

Implementation and monitoring

- Roberto Azevêdo (Brazil) was elected as the WTO's new Director-General for a four-year term, starting on 1 September 2013.
- Laos and Tajikistan became the newest members of the WTO, bringing the total membership to 159. At the Bali Ministerial Conference, ministers also agreed to Yemen joining the WTO.
- The WTO's Trade Policy Review Body reviewed the trade policies and practices of 20 WTO members in 2013. By the end of the year, 384 reviews had been conducted since the WTO was established.
- World merchandise trade grew by 2.1 per cent in volume terms in 2013 and is likely to grow by 4.7 per cent in 2014, according to WTO estimates.



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Background on 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.

General Council

In 2013, the WTO's General Council carried out the selection process that led to the appointment of Roberto Azevêdo of Brazil as the new WTO Director-General. The General Council also undertook the relevant substantive and organizational preparations for the WTO's Ninth Ministerial Conference. It oversaw the progress of the Doha Round negotiations, and in particular of the "Bali Package", on the basis of reports from the Director-General in his capacity as Chair of the Trade Negotiations Committee.

Appointment of the WTO Director-General

An important part of the General Council's work in the first few months of 2013 was the selection and appointment of a new Director-General to succeed Pascal Lamy, whose mandate was due to expire on 31 August 2013. The process started at the end of 2012 with a notification to WTO members from the General Council Chair. The process, leading up to the decision by the General Council, was conducted by the Chair of the General Council in consultation with members and with the assistance of the Chairs of the Dispute Settlement Body and the Trade Policy Review Body, acting as facilitators.

At the close of the nomination period on 31 December 2012, nine candidates had been nominated by their respective governments: Alan John Kwadwo Kyerematen (Ghana), Anabel González (Costa Rica), Mari Elka Pangestu (Indonesia), Tim Groser (New Zealand), Amina C. Mohamed (Kenya), Ahmad Thougan Hindawi (Jordan), Herminio Blanco (Mexico), Taeho Bark (Republic of Korea) and Roberto Carvalho de Azevêdo (Brazil).

The candidates were invited to a formal General Council meeting on 29-31 January, where they each made a brief presentation, including their vision for the WTO, followed by a question-and-answer session. In the final two months of the process, the General Council proceeded, through successive rounds of consultations, to narrow the field of candidates and ultimately to arrive at its choice for appointment. The outcome of the consultations was reported to the membership at each stage by the General Council Chair. The process concluded with a meeting of the General Council on 14 May at which a decision was taken to appoint Ambassador Roberto Carvalho de Azevêdo as the new WTO Director-General for a four-year term.

Delegations bade farewell to Pascal Lamy at a special session of the General Council on 24 July.

Roberto Azevêdo took office on 1 September 2013. Delivering his first statement as Director-General to the General Council, which held a special meeting on 9 September, he said his "full" priority would be to ensure a successful negotiating outcome at the Bali ministerial.

WTO's Ninth Ministerial Conference

The General Council Chair led a preparatory process to define both the substantive and the organizational aspects of the WTO's Ninth Ministerial Conference, which was held in Bali, Indonesia, on 3-7 December. On organizational matters, delegations were consulted regularly on issues such as the appointment of officers for the Conference and the participation of observers and non-governmental organizations (NGOs).

On the WTO's regular work, the General Council oversaw progress on the mandates given by ministers at the Eighth Ministerial Conference as well as other issues for ministerial action from WTO bodies, which were reflected in their annual reports to the General Council. As a result of this work, the General Council submitted a number of recommendations for decision to the Ministerial Conference in the areas of non-violation and situation complaints under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, e-commerce, the work programme on small economies, Aid for Trade, and trade and transfer of technology. Work to finalize the "Bali Package" took place in the Trade Negotiations Committee (see page 26) and in the context of the Director-General's consultations.

Aid for Trade

In July, then Director-General Lamy reported on the Fourth Global Review of Aid for Trade (see page 104) and on how the Review had substantively contributed to the debate on the connections between Aid for Trade and global value chains. He said the initiative was now truly member-driven and members had expressed a strong wish to see ministers renew the Aid for Trade mandate at the Ninth Ministerial Conference, which they did.



Background on the General Council

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.





Shahid Bashir chaired the General Council in 2013.

E-commerce

The work programme on e-commerce is carried out under the auspices of the General Council, with the Council for Trade in Services, the Council for Trade in Goods, the TRIPS Council and the Committee on Trade and Development examining and reporting to the General Council on aspects of e-commerce relevant to their respective areas of competence.

As instructed by ministers at the Eighth Ministerial Conference, the General Council reviewed progress on the work programme, based on reports submitted by these WTO bodies, at its July meeting. Then Deputy Director-General Harsha V. Singh, who chaired the dedicated discussions on e-commerce on behalf of the General Council Chair, also reported to the General Council in July. At the November General Council meeting, WTO members took note of the draft report of the dedicated discussion and agreed to forward the draft decision on e-commerce to the Ninth Ministerial Conference, which adopted it.

Waivers under Article IX of the WTO Agreement

In 2013, the General Council considered and granted a number of requests for waivers from obligations under the WTO Agreement, as set out in Table 1. It also reviewed the following multi-year waivers:

- Least-developed countries (LDCs) – Article 70.9 of the TRIPS Agreement with respect to pharmaceutical products, granted on 8 July 2002 until 1 January 2016
- Preferential treatment for LDCs, granted on 27 May 2009 until 30 June 2019
- European Union – Application of autonomous preferential treatment to Moldova, granted on 7 May 2008 until 31 December 2013
- European Union – European Union preferences to Pakistan, granted on 14 February 2012 until 31 December 2013
- United States – Former Territory of the Pacific Islands, granted on 27 July 2007 until 31 December 2016
- United States – Caribbean Basin Economic Recovery Act, granted on 27 May 2009 until 31 December 2014
- United States – African Growth and Opportunity Act, granted on 27 May 2009 until 30 September 2015
- United States – Andean Trade Preference Act, granted on 27 May 2009 until 31 December 2014
- Preferential Treatment to Services and Service Suppliers of LDCs, granted on 17 December 2011 until 17 December 2026
- Kimberley Process Certification Scheme for Rough Diamonds, granted on 12 December 2012 until 31 December 2018
- Canada – CARIBCAN, granted on 30 November 2011 until 31 December 2013
- European Union – Application of Autonomous Preferential Treatment to the West Balkans, granted on 30 November 2011 until 31 December 2016
- Cuba – Article XV: 6 of the General Agreement on Tariffs and Trade (GATT) 1994, Extension of Waiver, granted on 14 February 2012 until 31 December 2016.

TRIPS-related matters

In November, the General Council received a report from the TRIPS Council on its review of the implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (see page 62). This relates to special provisions, contained in a waiver to the TRIPS Agreement, permitting generic versions of patented medicines to be exported to developing countries with no manufacturing capacity of their own, and which cannot otherwise use TRIPS flexibilities to issue compulsory licences on public health grounds. The General Council also agreed to extend until 31 December 2013 the period for WTO members to accept the Protocol amending the TRIPS Agreement that will replace the waiver.

Other issues

The General Council heard concerns expressed by a large number of members about Ukraine's resort to Article XXVIII to raise duties on over 350 tariff lines. The General Council also

heard updates concerning the Chair's consultations on improving the guidelines for granting intergovernmental organizations permanent observer status in the WTO.

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 its subsidiary bodies. All the annual reports were forwarded to the Ministerial Conference, which took note of them and of the progress in the work they contained in its Ministerial Declaration.

In addition, the General Council approved the WTO biennial budget and the revised infrastructure contract. The Council also considered a report from the Joint Advisory Group of the International Trade Centre (ITC), which is the policymaking body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development (UNCTAD).

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

In 2013, the General Council granted the following waivers from obligations under the WTO agreements.

Member(s)	Type	Decision of	Expiry	Decision
Argentina, China, European Union, Iceland, and Malaysia	Introduction of Harmonized System 2002 changes into WTO Schedules of Tariff Concessions	26 November 2013	31 December 2014	WT/L/900
Argentina, Australia, Brazil, Canada, China, Costa Rica, Dominican Republic, El Salvador, European Union, Guatemala, Honduras, Hong Kong (China), India, Israel, Republic of Korea, Macao (China), Malaysia, Mexico, New Zealand, Nicaragua, Norway, Pakistan, Philippines, Singapore, Switzerland, Thailand, United States, and Uruguay	Introduction of Harmonized System 2007 changes into WTO schedules of tariff concessions	26 November 2013	31 December 2014	WT/L/901
Argentina, Australia, Brazil, Canada, China, Costa Rica, Dominican Republic, El Salvador, European Union, Guatemala, Honduras, Hong Kong (China), India, Israel, Republic of Korea, Macao (China), Malaysia, Mexico, New Zealand, Norway, Pakistan, Philippines, Russia, Singapore, Switzerland, Thailand, United States, and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	Introduction of Harmonized System 2012 changes into WTO schedules of tariff concessions	26 November 2013	31 December 2014	WT/L/902
European Union	Application of Autonomous Preferential Treatment to Moldova – Extension of Waiver	26 November 2013	31 December 2015	WT/L/903



Trade in goods

The WTO's Council for Trade in Goods is increasingly becoming a forum for airing trade concerns and at the Council's four meetings in 2013, members raised a range of such concerns, some of which are the subject of consultations under the WTO's Dispute Settlement Understanding. The Council also approved a number of waiver requests, individual and collective, such as the extension of the waiver for the application of autonomous preferential treatment for Moldova and the on-going harmonization of tariff schedules.

WTO members expressed concern at the increased use by Brazil of indirect taxes to protect and promote domestic manufacturing, particularly through the use of domestic content conditions. These have been extended beyond automobiles to other sectors, such as the fertilizer sector. Similarly, concerns were raised about Japan's implementation of its wood point stimulus programme, which entered into force in July 2013 and which is designed to boost the supply and use of domestic forest products in Japan.

Indonesia's limiting of imports through a large number of new trade and investment restrictions, including licensing requirements, was also raised at the Council. The licensing requirements are the subject of a request for consultations under Article IV of the Dispute Settlement Understanding. The measures also cover trading rights limitations, pre-shipment inspection requirements, local content and domestic manufacturing requirements, export restrictions, including taxes and prohibitions, and additional testing and approval requirements for imported goods.

Members reiterated a request to Ukraine to withdraw its notification of its intention to renegotiate its tariffs on a large number of products. Concerns were also raised as regards the additional duties on car imports imposed by Ukraine in the form of safeguard measures. Consultations have been requested on this issue. Other concerns involved quotas that Ukraine imposed



on coking coal, bituminous coal and coke, used in the production of metals, including steel, and the introduction of a recycling fee on imported motor vehicles (in addition to the increased import duties mentioned earlier).

Members again expressed concern at the lack of implementation of some of Russia's WTO accession commitments. These included the recycling fee applied to imported vehicles, for which consultations have also been requested. Others were the lack of transparency in fulfilling the notification obligations under the Agreement on Import Licensing Procedures, certain restrictive sanitary and phytosanitary (SPS) measures, such as an import ban on live animals, and the lack of harmonization of Russia's SPS measures with international standards.

Members also asserted that Russia was not respecting tariff bindings given the application of the Customs Union Common External Tariff, particularly for agricultural products, vehicles and paper. One member expressed concern about Russia's ban on milk and dairy products from Lithuania.

Concerns were also raised with regard to Nigeria's minimum local content requirements for specific goods, such as steel plates, cables, valves, cement and pipes, and about the possible reduction of imports of sea products into Nigeria. Some members also questioned whether the EU renewable energy directive, which establishes sustainability standards on bio-fuels, is not discriminatory.



Background on trade in goods

The Council for Trade in Goods is responsible for the workings of all WTO agreements on trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The Goods Council has 11 subsidiary committees dealing with specific subjects, such as agriculture, market access, subsidies, technical barriers to trade, sanitary and phytosanitary measures, import licensing and customs valuation. All these committees also comprise all WTO members. Also reporting to the Goods Council are a working party on state trading enterprises and the Information Technology Agreement.

Waivers granted

The Goods Council approved collective waiver requests on the changes to schedules of tariff concessions to be applied under the Harmonized System (HS 2002, 2007 and 2012). The requests referred to the extension of the deadlines to update the tariff schedules of the requesting members.

The Council also approved an extension of the waiver granted to the European Union of its obligations under paragraph 1 of Article I of the General Agreement on Tariffs and Trade (GATT) 1994 and Article XIII of GATT 1994 to permit the European Union to grant duty-free or preferential treatment to products originating in Moldova, including certain agricultural products. The Council agreed to extend the waiver by two years or until 31 December 2015 and forwarded the draft decision to the General Council for adoption.

Note was taken of the consultations held by the Philippines concerning its request for a waiver relating to special treatment for rice.

Other issues

The European Union requested the extension of the time period for the withdrawal of concessions for the 2007 and 2013 EU enlargements until 1 July 2014. Finally, Gabon requested the Goods Council's authorization to renegotiate, under paragraph 4 of Article XXVIII of GATT 1994, its schedule of concessions (XLVII) during a period of 120 days. The Council authorized Gabon to renegotiate its list of concessions during a period of 180 days, as from 18 October 2013.

The Council was notified of new regional free trade agreements between Mexico and Uruguay and between Costa Rica and Singapore.

Market access

The WTO's Committee on Market Access advanced in the various tariff transposition exercises underway under the Harmonized System (HS). These exercises – HS1996, HS2002, HS2007 and HS2012 – are extremely important because they help guarantee that WTO members' schedules of commitments are up to date and relevant and that tariff obligations are transparent. At its two formal meetings, the Committee also reviewed notifications on quantitative import restrictions and heard concerns expressed about Ukraine's setting of import quotas on coking coal and coke.

The harmonization exercises correspond to the years in which the World Customs Organization (WCO) made changes to the HS nomenclature. Under the oldest outstanding exercise – HS1996 – the number of members whose schedules remain to be certified fell to just three, from five at the end of 2012. HS2002 is also close to conclusion, with 109 schedules certified, up from 99 a year earlier. Good progress was made in the HS2007 exercise, with 14 files certified and 13 in the

process of being so. Since so much effort went into HS2007, work did not begin on the HS2012 transposition exercise. During the year, the Committee approved a further extension of the HS2002, HS2007 and HS2012 collective waivers.

The Committee received a report from the Secretariat – "Situation of schedules of WTO members" – that compiles in one place all the legal instruments which comprise members' schedules of commitments.

Notifications of quantitative restrictions

The Committee reviewed a number of notifications submitted under the Quantitative Restrictions Decision, which requires members to report all quantitative import restrictions every two years and all changes within six months. Some members expressed disappointment at the low level of compliance. So far, only 18 notifications have been made.

Ukraine's decision to impose quotas on coking coal and coke imports was raised at the 7 May and the 7 October meetings, with several members expressing concerns at the measures.

Other issues

Following on from the posting on the WTO website of the negotiating records from the first four rounds of the General Agreement on Tariffs and Trade (GATT), the Committee lifted restrictions on publication of material from the fifth – the Dillon Round. Steps are already being taken to do the same with the Kennedy Round. All this material is expected to be of interest to academics, students and trade policy practitioners.

Finally, the Committee agreed to stop sending twice-yearly reports on waivers to the Council for Trade in Goods. This practice began in the early 1990s when a large number of individual waivers were being renewed almost automatically every six months.



Background on market access

The Committee on Market Access provides a forum for consultation and supervises the implementation of tariff and non-tariff concessions that are not covered by any other WTO body. It also seeks to ensure that schedules of commitments are kept up to date, including changes required by amendments to the Harmonized System (HS). This is crucial for surveillance purposes (i.e. to be able to compare tariffs in the schedules of commitments with those applied in practice by WTO members). The HS, developed by the World Customs Organization, allows countries to classify trade goods on a common basis. It has been updated three times since 1996.



Agriculture

The “regular” Committee on Agriculture’s key responsibility is to see how countries are complying with their commitments on subsidies and market access and to discuss issues that arise, including broader market and food security conditions. This issue featured prominently again in 2013. The Committee also continued consultations on improving the submission and quality of WTO members’ notifications, which provide key information for the work, including on the list of significant exporters. The Committee also published a new online database which lets users analyse notifications, questions and answers provided by WTO members in the context of the Committee’s review process.

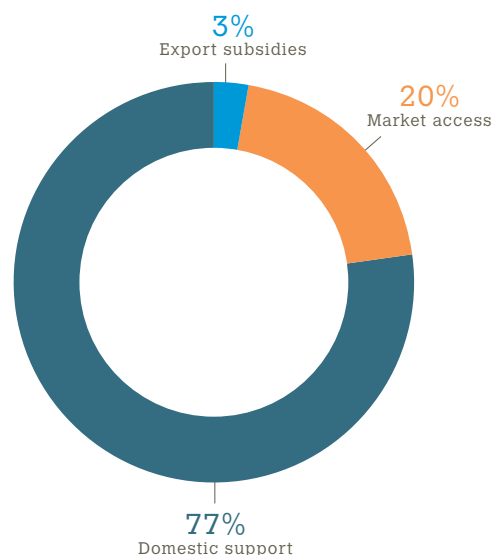
The review of WTO members’ progress in implementing their commitments is largely based on their notifications. Members can and do also ask about agricultural measures that have not yet been notified or have not been notified at all (under Article 18.6 of the Agreement on Agriculture). At its three meetings in 2013, the Committee reviewed in detail approximately 74 notifications. Members raised a total of 212 questions, 83 per cent of which related to individual notifications. Figure 1 gives a snapshot of the nature and number of concerns raised by subject area.

Members also raised 17 issues that were not related to specific notifications, under Article 18.6, nine of them discussed for the first time. The remaining issues had been discussed at least once in previous years. As notifications are the principal source of information for monitoring compliance, the Committee also looked closely at how well members were fulfilling their reporting obligations. Some delegations raised specific concerns about long overdue notifications, particularly on domestic support and export subsidies.

Background on agriculture

The Agreement on Agriculture aims to reform trade in the agricultural sector and make WTO members’ policies more market-oriented. The rules and commitments apply to market access, domestic support and export competition as well as export restrictions and prohibitions. The Committee on Agriculture meeting in regular session oversees the implementation of the Agreement. The Committee is also entrusted with monitoring the follow up to the Marrakesh Ministerial Decision regarding net food-importing developing countries, which sets out objectives on the provision of food aid and other assistance to the beneficiary countries.

Figure 1: Concerns raised in the Committee on Agriculture in 2013, by subject area*



*No concerns were raised regarding notifications of export prohibitions and restrictions.

“Significant exporters”

The Committee intensified its work on updating the 1995 list of “significant exporters”, which determines some notification requirements on export subsidies and helps the Committee monitor potential subsidization of exports and evasion of commitments. A list that takes account of current agricultural trade will improve the Committee’s ability to perform that task.

Significant exporters were defined in 1995 as countries whose share of total world exports in particular products exceeds 5 per cent. These WTO members, in addition to members with export subsidy reduction commitments, are required to notify total export volumes for those products. A number of delegations engaged constructively in several meetings organized by the Chair of the Agriculture Committee.

Agriculture Information Management System

The Agriculture Information Management System (AG IMS), a new online database accessed through the WTO website, was announced during the June 2013 Agriculture Committee meeting. It aids the Committee’s work by allowing users to search and analyse notified information along with the questions and answers submitted by WTO members in the Committee. The information available goes back to 1995. The AG IMS also allows members to submit questions and answers online.

Net food-importing developing countries

As in previous years, the Committee had a dedicated discussion on the implementation and monitoring of the 1994 Marrakesh Decision on Least-Developed and Net Food-Importing Developing Countries (NFIDCs). The decision sought to mitigate the possible negative effects of trade liberalization on NFIDCs by, among other things, providing food aid and technical assistance.

WTO members considered food aid levels to least-developed countries (LDCs) and NFIDCs as well as the technical and financial assistance made available by donor members and multilateral institutions to improve their agricultural productivity and infrastructure. The discussions were based on the notifications received, the WTO Secretariat note on implementing the Marrakesh Decision and with the assistance of the United Nations Food and Agricultural Organization (FAO) and the Inter-American Institute for Cooperation on Agriculture.

Looking ahead

In 2014, the Committee will continue to strengthen its monitoring tools and functions by, among other things, seeking further engagement from WTO members on updating the list of “significant exporters” and capitalizing on the technical assistance organized by the WTO Secretariat. In addition, the Committee will focus on the follow up to the decisions agreed at the WTO's Ninth Ministerial Conference in Bali on market access, export competition (export subsidies and policies with equivalent effects) and domestic support (see page 10).



Sanitary and phytosanitary measures

In 2013, WTO members raised a record number of “specific trade concerns” in the body handling food safety and animal and plant health – the Sanitary and Phytosanitary (SPS) Measures Committee. However, numerous concerns were also reported as resolved. A working group discussed a working definition of private standards in SPS. The Committee laid plans for the fourth review of how well the SPS Agreement is working. A workshop examined the challenges and opportunities in market access arising from SPS issues. It included discussions and information on the technical resources of the organizations that set standards in SPS.

The SPS Committee, which deals with issues surrounding food safety and animal and plant health, considered a wide range of “specific trade concerns” at each of its three meetings in 2013. A record 24 new specific trade concerns were raised and other previously raised concerns were discussed again.

New issues covered a variety of import measures affecting trade in products from fruit and meat to seafood and swallows' nests, with actions ranging from import bans and port closures to the use of testing laboratories and outsourced certification. They included: US proposed food safety audits and certifications; EU temperature treatment requirements on processed meat products; China's import conditions related to phthalates, used to soften plastics, and to swallows' nests; France's ban on bisphenol A (BPA), an industrial chemical; India's import restrictions on pork, as well as on apples, pears and citrus; EU phytosanitary requirements on pine trees from Russia, orchid plantlets from Chinese Taipei, and citrus products from South Africa; BSE-related restrictions on Brazilian meat products; and import restrictions in response to the nuclear power plant accident in Japan.

Forty trade concerns were reported to have been resolved in 2013, as compared with two concerns reported in 2012. Resolved concerns included Argentina's pest risk assessment requirements, China's application of regionalization (recognition of a region as being pest- or disease-free, as distinct from whole



Background on sanitary and phytosanitary measures

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



countries) and its prohibition of bovine meat, Egypt's restrictions on heat-treated products in relation to avian influenza, EU restrictions on the importation of fruits and fruit juices, Indonesia's ban on hormones in animal production, and the US rule on importation of wooden handicrafts from China. Thirteen concerns were also reported as being partially resolved. A total of 368 specific trade concerns were raised between 1995 and the end of 2013 (see Figures 2 and 3).

Transparency provisions

The Committee examined the operation of the transparency provisions of the SPS Agreement – essentially requirements to provide information and allow comment on new or modified measures – and produced the annual report on their implementation. The report indicated an increase in the number of notifications, in particular from developing and least-developed countries. During 2013, 1,298 notifications (including corrections and revisions) were submitted, compared with 1,218 in 2012. This brings the total number of notifications submitted since the Agreement entered into force in 1995 to 16,334. The number of members using the online SPS Notification Submission System (NSS) continued to grow steadily. Fifty-four per cent of all SPS notifications submitted during 2013 were submitted online.

The Committee continued to address some issues arising from the periodic reviews of the operation and implementation of the SPS Agreement. A working group was established to facilitate work on developing a working definition of SPS-related private standards. The Committee remained divided on a working definition despite China and New Zealand producing a compromise draft, which bridged their own substantial differences. The issue has taken the Committee into comparatively new territory – it generally deals with standards set by international standards-setting bodies and those imposed by governments.

The Committee also continued its work on developing guidelines to help implement Article 12.2 of the SPS Agreement on “ad hoc consultations and negotiations” to resolve specific trade concerns.

The Committee granted ad hoc observer status to the Intergovernmental Authority on Development (IGAD), an East African trading bloc, in line with the Committee's previous decisions to grant observer status to other regional economic organizations with SPS-related activities. In total, 26 organizations currently have regular or ad hoc observer status.

Fourth review, market access workshop

The Committee adopted a procedure and schedule for undertaking the fourth review of the operation and implementation of the SPS Agreement, which will take place in 2014. To aid this process, the WTO Secretariat circulated a background document summarizing information on the Agreement's implementation as well as the Committee's work since the third review. Several WTO members have submitted issues for consideration as part of the fourth review. The Doha Ministerial Conference of 2001 decided that reviews of the SPS should be carried out at least once every four years.

Figure 2: SPS trade concerns by subject, 1995 to end 2013

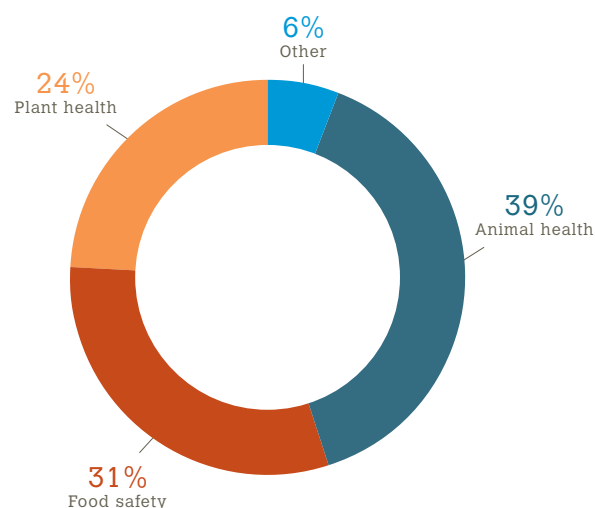
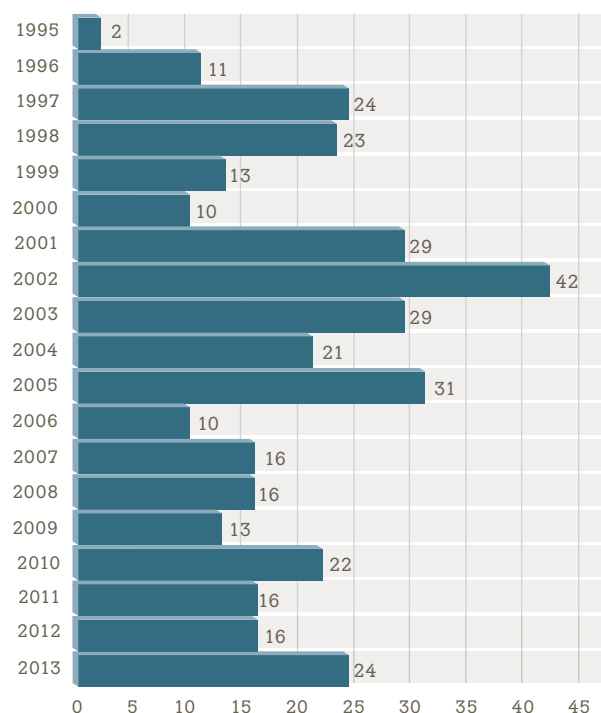


Figure 3: Number of new SPS trade concerns raised per year





A workshop in October on market access challenges and opportunities related to SPS. It provided a forum to discuss countries' experiences in addressing specific issues, with the aim of identifying common challenges and approaches that can be replicated. The workshop focused particularly on the role of governments, collaboration with the private sector and the role of technical assistance.

Those attending included a large number of former participants of the WTO's annual advanced SPS course, from developing and least-developed countries, and some participated as speakers and moderators in the workshop. Representatives from the International Plant Protection Convention (IPPC) and the World Organisation for Animal Health (OIE) also provided an overview of their available technical resources to assist members in addressing market access challenges.

World Bank study

A World Bank paper circulated at the March meeting suggested that exports from least-developed countries' (LDCs) are being constrained by emerging economies' higher SPS standards. The first study, which the Bank noted was a work in progress, focused on the impact that tougher standards among the BRICs (Brazil, Russia, India and China) were having on LDC exports. It found that more standards led to fewer imports overall. LDCs risked losing out as incomes in BRIC countries increased and standards followed suit, the report said.

Training

Training, mainly for government officials, and mainly from developing countries and former centrally planned economies, is an important part of WTO work. SPS is an area where the need is particularly great because of the complex technical issues involved and the direct impact on trade. Between September

1994 – three months before the WTO officially came into being – and December 2012, a total of 10,522 people received SPS training at various levels in 268 training events, the WTO Secretariat told the March meeting.

Technical barriers to trade

In 2013, WTO members increased the duration of meetings of the Technical Barriers to Trade (TBT) Committee to address a number of cross-cutting issues, including promoting the use of good regulatory practices. Delegations continued to notify a large number of draft measures to the Committee, and the number of "specific trade concerns" addressed by members in the Committee remains high. Several disputes with claims made under the TBT Agreement have been lodged by WTO members.

Good regulatory practice and transparency

At the end of 2012, the Committee decided to dedicate at least one additional day per Committee meeting to cross-cutting themes. These one-day informal "thematic sessions" give the Committee more time both to work on its existing recommendations and to explore those areas where concrete progress can be made in improving implementation of the TBT Agreement. Discussions on such themes had been crowded out by an increasingly heavy agenda of specific trade concerns (see Figure 5). In 2013, progress was made in two areas in particular.

The first is good regulatory practice, on which the Committee has focused for a number of years. In 2012, the Committee agreed to identify a "non-exhaustive list of voluntary mechanisms and related principles of good regulatory practice" to be applied when governments set product requirements. The purpose is to streamline the way regulations are prepared, adopted and applied (throughout the "regulatory lifecycle"). The Committee has worked on a series of drafts upon which there has been both wide and substantive engagement. This work will continue in 2014.



Background on technical barriers to trade

The Technical Barriers to Trade (TBT) Agreement tries to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade. The number of regulations adopted by countries has continued to grow in response to consumers' demands for safe, high-quality products, the protection of health and the need to curb pollution and environmental degradation. In an effort to curb the growing number of specific trade concerns brought before the TBT Committee, members shifted their focus in 2013 to address broader cross-cutting themes – such as the use of good regulatory practices.



The second area is transparency, where the Committee has long been refining and improving its procedures. The latest work relates to guidelines on the “coherent use of notification formats”, which should improve the transparency of measures across the regulatory lifecycle.

Also on transparency, the WTO Secretariat officially launched in October 2013 an online facility for submitting TBT notifications, the TBT Notification Submission System (TBT NSS), developed in close cooperation with delegations that volunteered to participate in this project. The TBT NSS eliminates time-consuming data entry both for WTO members and the Secretariat. By the end of 2013, about 35 per cent of incoming notifications were being received online through the TBT NSS.

Review of measures

The number of new (or changed) draft measures notified to the Committee continues to rise (see Figure 4). The Committee discussed 42 new specific trade concerns (seven more than in 2012) and 51 that had been already raised in previous years (see Figure 5). Matters relating to public health, such as labelling requirements for alcohol and tobacco products, remained high on the agenda (see page 63).

A number of new measures were relevant to environmental concerns. Regarding biofuels, delegations debated the scientific basis for measures that include values for greenhouse gas saving as compared to fossil fuels. Measures affecting trade in traditional fuels were also raised, including the potential effects of draft measures that would require suppliers of transport fuels to reduce the average lifecycle emissions of such fuels.

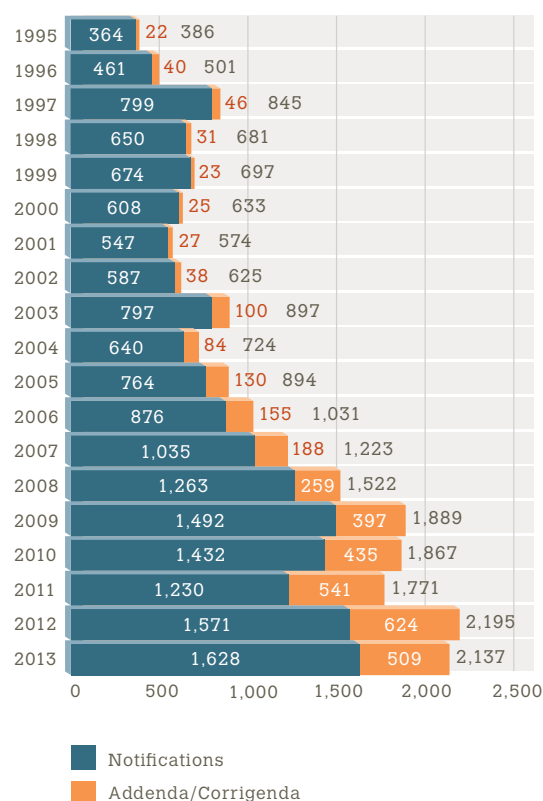
WTO members raised a number of new specific trade concerns relating to diet and nutrition and regulations imposed by members to combat non-communicable diseases, such as cardiovascular diseases and diabetes, arising from an unhealthy diet. Some members have proposed mandatory front-of-pack warnings (e.g. with respect to sugar, sodium and fat content information, or specific warning statements) and mandatory threshold levels for certain nutrients. While all agree on the importance of promoting healthy eating habits among children and adolescents, delegations debated the potential trade-restrictiveness of these draft measures. Some argued that voluntary measures would be a better approach.

The use of relevant international standards, including those developed by the Codex Alimentarius Commission on nutritional labelling, and/or the use of nutrition and health claims, was discussed, as was the importance of notifying these measures to the TBT Committee.

Disputes

Since 1995, 49 disputes have cited the TBT Agreement in the request for consultations. Four disputes were launched in 2013; two concern Australian tobacco-control measures, one is about Russia's recycling fee on motor vehicles and the other is on EU measures concerning the import and marketing of biodiesel.

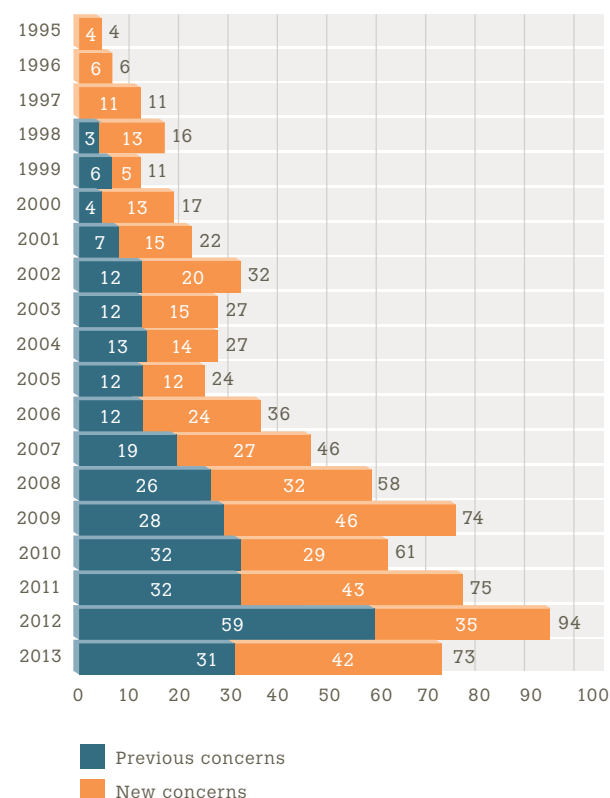
Figure 4: TBT notifications, 1995 to 2013



Observers

Representatives of various observer organizations – the FAO/WHO Codex Alimentarius Commission, the International Electrotechnical Commission, the International Organization for Standardization, the International Trade Centre, the Organization for Economic Cooperation and Development, the International Organization for Legal Metrology, the United Nations Economic Commission for Europe, the United Nations Industrial Development Organization, the International Telecommunication Union, the World Health Organization and the Bureau International des Poids et Mesures – updated the TBT Committee on activities relevant to its work, including on technical assistance.

Figure 5: Specific trade concerns raised in the TBT Committee, 1995 to 2013



meeting, Marcus Bartley Johns) expressed serious concern about the state of subsidy notifications.

Before the autumn meeting, Chair Bartley Johns wrote to each delegation that had not yet submitted its 2011 new and full notification. A number of members subsequently submitted notifications. At the autumn meeting, the Chair urged the 58 members that still had not made their 2011 new and full subsidy notifications, and the 84 members that had not yet made their 2013 new and full subsidy notifications, to contact the WTO Secretariat with any questions and to make their notifications as soon as possible.

The Committee began its consideration of 2013 new and full notifications and continued its consideration of newly received new and full subsidy notifications for prior notification periods (2011, 2009, 2007, 2005 and 2001). At both its April and October meetings, the Committee continued its discussions of ways to improve the timeliness and completeness of notifications and other information flows on trade measures under the SCM Agreement (see Figure 6).

Regarding the procedures for extending the period for the elimination of export subsidy programmes of 19 developing members who have entered their final phase, the Committee took no further action. For the members receiving the extensions, 2013 was the final year of extension, with 2014 and 2015 the final two-year phase-out period.

Certain other developing members are exempted from the general requirement to eliminate export subsidies so long as they remain least developed countries (LDCs) – or if they are listed individually in Annex VII to the SCM Agreement (see below) – so long as they remain below the US\$ 1,000 threshold for per capita GNP.

According to a ministerial decision taken in Doha in 2001, an individually listed WTO member remains below the US\$ 1,000 threshold until its per capita gross national income (GNI) is above US\$ 1,000, calculated in constant 1990 dollars, for three consecutive years. The World Bank calculates the deflated per capita GNI figures for the members concerned once per year. According to the most recent of these calculations, performed in 2013, the listed members remaining in Annex VII are Bolivia,

Subsidies and countervailing measures

The WTO's Committee on Subsidies and Countervailing Measures continued to focus on encouraging more WTO members to notify their subsidy programmes and on improving the timeliness and completeness of notifications. The Chairs expressed serious concern at the state of notifications. A significant number of members have yet to make new and full notifications due in 2011 as well as those due in 2013. The procedures for the extensions of the period for the elimination of export subsidy programmes of 19 developing members entered their final phase in 2013, with no further action required or taken by the Committee.

In 2013, the Subsidies and Countervailing Measures (SCM) Committee reviewed WTO members' notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing actions and ad hoc notifications of preliminary and final countervailing measures taken. At the Committee's regular meetings in April and October, the Chairs (at the spring meeting, Sam C. S. Hui, and at the autumn



Background on subsidies and countervailing measures

The Subsidies and Countervailing Measures (SCM) Agreement regulates WTO members' use of subsidies and of countervailing measures on subsidized imports of a product found to be injuring domestic producers of that product. The SCM Committee serves as a forum for members to discuss the implementation of the SCM Agreement and any matters arising thereunder.

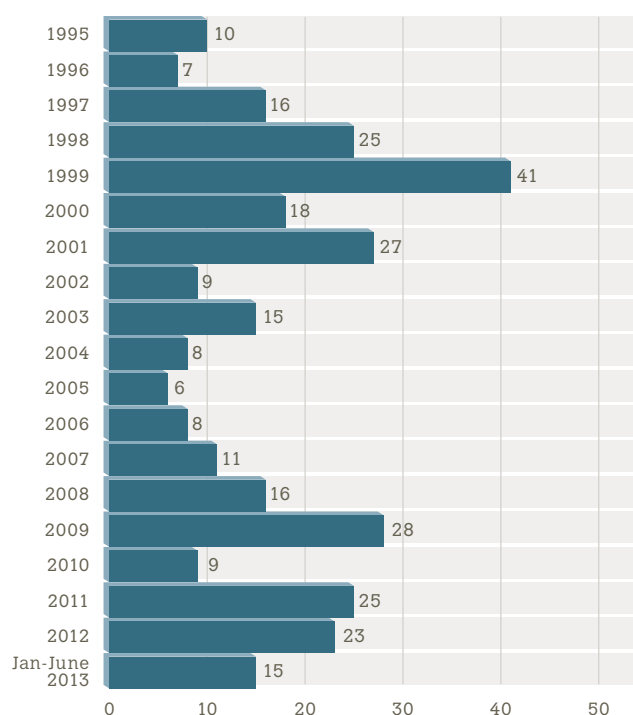


Cameroon, Congo, Côte d'Ivoire, Ghana, Guyana, Honduras, India, Indonesia, Kenya, Nicaragua, Nigeria, Pakistan, Senegal, Sri Lanka and Zimbabwe. In addition, all members designated as LDCs by the United Nations are included in Annex VII as such, and thus are exempt from the export subsidy prohibition.

The Committee reviewed notifications related to the countervailing duty legislation of Australia, Cameroon, Chile, Indonesia, Mali, Morocco, New Zealand, Russia, Ukraine and the United States.

The Committee also reviewed notifications of countervailing actions taken. The notifying members were Australia, Brazil, Canada, China, the European Union, Mexico, Pakistan, Peru, South Africa and the United States. As of 30 June 2013, there were 93 notified countervailing measures (definitive duties and undertakings) in force, of which 52 were maintained by the United States, 14 by Canada and 13 by the European Union.

Figure 6: Countervailing initiations by reporting member, 1 January 1995 to end-June 2013*



*Figure 6 covers initiations up to the end of June 2013. Data for the second half of 2013 are not yet available.

Anti-dumping practices

The WTO's Committee on Anti-Dumping Practices reviewed new legislative notifications, semi-annual reports on anti-dumping actions and ad hoc notifications of preliminary and final actions taken by WTO members. From January to June 2013, members initiated 122 anti-dumping investigations, up from 115 in the same period in 2012 (see Figure 7).

Argentina, China, Colombia, India, the Republic of Korea, Malaysia and Mexico began more anti-dumping investigations during the first half of 2013 compared with the same period in 2012. However, frequent users of investigations, such as Australia, Brazil, the European Union, Pakistan, Chinese Taipei, Turkey and Ukraine, initiated fewer.

WTO members taking anti-dumping actions have been using the revised report format, adopted in 2008, to submit their semi-annual reports. Furthermore, many have been using the minimum information format, as revised in 2009, to provide their ad hoc notifications of such actions. Compliance with this notification obligation has improved. Following the creation of a more specific automated reply to electronic notifications, most members have been providing all their notifications electronically.

At its two meetings in the spring and autumn of 2013, the Committee on Anti-Dumping Practices reviewed semi-annual reports for the second half of 2012 submitted by 30 members and semi-annual reports for the first half of 2013 submitted by 31 members. It also reviewed ad hoc notifications of preliminary and final actions taken by 19 WTO members at each of its meetings in 2013. As of 30 June 2013, 28 members notified the WTO of 1,374 anti-dumping measures (definitive duties and undertakings) in force.

The Committee reviewed new notifications relating to legislation from Australia, Cameroon, Chile, the European Union, Lao People's Democratic Republic, Morocco, New Zealand, Russia, Ukraine and the United States in 2013 and continued its review of the new legislative notification of Indonesia.



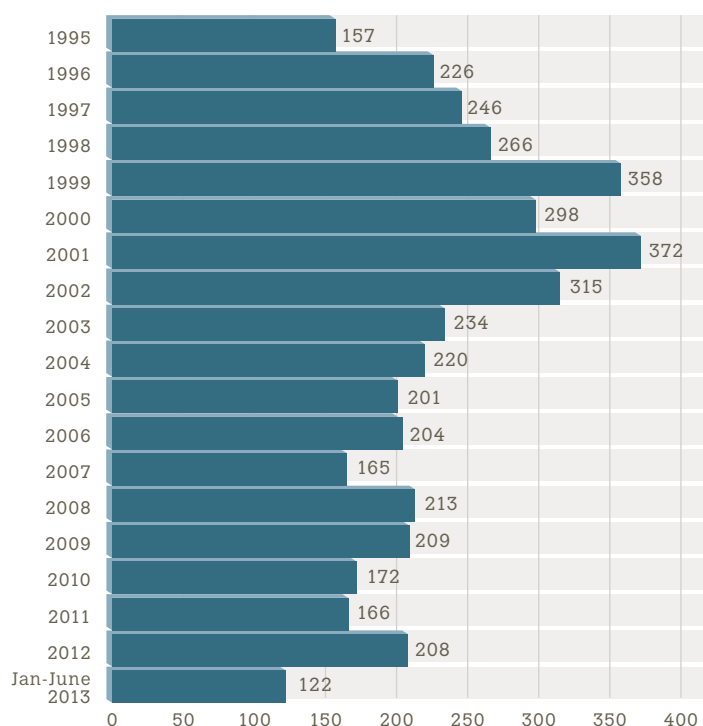
Background on anti-dumping practices

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 home market and the dumped imports cause or threaten to cause injury to the domestic industry. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement.

The Working Group on Implementation discussed a number of papers at its spring and autumn meetings. One was on the accuracy and adequacy test, which is what anti-dumping authorities use to determine whether there is sufficient evidence to launch an anti-dumping investigation. Another paper dealt with the question of export price to a third country or constructed normal value. Two alternatives are provided for the determination of normal value if sales in an exporting country market are not an appropriate basis. These are the price at which the product is sold to a third country, or the "constructed value" of the product, which is calculated on the basis of the cost of production, plus selling, general, and administrative expenses, and profits.

Finally, the Working Group also looked at the determination of significant price undercutting. The papers addressed background issues and the experience of members concerning the topics, which arise in the conduct of investigations by national authorities.

Figure 7: Anti-dumping initiations by reporting member, 1 January 1995 to end-June 2013*



*Figure 7 covers initiations up to the end of June 2013. Data for the second half of 2013 are not yet available.

Customs valuation

The WTO's Committee on Customs Valuation continued to review national legislation as well as responses to the checklist of issues raised by WTO members. The review of Cambodia was concluded, and new or further notifications of national legislation were received from seven members, bringing to 19 the number of notifications the Committee has under review. Training events on customs valuation were held in Africa, Asia, the Caribbean, eastern Europe, the Middle East and Latin America, some of which were delivered jointly with the World Customs Organization.

In 2013, the Committee received new or further notifications of national legislation from Costa Rica, Japan, Lao People's Democratic Republic, Macao (China), Mali, Moldova and Uruguay. The review of Cambodia was concluded during the year. At its May and September meetings, the Committee continued its examination of the legislation of Bahrain, Belize, Cabo Verde, China, Costa Rica, Ecuador, Nicaragua, Nigeria, Russia, Rwanda, Saint Vincent and the Grenadines, Tunisia and Ukraine. The notification record remains poor: 41 of the WTO's 159 members have never sent a notification and 68 members have not provided responses to the checklist, a questionnaire that facilitates review of national legislation.

Four regional training activities on market access issues, which include customs valuation, were delivered in 2013: in South Africa (English-speaking African countries), Austria (Central and Eastern Europe and Central Asia), Kuwait (Arab and Middle East countries) and Saint Lucia (Caribbean countries). National training is also provided on customs valuation for members and countries in the process of acceding to the WTO. Six national activities were delivered in 2013, most of which were conducted jointly with the World Customs Organization (WCO) Secretariat. The recipients were Brunei Darussalam, Costa Rica, Iran, Tajikistan, Togo and Ukraine.



Background on customs valuation

The value of a good plays a critical role in the calculation of import duties. Although the customs value is indispensable for the calculation of ad valorem duties, which are the most common type, it is often also required for the calculation of other duties (e.g. compound and mixed) as well as other border taxes. The WTO Agreement on Customs Valuation seeks to protect the value of tariff concessions by establishing a fair, uniform and neutral system for the valuation of goods for customs purposes, which precludes the use of arbitrary or fictitious values. The Committee on Customs Valuation manages the Agreement along with the Agreement on Preshipment Inspection.





New notifications on preshipment inspections were received from Mali, Lao PDR, Lesotho and Samoa. Preshipment inspection (PSI), a standing item on the agenda of the Committee, is the practice of employing private companies to check shipment details such as price, quantity and quality of goods ordered overseas. The Agreement on PSI recognizes that the principles of the General Agreement on Tariffs and Trade apply to such activities. The purpose is to safeguard national financial interests (prevention of capital flight and commercial fraud as well as customs duty evasion, for instance) and to compensate for inadequacies in administrative infrastructures.

The Committee continued its consideration of a request for observer status from the International Chamber of Commerce (ICC). The ICC expressed the desire to cooperate with the Committee, particularly on problems that could arise from the eventual misuse of customs valuation databases to set minimum or reference prices. The Committee is considering a proposal to hold a workshop on the issue.

Rules of origin

The WTO's Committee on Rules of Origin continued its long-running discussions on common rules of origin, but with members clearly divided on whether or not to reinitiate negotiations to finalize and adopt such rules. During the year, the WTO Secretariat completed the groundwork for transposing draft, harmonized rules of origin into more recent versions of the Harmonized System for classifying traded goods (see page 46). The Committee also reviewed notifications by members.

Chair Marhijn Visser pressed ahead with consultations in several formats on whether to resume negotiations on the harmonization of non-preferential rules of origin. Negotiations began in 1995 but came to a halt in 2007, despite substantive progress for thousands of tariff lines, due to divergences on whether or not the harmonized rules of origin should also apply in the implementation of other trade policy instruments, such as anti-dumping measures. The Chair concluded that differences remain deep.

Some members believe that concluding the negotiations is no longer a political priority. They say that world trade has changed dramatically since the late 1990s. The WTO now houses nearly all major trading nations, so distinguishing between preferential, MFN (most-favoured nation) and non-MFN origin is no longer a priority.

However, other members argue that fully harmonized, non-preferential rules of origin can facilitate world trade. For these members, non-preferential rules of origin may have lost importance for tariff treatment, but their relevance has increased in the context of trade remedies, government procurement and labelling, etc. These members would support an intensification of the Committee's work to conclude the negotiations.

The Committee took note that the Secretariat has completed the groundwork to transpose draft harmonized rules of origin, originally negotiated in the HS 1996 version of the Harmonized System (HS), into more recent versions. The Committee agreed to start reviewing these transposed rules in 2014. Developed by the World Customs Organization, the HS provides a common basis for classifying traded goods.



Background on rules of origin

Rules of origin are the criteria used to determine the country in which a product was made. They are used in the implementation of many trade measures, including trade statistics, the determination of customs duties, labelling of country of origin, and the application of anti-dumping measures. The main objective of the Agreement on Rules of Origin is to harmonize the rules that all WTO members use to determine origin in their non-preferential trade. This work is conducted by the Committee on Rules of Origin and is referred to as the Harmonization Work Programme.

The Committee also reviewed notifications by WTO members of the application of rules of origin. To date, 53 members have notified that they already apply some type of non-preferential rules of origin, while 48 members have notified that they do not apply any type of non-preferential rules. The other members have not yet submitted their notifications to the Secretariat.

The Bali Package, agreed at the end of the WTO's Ninth Ministerial Conference, includes a ministerial decision on preferential rules of origin for least-developed countries (LDCs). The decision contains a set of guidelines designed to help LDCs better utilize the preferences accorded to them (see page 10).

Import licensing

WTO members submitted 79 notifications in 2013 to the Committee on Import Licensing for review under various provisions of the Agreement on Import Licensing Procedures. The Committee also discussed trade concerns raised about import licensing procedures and legislation in a number of member countries. WTO monitoring reports on recent trade developments identify import licensing as one of the main potentially trade-distorting or restricting measures being introduced by governments.

At its meetings in April and October, the Committee reviewed 22 notifications from 16 members under Articles 1.4(a) and/or 8.2(b), covering publications and/or legislation on import licensing procedures, and 18 notifications from eight members under Article 5, referring to the institution or changes of licensing procedures. It also discussed 39 notifications from 35 members under Article 7.3, relating to responses to the annual questionnaire on import licensing procedures. The statistics cover the review period between 30 October 2012 and 4 October 2013. Eighteen members have yet to submit any notification under the Agreement.

During the year, the Chair continued informal consultations aimed at streamlining the annual questionnaire to encourage members to improve the quality of information and ensure that it is up to date. The consultations will continue. Although all members are required to fill in the questionnaire every year, a large number regularly fail to do so.



Background on import licensing

The Agreement on Import Licensing Procedures establishes disciplines on WTO members' import licensing systems, with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. The Agreement says import licensing should be simple, transparent and predictable, and administered in a neutral and non-discriminatory way.

The Committee also heard a number of specific trade concerns regarding import licensing. In particular, questions were raised on the import licensing procedures or legislations of Argentina, Colombia, Indonesia, Russia and Viet Nam. More specific trade concerns raised included: Indonesia's licensing procedures for cell phones, handheld computers and tablets; India's import licensing practice for marble and boric acid; Malaysia's Customs Act 1967; and Thailand's licensing for marble and similar stones.

Safeguards

At its two meetings in 2013, the Safeguards Committee reviewed notifications by WTO members of their safeguard rules and actions. The number of notifications of new investigations fell to 18 from 25 the year before. By contrast, the number of final measures taken during 2013 increased to eight from six in 2012 (see Figure 8). Russia, which acceded to the WTO in 2012, notified the WTO that it had imposed its first two safeguard measures – for porcelain table and kitchen ware and for harvesters. In the course of 2013, the Committee received and discussed notifications from ten members regarding their new or revised domestic legislation and/or regulations on safeguards.

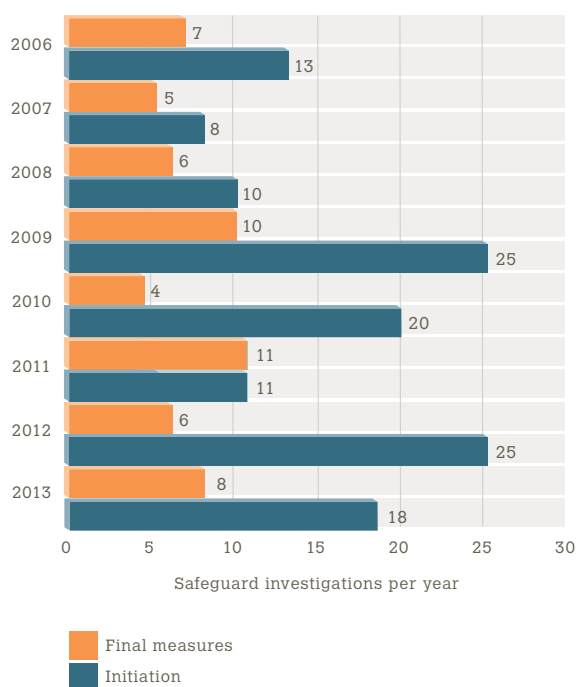
With regards to a safeguard measure imposed by Ukraine in April 2012 on cars, Turkey submitted in June 2013 a notification that it would suspend tariff concessions for Ukraine in accordance with Article 8.2 of the Safeguards Agreement. Article 8.2 stipulates that if the imposing member and any of the exporting members cannot come to an agreement regarding how the former would compensate the latter for the safeguard measure, the exporting member can suspend the application of substantially equivalent concessions.



Background on safeguards

WTO members may take "safeguard" actions (temporarily restrict imports of a product) to protect a specific domestic industry from an increase in imports of any product that is causing, or threatening to cause, serious injury to the industry. In these circumstances, they have the right to restrict imports of the 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 the application of safeguard measures.

Figure 8: Summary of safeguard investigations by year (for all members)



Trade-related investment measures

The WTO's Committee on Trade-Related Investment Measures (TRIMs) discussed in 2013 six new investment measures taken by WTO members and continued to debate seven measures previously raised. In addition, it reviewed compliance with members' notification obligations under the TRIMs Agreement.

Five new investment measures were placed on the agenda at the April 2013 meeting. The first, raised at the request of the European Union, Japan and the United States, concerned Brazil's tax preferences linked to local content conditions in several sectors, including telecommunications, automobiles, digital goods, semiconductors and fertilizers. Australia and the Republic of Korea shared the concerns. Local content conditions stipulate that at least part of a good or service should be locally produced.

The second, raised at the request of the European Union, Japan and the United States, concerned local content requirements of RosAgroLeasing (RAL), a state-owned leasing company created to supply agricultural equipment to farmers in Russia. A third measure, also raised at the request of the European Union, Japan and the United States, concerned the timing of the

pledged elimination of local content requirements in Russia's "Auto Investment Program". Finally, another two new measures, raised by India, concerned two US measures in various US states regarding local content requirements in the renewable energy and water utility sectors.

Another new investment measure was raised by the United States at the October 2013 meeting. It concerned local content requirements for wind power equipment in Uruguay. Japan shared the US concern on this matter.

During the year, discussion continued on seven issues previously raised. These included local content requirements in the Brazilian, Indian and Indonesian telecommunications sectors as well as the Indonesian, Nigerian and Ukrainian energy sectors (including mining, oil and gas) and certain investment measures required in China's steel sector.

The Committee took note of four new notifications under Article 6.2 of the TRIMs Agreement. Members who had not provided notifications to date were urged to do so promptly. Article 6.2 of the TRIMs Agreement requires members to notify the Committee of all publications in which TRIMs may be found, including those applied by regional and local governments and authorities within their territory.



Background on trade-related investment measures

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, both of which violate basic WTO principles. A list of prohibited TRIMs, such as local content requirements, is part of the Agreement. The TRIMs Committee monitors the operation and implementation of the Agreement and allows members the opportunity to consult on any relevant matters.

Information technology

Tajikistan, Qatar and Russia joined the Information Technology Agreement (ITA) in 2013, taking its total membership to 78. The ITA Committee continued work on non-tariff measures and adopted a decision on classification divergences. The decision was proposed by the Chair for the endorsement of a group of items, mainly semiconductor manufacturing equipment which have been narrowed to one classification option. Participants agreed to submit the relevant documentation in connection with such a modification no later than 30 April 2014. The Committee heard reports on bilateral and plurilateral technical consultations initiated by some delegations on the expansion of products covered by the ITA.

In 2013, ITA membership rose to 78, with Tajikistan joining on 2 March, Qatar on 4 July and Russia on 13 September 2013.

Participants in the ITA represent around 97 per cent of world trade in information technology products. The ITA provides for participants to completely eliminate duties on IT products covered by the Agreement on a most-favoured nation (MFN) basis. Thus, the benefits of this plurilateral agreement are extended to all WTO members. Today, approximately 90 per cent of world trade in these products is imported duty-free.

Committee's work programme on non-tariff measures

The ITA Committee continued its deliberations on non-tariff measures (NTMs). It noted that the response was still slow to a survey on conformity assessment procedures for electromagnetic compatibility (EMC) and electromagnetic interference (EMI). The Committee urged those that have not yet given the information to do so as quickly as possible.

In considering ways to advance and expand its work on NTMs other than EMC/EMI, the Committee heard reports and updates by participants on their contributions to work on NTMs, including a proposal from Switzerland requesting the Committee to organize a workshop on NTMs in IT products during the first half of 2014.



Classification divergences

The Committee approved a decision proposed by the Chair for the endorsement of 18 items, mainly semiconductor manufacturing equipment which have been narrowed to one classification option. Participants agreed to submit the relevant documentation in connection with such a modification no later than 30 April 2014. At the meeting of 14 October 2013, the Committee discussed how to advance its work on classification divergences for other items, and in this context, the Committee heard a proposal from Switzerland on a possible way forward.

Expanding product coverage

The Committee heard reports on the bilateral and plurilateral technical consultations initiated by some delegations on the expansion of products covered by the ITA. The Committee agreed to return to this matter at future meetings.



Background on information technology

The Information Technology Agreement (ITA) was launched in December 1996 in Singapore as a plurilateral agreement. It requires participants to provide duty-free treatment to IT products, including computers, telecommunication equipment, semi-conductor manufacturing equipment, and software and scientific instruments. The Committee of the Participants on the Expansion of Trade in Information Technology Products (or the ITA Committee) oversees the Agreement.



State trading enterprises

In 2013, the Working Party on State Trading Enterprises reviewed 50 notifications from WTO members, compared with 71 the previous year. The Chair called for improvements in the number of notifications, which remains too low.

At its regular meeting in October 2013, the Working Party reviewed 38 new and full notifications and 12 updating notifications, compared with 59 new and full notifications and 12 updating notifications from eight members in 2012. Notifications cover products imported into or exported from members' territories by state trading enterprises (STEs).

Compliance with notification obligations remains poor. Of 130 notifying members, only 37 submitted notifications for the most recent period (2010-11). For the previous period (2008-09), only 45 notifications were received from a total of 126 members. The Chair encouraged members to continue to work with their respective capitals and the WTO Secretariat to improve the notification records.

At the October 2013 meeting, the European Union noted its concern about the potential negative effects on world trade of the operations of numerous Indian agricultural STEs. The European Union is particularly concerned about the potential adverse spillover effects of operations aimed at building stocks of food grains by procuring the products from local farmers at minimum support prices and managing levels of imports. The European Union asked India to provide information on the extent to which the food grains were eventually exported and at what price. Pakistan expressed the same concern. Also at this meeting, the European Union asked Russia why it had not yet notified state-controlled energy concern Gazprom as an STE despite its commitment to do so in its Protocol of Accession. The United States echoed the concern.

Following a series of consultations, WTO members agreed at a formal meeting in June 2012 to extend indefinitely the new frequency of notifications whereby new and full notifications are submitted every two years rather than every three years, with updating notifications in the intervening years.

Trade in civil aircraft

In 2013, the Trade in Civil Aircraft Committee held one meeting, where signatories continued to discuss their work to bring the annex to the Agreement relating to product coverage into line with the 2007 update of the Harmonized System, used for classifying goods for customs purposes. With the accession of Montenegro in 2012, the total number of signatories to the Agreement is 32, of which 20 are member states of the European Union.



Background on trade in civil aircraft

The Trade in Civil Aircraft Agreement aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment by eliminating tariffs, promoting fair and equal competitive opportunities for civil aircraft manufacturers, and regulating government support for civil aircraft development, production and marketing. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.



Background on state trading enterprises

State trading enterprises are defined as governmental or non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges to deal with goods for export and/or import. They are required to act in a manner consistent with the WTO principle of non-discriminatory treatment. The Working Party on State Trading Enterprises reviews notifications by WTO members on their state trading activities.

Trade in services

In 2013, the Council for Trade in Services continued to focus on services-related issues in electronic commerce. It also debated the operationalization of the services waiver for least-developed countries (LDCs) and recent developments in services trade and regulation. Transparency was a further issue that figured prominently on the agenda, with WTO members discussing how compliance with the notification provisions might be improved. The inclusion of services in the Integrated Trade Intelligence Portal (I-TIP) database will provide a further aid to transparency.

The Council continued its work on electronic commerce. This included, among other things, consideration of trade-related information and communication technology principles, mobile applications and cloud computing services as well as WTO members' experiences in these areas. A public workshop on services-related issues in e-commerce was held under the auspices of the Council on 17 and 18 June. The workshop featured representatives from international organizations, the private sector, government ministries and regulatory agencies. It addressed a broad range of topics, including broadband rollout and regulatory best practice for communications infrastructure, mobile commerce developments, e-commerce provisions of trade agreements, online sales, software and cloud service markets and global trends in new media. In view of the decision at the WTO's Ministerial Conference in Bali to press on with this work, e-commerce will continue to occupy the Council in 2014.

The Council debated recent developments in services trade and regulation. Members participating in the negotiations on a Trade in Services Agreement (TiSA) kept the Council informed and presented a paper detailing the parameters, structure and objectives of these negotiations. The Council further considered the role of small and medium-sized enterprises in services trade, prompted by a Swiss communication on the issue and heard a presentation about the work of the United Nations Conference on Trade and Development (UNCTAD) on the regulation of infrastructure services. It also took up again the issue of international mobile roaming for an update on the joint market investigation into trans-Tasman international roaming charges conducted by New Zealand and Australia.

Discussions proceeded on the services waiver agreed for LDCs at the WTO's Eighth Ministerial Conference in 2011. The waiver enables WTO members to grant more favourable treatment to service suppliers in LDCs with respect to given services measures. So far, no waiver preferences have been granted. The LDC Group kept the Council informed about progress in identifying areas of particular export interest to LDCs. In keeping with the decision at the Ninth Ministerial Conference, the operationalization of the LDC waiver will continue to figure prominently on the Council's agenda in 2014.

In accordance with the transparency provisions of the General Agreement on Trade in Services (GATS), the Council received 27 notifications of new or revised measures deemed by the members concerned to significantly affect trade in sectors they had subjected to commitments. Another 11 notifications dealt with new economic integration agreements covering services trade.

The Council continued its debate on how compliance with the GATS' notification requirements might be improved in order to further enhance transparency. The WTO Secretariat provided an information note on the main types of measures notified. The Council also heard a presentation of experiences with technical barriers to trade (TBTs) and sanitary and phytosanitary (SPS) notifications and considered a note from the Chair outlining members' suggestions to improve transparency.



Background on trade in services

The General Agreement on Trade in Services (GATS) defines trade in services as consisting of four types of transactions: mode 1 – cross-border supply (a supplier in one WTO member provides services to a consumer in another member's territory); mode 2 – consumption abroad (a consumer from one member consumes services in another member's territory); mode 3 – commercial presence (a foreign company provides services through establishment in another member's territory); and mode 4 – presence of natural persons (individuals move to supply services in another member's territory). The Council for Trade in Services, which is open to all WTO members, facilitates the operation of the GATS.



The newly established I-TIP services database was presented to the Council. This database, which is a joint initiative with the World Bank, consists of linked databases that provide information on GATS-specific commitments, services commitments in regional trade agreements, applied measures in services, and services trade statistics, for all sectors and all WTO members.

Financial services

Following a proposal by Ecuador, the Committee on Trade in Financial Services held a dedicated discussion on WTO members' experiences with macroprudential policies and regulation. The recent global financial crisis prompted a reassessment of financial regulation and supervision, which had hitherto focused on the safety and soundness of individual financial institutions (the so-called microprudential approach), to look at systemic (macroprudential) risk. Members' experiences suggest that no "one-size-fits-all" template would be suitable. While some members entrusted a single agency with additional responsibilities in this area, others focused on coordination between different agencies.

The Committee also discussed regulatory issues in financial services on the basis of a WTO Secretariat note. The purpose of this note was to provide background information on members' regulatory practices with regard to qualifications, licensing and technical standards in financial services in order to assist the Working Party on Domestic Regulation in its considerations of these issues.

As part of its discussions of the relationship between trade in financial services and development, the Committee heard presentations by China on the access of small and medium-sized enterprises to financial services and by Norway and Pakistan on mobile banking services. The Committee will continue exploring issues surrounding the role that trade in financial services might play in expanding access to such services (also called "financial inclusion").

As part of its technical work, the Committee continued its examination of classification issues in financial services, based on inputs provided by WTO members.

Specific commitments

The Committee on Specific Commitments is mandated to oversee the implementation of members' services commitments and, in particular, to ensure their technical accuracy and coherence. With this in mind, the Committee regularly examines classification and scheduling issues.

The examination of classification issues based on the WTO Secretariat's sectoral background notes continued to be the focus of the Committee's work in 2013. The sectors considered in this exercise include postal and courier, distribution, maritime transport, logistics, legal, education, health, tourism and recreational services. To facilitate the exchange of views, discussions took place in informal mode, with input from the WTO Secretariat. Key contributions are reflected in informal, non-attributable summaries circulated under the Chair's responsibility. Apart from studies on various sectors, the Secretariat's input also examined services classification issues arising in WTO jurisprudence, including the interpretative approach applied by dispute settlement panels and the Appellate Body.

There was no substantive discussion on issues concerning schedules of commitments apart from a proposal that WTO members share scheduling experiences gained outside the WTO so as to ensure the uniformity and clarity of services commitments in future negotiations. The Chair would hold consultations on how to proceed with this proposal in 2014.

The Committee also reviewed the operation of the procedures for the modification of schedules of specific commitments in line with Article XXI of the GATS. A number of important issues were touched upon in the discussion, including the invocation of these provisions, timing and conclusion of negotiations, and consolidation and distribution of the results.

Trade-related aspects of intellectual property rights (TRIPS)

The TRIPS Council carried out its regular work on promoting transparency and reviewing WTO members' implementation of the TRIPS Agreement. It gave least-developed country (LDC) members another eight years to comply with the Agreement. The Council continued discussions on access to medicines for the poorest countries, biotechnology and technical cooperation, among other topics. The Council also exchanged information on, and debated, a number of issues raised by individual countries, such as innovation policies for small and medium-sized enterprises, climate change and, for the first time, sports.

Promoting transparency

Transparency of national intellectual property systems is a key principle of TRIPS. It reduces trade tensions and builds productive trading relationships in knowledge products and technology.

The TRIPS Council has developed a unique body of information about diverse approaches to protecting and regulating intellectual property, based on notifications of WTO members and the Council's review of national systems. It has also collected extensive reporting from members on such matters as technical cooperation and technology transfer incentives. In 2013, the Council gave further consideration to ways of making this information more easily accessible to members and the public at large, and ensuring it is more timely and complete, including through new applications of information technology to manage this material more effectively.

The Council completed its reviews of the TRIPS implementing legislation of Cuba and Maldives, and initiated reviews of the legislation of Montenegro and Russia.

Extension of LDCs' transition period

The WTO's 2011 Ministerial Conference invited the Council to "give full consideration to a duly motivated request from LDC members for an extension of their transition period", during which they will not have to implement the TRIPS Agreement, in line with the Council's established mandate to grant such extensions under Article 66.1 of the Agreement.

The LDC Group presented a request for an extension of the transition period at the Council's November 2012 meeting. The Council discussed it for the first time in March 2013. There had been numerous contacts between the LDC Group and certain developed countries since early January, facilitated by the Chair of the Council. In May, these delegations requested the Chair to initiate an intensive negotiation process. In addition to consulting with these delegations, the Chair held several informal meetings for the entire Council.

As a result, the Council adopted at its meeting in June a decision on "Extension of the transition period under Article 66.1 for least-developed country members". The decision extends LDC members' transition period by eight years (until 1 July 2021), with the possibility of further extensions. Under the decision, LDC members "express their determination to preserve and continue the progress towards implementation of the TRIPS Agreement".

TRIPS and public health

The Council held its annual review of the functioning of the so-called "Paragraph 6" system. Four more countries accepted the 2005 amendment to the Agreement, incorporating the paragraph, which will come into force when two-thirds of WTO members have accepted it. As of 31 December 2013, 49 members had done so (counting the European Union as one).

The "Paragraph 6" system of special compulsory licences for export gives poor countries additional flexibility under the TRIPS Agreement to gain access to affordable medicines. The system allows generic versions of patented medicines to be produced under a special type of compulsory licence (that is, granted without the patent holder's consent) exclusively for export to countries that cannot manufacture needed medicines themselves. The TRIPS Agreement originally only permitted compulsory licensing predominantly to serve the domestic market (unless



Background on trade-related aspects of intellectual property rights

Intellectual property rights have become a key part of the debate over economic development and broader public policy questions, such as public health and the environment. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the most comprehensive international treaty governing the protection, administration and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members, administers the TRIPS Agreement, provides a forum for debate on policy issues and reviews the intellectual property legislation of individual members.



remedying anti-competitive practices). The new system changed this, first through a set of waivers and then through the 2005 amendment.

Issues relating to TRIPS and public health were addressed in many of the WTO Secretariat's technical cooperation activities (see below). The Secretariat also continued its efforts to enhance and coordinate capacity-building activities in this area with the secretariats of the World Health Organization (WHO) and the World Intellectual Property Organization (WIPO). The three organizations co-published a study on *Promoting access to medical technologies and innovation* in February 2013. This publication covers a broad range of complex yet linked issues relating to public health and innovation in medical technologies. In addition, the three organizations held in July a third trilateral joint technical symposium to discuss changes in innovation and explore new and potential business models in medical innovation.

Plants, animals, biodiversity and traditional knowledge

The Council continued to address a cluster of subjects related to biotechnology, biodiversity, genetic resources and traditional knowledge, as instructed by the 2005 Hong Kong Ministerial Declaration. These discussions cover the review of the TRIPS provisions dealing with the 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), and the protection of traditional knowledge and folklore.

Technical cooperation and capacity building

The Council reviewed technical cooperation in the area of intellectual property on the basis of information it received from developed countries, other intergovernmental organizations and the WTO Secretariat. In 2013, Madagascar and Togo reported on their needs for technical and financial cooperation, bringing to nine the number of LDCs to notify their needs to the TRIPS Council. The Swedish International Development Cooperation Agency funded a factual overview of the needs of LDCs and available resources as part of efforts to enhance coordination of programmes and improve the effective delivery of such cooperation for the benefit of LDCs.

In its technical cooperation activities, the WTO Secretariat continued to focus on assisting members and observers to understand the rights and obligations which flow from the TRIPS Agreement and relevant decisions of WTO bodies in order to enable them to meet their developmental and other domestic policy objectives.

Other issues

No new proposals emerged from the reviews, mandated under the TRIPS Agreement, of the Agreement as a whole (the "71.1 review") and of the application of the provisions on geographical indications (the "24.2 review"). On the latter, the Council agreed in March 2010 to encourage members to share information on any bilateral agreements they reached. Switzerland informed the Council on behalf of Russia, as well as on its own behalf, that the two countries had concluded a bilateral agreement on the

protection of their geographical indications, which had entered into force on 1 September 2011.

The Council's work on the incentives for technology transfer to LDCs and on "non-violation and situation complaints" is discussed on page 33.

Tobacco control measures

In 2013, the Council continued its consideration of tobacco control measures. At the request of the Dominican Republic, it discussed New Zealand's proposal to introduce plain packaging of tobacco products. While some WTO members expressed concerns about the compatibility of the proposed measures with the TRIPS Agreement, others asserted countries' rights to use flexibilities in the Agreement for public health purposes, including tobacco control.

Under "other business", Nicaragua and Cuba voiced their concerns about a proposed EU directive on tobacco products. The directive includes a wide range of provisions related to packaging, composition and sale of tobacco products in the European Union.

In the two previous years, the Council discussed, at the request of individual members, Australia's proposed tobacco plain-packaging legislation. The issue is the subject of five pending disputes initiated by Ukraine, Honduras, the Dominican Republic, Cuba and Indonesia (see page 84).



Innovation

The Council continued the discussion on innovation. At the request of Chile, the Republic of Korea, Chinese Taipei and the United States, the Council focused at its meeting in March on intellectual property and innovation from the perspective of small and medium-sized enterprises (SMEs). Some members said that an enabling environment for innovation was particularly important for SMEs, and that IP played an important role in generating finance and maintaining competitiveness. In their view, the social benefits of SME innovation often outweighed the benefits to the individual companies. Some delegations, however, said that acquiring and maintaining intellectual property rights could be very costly for SMEs. The LDCs drew attention to their weak capacities for research and development and the lack of public money to spare for such programmes.

At its meeting in June, the Council focused on cost-effective or “frugal” innovation. The concept refers to cutting the complexity and cost of a good and its manufacturing process in order to drive innovation and enhanced availability and affordability of improved technologies in developing countries. The co-sponsors of the item (Canada, Chile, the European Union, the Republic of Korea, Switzerland, Chinese Taipei and the United States) regarded the IP protection of such innovations as a tool to foster the participation of local innovators, in particular SMEs. They provided a wide range of examples from around the world to support their view, ranging from water purification technology to crop spraying processes. Some other delegations emphasized that an IP system that was not balanced or functioning well risked negatively impacting innovation, including frugal innovation, and entailing, for example, considerable costs of patent litigation.

Climate change

The Council discussed IP and climate change and the contribution of IP in facilitating the transfer of environmentally rational technology, following a request by Ecuador to add these issues to the agenda. Ecuador proposed to evaluate the TRIPS Agreement from the standpoint of the mitigation of environmental problems. The aim was to reaffirm TRIPS flexibilities in connection with environmentally sound technologies and to initiate a process of evaluating enhanced flexibilities for the patentability of such technologies.

A number of delegations echoed Ecuador’s concerns and welcomed a broad discussion on the topic. Some other delegations, while agreeing that technology transfer and innovation were paramount to addressing the challenges of climate change, argued that IP protection – rather than being a barrier – was necessary for innovation.

Intellectual property and sports

For the first time, the Council discussed IP and sport. The co-sponsors of this item (the European Union, Jamaica, Mexico, Trinidad and Tobago, and the United States) and a number of other WTO members highlighted the important role that IP plays in financing sports teams and large sporting events, in securing the dissemination of the benefits of sports-driven innovation and in contributing to the development and training of the next generation of athletes. Some provided figures on the overall economic contribution of sports, whose social dimension in their view extended far beyond the realms of sports.

Some other delegations said that the items mentioned already enjoyed IP protection under the TRIPS regime, and cautioned that discussions on this topic should not divert attention from the important items on the Council’s regular agenda.



Trade and environment

In 2013, the Committee on Trade and Environment discussed and received information on a broad range of environmental policy developments, from environmental footprint and labelling schemes, including carbon footprints, to green economy policy initiatives and multilateral environmental agreements with trade-related provisions. The WTO Secretariat issued the environmental databases for 2010 and 2011 and updated the “Matrix on trade-related measures pursuant to selected multilateral environmental agreements”.

Environmental footprint and labelling schemes

WTO members discussed international, regional and national initiatives related to environmental footprints. The European Union presented its voluntary Single Market for Green Products pilot initiative. The initiative seeks to reduce consumer confusion created by the proliferation of national “green” labels and methods used within the European Union to demonstrate a product or organization’s green credentials.

France shared its experience on a national voluntary pilot project related to environmental information on consumer products. Costa Rica, the Republic of Korea, New Zealand, Nigeria, Chinese Taipei, Thailand and the United Kingdom also shared information on their respective initiatives to label products and/or organizations based on their carbon footprint.

The International Organization for Standardization shared information regarding its draft international standard related to the principles, requirements and guidelines for assessing and reporting the water “footprint” of products, processes and organizations. It also briefed the Committee on its technical specification related to the requirements and guidelines for quantification and communication of greenhouse gas footprints of products.

The Organisation for Economic Co-operation and Development complemented the discussion by presenting a study establishing the characterisation of environmental labelling and information schemes, including carbon footprint initiatives and stressing the variety and complexity of the schemes in terms of environmental focus and scope, standard setting, assessment methods, transparency, mode of communication, and monitoring and auditing, among others.

Overall, environmental footprint and labelling schemes continued to be of concern for many WTO members – in particular, developing countries. Members underscored the need to take key WTO principles into account, such as the use of international standards, transparency, least-trade restrictiveness and non-discriminatory treatment, in order to avoid creating unnecessary barriers and to address related difficulties and trade barriers faced by developing countries.

Fisheries

As a follow up to 2012 discussions, the Food and Agriculture Organization of the United Nations (FAO) presented its 2001 International Plan of Action on Illegal Unreported and Unregulated (IUU) Fishing as well as work related to traceability in terms of food safety and quality assurance, and market access. WTO members strongly supported the work of the FAO and highlighted the importance of cooperation and coordinated global effort to address the issue of IUU fishing activities.



Background on trade and environment

Sustainable development and protection and preservation of the environment are fundamental goals of the WTO. The Committee on Trade and Environment is responsible for examining the relationship between trade and the environment.

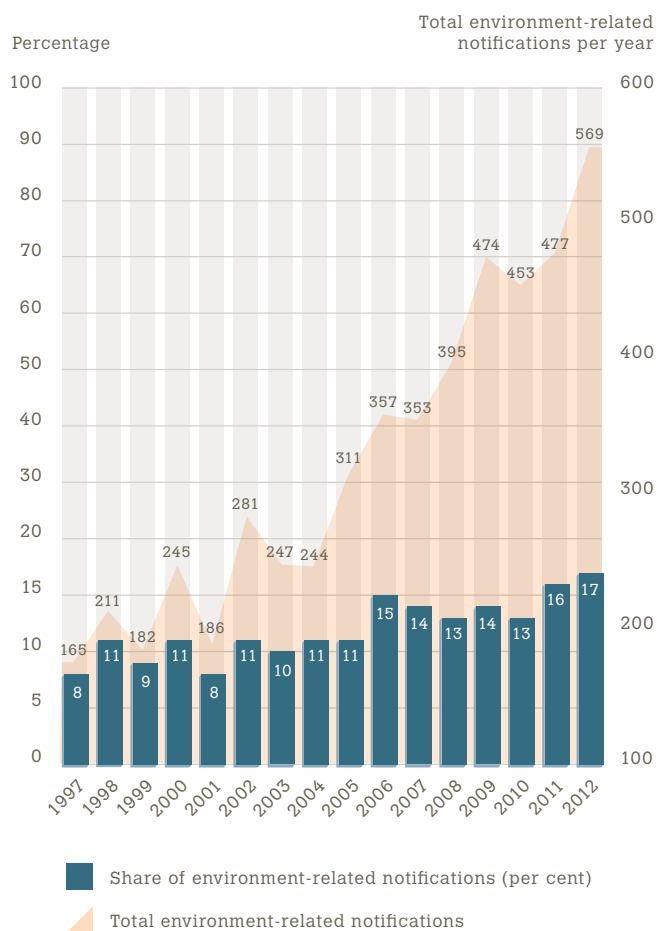


Green economy

Switzerland presented its national Green Economy Action Plan aimed, among other things, at using resources more efficiently in consumption and production, and enhancing waste and raw material cycles. While WTO members welcomed the shared information, several felt that more research was needed to analyse the consistency of green economy measures with international trade rules.

The United Nations Environmental Programme (UNEP) reported on three national green economy and trade projects aimed at examining policy reforms and determining the enabling conditions required to maximize sustainable trade opportunities in selected sectors. The United Nations Conference on Trade and Development (UNCTAD) briefed members on an ad hoc expert group meeting on the trade implications of domestic requirements and support measures in green sectors. The OECD presented an overview of its latest studies and publications on government support in specific sectors, including renewable energy, fossil fuels and agriculture.

Figure 9: Environment-related notifications, 1997 to 2012



Multilateral environmental agreements

The Committee continued to serve as a platform to inform members on the latest developments in multilateral environmental agreements (MEAs) with trade-related obligations. These include the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Convention on Biological Diversity (CBD), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants.

UNEP presented the trade-related provisions of the Minamata Convention on Mercury adopted in 2012 and aimed at protecting human health and the environment by reducing emissions and release of mercury and mercury compounds.

In consultation with the secretariats of the respective MEAs, the WTO Secretariat also issued the updated "Matrix on trade-related measures pursuant to selected multilateral environmental agreements". The matrix carries background information on selected MEAs, including their trade-related measures, notably requirements or restrictions on imported or exported products.

Transparency

As part of its commitment to promote and enhance the transparency of environmental measures and requirements, the WTO Secretariat circulated the 2010 and 2011 environmental databases. These compile the environment-related measures notified annually under all WTO agreements as well as the environment-related measures and programmes mentioned in Trade Policy Reviews.

There has been a substantial increase in the number of notifications of environment-related measures to the WTO in recent years (from 165 notifications in 1997 to 477 notifications in 2011). However, the share of environment-related notifications out of the total number of measures notified to the WTO has remained relatively stable over the last six years (13-16 per cent) (see Figure 9).

Technical assistance

In addition to national workshops in Peru (6-7 May), Gabon (28-29 August) and Ecuador (7-8 November), the WTO Secretariat organized two regional workshop activities in collaboration with other international organizations. A regional workshop for Caribbean countries was held in Jamaica (15-17 January) in collaboration with the Inter American Development Bank and the Caribbean Community. An activity for the Asia and Pacific region took place in Indonesia (17-19 September) in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific and the United Nations Centre for Alleviation of Poverty through Sustainable Agriculture.

The main objective of both regional activities was to consolidate participants' understanding and knowledge of the nexus between trade and environment issues and to further exchanges of national experiences to improve coherence between trade and environment policies. Both regional activities benefited from experts from the WTO and other international organizations, including relevant MEAs.



Regional trade agreements

In 2013, the WTO received 35 new notifications of regional trade agreements (RTAs), down from 37 in 2012. The notifications involved 22 RTAs. Three of these were between developed partners, with another nine involving developed and developing partners. The remaining ten were between developing country partners. The Americas was the region with the highest number of notifications – 12 – followed by Europe with seven.

Of the 581 RTA notifications received by the WTO as of 31 December 2013, 385 were in force (see Figure 10). RTAs include free trade agreements and customs unions. Under WTO rules, the goods and services aspects of RTAs have to be notified separately, so they are counted separately. However, putting the two together, the 581 notifications involve 434 individual RTAs, of which 252 are currently in force.

A key feature of modern RTAs is that they are broadening and, in many cases, deepening their coverage. While some agreements are limited to reducing barriers to trade in goods, most are becoming increasingly more comprehensive, with provisions on market opening in services and in other areas, such as investment, competition policy, trade facilitation, government procurement, intellectual property, electronic commerce and, in some cases, labour and the environment.

Most agreements are bilateral, giving rise to an increasingly complex regime of different trade regulations. Critics argue that these overlapping regional trade regimes make international trade more complex and undermine WTO non-discrimination principles. However, proponents of RTAs say they can lay the groundwork for future multilateral trade rules. Moreover, discrimination against non-parties can be reduced if the agreements are open and parties allow accession by third parties to existing agreements.

Such enlargement and consolidation of existing agreements is happening to some degree in new negotiations such as the Trans-Pacific Partnership Agreement between 12 parties, most of which already have bilateral RTAs with each other. The Regional Closer Economic Partnership Agreement between the Association of Southeast Asian Nations (ASEAN) and six other regional partners and the Pacific Alliance, again involving countries that already have bilateral RTAs with each other, are other examples. The Tripartite Agreement, when complete, will bring together the parties to the East African Community, the Southern African Development Community and the Common Market for Eastern and Southern Africa. If these agreements, once complete, harmonize some of the rules in existing RTAs between the individual parties, or if the new agreement supersedes the existing bilateral agreements, this could simplify trade rules.

Of the 22 individual RTAs notified to the WTO in 2013 (counting goods and services components as one), 14 included both components. The trend towards agreements between developing

and developed trading partners appears to have been maintained. The number of agreements between developing partners rose slightly compared to previous years. Countries from the Americas region were involved in 12 RTAs and the rest involved members in Europe (seven), the Asia Pacific (five), the Commonwealth of Independent States region (four) and Africa (two). Fifteen of the agreements covered members from two different regions.

Monitoring RTAs

All RTAs, regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, the Enabling Clause between developing countries (for trade in goods), or the General Agreement on Trade in Services (GATS) Article V (for trade in services), are subject to the transparency mechanism for regional trade agreements. Established by a decision of the General Council in December 2006, and applied provisionally from 2007, the mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat and the related information and data provided. It also requires the Secretariat to prepare a factual presentation on each RTA, and for each RTA to be reviewed by WTO members.



Background on regional trade agreements

The Committee on Regional Trade Agreements (CRTA) is responsible for monitoring all regional trade agreements (RTAs) notified to the WTO, except those notified under special provisions for agreements between developing countries (the Enabling Clause), which are considered by the Committee on Trade and Development. The CRTA's two principal duties are to examine individual RTAs and to consider how they contribute to global trade rules and trade opening. All WTO members except Mongolia are members of one or more (some belonging to as many as 30).

Agreements notified under Article XXIV of the GATT 1994 and Article V of the GATS are considered by the Committee on Regional Trade Agreements (CRTA), while agreements notified under the Enabling Clause are considered by a dedicated session of the Committee on Trade and Development (CTD). The General Council decision on transparency requires WTO members to inform the WTO Secretariat in the event of any subsequent changes to a notified agreement and to provide a report once an agreement is fully implemented. Also in the interests of transparency, WTO members are encouraged to inform the Secretariat of any agreements being negotiated or those that have been signed but are not yet in force ("early announcements").

Notified agreements already in force are considered by the CRTA or by the CTD, normally within a year of the date of notification. Consideration is based on a "factual presentation" prepared by the Secretariat on the basis of information and data provided by the parties to the agreement. The factual presentation describes the main provisions of the agreement and the degree of trade liberalization to be achieved between the parties during its implementation period.

In 2013, the CRTA held four meetings and considered 23 notifications of RTAs, counting goods and services separately (or 13 RTAs counting goods and services notifications together – see Table 2), compared with 20 each in 2012 and 2011.

The transparency mechanism also requires the WTO Secretariat to prepare "factual abstracts" on RTAs examined by the CRTA prior to the 2006 General Council decision. By the end of 2013, 72 factual abstracts of agreements currently in force had been prepared in consultation with the relevant RTA parties and posted on the RTA database.

In addition, eight "early announcements" were received from WTO members in 2013, six for RTAs under negotiation and two for newly signed RTAs not yet in force. As of December 2013, the WTO had received 91 "early announcements", 32 involving RTAs that had been signed but were not yet in force and 59 involving RTAs under negotiation. Forty-nine of these early announcements have subsequently been notified following entry into force of the agreements.

Not all agreements that are in force have, however, been notified and efforts are underway to improve the notification record. A list of non-notified agreements that have been verified by the WTO Secretariat as being in force, through consultation with at least one of the parties to the RTA, is circulated before each meeting of the CRTA. The last list circulated contained 54 such agreements.

The CRTA has also been discussing the submission of reports of the end of implementation of agreements. Most RTAs are implemented over a period of time and, as noted above, the RTA transparency mechanism requires RTA parties to submit a short written report on the realization of the liberalization commitments as originally notified. To date, even though many RTAs have been

fully implemented, no such reports have been received. Fulfilling this requirement will address the gap in understanding of the extent to which RTAs accomplish what they set out to do.

As called for by the General Council decision on transparency, all the information on RTAs notified to the WTO is contained in a publicly accessible 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 that have already been the subject of a factual presentation, the database also contains the relevant trade and tariff data.

For the transparency 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 Doha Round. Members are also required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. In December 2010, members decided to commence the review (see page 100).

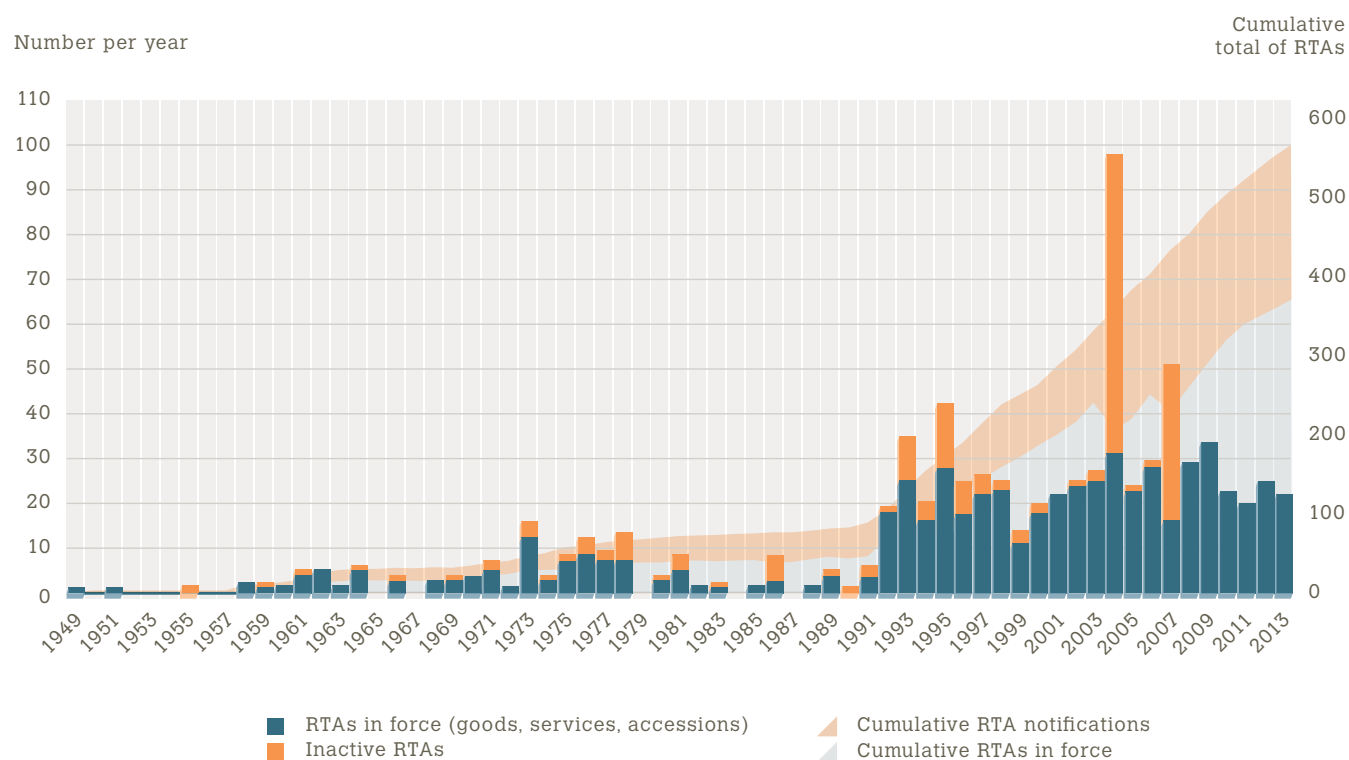
Table 2: Regional trade agreements considered in 2013

Chile – Guatemala (goods and services)
Chile – Honduras (goods and services)
China – Costa Rica (goods and services)
European Free Trade Association (EFTA) states – Hong Kong, China (goods and services)
EFTA states – Montenegro (goods)
EFTA states – Peru (goods)
EFTA states – Ukraine (goods and services)
El Salvador, Honduras – Chinese Taipei (goods and services)
Guatemala – Chinese Taipei (goods and services)
India – Malaysia (goods and services)
Japan – India (goods and services)
Japan – Peru (goods and services)
Peru – Panama (goods and services)

Note: The table refers to 13 individual agreements, 11 of which covered both goods and services and two covered only goods. The goods aspects of the RTA between India and Malaysia were considered in the CTD.



Figure 10: All RTAs notified to the GATT/WTO (1949 to 2013) by year of entry into force



Trade Policy Reviews

In 2013, the WTO's Trade Policy Review Body conducted the fifth appraisal of the Trade Policy Review Mechanism, and held 15 meetings to review the trade policies and practices of 20 members.

Trade Policy Review Mechanism

The fifth appraisal of the Trade Policy Review Mechanism (TPRM) was launched in July 2013. Its report was adopted by the Trade Policy Review Body in October 2013 and by the WTO's Ninth Ministerial Conference in December 2013. The usefulness of the TPRM as a tool to achieve greater transparency in, and mutual understanding of, the trade policies and practices of WTO members was recognized. Satisfaction was expressed at the results of the changes introduced to the TPRM following the fourth appraisal in 2011.

The appraisal concluded that there is a need to continue to make the Trade Policy Review meetings as interactive and fruitful as possible. It invited the WTO Secretariat to continue to explore ways to improve and streamline its reports and requested the Secretariat to pay more attention to behind-the-border measures, or non-tariff barriers, applied by WTO members under review at central government and, where relevant and feasible, at sub-central government levels. It also requested the Secretariat to put in place an IT system for members' consideration to facilitate, among other things, the question-and-answer process. The report called for the appointment from 2014 of a Vice-Chair to assist the Chair and invited the Secretariat to report on, and provide an assessment of, the experience of follow-up workshops. The value of these workshops, especially for least-developed countries (LDCs), was underlined.

The next appraisal should take place within the next five years.

Trade Policy Reviews in 2013

Viet Nam and the former Yugoslav Republic of Macedonia were reviewed for the first time in 2013. The dates of the reviews and the countries covered are shown on the map on pages 72-3. By the end of 2013, 384 reviews had been conducted, covering 147 of the 159 WTO members. The United States, Japan and the European Union had been reviewed 11 times; Canada nine times; Australia, Hong Kong (China), the Republic of Korea, Norway, Singapore, Thailand, Indonesia, Switzerland and Brazil six times; India, Malaysia, Turkey and Mexico five times; 21 members four times; and 32 members three times.

Under the TPRM, the four largest entities (currently the European Union, the United States, China and Japan) are reviewed every two years. The next 16 largest members undergo reviews every four years and the remaining members every six years, with a longer cycle for LDCs. These cycles may be extended by up to six months.

Printed versions of the Trade Policy Reviews are available as WTO publications. These contain the report by the WTO Secretariat, a report by the member under review, the concluding remarks by the Chair of the Trade Policy Review Body and a key trade facts section.



Background on Trade Policy Reviews

The Trade Policy Review Mechanism aims at encouraging all WTO members to adhere to WTO rules, disciplines and commitments. Through its regular Trade Policy Reviews, the mechanism enables WTO members to examine collectively the trade policies and practices of individual members in all trade-related areas, including those covered by WTO agreements. Reviews are carried out by the Trade Policy Review Body, a full-membership body of equal ranking to the General Council and the Dispute Settlement Body. Reviews are not intended to serve as a basis for the enforcement of obligations, for dispute settlement procedures, or to impose new policy commitments.

Workshops

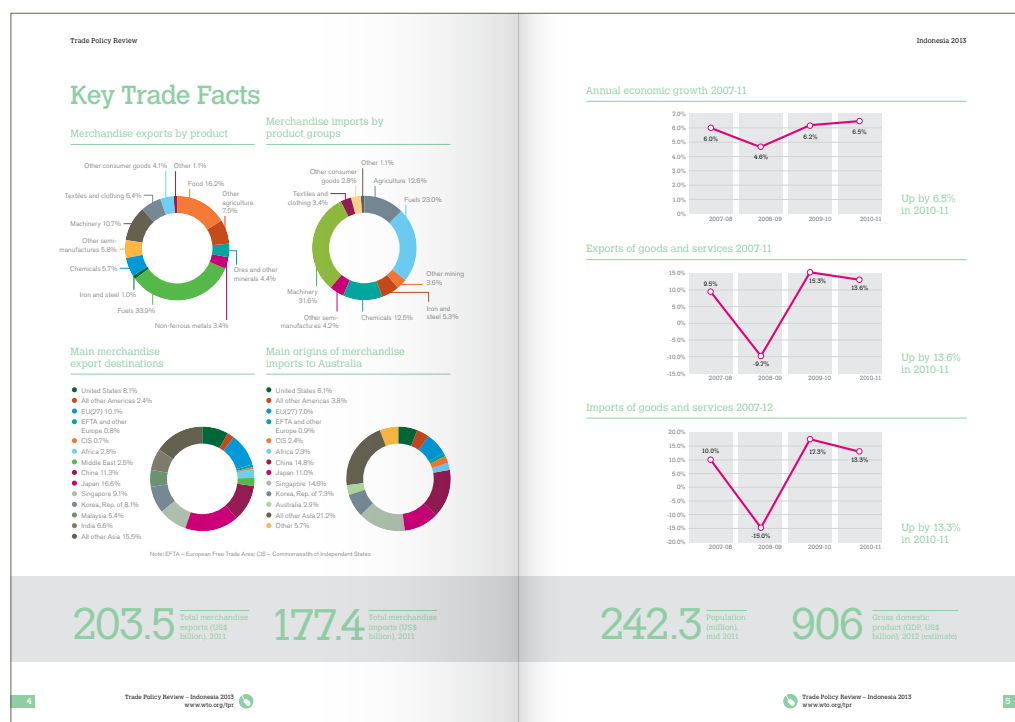
In 2013, two Trade Policy Review follow-up workshops were organized, one at the request of Burundi as a national activity and the other at the request of the members of the West African Economic and Monetary Union as a regional activity. More follow-up workshops, including for the East African Community, the Central African Economic and Monetary Community and the Organization of Eastern Caribbean States, are to take place in 2014.

The follow-up workshops have enhanced the benefits of the Trade Policy Review exercise for developing countries, particularly LDCs. The Trade Policy Review constitutes an external audit of the trade regimes of the members under review and helps developing countries to identify their technical assistance needs, including for capacity building. In addition, the follow-up workshops help developing countries to discuss and disseminate the results of their reviews in their capitals and to convince national stakeholders of the need to address shortcomings and the concerns expressed by other WTO members.

Trade Policy Reviews in 2014

Sixteen Trade Policy Review meetings are scheduled for 24 WTO members in 2014. They are Bahrain, Oman, Qatar, China, Chinese Taipei, Djibouti and Mauritius, Ghana, Hong Kong (China), Malaysia, Mongolia, Myanmar, the Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines), Panama, Sierra Leone, Tonga, Tunisia, Ukraine and the United States. Tonga, Myanmar and Ukraine are to be reviewed for the first time.

The Trade Policy Reviews publication series was relaunched in 2013 in a new format.



Trade Policy Reviews in 2013

The WTO conducted 15 Trade Policy Reviews in 2013 to examine the trade policies and practices of 20 WTO members. The dates of the reviews and the countries covered are shown on the map. Further information, including the Chair's concluding remarks for each review, can be found on the WTO website: www.wto.org/tpr





Trade monitoring reports

Some WTO members applied new trade-restrictive measures in 2013 but countries generally resisted domestic pressures to erect trade barriers. The new measures added to the existing stock of trade restrictions and distortions. Global economic growth remained slow and uneven and this weighed heavily on world trade flows. The volume of world merchandise trade is expected to have grown by 2.5 per cent in 2013 and to grow by 4.5 per cent in 2014, which remains below historical trends.

The WTO Secretariat prepared four reports on global trade developments in 2013 against the background of a global economy slowly on the mend. Two of these reports, covering trade and investment measures taken by the Group of 20 (G-20) leading developed and developing economies, were prepared jointly with the secretariats of the Organisation for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). The other two reports covered trade measures taken by WTO members and observers. The Trade Policy Review Body discussed the first of these, but due to the Bali Ministerial Conference in December, discussion of the second was delayed until February 2014.

Monitoring summary for 2013

The most important factor contributing to the economic slowdown in 2013 was recession in the euro area, which extended into the first quarter of 2013 and was followed by tepid, albeit positive, global growth. Uncertainty over the timing and impact of the phase-out of unconventional monetary policy in the United States, known as quantitative easing and which aims at stimulating growth, also contributed to volatility in global financial markets. The economic slowdown in emerging economies detected in the first half of 2013 appeared to have partly abated in the last two quarters of the year, mostly due to faster growth in China. Developing economies' imports continued to support international trade flows.

The shortfall in economic activity weighed heavily on world trade flows, with the volume of world merchandise trade expected to have grown by 2.5 per cent in 2013 and to grow by 4.5 per cent in 2014 – both below the historical trend of over 5 per cent. Exports of developed and developing economies are projected to grow by 2.8 per cent and 6.3 per cent, respectively, in 2014. Meanwhile, imports of developed and developing economies should advance by 3.2 per cent and 6.2 per cent (see Figure 11.)

For the 12 months to mid-November 2013, more restrictive trade measures were observed than in the preceding one-year period. A total of 407 new trade restrictions were recorded, up from 308 measures listed in the previous overview. These new restrictive measures covered around US\$ 240 billion of merchandise imports, slightly more than 1.3 per cent of the world total, which is broadly similar to the percentage recorded previously.

During the review period, 355 trade remedy measures were recorded. The vast majority of these were anti-dumping actions, followed by safeguards. As in 2012, more initiations were recorded than terminations. While 217 new trade remedy investigations were initiated, covering around 0.2 per cent of world merchandise imports, 138 measures were terminated. The latter, covering around 0.1 per cent of world imports, involved either the termination of an investigation or the removal of existing duties.

A total of 107 trade-facilitating measures were recorded compared with 162 measures listed in last year's report. The relative weight of measures considered as trade facilitating in the total number of measures recorded fell to 38 per cent, down from 51 per cent in the previous period.

The trade monitoring exercise and the individual Trade Policy Reviews undertaken in 2013 showed that WTO members were reasonably successful in resisting domestic pressures to erect trade barriers. However, some WTO members put in place measures that restrict or distort trade. These new restrictive measures add to the stock of trade restrictions and distortions put in place since the outbreak of the global crisis, most of which remain in effect, and to trade restrictions and distortions that have existed for a long time.

Slow progress on notifications

In 2013, some improvement was seen in WTO members' notifications but progress remained slow and uneven. Developing countries continued to make the majority of notifications of sanitary and phytosanitary (SPS) measures and



Background on trade monitoring reports

In early 2009, the WTO began regular monitoring of global trade developments, covering all trade measures implemented by WTO members and observers. The trade monitoring exercise strengthens the transparency aims of the Trade Policy Review Mechanism by providing comprehensive information on recent trade policy changes. The trade monitoring is overseen by the Trade Policy Review Body, which also conducts detailed reviews of members individually (see page 70).



technical barriers to trade (TBT) measures. Although this may be explained in part by the more active adoption of new measures in this area for a variety of reasons, efforts by members and the WTO Secretariat to facilitate compliance with transparency requirements in the relevant committees also deserve credit.

Several WTO members reported developments concerning trade in services. Most of the new measures can be considered as opening the services sector to foreign participation. In the area of agriculture, members continued to discuss some issues mainly related to the notification and implementation of domestic support (subsidy) programmes. Public food stockholding measures received considerable attention in the Committee on Agriculture during the review period, and the WTO's Ninth Ministerial Conference addressed the issue (see page 10).

A few governments acknowledged the introduction of new general economic support measures, generally subsidies or similar measures, during the review period. As in previous reports, many of the recorded measures were in the form of economic assistance programmes for small and medium-sized enterprises (SMEs). However, the regular monitoring of government-support measures continues to be a challenge because of difficulties in obtaining relevant information.

Enhancing transparency

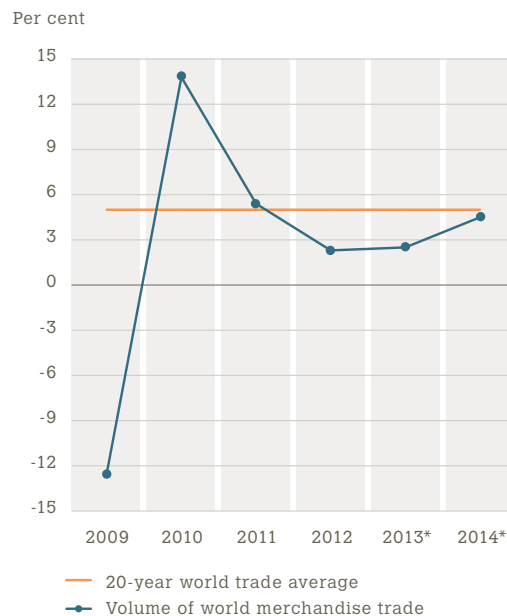
The purpose of WTO trade monitoring reports is to enhance the transparency of trade policy developments around the world and to provide WTO members and observers with an up-to-date picture of trends in the implementation of trade liberalizing as well as trade restricting measures, in particular in times of economic crisis when protectionist pressures tend to surge.

Preparing the reports relies on continuous dialogue and exchange of information across divisions within the WTO Secretariat. The core of this information stems from formal notifications by WTO members, formal publication in various media of new legislation, and other public sources, including media reports.

The most important element in collecting trade policy information for the monitoring reports is the close consultation between the WTO Secretariat and delegations. This aims at gathering complete, up-to-date and accurate information on trade and trade-related measures and to verify the relevant information collected from other public sources.

In preparation for each report, the WTO Director-General writes to all members and observers, inviting them to provide the WTO Secretariat with information on recent trade measures as well as general economic support measures. The WTO Secretariat collates all recorded country-specific information on trade measures and re-submits this information to each delegation for verification. This verification process represents a quality control mechanism that allows members to check the accuracy of the information before it is made public. The WTO-wide trade monitoring reports are subsequently discussed at meetings of the WTO's Trade Policy Review Body.

Figure 11: Growth in world merchandise trade, 2009-14 (volume)



* The volume of world merchandise trade is the average of exports and imports. Figures for 2013 and 2014 are projections.

Database

In 2013, the WTO launched its trade monitoring database where all information gathered since October 2008, when the monitoring exercise began, can be found. The database, which is available on the WTO website, provides information on trade measures implemented by WTO members and observers and includes various search criteria options which facilitate navigation of the database. Members are regularly invited to update all existing information compiled by the Secretariat since 2008. The database is updated once a new monitoring report has been discussed by WTO members.

Trade monitoring in 2014

Strengthened surveillance of trade measures has helped governments faced with scrutiny by their peers to resist domestic protectionist pressures. At the WTO's Eighth Ministerial Conference in December 2011, ministers specifically called on the Trade Policy Review Body to continue discussing the strengthening of the trade monitoring exercise and a similar call was made by the leaders of the G-20 in September 2013. Such endorsements confirm that the multilateral trading system remains the best insurance policy against protectionist tendencies, and the monitoring reports will continue to offer a practical and transparent tool in support of this policy.

Trade, debt and finance

Senior WTO officials continued to work with multilateral development banks to facilitate the provision of trade finance, particularly for developing countries. A decision by the Basel Committee to modify leverage rules in order to support trade was hailed by Director-General Roberto Azevêdo as “good news for developing countries”. The WTO Working Group on Trade, Debt and Finance continued its examination of the relationship between exchange rates and trade.

WTO Director-General Roberto Azevêdo and his predecessor Pascal Lamy continued to work in 2013 with multilateral development banks – the European Bank for Reconstruction and Development, the Asian Development Bank, the International Finance Corporation, the Inter-American Development Bank, the Islamic Development Bank and the African Development Bank. The work aims at boosting the global network of trade finance facilitation programmes that help to reduce the risk of financing trade in developing countries. Lack of trade finance impairs the ability of countries to trade. With the support of WTO members, WTO senior management has been a driving force behind a number of initiatives aimed at closing some of the structural gaps in trade finance markets.

The trade facilitation programmes have expanded considerably in recent years. As a result, the international community has been able to support over US\$ 15 billion of trade transactions by small and medium-sized enterprises (SMEs) in poor countries, which would not have received support from private markets. In March, the African Development Bank agreed to start a trade finance programme for African traders, so closing a gap in the global support network. This new four-year programme can support up to US\$ 1 billion in total trade at any time. In 2013, the Bank was able to finance US\$ 600 million in trade transactions for small African traders. The programme comprises, among other things, trade finance lines of credit in support of small importers and exporters and a dedicated soft commodity finance facility supporting parties in the agri-commodities supply chains.

The WTO also continued its dialogue with the Basel Committee on Banking Supervision aimed at achieving fair prudential regulation for the trade finance industry. In January 2014, the Committee agreed to modify regulations on bank leverage in a way that supports trade. This decision was hailed by Director-General Azevêdo as “good news for developing countries, for the expansion of their trade and for the continued growth of South-South trade flows.”

Working Group on Trade, Debt and Finance

The Working Group on Trade, Debt and Finance met twice in 2013 to pursue its efforts to improve understanding of the links between exchange rates and trade – in particular, the economic impact of exchange rates on trade. The WTO Secretariat delivered an update on the recent economic literature on the economic relationship between exchange rates and trade, while Brazil introduced a submission looking at some of the institutional and legal aspects of the impact of exchange rate fluctuations on trade.

After discussing Brazil's submission, WTO members concluded there was interest in continuing the analytical discussion on the relationship between exchange rates and trade in 2014. However, before there could be any consideration of work on rule making, the issue needed to be better understood. The International Monetary Fund (IMF) gave updates on progress in exchange rate and external sector surveillance. Members agreed that there was a need to build a stronger relationship between the IMF and the WTO on the topic.



Background on trade, debt and finance

WTO ministers decided in Doha in 2001 to establish a Working Group on Trade, Debt and Finance to look at how the WTO could contribute to finding a durable solution to the external debt problems of many developing countries and to avoid having WTO members' trade opportunities undercut by financial instabilities. The Working Group has been focusing its attention on a range of financial issues with an impact on trade, including the provision of trade finance, and more recently, the relationship between exchange rates and trade.



Expert Group on Trade Finance

The Expert Group on Trade Finance continued its meetings in 2013, with a view to filling the remaining gaps in the trade finance markets, especially in the poorest countries. One tool to boost the supply of trade finance in these countries has been the expansion by multilateral development banks of trade finance facilitation programmes in the regions where they operate (see above).

Some 80-90 per cent of world trade relies on trade finance (trade credit and insurance/guarantees) and during the worst of the financial and economic crisis in 2008-09 many companies, especially smaller enterprises in both developed and developing countries, found it impossible or prohibitively expensive to obtain the credit they needed to trade.

WTO management had advocated the creation of a trade finance facilitation programme by the African Development Bank, with the support of the Bank's President, Donald Kaberuka. The new programme was adopted at the beginning of 2013 by the Bank's Board of Directors, and financing operation began promptly. The programme of the African Development Bank extends the global network of trade finance facilitation programmes already established by all major multilateral development institutions.

WTO senior management continued its on-going dialogue with prudential regulators in 2013, with a view to clarifying potential regulatory obstacles to the supply of trade finance in developing countries. As a result, the Basel Committee made a number of positive adjustments to guidelines affecting trade finance in the area of capital and liquidity requirements. The main decisions were made by the Committee at the beginning of 2013 (low liquidity coverage ratio for similar products) and at the beginning of 2014 (lowering of the leverage ratio for letters of credit and similar instruments primarily used in developing countries' trade). These measures potentially free billions of dollars of bank resources to finance more trade finance for no additional risk.

Established in the wake of the Asian financial crisis in the late 1990s, the Expert Group brings together representatives of the main players in trade finance, including the International Finance Corporation, regional development banks, export credit agencies and big commercial banks, as well as the International Chamber of Commerce and other international organizations.



Government Procurement Agreement

Croatia joined the Government Procurement Agreement (GPA) on becoming a member of the European Union in 2013. Important developments occurred with respect to the GPA accessions of several other WTO members, including China, Montenegro and New Zealand. Two more countries were granted observer status. The Committee on Government Procurement, which administers the GPA, worked towards the entry into force in April 2014 of the revised Agreement adopted by the parties in 2012 (see page 39). A record level of technical assistance was undertaken.

Accessions to the Agreement, new observers

On 1 July 2013, Croatia became the 43rd WTO member to be covered by the Agreement on joining the European Union (see Figure 12). Towards the end of the year, China submitted a fourth revised GPA accession offer, containing proposed additions to coverage at the sub-central government level and some other improvements. It subsequently announced that it would accelerate its negotiation on GPA accession in 2014 and would submit a revised offer that would be "commensurate with the coverage of GPA Parties".

Substantive discussions were held during the year regarding New Zealand, which applied for accession in September 2012. All parties expressed appreciation for the improvements contained in a revised offer submitted by New Zealand together with related explanations. A new application for accession was received from Montenegro, which pressed for expedited consideration of its application so that it could meet a commitment to join given at the time of its WTO accession in 2012. Moldova and Ukraine indicated renewed commitment to joining the GPA. The former Yugoslav Republic of Macedonia and Russia were granted observer status.



Monitoring of implementation and legislation

The Committee held regular roundtable sessions to monitor progress towards the acceptance and bringing into force of the revised GPA, which was formally adopted in March 2012 and came into force on 6 April 2014 (see page 39). The Committee also considered modifications to parties' schedules of commitments, statistical reports, threshold levels expressed in national currencies and changes in parties' legislation implementing the GPA.

Technical assistance and international cooperation

The WTO Secretariat carries out an intensive programme of technical assistance relating to the GPA, including both regional workshops and tailored national seminars provided on request to WTO members wishing to learn more about the Agreement. A record number of such events took place during the year. These included four major regional workshops organized for the English- and French-speaking African countries, for the Asia-Pacific region, and for central and eastern Europe, Central Asia and the Caucasus countries. National seminars were presented for five WTO members in 2013 – namely, China, Israel, Malaysia, Montenegro and Thailand.



Background on the Government Procurement Agreement (GPA)

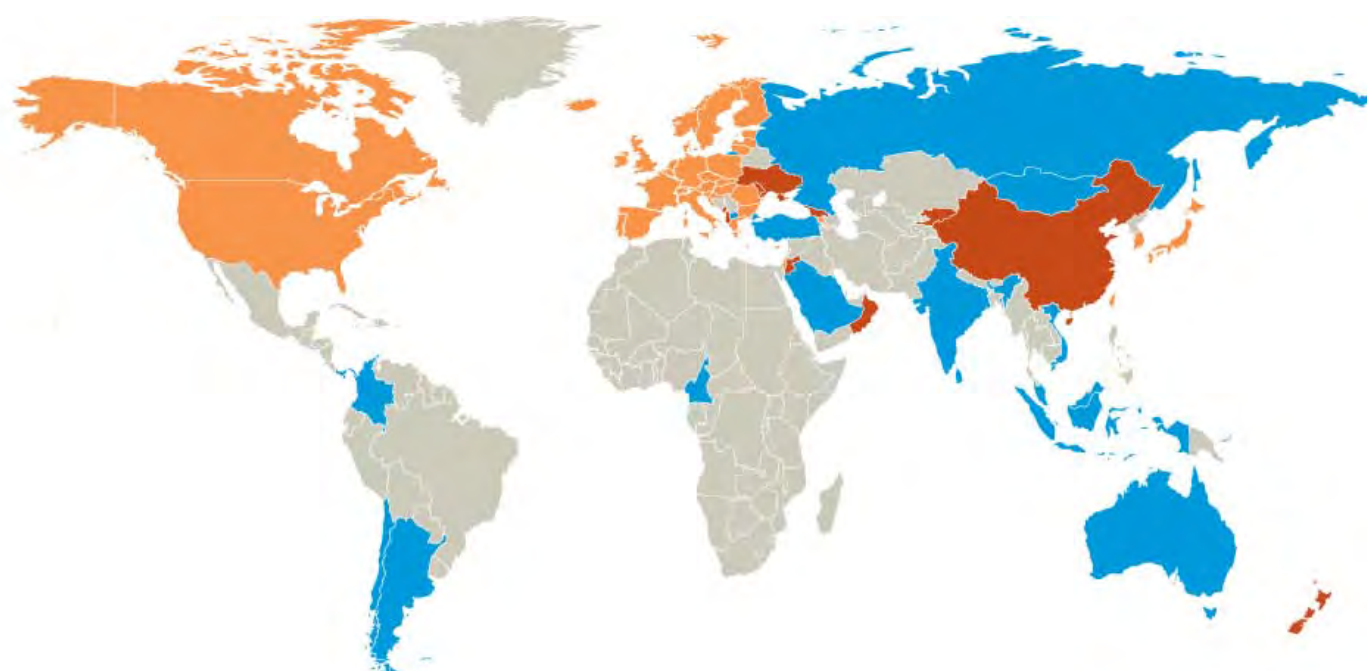
The WTO Agreement on Government Procurement (GPA) ensures that signatories do not discriminate against the products, services or suppliers of other parties to the Agreement with respect to the government procurement opportunities that are opened to foreign competition. The Agreement also requires transparent and competitive purchasing practices in the markets covered. The GPA is a plurilateral agreement, which means that it applies only to those WTO members that have agreed to be bound by it. The Committee on Government Procurement administers the GPA.



The WTO Secretariat collaborated with other international organizations, notably the European Bank for Reconstruction and Development, the European Free Trade Association Secretariat and the United Nations Commission on International Trade Law (UNCITRAL), in the delivery of other technical assistance activities. These included events organized for the

benefit of Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Russia, Tajikistan and Ukraine. The Committee on Government Procurement, which is briefed regularly on relevant developments, has expressed its strong support for the Secretariat's technical assistance programme and its liaison/cooperation with other relevant organizations.

Figure 12: Members and observers of the Government Procurement Agreement



1.6

Total market access commitments under the GPA: US\$ 1.6 trillion (as of 2008)

Parties to the GPA (15 parties, comprising 43 WTO members).

WTO members negotiating GPA accession (Albania, China, Georgia, Jordan, Kyrgyz Republic, Republic of Moldova, Montenegro, New Zealand, Oman, and Ukraine).

Other observer countries (Argentina, Australia, Kingdom of Bahrain, Cameroon, Chile, Colombia, India, Indonesia, Malaysia, Mongolia, Panama, Russia, Kingdom of Saudi Arabia, Sri Lanka, the Former Yugoslav Republic of Macedonia, Turkey and Viet Nam)