,286	0.518
Qatar	294,689	0.157
Romania	534,945	0.285
Rwanda	28,155	0.015
Saint Kitts and Nevis	28,155	0.015
Saint Lucia	28,155	0.015
Saint Vincent and the Grenadines	28,155	0.015
Saudi Arabia, Kingdom of	1,739,979	0.927
Senegal	33,786	0.018
Sierra Leone	28,155	0.015
Singapore	4,048,689	2.157
Slovak Republic	563,100	0.300
Slovenia	335,983	0.179
Solomon Islands	28,155	0.015
South Africa	992,933	0.529
Spain	4,917,740	2.620
Sri Lanka	142,652	0.076
Suriname	28,155	0.015
Swaziland	33,786	0.018
Sweden	2,485,148	1.324
Switzerland	2,588,383	1.379
Tanzania	52,556	0.028
Thailand	1,944,572	1.036
Togo	28,155	0.015
Tonga	28,155	0.015
Trinidad and Tobago	99,481	0.053
Tunisia	227,117	0.121
Turkey	1,578,557	0.841
Uganda	30,032	0.016
Ukraine	640,057	0.341
United Arab Emirates	1,522,247	0.811
United Kingdom	9,933,084	5.292
United States	25,313,222	13.486
Uruguay	69,449	0.037
Venezuela	593,132	0.316
Viet Nam	463,619	0.247
Zambia	37,540	0.020
Zimbabwe	31,909	0.017
Total	187,700,000	100.000

Abbreviations

ACP	African Caribbean Pacific
ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
CBD	Convention on Biological Diversity
CIS	Commonwealth of Independent States
CRO	Committee on Rules of Origin
CRTA	Committee on Regional Trade Agreements
CTD	Committee on Trade and Development
CTE	Committee on Trade and Environment
CTG	Council for Trade in Goods
DDA	Doha Development Agenda
DDAGTF	Doha Development Agenda's Global Trust Fund
DSB	Dispute Settlement Body
DSU	Dispute Settlement Understanding
EC	European Communities
EFTA	European Free Trade Association
EIF	Enhanced Integrated Framework
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign direct investment
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	Gross domestic product
GIs	Geographical indications
GNI	Gross national income
GNP	Gross national product
GSP	Generalized System of Preferences
IMF	International Monetary Fund
IPR	Intellectual property rights
IPU	Inter-Parliamentary Union
ITA	Information Technology Agreement
ITC	International Trade Centre
ITTC	Institute for Training and Technical Cooperation
LDCs	Least-developed countries
MEAs	Multilateral environmental agreements
Mercosur	Southern Common Market
MFN	Most-favoured nation
NAMA	Non-agricultural market access
NGO	Non-governmental organization
NTBs	Non-tariff barriers
OECD	Organisation for Economic Co-operation and Development
OIE	World Organization for Animal Health
PTAs	Preferential trade arrangements
RAMs	Recently acceded members
RTAs	Regional trade agreements
S&D	Special and differential treatment
SCM	Subsidies and countervailing measures
SMEs	Small and medium-sized enterprises
SPS	Sanitary and phytosanitary measures
SSM	Special safeguard mechanism
STDF	Standards and Trade Development Facility
SVEs	Small, vulnerable economies
TBT	Technical barriers to trade
TNC	Trade Negotiations Committee
TPR	Trade Policy Review
TPRM	Trade Policy Review Mechanism
TRIMs	Trade-related investment measures
TRIPS	Trade-related aspects of intellectual property rights
TRTA	Trade-related technical assistance
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNIDROIT	International Institute for the Unification of Private Law
VAT	Value-added tax
WCO	World Customs Organization
WHO	World Health Organization
WIPO	World Intellectual Property Organization

0 is zero or became zero due to rounding.

\$ United States dollars.

Billion means one thousand million.

Minor discrepancies between constituent figures and totals are due to rounding.

Unless otherwise indicated, (i) all value figures are expressed in US dollars; (ii) trade figures include the intra-trade of free trade areas, customs unions, regional and other country groupings.

Note

This report covers the WTO's activities in 2008. The word 'country' is frequently used to describe WTO members whereas a few members are officially 'customs territories', and not necessarily countries in the usual sense of the word.

Further information

The WTO website contains a wealth of information about the organization and its activities: www.wto.org

General information about the WTO is available in the following publications, which may all be downloaded free of charge from the website:

WTO in Brief

WTO in Brief provides a starting point for essential information about the WTO. Concise and practical, this short brochure is an ideal introduction to the WTO.

Understanding the WTO

An introduction to the WTO, what it is, why it was created, how it works, and what it does, *Understanding the WTO* has been written specifically for non-specialists. More comprehensive than *WTO in Brief*, this publication details WTO agreements, the dispute settlement process, the Doha Round of negotiations and many other issues.

10 Benefits of the WTO Trading System

From the money in our pockets and the goods and services that we use, to a more peaceful world – the WTO and the trading system offer a range of benefits, some well known, others not so obvious. *Ten Benefits of the WTO Trading System* tries to reflect the complex and dynamic nature of trade.

10 Common Misunderstandings about the WTO

Is it a dictatorial tool of the rich and powerful? Does it destroy jobs? Does it ignore the concerns of health, the environment and development? Emphatically no. Criticisms of the WTO are often based on fundamental misunderstandings of the way the WTO works. This booklet attempts to clear up ten common misunderstandings.

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