

Disputes reach century mark

The WTO—in just a little more than two-and-a-half years of existence—has received its 100th trade dispute for resolution (*see list on pages 2-3*). This pace of some 40 disputes a year represents a vote of confidence by members in the improved dispute settlement mechanism of the new organization. WTO's predecessor, GATT, dealt in all with some 300 disputes, or about six disputes a year.

The WTO's 100th dispute, notified on 19 August, was a request for consultations by the European Communities with the United States regarding a US ban on imports of EC poultry and poultry products.

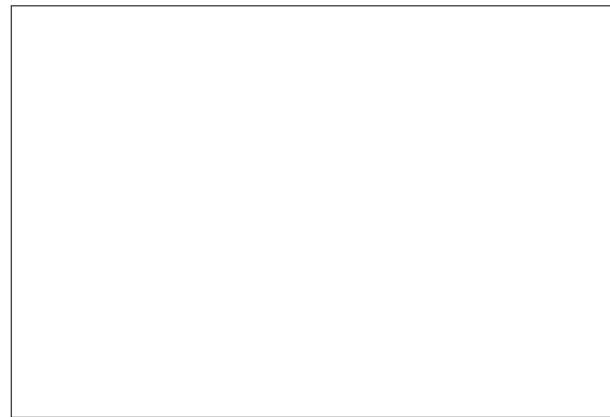
Among the highlights of the WTO's record so far in dispute settlement are the following:

- » About one quarter of the disputes was resolved by the parties themselves at the initial consultations stage ;
- » Members are actively using a new feature in the WTO procedures—the possibility of appeal—with all the panel reports issued so far being brought to the Appellate Body for a final ruling;
- » The improved mechanism has enabled adoption by the Dispute Settlement Body (DSB) of all the six Appellate Body reports and the panel reports as modified by them that have so far been issued—unlike in the old GATT when adoption took time and a number of panel reports were never adopted at all;
- » The developing countries have become active users of the procedures—they have filed 31 cases and have been the subject of 37 complaints;
- » After the GATT 1994, the most-often cited Agreements in these disputes are the Agreements on Sanitary and Phytosanitary Measures and on Technical Barriers to Trade with 20 cases. □

US and Brazil granted panels

The DSB, on 30 July, established panels to examine:

- » The United States' complaint that Indonesia's national car programme violated provisions of the GATT 1994, the TRIMs Agreement and the Subsidies Agreement—it was agreed that the US complaint would be examined by an existing panel that was established in June 1997 to consider similar complaints lodged by the EC and Japan.;
- » Brazil's complaint that the EC had failed to implement a



The WTO's dispute settlement mechanism ensures that market-opening commitments are kept. (ILO Photo)

bilateral agreement on the importation of poultry.

The DSB adopted the report of the Appellate Body and the panel report, as modified by the Appellate Body report, regarding a US complaint against certain Canadian measures on periodicals (available on the WTO Web Site).

The United States welcomed the Appellate Body report while Canada stressed the need for WTO members to be able to protect their cultural identities. (*Note: On 29 August, Canada communicated to the DSB its intention to meet its obligations under the WTO but would require a reasonable period of time to do so. It added that consistent with the panel's statement that the ability to protect cultural identity was not at issue in the case and with its WTO rights and obligations, it intended to continue to pursue its cultural policy objectives.*)

The United States reported that it was on course regarding the implementation of DSB recommendations on its gasoline standards. (*Note: On 20 August, the United States communicated to the DSB and to the complainants, Venezuela and Brazil, that the Administrator of the US Environmental Protection Agency had signed, the previous day, a final regulation amending the measures that were at issue in the dispute. It added that as agreed with Venezuela, the United States had completed the implementation process in 15 months.*) □

DISPUTE SETTLEMENT

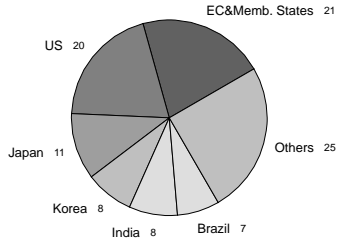
The first 100 disputes brought to the WTO

Number	Complainant	Subject of complaint	Status
1.	Singapore	<i>Malaysia: Prohibition of imports of polyethylene and polypropylene</i>	Complaint withdrawn July 1995.
2.	Venezuela	<i>United States: Standards for reformulated and conventional gasoline</i>	Implementation stage.
3.	United States	<i>Korea: Measures concerning the testing and inspection of agricultural products</i>	Consultations requested April 1995.
4.	Brazil	<i>United States: Standards for reformulated and conventional gasoline</i>	Implementation stage.
5.	United States	<i>Korea: Measures concerning the shelf-life of products</i>	Bilateral solution notified July 1995.
6.	Japan	<i>US: Imposition of import duties on autos from Japan under Sections 301 and 304</i>	Bilateral solution notified July 1995.
7.	Canada	<i>European Communities: Trade description of scallops</i>	Solution notified July 1996.
8.	European Communities	<i>Japan: Taxes on alcoholic beverages</i>	Implementation stage.
9.	Canada	<i>European Communities: Duties on imports of cereals</i>	Panel Oct. 1995; appears settled.
10.	Canada	<i>Japan: Taxes on alcoholic beverages</i>	Implementation stage.
11.	United States	<i>Japan: Taxes on alcoholic beverages</i>	Implementation stage.
12.	Peru	<i>European Communities: Trade description of scallops</i>	Solution notified July 1996.
13.	United States	<i>European Communities: Duties on imports of grains</i>	Panel request withdrawn April 1997.
14.	Chile	<i>European Communities: Trade description of scallops</i>	Solution notified July 1996.
15.	European Communities	<i>Japan: Measures affecting the purchase of telecommunications equipment.</i>	Appears to have been solved bilaterally.
16.	Guatemala, Honduras, Mexico, United States	<i>European Communities: Importation, sale and distribution of bananas</i>	Consultations requested September 1995 (see case no. 27)
17.	Thailand	<i>European Communities: Import duties on rice</i>	Consultations requested October 1995.
18.	Canada	<i>Australia: Import prohibition of salmon from Canada</i>	Panel established April 1997.
19.	India	<i>Poland: Import regime for automobiles</i>	Bilateral solution notified July 1996.
20.	Canada	<i>Korea: Measures concerning bottled water</i>	Bilateral solution notified April 1997.
21.	United States	<i>Australia: Measures concerning the importation of salmonids.</i>	Consultations requested Nov. 1995.
22.	Philippines	<i>Brazil: Measures affecting desiccated coconut</i>	Reports adopted March 1997.
23.	Mexico	<i>Venezuela: Anti-dumping investigation on certain oil country tubular goods</i>	Investigation closed December 1995.
24.	Costa Rica	<i>United States: Quantitative restrictions on Costa Rican underwear</i>	Measure expired March 1997.
25.	Uruguay	<i>EC: Implementation of Uruguay Round commitments concerning rice</i>	Consultations requested Dec. 1995.
26.	United States	<i>European Communities: Measures concerning meat and meat products (hormones)</i>	Panel report circulated August 1997.
27.	Ecuador, Guatemala, Honduras, Mexico, United States	<i>European Communities: Regime for the importation, sale and distribution of bananas</i>	Panel report appealed by the EC June 1997.
28.	United States	<i>Japan: Measures concerning the protection of sound recordings</i>	Bilateral solution notified January 1997.
29.	Hong Kong	<i>Turkey: Restrictions on imports of textiles and clothing products</i>	Consultations requested February 1996.
30.	Sri Lanka	<i>Brazil: Measures affecting desiccated coconut and coconut milk powder</i>	Consultations requested February 1996.
31.	United States	<i>Canada: Measures prohibiting or restricting importation of certain periodicals</i>	Reports adopted July 1997.
32.	India	<i>United States: Measures affecting imports of women's and girls' wool coats</i>	Measures removed April 1996.
33.	India	<i>United States: Measures affecting imports of woven wool shirts and blouses</i>	Reports adopted May 1997.
34.	India	<i>Turkey: Restrictions on imports of textiles and clothing products</i>	Consultations requested March 1996.
35.	Argentina, Australia, Canada, New Zealand, Thailand, United States	<i>Hungary: Export subsidies in respect of agricultural products</i>	Solution notified July 1997 subject to grant of WTO waiver.
36.	United States	<i>Pakistan: Patent protection for pharmaceutical and agricultural chemical products</i>	Bilateral solution notified March 1997.
37.	United States	<i>Portugal: Patent protection under the Industrial Property Act</i>	Bilateral solution notified October 1996.
38.	European Communities	<i>United States: The Cuban Liberty and Democratic Solidarity Act</i>	Upon EC request, the panel suspended its work April 1997.
39.	European Communities	<i>United States: Tariff increases on products from the EC</i>	Measures terminated July 1996.
40.	European Communities	<i>Korea: Laws, regulations and practices in the telecommunications sector</i>	Consultations requested May 1996.
41.	United States	<i>Korea: Measures concerning inspection of agricultural products</i>	Consultations requested May 1996.
42.	European Communities	<i>Japan: Measures concerning sound recordings.</i>	Consult. req. May 1996 (see no. 28).
43.	United States	<i>Turkey: Taxation of foreign film revenues</i>	Bilateral solution notified July 1997.
44.	United States	<i>Japan: Measures affecting consumer photographic film and paper</i>	Panel established October 1996.
45.	United States	<i>Japan: Measures affecting distribution services</i>	Consultations requested June 1996.
46.	Canada	<i>Brazil: Export financing programme for aircraft</i>	Panel request withdrawn from DSB agenda October 1996 pending further consultations.
47.	Thailand	<i>Turkey: Restrictions on imports of textile and clothing products</i>	Consultations requested June 1996.
48.	Canada	<i>European Communities: Measures affecting meat and meat products (hormones).</i>	Panel report circulated August 1997.
49.	Mexico	<i>United States: Anti-dumping investigation on fresh and chilled tomatoes</i>	Case appears to have been settled.

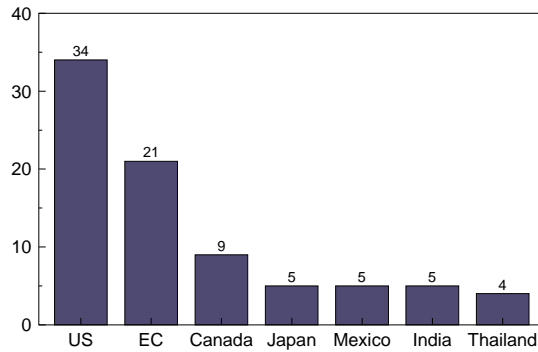
DISPUTE SETTLEMENT

Number	Complainant	Subject of the complaint	Status
50.	United States	<i>India: Patent protection for pharmaceutical and agricultural chemical products</i>	Panel established November 1996.
51.	Japan	<i>Brazil: Certain automotive investment measures</i>	Consultations requested July 1996.
52.	United States	<i>Brazil: Certain measures affecting trade and investment in the automotive sector</i>	Consultations requested August 1996.
53.	European Communities	<i>Mexico: Customs valuation of imports</i>	Consultations requested August 1996.
54.	European Communities	<i>Indonesia: Certain measures affecting the automobile industry</i>	Panel established June 1997.
55.	Japan	<i>Indonesia: Certain measures affecting the automobile industry</i>	Panel established June 1997.
56.	United States	<i>Argentina: Measures affecting imports of footwear, textiles, apparel&other items</i>	Panel established February 1997.
57.	United States	<i>Australia: Textile, clothing and footwear import credit scheme</i>	Case appears to have been settled.
58.	Malaysia, Thailand, Pakistan, India	<i>United States: Import prohibition of shrimp and shrimp products</i>	Single panel established Feb.1997; India joined April 1997.
59.	United States	<i>Indonesia: Certain measures affecting the automobile industry</i>	Panel established August 1997.
60.	Mexico	<i>Guatemala: Anti-dumping investigation on portland cement from Mexico</i>	Panel established March 1997.
61.	Philippines	<i>United States: Import prohibition of certain shrimp and shrimp products</i>	Consultations requested October 1996.
62.	United States	<i>European Communities: Customs classification of certain computer equipment</i>	Panel established February 1997.
63.	European Communities	<i>United States: Anti-dumping measures on imports of urea</i>	Consultations requested Nov. 1996.
64.	Japan	<i>Indonesia: Certain automotive industry measures.</i>	See number 55.
65.	United States	<i>Brazil: Certain measures affecting trade and investment in the automotive sector</i>	Consultations requested January 1997.
66.	European Communities	<i>Japan: Measures affecting imports of pork</i>	Consultations requested January 1997.
67.	United States	<i>United Kingdom: Customs classification of certain computer equipment</i>	Incorporated into panel of no. 62 above.
68.	United States	<i>Ireland: Customs classification of certain computer equipment</i>	Incorporated into panel of no. 62 above.
69.	Brazil	<i>EC: Measures affecting importation of certain poultry products</i>	Panel established June 1997.
70.	Brazil	<i>Canada: Measures affecting the export of civilian aircraft</i>	Two separate requests for consultations notified March 1997.
71.			
72.	New Zealand	<i>European Communities: Measures affecting butter products</i>	Request for consultations March 1997.
73.	European Communities	<i>Japan: Procurement of a navigational satellite</i>	Bilateral solution notified July 1997.
74.	United States	<i>Philippines: Measures affecting pork and poultry</i>	Consultations requested April 1997.
75.	European Communities	<i>Korea: Taxes on alcoholic beverages</i>	Consultations requested April 1997.
76.	United States	<i>Japan: Measures affecting agricultural products</i>	Consultations requested April 1997.
77.	European Communities	<i>Argentina: Measures affecting textiles, clothing and footwear</i>	Consultations requested April 1997.
78.	Colombia	<i>United States: Safeguard measure against imports of broom and corn brooms</i>	Consultations requested April 1997.
79.	European Communities	<i>India: Patent protection for pharmaceutical and agricultural chemical products</i>	Consultations requested May 1997.
80.	United States	<i>Belgium: Measures affecting commercial telephone directory services</i>	Consultations requested May 1997.
81.	European Communities	<i>Brazil: Measures affecting trade and investment in the automotive sector</i>	Consultations requested May 1997.
82.	United States	<i>Ireland: Measures affecting the grant of copyright and neighbouring rights</i>	Consultations requested May 1997.
83.	United States	<i>Denmark: Measures affecting the enforcement of intellectual property rights</i>	Consultations requested May 1997.
84.	United States	<i>Korea: Taxes on alcoholic beverages</i>	Consultations requested May 1997.
85.	European Communities	<i>United States: Measures affecting textiles and apparel products</i>	Consultations requested May 1997.
86.	United States	<i>Sweden: Measures affecting the enforcement of intellectual property rights</i>	Consultations requested May 1997.
87.	European Communities	<i>Chile: Taxes on alcoholic beverages</i>	Consultations requested June 1997.
88.	European Communities	<i>United States: Measures affecting government procurement</i>	Consultations requested June 1997.
89.	Korea	<i>US: Imposition of anti-dumping duties on imports of colour television receivers</i>	Consultations requested July 1997.
90.	United States	<i>India: Quantitative restrictions on imports of agricultural, textile and industrial products</i>	Consultations requested July 1997.
91.	Australia	<i>India: Quantitative restrictions on imports of agricultural, textile and industrial products</i>	Consultations requested July 1997.
92.	Canada	<i>India: Quantitative restrictions on imports of agricultural, textile and industrial products</i>	Consultations requested July 1997.
93.	New Zealand	<i>India: Quantitative restrictions on imports of agricultural, textile and industrial products</i>	Consultations requested July 1997.
94.	Switzerland	<i>India: Quantitative restrictions on imports of agricultural, textile and industrial products</i>	Consultations requested July 1997.
95.	Japan	<i>United States: Measures affecting government procurement</i>	Consultations requested July 1997.
96.	European Communities	<i>India: Quantitative restrictions on imports of agricultural, textile and industrial products</i>	Consultations requested August 1997.
97.	Chile	<i>United States: Countervailing duty investigation of imports of salmon from Chile</i>	Consultations requested August 1997.
98.	European Communities	<i>Korea: Definitive safeguard measure on imports of certain dairy products</i>	Consultations requested August 1997.
99.	Korea	<i>US: Anti-dumping duty on dynamic random access memory semiconductors (DRAMs) of one megabyte or above originating from Korea</i>	Consultations requested August 1997.
100.	European Communities	<i>United States: Measures affecting imports of poultry products</i>	Consultations requested August 1997.

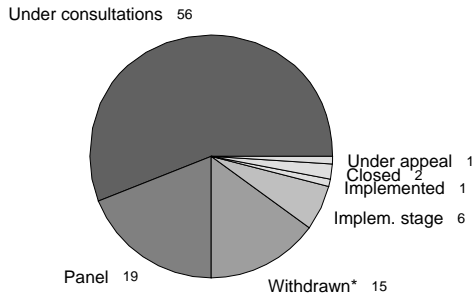
Subject of complaints



Leading complainants

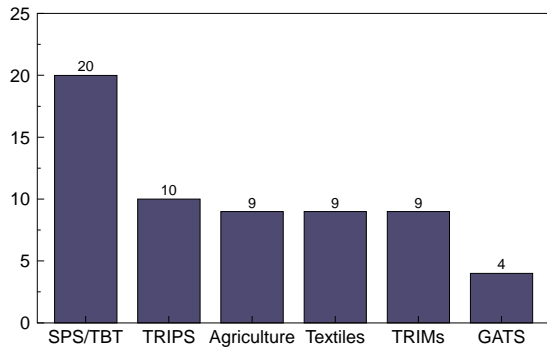


Status of disputes



*Another 10 cases seemed to have been settled bilaterally.

The most-often cited Agreements in the disputes after GATT 1994



Main stages in dispute settlement

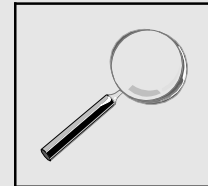
1 Consultations.

The parties to the dispute discuss the problem among themselves. Many disputes are resolved at this initial stage.



2 Establishment of a panel. If no solution is found after 60 days, the complainant can ask the DSB to establish a panel. Procedures require the DSB to establish a panel no later than the second time it considers the panel request, unless there is a consensus against the decision.

3 Panel examination. The panel, consisting of three or five independent experts chosen in consultation with the parties to the dispute, examines the complaint. The panel's final report, containing findings and recommendations, should normally be given to the parties within six months.

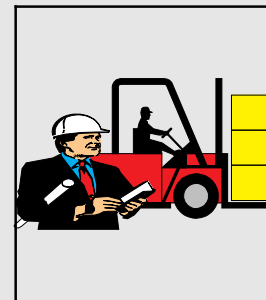


4 Appeal. Any party to the dispute can appeal a panel's decision to the WTO Appellate Body. As a general rule, the appeal proceedings are not to exceed 60 days but in no case shall they exceed 90 days.

5 Adoption of report. The DSB adopts the panel report 60 days after it is issued. If appealed, the DSB adopts the Appellate Body report 30 days after it is issued together with the panel report, unless there is a consensus against their adoption.

6 Implementation.

Thirty days after the adoption of the panel or the Appellate Body report, the party concerned must inform the DSB of its intentions with respect to the implementation of the recommendations. If it is impractical to comply immediately, the member will be given a "reasonable period of time" to do so. If it fails to act within this period, it is obliged to enter into compensation negotiations with the complainant. If no satisfactory compensation is agreed, the complainant may request authorization from the DSB to suspend concessions or obligations against the other party. □



WTO Appellate Body and Panel Reports

Appellate Body Reports Adopted

1. **United States - Standards for Reformulated and Conventional Gasoline**, complaints by Venezuela and Brazil. The single panel, which considered both complaints, found the regulation to be inconsistent with GATT Article III:4 and not to benefit from an Article XX exception. The United States appealed on 21 February 1996. On 22 April 1996, the Appellate Body issued its report, modifying the panel report on the interpretation of GATT Article XX(g), but concluding that the exception provided by Article XX was not applicable in this case. The Appellate Body Report, together with the panel report as modified by the Appellate Body Report, was adopted by the DSB on 20 May 1996.

2. **Japan - Taxes on Alcoholic Beverages**, complaints by the EC, Canada and the United States. A joint panel was established at the DSB meeting on 27 September 1995. The report of the panel, which found the Japanese tax system to be inconsistent with GATT Article III:2, was circulated to members on 11 July 1996. On 8 August 1996 Japan filed an appeal. The report of the Appellate Body, circulated to members on 4 October 1996, affirmed the panel's conclusion that the Japanese Liquor Tax Law was inconsistent with GATT Article III:2, but pointed out several areas where the Panel had erred in its legal reasoning. The Appellate Report, together with the panel report as modified by the Appellate Report, was adopted on 1 November 1996. On 24 December 1996, the US, pursuant to Article 21(3)(c) of the DSU applied for binding arbitration to determine the reasonable period of time for implementation by Japan of the recommendations of the Appellate Body. The Arbitrator found this period to be 15 months.

3. **United States - Restrictions on Imports of Cotton and Man-Made Fibre Underwear**, complaint by Costa Rica. The panel found that the US restraints were not valid. On 11 November 1996, Costa Rica notified its decision to appeal against one aspect of the Panel report. The Appellate Body allowed the appeal. The Appellate Body's report and the panel report as modified by the Appellate Body report, were adopted by the DSB on 25 February 1997. On 10 April 1997, the US informed the DSB that the measure had expired on 27 March 1997 and had not been renewed.

4. **Brazil - Measures Affecting Desiccated Coconut**, complaint by the Philippines. The report of the panel concluded that the provisions of the agreements relied on by the claimant were inapplicable to the dispute. On 16 December 1996, the Philippines notified its decision to appeal. The Appellate Body upheld the findings and legal interpretations of the panel. The Appellate Body report and the panel report, as upheld by the Appellate Body report, were adopted by the DSB on 20 March 1997.

5. **United States - Measure Affecting Imports of Woven Wool Shirts and Blouses**, complaint by India. The panel, established on 17 April 1996, found that the US safeguard measure violated the provisions of the Agreement on Textiles and Clothing and the GATT 1994. On 24 February 1997, India notified its intention to appeal. The Appellate Body upheld the panel's decisions on those issues of law and legal interpretations that were appealed against. The DSB adopted the Appellate Body report and the Panel report, as upheld by the Appellate Body, on 23 May 1997.

6. **Canada - Certain Measures Concerning Periodicals**, complaint by the United States. The panel, established on 19 June 1996, found the measures applied by Canada to be in violation of GATT rules. On 29 April 1997, Canada notified its intention to appeal. The Appellate Body upheld the panel's findings and conclusions on the applicability of GATT 1994 to Part V.1 of Canada's Excise Tax Act, but reversed the panel's finding that Part V.1 of the Act was inconsistent with the first sentence of Article III:2 of GATT 1994. The Appellate Body further concluded that Part V.1 of the Excise Act was inconsistent with the second sentence of Article III:2 of GATT 1994. The Appellate Body also reversed the Panel's conclusion that Canada's "funded" postal rate scheme was justified by Article III:8(b) of GATT 1994. On 30 July 1997, the DSB adopted the Appellate Body report and the panel report, as modified by the Appellate Body.

Panel Report Appealed

1. **European Communities - Regime for the Importation, Sale and Distribution of Bananas**, complaints by Ecuador, Guatemala, Honduras, Mexico and the United States. The panel, established on 8 May 1996, found that the EC's banana import regime, and the licensing procedures for the importation of bananas in this regime, are inconsistent with various provisions of the GATT, the Import Licensing Agreement and the GATS. The Panel further found that the Lomé Waiver waives the inconsistency with GATT Articles I and XIII for certain aspects of the EC regime relating to ACP states, but not inconsistencies arising from the import licensing system. On 11 June 1997, the EC notified its intention to appeal.

Panel Reports Issued

1(a). **European Communities - Measures Affecting Meat and Meat Products (Hormones)**, complaint by the United States. The panel, established on 20 May 1996, found that the EC ban on imports of meat and meat products from cattle treated with any of six specific hormones for growth promotion purposes was inconsistent with Articles 3.1, 5.1 and 5.5 of the SPS Agreement. The report of the Panel was circulated to Members on 18 August 1997.

1(b). **European Communities - Measures Affecting Livestock and Meat (Hormones), complaint by Canada**. The panel, established on 16 October 1996, found that the EC ban on imports of meat and meat products from cattle treated with any of six specific hormones for growth promotion purposes was inconsistent with Articles 3.1, 5.1 and 5.5 of the SPS Agreement. The report of the Panel was circulated to Members on 18 August 1997. □

TPRB: Paraguay

Along the path of liberalization and deregulation

The Trade Policy Review Body concluded its first review of Paraguay's trade policies on 17 and 18 July 1997. Excerpts from the Chairperson's concluding remarks:

Members commended Paraguay's recent macroeconomic performance, which had been assisted by widespread political and economic reforms; the reduction in inflation was specifically noted. Nevertheless, it was also observed that economic growth had barely kept pace with population growth and that many challenges related to development remained to be addressed. The role of "shopping tourism" in the economy and Paraguay's dependence on export revenue from two cash crops (soybeans and cotton) and electricity was evident.

In reply, the representative of Paraguay noted that his country was continuing its efforts to overcome numerous structural problems; trade liberalization was a key factor in this process. Efforts to diversify agricultural production would help in the alleviation of poverty. Increased efficiency through privatization was one of the aims of the reform of State enterprises; the representative gave details of the programme. Paraguay's notification on State-trading enterprises would be completed as soon as possible.

Regionalism and multilateralism

Members praised Paraguay's increasing integration into the global economy, and its rôle in promoting a liberal trade régime for MERCOSUR coupled with a strengthened dispute settlement mechanism. However, concerns were voiced that convergence to the MERCOSUR common external tariff would lead to an increase in Paraguay's average tariff, as well as to greater tariff escalation.

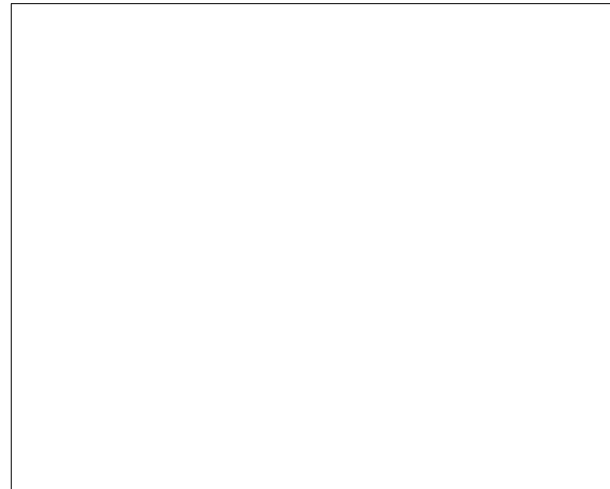
In reply, the representative of Paraguay, supported by a number of regional partners, noted that regional agreements were compatible with the multilateralism trading system. MERCOSUR should be seen in this context; its philosophy was based on the practice of open regionalism.

WTO and other related issues

Members urged Paraguay to meet its outstanding WTO notification obligations without delay, particularly in areas such as import restrictions and State trading enterprises. Questions were asked about the WTO consistency and application of "other" import charges such as the consular tax and port and storage fees. Information was sought on efforts made by Paraguay to implement the WTO Customs Valuation Agreement, and on procedural aspects of the pre-shipment inspection régime.

Positive action taken by Paraguay to improve the legal and institutional framework for protection and enforcement of intellectual property rights was commended. Information was sought on progress in new legislation in this area.

In reply, the representative of Paraguay said that his authorities had been making a great effort to meet the



A Paraguayan dairy plant: the low level of government intervention in agriculture was appreciated. (Photo courtesy of the Permanent Mission of Paraguay in Geneva)

notification requirements of the WTO; however, this was difficult while many MERCOSUR measures were being adopted. Technical assistance from the WTO was being sought to help Paraguay meet its obligations. Concerning the consular tax, he pointed out that the charge was a fixed amount of US\$15 on which 7.5 per cent was levied (i.e. US\$1.05) for the support of the Paraguayan Institute for the Indigenous People. It was not based on the c.i.f. value of the goods. The original consular charge of 5 per cent of the c.i.f. value was eliminated in 1993.

Sectoral questions

Paraguay was asked to express its views on sectoral policy prospects and the role of State intervention in this context. The low level of Government intervention in agriculture was appreciated and the recent accession of Paraguay to the Cairns Group was welcomed. Information was sought on policies to be adopted to diversify, and raise value added in, the agricultural sector.

In reply, the representative of Paraguay noted that Paraguay had no tariff quotas or special safeguards in agriculture, and did not grant export subsidies. Paraguay was working actively and constructively in international negotiations on agriculture, hence its recent accession to the Cairns Group. Paraguay was trying to diversify its production to reduce dependency on a few items.

The representative stressed that trade in services was of great importance for the Paraguayan economy, and Paraguay had made progress in liberalizing the sector, especially in telecommunications.

Overall, Members welcomed Paraguay's participation in the review process, with a strong delegation led at Ministerial level. They welcomed the steps already taken by Paraguay toward greater transparency in trade policy and the authorities' stated commitment to free and open trade, and strongly encouraged Paraguay to continue along the path of liberalization and deregulation. They emphasized the need for MFN and regional liberalization to be complementary, the importance of diversification of the economy and the need for development to be pursued on a sustainable basis. □

World beef market poised for a recovery

After three years of weak prices, the world beef market looks poised for a recovery this year with global meat consumption projected to rise from a dip last year caused by “mad cow disease” fears, and United States expected to import more beef as it approaches the end of its cattle liquidation phase.

These are among the findings contained in WTO’s annual report *The International Market For Meats 1996/97* (available from the WTO Secretariat, SwF 15.-) published on 28 August. The report, prepared by the Secretariat in accordance with the International Bovine Meat Agreement, presents a summary of the international situation and outlook for bovine meat and specific elements of the world beef economy on a country-by-country basis as well as summaries of the situation and outlook for pigmeat, poultry meat and sheepmeat.

Highlights

Among the highlights of the report are the following:

- » World beef consumption is expected to recover a dip last year caused by “mad cow disease” and other meat safety concerns and which threw the European Communities’ market off balance, with large intervention stocks accumulating in the course of 1996. While the EC has already addressed the crisis with a number of measures, further reforms of the beef sector have been announced for this year. Beef consumption in the EC is expected to rise by 2 per cent to 7.07 million tons this year in contrast to a decrease of 7 percent in 1996.
- » There are signs that the cattle liquidation in the United States is approaching its end and that prices will recover as from late 1997, promising higher imports and better returns for Oceanian, South American and other suppliers to the US market. The United States is projected to increase its beef imports by 10 per cent this year to 1.03 million tons.
- » A number of WTO Members have concluded, or are in the process of negotiating, veterinary trade agreements based on the concepts of equivalence and regionalization contained in the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). These agreements facilitate trade by reducing the cost of compliance with various national standards. The EC reached agreement with New Zealand at the beginning of the year, and more recently with the United States, which will take effect on 1 October 1997.
- » A number of countries in 1997 were certified by the International Office of Epizootics as free from foot-and-mouth disease (FMD), thus enabling them to expand beef export opportunities. Argentina and Paraguay were recognized as FMD-free with vaccination in May 1997, while FMD-free zones without vaccination were recognized in Colombia, Namibia and South Africa.
- » An outbreak of foot-and-mouth disease in Chinese Taipei, which supplied 40 percent or 380,000 tons of Japan’s pork imports in 1996, has left a big gap in the Japanese market. While large stocks have so far prevented a shortage of pork in Japan, prices in the major supplying countries, the EC and the United States, have risen sharply.

World Beef Trade Forecast for 1997									
Major importers					Major exporters				
Country	1996	1997	1996/95	1997/96	Country	1996	1997	1996/95	1997/96
	('000 tons)		(% change)			('000 tons)		(% change)	
United States	940	1034	-1	10	Australia	1016	1080	-7.5	6.5
Japan	871	870	-7.5	0	EC	960	910	-4	-5
Russia	650	670	6	3	US	849	860	3	1.5
EC	360	380	-2.5	5.5	New Zealand	536	568	4.5	6
Korea	196	234	1	20	Argentina	460	480	-11.5	4.5
Canada	237	200	-7.5	-15.5	Brazil	315	360	17	14.5
Mexico	60	93	43	55	Canada	286	296	30.5	3.5
Brazil	100	80	-21.5	-20	Uruguay	210	210	32	0

Note: Beef and veal, in tons, carcass weight equivalent
Source: AMLC, MLD, USDA, WTO

- » Korea, at the end of June 1997, phased out quantitative restrictions on imports of frozen pork and poultry meat and replaced the quotas by tariffs. This measure is likely to weaken the competitiveness of beef, although domestic demand is growing for all types of meat. Beef imports will remain subject to quotas until the year 2001 as specified in Korea’s Uruguay Round schedule.
- » Meat products have been the subject of several trade disputes in the WTO this year. On 19 August 1997, panel reports were issued on the complaints by Canada and the United States, respectively, against EC’s ban on imports of meat from hormone-treated livestock. The two reports concluded that the EC measures were inconsistent with certain provisions of the SPS Agreement. In July, a panel was established at Brazil’s request to examine EC measures on imports of poultry meat. In April, the United States requested consultations with the Philippines regarding the latter’s implementation of tariff quotas for pork and poultry. In February, a panel was established to examine complaints by Argentina, Australia, New Zealand and the United States against an alleged breach by Hungary of its Uruguay Round export subsidies commitments, including on meat and meat products. The complainants informed the WTO Members in July that they had reached a mutually-agreed solution with Hungary subject to approval of a WTO waiver. In January, the EC requested consultations with Japan concerning the latter’s safeguard measure on pork imports. □

The Bovine Meat Agreement

The WTO International Bovine Meat Agreement entered into effect on 1 January 1995. It replaced the GATT Arrangement Regarding Bovine Meat (1980-1994). The following are Parties to the plurilateral Agreement: Argentina, Australia, Brazil, Bulgaria, Canada, Chad, Colombia, the European Communities (15), Japan, New Zealand, Norway, Paraguay, Romania, South Africa, Switzerland, the United States and Uruguay. □

WTO membership rises to 132

WTTO membership will rise to 132 on 6 September with the accession of Panama, 30 days after the country's submission of its protocol of ratification to the Director-General.

Some 29 governments are negotiating accession to the WTO, including China (*see below*), the Russian Federation and Saudi Arabia. □

China to submit services offer

At the close of the meeting of the Working Party on the Accession of China on 1 August, the Chairman, Ambassador Pierre-Louis Girard (Switzerland), reported advances in the bilateral negotiations on market access, and that China had indicated it would be submitting a new offer on services in the near future.

China's Vice Minister Long Yongtu said that his country had shown its firm political commitment for an early accession to the WTO with the tabling of improvements in its market-access offer. He urged participants to take a long-term view of China's trade liberalization, stressing that the accession talks did not provide the last chance to seek market-opening as the country would be participating in negotiations after it becomes a WTO member.

The next meeting of the Working Party is expected in October. □

Working Group identifies aspects for study

Delegations, at the second meeting of the Working Group on Transparency in Government Procurement held on 21 July, identified aspects of "transparency" that should be studied by the Group. These included access to procurement laws, information on the qualification of suppliers, information on award decisions and criteria including national preferences, adequate time-limits for submission of bids, entities and threshold values to be subjected to the requirements of transparency, mechanisms for domestic review and procedures for the settlement of disputes between governments.

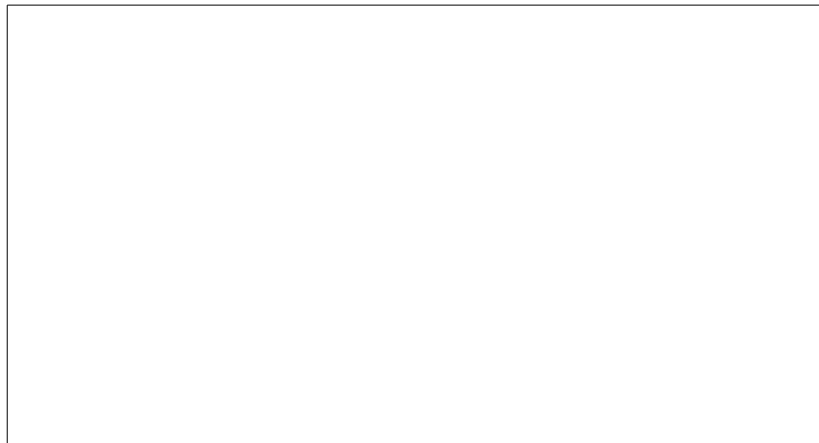
Canada and the United States introduced separate informal discussion papers on guiding principles they considered important for developing transparency in government procurement. The EC submitted a paper setting out its procedures and practices in this area.

At the close of the meeting, the Chairman, Ambassador Werner Corrales Leal (Venezuela), suggested that delegations provide information on their national procedures and practices relating to transparency in government procurement to assist the work of the Group. □

MEETINGS

The following is a tentative schedule of WTO meetings.

October	
1	Working Party on GATS Rules
1-2	Committee on Regional Trade Agreements
2	Committee on Balance-of-Payments Restrictions (Czech Rep.)
3	Committee on Rules of Origin Committee on Technical Barriers to Trade
6	Council for Trade in Goods
6-7	Working Group on Trade and Investment
6-8	Textiles Monitoring Body
7-8	Trade Policy Review: Mexico
9-10	Working Party on Kazakhstan BOP Committee (Slovakia)
10	Committee on Specific Commitments
15	Committee on Import Licensing
15-16	Committee on Sanitary and Phytosanitary Measures
16	Dispute Settlement Body
17	Committee on Trade in Financial Services
22	GENERAL COUNCIL Committee on Safeguards
23	Committee on Customs Valuation
23-24	Committee on Subsidies and Countervailing Measures
27-28	High Level Meeting on Least-Developed Countries
30-31	Committee on Anti-Dumping Practices Working Party on Belarus
November	
3-4	Working Group on Transparency in Government Procurement
3-5	Cttee. on Reg. Trade Agreements
5-7	WP on Preshipment Inspection
10	Cttee. on Trade in Civil Aircraft
10-12	Textiles Monitoring Body
12-13	Cttee on Tech. Barriers to Trade
14	Cttee. on Financial Services
17	Cttee. on Government Procurement Cttee. on Trade and Development
17-21	Council for TRIPS
18	Dispute Settlement Body



WTO Training Courses: *The two-month Seventh Special Training Course for Eastern and Central European and Central Asian Countries, financed by the Swiss Government since 1991, closed on 11 July. Above are the participants with WTO's Head of Training, Mr. Mario Kakabadse (centre at back). Previous to this, a month-long special course for trade officials from Georgia, Russia and Ukraine, funded annually by the United States government since 1994, was held in April-May 1997. WTO's regular Sixth Trade Policy Course in English for developing-country officials started on 29 August and will end on 28 November 1997. The WTO regular courses aim at widening trade and WTO knowledge of trade officials, while the special courses respond to the special needs of transition economies, especially those negotiating WTO membership.*
(Photo by Tania Tang/WTO)

WTO FOCUS

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Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, Switzerland. Tel. 7395111/Fax: 7395458/ Web: <http://www.wto.org>

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