

Panels established on corn syrup, asbestos complaints, reports on cement, shrimp, salmon disputes adopted

Talks to continue on EC's new banana regime

The Dispute Settlement Body (DSB), on 25 November, established panels to examine the following complaints: by the United States against Mexico's anti-dumping investigation of high-fructose corn syrup (HFCS) from the US, and by Canada against the European Communities' measures affecting asbestos products. It agreed to come back to three new panel requests: by the EC on Canada's patent protection of pharmaceutical products and on the US Anti-dumping Act of 1916, and by Japan on certain Canadian automotive industry measures.

The DSB adopted the Appellate Body report, and the panel report as reversed by the Appellate Body, on Guatemala's anti-dumping investigation regarding Portland cement from Mexico. (At a previous special meeting held on 6 November, the DSB adopted reports on the shrimp and salmon disputes, see page 3).

Banana dispute

The DSB heard parties to the banana trade dispute reaffirm commitments to follow the WTO dispute-settlement procedures in resolving their differences. It was agreed that the parties would continue with consultations, and that the DSB would revert to this matter at the resumption of its meeting in December.

The EC reported that it had completed the implementation of the DSB recommendations well within the agreed time-period with the adoption, by the Council of the European Union, of two regulations modifying its banana trade regime. It said the new regime will be fully applicable from 1 January 1999.

Market day at Bamako, Mali's capital: the Trade Policy Review Body (see pages 4-5) welcomed significant steps taken by Burkina Faso and Mali towards more open trade regimes, and recognized the difficulties of such adaptation for land-locked least-developed countries.

The complainants in this dispute—Ecuador, Guatemala, Honduras, Mexico and the United States—reiterated their view that the new EC banana regime was still inconsistent with the WTO.

Under another agenda item, the EC requested consultations with the United States regarding the Section 301 procedures of the US Trade Act of 1974. It complained that under these procedures, the United States had announced retaliatory 100% tariffs on imports of EC products should the United States determine that the EC had failed to implement the DSB recommendations regarding its banana regime. The EC stressed that the United States could not withdraw concessions unless authorized by the DSB, and expressed concern that it intended to disregard crucial provisions of the Dispute Settlement Understanding.

The United States said that while the DSB had ruled against the EC banana regime, it believed that the EC would continue what it described as protectionism using the same measures. With respect to the announcement cited by the EC, it said it was acting in full compliance with its WTO obligations and the DSU timetable. The

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Two new panels

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United States said that it was simply pursuing internal procedures that would prepare a measured multi lateral response to the EC's fail ure to im ple ment the DSB rec om mendations.

Panels on as bes tos, HFCS dis putes

Canada re it er ated its re quest at the pre vi ous meet ing for a panel to ex amine its com plaint against Eu ro pean Com mu nities' mea sures af fect ing as bes tos and as bes tos prod ucts. It said that con sul ta tions with the EC in July had not re solved the dis pute.

The EC said that France, in 1996, pro hib ited the sale, dis tri bu tion and im por ta tion of as bes tos as as bes tos fibres had been found to be car cin o genic. It said that sev eral thou sand peo ple die each year due to the ef fects of as bes tos. The EC said that there were sub sti tute prod ucts that were safer for pub lic health. It said that the French mea sure was fully jus ti fied for rea sons of pub lic health, and that it had been ap plied in a non-dis crim i na tory man ner. The EC said it would state these argu ments be fore the panel, which would de cide on the is sue.

The DSB es tab lished a panel to ex amine Can ada's com plaint. The United States in di cated its in ter est to par tic i pate as a third party in the panel pro ceed ings.

The United States said that it had been con sult ing with Mex ico over the past few months re gard ing its com plaint against Mex ico's anti-dump ing in ves ti gation of high-fructose corn syrup (HFCS) but that no so lu tion had been found. It said that US ex por ters con tinued to face what it called un jus ti fied bar ri ers that were in con sis tent with the WTO Anti-Dump ing Agree ment. The United States added that it in tended to con tinue bi lat eral con sul ta tions with Mex ico even af ter the es tab lish ment of the panel.

Mex ico said that the DSB should not es tab lish a panel be cause in its view, the US panel re quest failed to com ply with DSU re quire ments by not set ting out clearly the le gal grounds of the com plaint as well as giv ing no in di ca tion of nul li fi ca tion or im pair ment of US trade in terests.

The DSB es tab lished a panel as this was the sec ond time it was con sid er ing the US re quest and there was no con sen sus against the re quest. Ja maica in di cated its in ter est to par tic i pate as third party in the panel pro ceed ings.

New panel re quests

The Eu ro pean Com mu nities re quested the es tab lish ment of two pan els, which the DSB would re vert to at its next meet ing.

The EC com plained that Can ada's le gal re gime with re spect to pat ent pro tec tion of phar ma ceu ti cal prod ucts ap peared to be in con sis tent with the pro vi sions of the WTO Agree ment on Trade-Related In tel lec tual Prop erty Rights (TRIPS). In par tic u lar, it said that Can ada al lowed third par ties, with out the con sent of the pat ent holder, to carry out tests be fore the ex pi ra tion of the pat ent that would en able them to gain mar ket ac cess im me di ately fol low ing the ex pi ry date, and the man u fac ture and stock pil ing of

ACTIVE PANELS (26 November 1998)		
Com-plainant	Subject of the complaint	Date established
EC	Ar gen tina - Mea sures af fect ing tex tiles and cloth ing	16.10.1997
EC	Chile - Taxes on al co holic bever ages	25.03.1998
United States	In dia - Quan ti ta tive re stric tions on im ports of ag ri cul tural, tex tile and in dus tri al prod ucts	18.11.1997
US	Ja pan - Mea sures af fect ing ag ri cul tural prod ucts	18.11.1998
New Zealand	EC - Mea sures af fect ing but ter prod ucts	18.11.1998
Korea	US - Anti-dump ing duty on (DRAMs) of one mega bit or above from Korea	16.01.1998
India	Tur key - Re stric tions on im ports of tex tile and cloth ing prod ucts	13.03.1998
New Zealand, US	Can ada - Mea sures af fect ing dai ry prod ucts	25.03.1998
US	Aus tra lia - Sub sid ies pro vided to pro duc ers and ex por ters of au to mo tive lea ther	11.06.1998
EC	Korea - De fin i tive safe guard mea sure on im ports of cer tain dai ry prod ucts	23.07.1998
Canada	Brazil - Ex port fi nanc ing for air craft	23.07.1998
Brazil	Can ada - Mea sures af fect ing the ex port of ci vil ian air craft	23.07.1998
EC	Ar gen tina - Safe guard mea sures on im ports of foot wear	23.07.1998
EC	US - Tax treat ment for "For eign Sales Corp."	22.09.1998
EC, Japan	US - Mea sure af fect ing gov ern ment pro cure ment	21.10.1998
US	Mex ico - Anti-dump ing in ves ti gation of high-fructose corn syrup (HFCS) from the United States	25.11.1998
Canada	EC - Mea sures af fect ing the pro hi bi tion of as bes tos and as bes tos prod ucts	25.11.1998

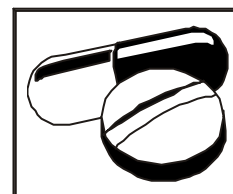
pat ented prod ucts for a pe ri od of up to six months be fore the pat ent ex pi ry for sale af ter ex pi ry.

Can ada said that its re gime on phar ma ceu ti cal pat ents was known to the EC since the Uru guay Round, and main tained that

it struck a bal ance be tween af ford able health care and pro tec tion of in no va tion, which was a stated ob jec tive of the TRIPS Agree ment. It added that the EC, by re quest ing a panel, had sent a sig nal that the bal ance in the Agree ment was not there af ter all, adding that this should concern other WTO mem bers. Can ada said it could not agree to the EC re quest at that meet ing.

The EC said it had been con cerned by United States' fail ure to re peal the US Anti-Dump ing Act of 1916, which it claimed was a clear breach of the GATT 1994 and the WTO Anti-Dump ing Agree ment. It al leged that the United States had used this law to ha rass for eign com pa nies. The EC said that con sul ta tions held in July had not led to a res o lu tion of the dis pute.

The United States ex pressed dis ap point ment over the EC re quest as it con sid ered the 1916 Act to be dead and ob so lete be cause this law had not been used. How ever, it would defend the law, which it said was not an anti-dump ing statute but an anti-trust pro vision, and as such was not cov ered by the WTO Agree ment.



Japan complained that Canada's "Auto Pact" with the United States was in violation of the GATT 1994, the General Agreement on Trade in Services, and the Agreements on Subsidies and on TRIMs (trade-related investment measures). It claimed that this pact was discriminatory as Canada allowed a limited number of manufacturers to import motor vehicles from certain members duty-free subject to certain conditions.

Canada maintained that the measures in question were fully consistent with its WTO obligations, adding that it could not accept the establishment of a panel at that meeting.

The EC said that it had also been consulting with Canada over the same matter, and that it was considering what steps to take next.

The DSB agreed to revert to Japan's request at its next meeting.

Reports on cement dispute adopted

The DSB considered the Appellate Body report and the panel report, as reversed by the Appellate Body, on Mexico's complaint against Guatemala's anti-dumping in vestigation regarding imports of Portland cement from Mexico.



The panel had found that Guatemala had failed to comply with the requirements of the Anti-Dumping Agreement (Article 5.3) by initiating the investigation on the basis of evidence of dumping, injury and causal link that was not "sufficient" as justification for the initiation. Guatemala appealed the panel's conclusion.

The Appellate Body reversed the panel's finding that the dispute was properly before the panel, on the ground that Mexico did not comply with Article 6.2 of the DSU, as read with Article 17.4 of the Anti-Dumping Agreement, in its request for a panel since it did not identify one of the measures mentioned in Article 17.4. Having found that the dispute was not properly before the panel, the Appellate Body could not make any conclusions on the finding by the panel on the substantive issues that were also the subject of appeal. It stressed that its decision was without prejudice to Mexico's right to pursue fresh dispute settlement proceedings on this matter.

Mexico urged the DSB to reject the Appellate Body report, questioning the ruling that complainants must wait for definitive anti-dumping measures before resorting to the DSU. It stressed that the Appellate Body report could have negative effects on the multilateral trading system.


Guatemala said that the matter was the first substantive case under the Anti-Dumping Agreement dealt with under the DSU. It welcomed the Appellate Body report as confirming the right of all members to initiate anti-dumping procedures to protect themselves from unfair trading practices.

The United States, Japan, Ecuador and Argentina expressed agreement with the Appellate Body findings. Hong Kong (China), the Philippines and India shared some of Mexico's concerns.

The DSB adopted the Appellate Body report and the panel report, as reversed by the Appellate Body.

DSB adopts shrimp and salmon reports

The DSB, at a special meeting held on 6 November, adopted the Appellate Body reports and the panel reports, as modified by the Appellate Body, on the following cases:

- **US import prohibition of certain shrimp and shrimp products**, complaints by India, Malaysia, Pakistan and Thailand. The Appellate Body reversed the panel's finding that the US measure was not within the scope of measures permitted under the chapeau of GATT 1994 Article XX, but concluded that the measure, while qualifying for provisional justification under Article XX(g), failed to meet the requirements of the chapeau of Article XX. 
- **Australian measures affecting the importation of salmon**, complaint by Canada. The Appellate Body reversed some of the panel's findings but nonetheless concluded that the measures were inconsistent with certain provisions of the WTO Agreement on Sanitary and Phytosanitary Measures. □

Implementation of reports

- India said in internal inter-ministerial consultations have started regarding its implementation of the DSB recommendations regarding its patent protection for pharmaceutical and agricultural chemical products. The United States welcomed India's report, adding that it looked forward to regular consultations after the implementing bill was presented to India's Parliament.
- Australia announced its intention to implement the DSB recommendations concerning its measures affecting importation of salmon, and that it would be consulting with Canada regarding the reasonable period of time for implementation. Canada said that Australia could quickly implement the recommendations, and that it would request arbitration should discussions with Australia not be finished expeditiously. The United States said it had a market interest on the matter, and that it looked forward to Australia's prompt implementation.
- The United States announced its intention to implement the DSB recommendations regarding its import prohibition of certain shrimp and shrimp products in a manner consistent with its WTO obligations but also within its commitment to preserve the environment, including sea turtles. It expressed satisfaction that the Appellate Body had found no WTO inconsistency in the US measure, although it disagreed with the conclusion that the administration of the law constituted discrimination. Thailand, Pakistan, Malaysia and India urged the United States to lift immediately its measure.
- India read out a joint statement with the EC in which it was agreed that the implementation period regarding the DSB recommendations on India's patent protection for pharmaceutical and agricultural chemical products would correspond to the implementation period in the above similar dispute brought by the United States. □

BURKINA FASO AND MALI**Meeting the challenges faced by land-locked LDCs**

The TPRB concluded its first review of the trade policies of Burkina Faso and Mali on 18 and 20 November. Excerpts from the Chairperson's concluding remarks:

Members commended Burkina Faso and Mali on the liberalization and economic reforms they had undertaken. These, combined with the devaluation of the CFA franc in 1994, had resulted in steady economic growth, low inflation and improved international competitiveness of some products. However, progress in restoring balance to government finances and the current account had been limited and export competitiveness was, in general, hampered by the high costs of basic utilities supplied by public enterprises. In addition, external debt was high. Noting that exports, still confined mainly to cotton, livestock products and gold, hardly covered 50% of imports, Members sought clarification on measures to diversify both economies, while containing the negative effects of recurring drought.

Members inquired about the implementation of competition policies and the effects the WAEMU common external tariff (CET) would have on tax revenues owing to the heavy reliance of both Burkina Faso and Mali on trade taxes. Questions were raised on intellectual property rights and the steps being taken to bring the Bangui Agreement into compliance with TRIPS.

There was a certain worry about price controls that still applied to certain goods in Burkina Faso, and about provisions of its investment Act that gave preference to jobs for nationals and domestically-owned service suppliers.

The representative of Mali said that the CIC would not discriminate against non-regional investors. The CIC, in combination with other actions taken to establish the WAEMU customs union, would help to attract foreign capital. Moreover, the WAEMU Treaty provided for Structural Funds and the implementation of common sectoral projects to compensate for negative effects resulting from participation in the customs union.

The representative also indicated that Mali relied on trade taxes both because of the low level of domestic production and because they were relatively easy to collect; however, diversification of production and improved collection of internal taxes were envisaged to reduce reliance on trade taxes. The Government depended on the private sector to diversify its production and its exports. The absence of a capital market in Mali was a major impediment to the implementation of the privatization programme, which would also cover the services sector. Since March 1998, Mali had been eligible for the IMF/World Bank initiative for Highly Indebted Poor Countries (HIPC). He added that updated data on FDI in Mali would be provided to the Secretariat. National legislation on competition was being amended with a view to bringing it into line with WAEMU provisions in this area. The Bangui Agreement on intellectual property was being revised to bring it into conformity with TRIPS. Environmental measures were being implemented to deal with the effects of the drought.

Go to Chart I.2

Although the volume of Burkina Faso's cotton exports has risen greatly, earnings have fluctuated a great deal due to changes in global prices.

Confirming that the CET could reduce tax revenue, the representative of Burkina Faso noted that the broadening of the tax base and improved tax collection would contribute to offsetting the losses. He indicated some of the products that would be promoted for diversification purposes, including cotton, cereals and vegetables. A shortage of investors and the need for improved transparency had delayed implementation of privatization programmes. Liberalization would also involve basic utilities. Burkina Faso had been implementing its competition policy since January 1998. However, price controls were maintained on petroleum products as these were sensitive products. On the external debt, he noted that suitable actions would be taken under the HIPC. Moreover, structural adjustment programmes and the move to CET were preparing the economies of WAEMU members for increased competition; support from the international community was necessary. To deal with the drought, environmental action was being taken.

Multilateral and regional agreements

Members acknowledged the determination of Burkina Faso and Mali to base their trade relations on the principles of the multilateral trading system. Within this context, some Members inquired about assistance the WTO could provide to dispel worries about marginalization. Questions were asked about the coherence and coordination of regional agreements, especially WAEMU and ECOWAS to which both Burkina Faso and Mali were party. It was noted that Burkina Faso and Mali would need to improve intraregional competitiveness of their products to meet the increased competition that would result from the implementation of the CET.

Members inquired about the effects of preferential treatment granted to Burkina Faso and Mali under the

Lomé Convention and the Generalized System of Preferences, and measures envisaged by these countries to adjust to any reduction of preferences that might result from multilateral liberalization.

Recalling the Integrated Programme for least-developed countries, the representatives of Mali and Burkina Faso indicated that they looked forward to its implementation for their countries. On preferential treatment, discussions among African ACP countries had stressed the need for ACP members to maintain their commercial position.

Coordination between the ECOWAS Secretariat and the WAEMU Commission contributed to avoiding inconsistencies between these two regional agreements. ECOWAS Members agreed that, in the long run it would be the only regional agreement in West Africa.

Trade measures and sectoral policies

Members expressed their appreciation of the considerable progress made by Burkina Faso and Mali in liberalizing their trade regimes. However, participants voiced concerns about the complexity of their tariff structures and the low levels of WTO bindings with respect to non-agricultural products. Members sought clarification on the steps being taken to implement the CET in January 2000. Noting that neither country had legislation on continuity trade remedies, Members asked about plans for such legislation. Questions were also raised about the compatibility of restrictions on certain export products and the two countries' objectives to boost exports. It was noted that the countries' unilateral liberalization in the services sector was not reflected in their WTO commitments, and that restrictions on FDI in financial services and telecommunications monopolies were being maintained.

Members took note of the fact that, as a safeguard, Burkina Faso was implementing reference prices on sugar. Specific questions were raised regarding local content schemes, other duties and charges, import licensing and state ownership in basic services, especially financial services.

Mali was encouraged to sign the Plurilateral Agreement on Government Procurement. Members noted that the special internal tax on certain products (ISCP) was included in the VAT assessment, and the service provision contribution (CPS) was applied although it did not appear in the list of other duties and charges bound by Mali.

The representative of Mali indicated that tariff rationalization undertaken by Mali since 1991 had prepared it for implementation of the CET. However, implementation would increase tariffs on capital goods and inputs from the current level of zero to 5%. Future imposition of other duties and charges would be in compliance with WTO commitments. Common legislation was scheduled to be introduced within the framework of WAEMU. On customs valuation, he indicated that Mali would apply the "transaction-value" basis from the year 2000. However, technical assistance was needed to familiarize customs agents with the system. An increase in the rate of the VAT would mitigate the reduction in tax revenues which might result from the planned abolition of the CPS. The repre-

Go to Chart I.1

sentative added that the ISCP was a non-discriminatory internal tax. He added that the 3% export tax was the main tax on mining activities. Privatization of public enterprises, including SOTELMA, the telecommunications company, would improve competitiveness.

The representative of Burkina Faso noted that its customs tariff was simplified in July 1998 as a first step in the move to the CET. He added that the safeguard action on sugar was to prepare the state-owned sugar company for privatization. The ban on hides and skins was to protect an infant industry; a revision of the ban was under consideration. He indicated that, in general, the services sector was liberalized. He went on to note that the CSE was collected for live stock development purposes, while special authorization was required for the export of cereals and shea nuts for statistical reasons.

Conclusion

In conclusion, it is my sense that Members welcomed the collective participation by Burkina Faso and Mali in the review process and the significant steps taken by their authorities towards more open and deregulated economic and trade regimes. Members recognized the difficulties of such major adaptation, particularly given the challenges faced by both Burkina Faso and Mali as landlocked least-developed countries, with a small resource base. They strongly encouraged both countries to consolidate and build on the achievements of recent years. I also thought that Members were conscious that, if the policies pursued domestically are to achieve the desired results, it is important that they receive support at the regional level and within the multilateral trading system. □

Trinidad and Tobago

Reducing dependency on the energy sector

The TPRB concluded its first review of Trinidad and Tobago's trade policies on 12 and 13 November. Excerpts from the Chairperson's concluding remarks:

Members congratulated Trinidad and Tobago on its recent liberalization and economic reforms, which had resulted in steady growth rates, low inflation and had attracted substantial foreign investment. However, challenges remained, including dependency on the energy sector, high unemployment and a still sizeable participation of the State in key sectors. Also, the traditional trade surplus had turned to deficit in 1997, primarily as a consequence of a surge in imports. There was also concern about the effect of lower oil prices on export earnings and government revenue. Members welcomed the steps taken by Trinidad and Tobago to develop a legal framework for competition policy and encouraged its prompt implementation. There was some worry about the range, cost and coherence of the various incentive schemes, particularly with respect to investment, for which procedures were also some times cumbersome. Members encouraged Trinidad and Tobago to continue to seek the diversification of economic activity and to accelerate the process of privatization, particularly in the agriculture and energy sectors.

Members welcomed Trinidad and Tobago's trade liberalization, including a lowering of tariffs, virtual elimination of quantitative restrictions and a reduction in the scope of import licensing.

In reply, the representative of Trinidad and Tobago stated that the maximum tariff rate had been reduced from 45% to 20% over five years, and that there were no immediate plans to lower tariffs further. Any alteration of the Common External Tariff would require approval from the CARICOM Heads of Government. With regard to the gap between applied and bound tariffs for agricultural products, the Government intended to re-examine bindings upon completion of a review of agricultural policies. The representative noted that only a few items were currently subject to licensing, mainly for public safety and national security reasons, as well as under CARICOM Treaty obligations. Trinidad and Tobago had amended its anti-dumping legislation to ensure conformity with its WTO obligations; a notification in this respect would shortly be submitted to the WTO. Apart from anti-dumping, Trinidad and Tobago had amended its legislation and procedures in a number of areas, including TRIPS and customs valuation, and was in the process of drafting or revising legislation in other areas. The procedure for setting standards was also explained.

With regard to export allowances, involving a tax credit based on certain export earnings, the representative of Trinidad and Tobago said that, in accordance with the Budget Speech of 1998, they would be eliminated in 2002. Trinidad and Tobago was addressing the problem of enforcement of intellectual property rights, particularly re-

garding video and audio cassette piracy. The representative of Trinidad and Tobago stressed the need for technical assistance to strengthen the capacity of small trading partners to meet reporting obligations under the WTO and to fully exercise their rights.

Gas refinery: the government, keen to reduce dependence on oil and gas, is taking a renewed interest in agriculture.

Sectoral policies

Members acknowledged Trinidad and Tobago's efforts to diversify its economy, reducing its dependency on the energy sector by facilitating activity in non-petroleum manufacturing and services. On agriculture, Members posed questions with regard to issues such as: high import surcharges, quantitative restrictions applied to imports of live poultry, and the role of state-owned enterprises in the sector. Regarding the energy sector, Trinidad and Tobago was encouraged to implement a more transparent pricing structure for natural gas. On services, Members welcomed Trinidad and Tobago's commitments in the GATS and encouraged a broadening of their scope, particularly in financial services.

The representative of Trinidad and Tobago stated that the high surcharges applied to the agricultural sector would be reviewed before 2004 with a view to ensuring compliance with WTO commitments. On financial services, national treatment was accorded to foreign providers, and the Government was finalizing an offer on banking to be presented by January 1999.

Conclusions

In conclusion, Members expressed appreciation for Trinidad and Tobago's liberalization efforts, and prompt compliance with their obligations under the WTO. Members strongly welcomed the many steps that Trinidad and Tobago had already taken in becoming a more open outward-oriented economy that was integrated into the multilateral system; they acknowledged the challenges faced by Trinidad and Tobago as a small resource-based economy and appreciated the reform programme to diversify the economy. It was felt that a continuation of Trinidad and Tobago's trade-opening efforts would consolidate the basis for economic diversification and for steady, sustainable growth; in this respect, the support trading partners would also be important. □

Uruguay

Wide-ranging structural reform programme

The TPRB concluded its second review of the trade policies of Uruguay 23 and 25 November. Excerpts from the Chairperson's concluding remarks:

Members welcomed Uruguay's trade liberalization, including the lowering of applied tariffs within MERCOSUR's framework. However, the schedule of convergence to the Common External Tariff (CET) was complex. Several Members questioned the recent temporary increase in the CET by 3 percentage points, noting that as a result tariff bindings have been exceeded in some instances.

Members congratulated Uruguay on streamlining customs procedures. There were questions about customs valuation procedures; preferential rules of origin; the use of international standards; and preferences for domestic products in government procurement and about Uruguay's possible accession to the Government Procurement Agreement (GPA).

In reply, the representative noted that Uruguay had adopted MERCOSUR's CET on 1 January 1995, with rates between 0 and 20%. The temporary increase of CET rates by 3 percentage points, would end on 31 December 2000. Applied tariffs were within WTO bindings, except for a few lines, which Uruguay intended to correct by 1 January 1999.

On customs valuation, the representative noted that transaction value was used when ever possible. Rules of origin were currently applied to MERCOSUR intraregional trade, but would be eliminated when convergence to the CET was completed.

The representative noted that Uruguay's agricultural exports faced a number of barriers, including tariff peaks and non-tariff barriers; access was also distorted by subsidies in a number of countries. Export taxes in Uruguay were applied only on one product; elimination depended on negotiations within MERCOSUR. On export subsidies, the concessions granted to the motor vehicles industry had been notified to the WTO. Uruguay applied a system of temporary admission and import duty drawbacks in a manner consistent with WTO obligations. Uruguay had recently introduced new trademark legislation; draft laws on copy rights and patents were in Parliament. Uruguay was addressing the problem of enforcement of intellectual property rights, particularly regarding trademark and copy right in fringe ment.

Sectoral issues

Members commended Uruguay on the performance of its agriculture sector, but posed questions on the pricing mechanism for milk and its impact on exports. Clarification was sought regarding the criteria to grant incentives under the "national interest" provision of the Industrial Promotion Law. Questions were also asked about the minimum "export" price system for textiles and clothing, and on the automotive regime. On services, Members wel-



Packing butter: Uruguay responded to questions about its pricing mechanism for milk. (ILO Photo)

comed Uruguay's liberalization and encouraged further private sector participation. Questions were raised on specific service issues, including the contribution of financial services to GDP and high spreads in interest rates; promotion of competition, particularly in basic telecommunications; commercial presence in port services; and incentives granted to the tourism sector.

The representative of Uruguay explained the pricing mechanism for milk, clarifying the objectives and nature of the quota system and quality controls. The national development bank (BROU) granted credit in a transparent manner. Details were provided on the criteria for "national interest" under the Industrial Promotion Law, and on the operation of the system of minimum "export" prices. Since 1995, this system had applied only to sugar and textiles and would in the future be replaced by the trade defence and safeguard mechanisms established in the Uruguay Round. Uruguay had notified one TRIM in the automotive industry; MERCOSUR partners were negotiating a common regime for the industry.

On financial services, the representative noted the sector's continued importance in terms of GDP, the increased bank deposits by non-residents, and the availability to firms of credit at highly competitive interest rates.

Conclusions

In conclusion, it is my feeling that this Body welcomed Uruguay's wide-ranging structural reform programme, including the significant steps taken in trade liberalization and the reform of the public sector. Delegations appreciated Uruguay's involvement in and commitment to the multilateral trading system and were in no doubt that Uruguay would play, as in the past, an important and constructive role in future negotiations. Members encouraged Uruguay to continue to liberalize its economy thus consolidating the basis for steady growth and diversification, including of export markets and products. It is also my sense that Members saw the importance for trade liberalization within MERCOSUR to contribute to strengthening the multilateral trading system. □

WTO, UNCTAD and ITC launch joint training course for francophone African countries

Officials, academics and businessmen from four African countries—Benin, Burkina Faso, Côte d'Ivoire, and Tunisia—are taking part in a three-week, Geneva-based training course that will help them better manage their integration into the multilateral trading system (MTS). It began on Monday, 23 November, and runs through 11 December 1998.

The course is organized jointly by the World Trade Organization (WTO), the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC), as part of the Joint International Technical Assistance Programme in Selected Least-Developed and Other African Countries (JITAP).

Training of trainers

This francophone "training-of-trainers" course is the second in a series; a similar one was organized last year for English-speaking countries, namely Ghana, Kenya, the United Republic of Tanzania and Uganda. The course aims to build up national networks of trainers and experts on multilateral trading system matters in the participating countries. Participants are expected to identify training needs related to the multilateral trading system. By the end of the course, they should be able to train in turn other trainers in their countries, and to set up national information networks which would be interlinked.

The joint training approach adopted by WTO, UNCTAD and ITC for this course is designed to give a comprehensive overview to MTS issues. For each topic, WTO explains rules stemming from the Uruguay Round, UNCTAD addresses policy implications, and ITC examines business aspects and opportunities. Group discussions allow participants and experts to consider international trade issues in the context of the economic circumstances prevailing in their respective countries.

The participants are 26 senior officials from government, trade-related and private sector development institutions, as well as from business and law faculties. The location of the course rotates weekly between ITC, UNCTAD and WTO.

JITAP was announced jointly by the three multilateral Geneva-based organizations on the occasion of UNCTAD IX in May 1996 in Midrand, South Africa. It has initially focused on eight African countries, four of which are LDCs. A Common Trust Fund was created for JITAP in March 1998; it is administered by ITC. To date, thirteen donor countries have contributed to the Fund, for a total amount of US\$ 7.8 million. Of this amount US\$6.9 million is allocated to Window II of the Fund, for earmarked country projects. The remainder is allocated to Window I, for unearmarked programme development and generic activities. The contributors are: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Japan, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. □

Commerce Minister Osama J. Faquih greets Ambassador John Weekes, Chairman of the Working Party on the Accession of Saudi Arabia, which met on 17 and 19 November. The Minister stressed his government's desire to conclude the negotiations in 1999. Mr. Weekes invited the members to keep the momentum of the negotiations, and underlined the need to conclude the market-access negotiations as soon as possible. (Tania Tang/WTO)

MEETINGS

December 1998

14-15	Council for Trade in Services
15, 17	Trade Policy Review: Canada
16-17	Working Party on the Accession of the Russian Fed.
17-18	Textiles Monitoring Body
17	Committee on Financial Services
18	General Council; Working Party on State Trading Enterprises

1998 World Investment Report

The United Nations Conference on Trade and Development (UNCTAD) has just released the *World Investment Report 1998: Trends and Determinants*. This report, published annually by UNCTAD, surveys the global activities of transnational corporations (TNCs). The report (459 pp. Sales No. E.98.II.D.5) may be obtained at the price of US\$45, from UN Publications/Sales Section, Palais des Nations, CH-1211 Geneva 10, Switzerland. □

CORRECTION: In *WTO FOCUS* No. 34, page 11, the caption should have read **Hon. Anthony Hylton, Minister of State, Ministry of Foreign Affairs and For eign Trade of Jamaica**. Our apologies.

WTO FOCUS

Newsletter published by the Information and Media Relations Division of the WTO.

Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, Switzerland Tel. 7395111 Fax: 7395458

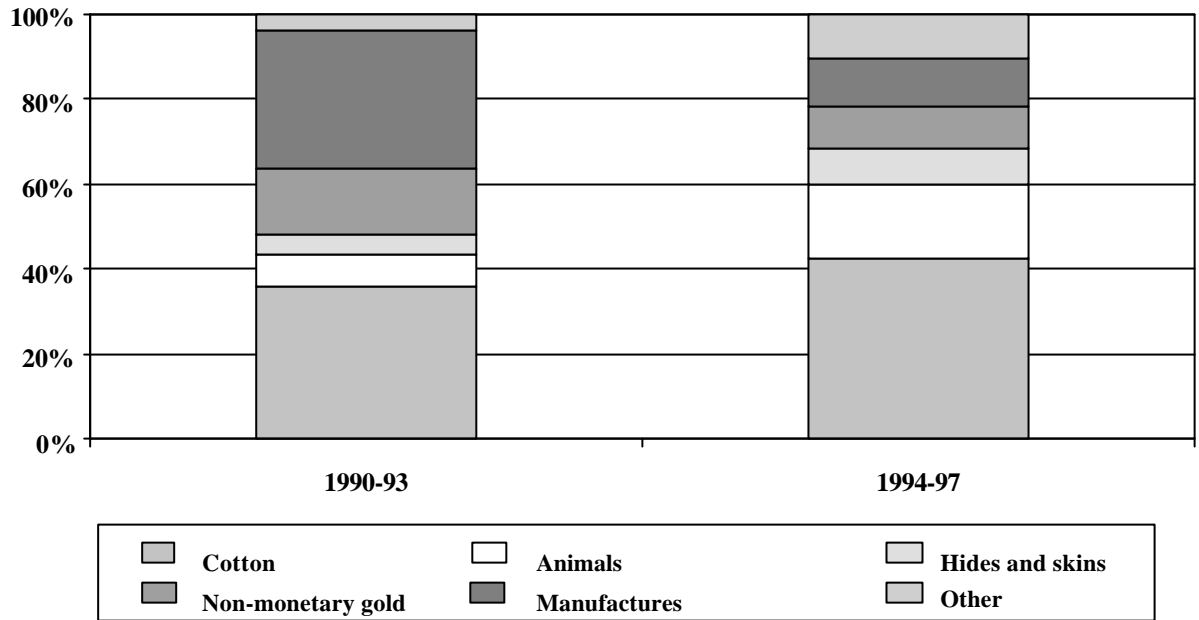
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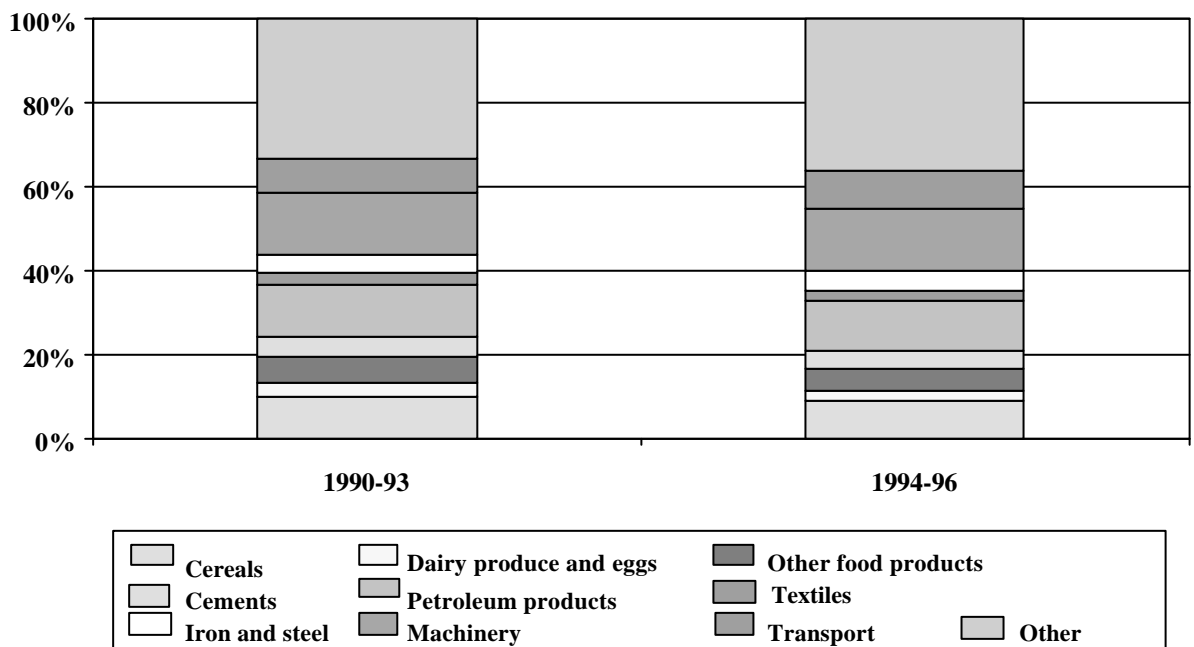
Chart I.2

Breakdown of trade by product category, 1990-1993 and 1994-1997

(a) Exports



(b) Imports

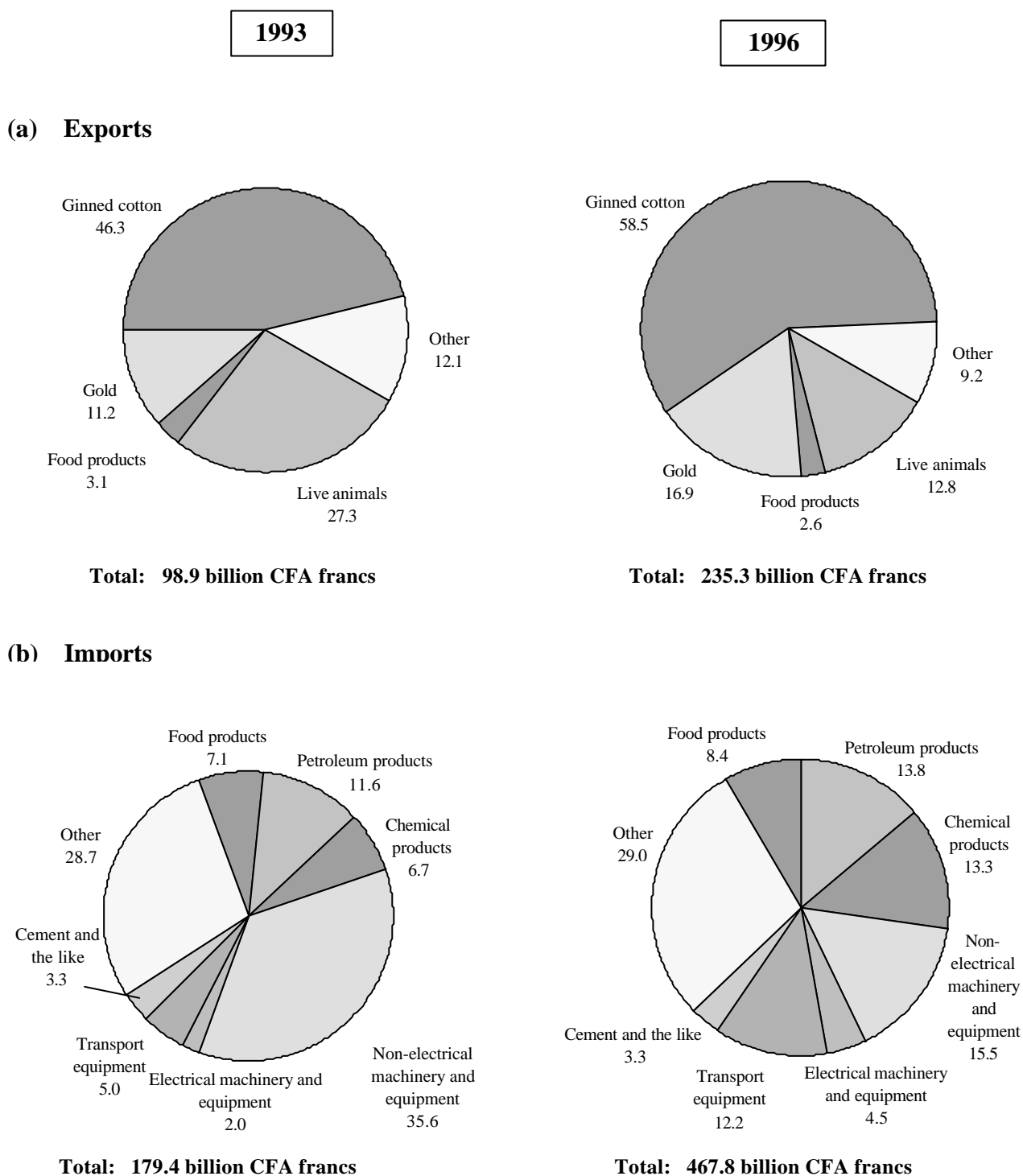


Source: Burkina authorities

Chart I.1

Exports and imports by major product groups, 1993 and 1996

Per cent



Source: Malian authorities.







