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## GENERAL COUNCIL [back to top](#) WTO chairpersons for 2006



The General Council, on 8 February, noted the consensus on the [slate of names of chairpersons](#) for WTO bodies and elected Amb. Eirik Glenne of Norway as its new Chairman.

Director-General Pascal Lamy, in his [report](#) to the General Council as chair of the Trade Negotiations Committee, underlined that the “only way to make progress across the board in these negotiations is focus on the two main elements we must now develop – numbers and words, texts”

Also as TNC Chair, Mr. Lamy announced at the meeting of the General Council the composition of the Aid for Trade Task Force that he was asked to set up by the Hong Kong Ministerial Conference. The Task Force will be composed of these 13 members in alphabetical order: Barbados, Brazil, Canada, China, Colombia, the European Union, Japan, India, Thailand, the United States and the coordinators of the ACP, the African Group and the LDC Group. The Permanent Representative of Sweden, ambassador Mia Horn Af Rantzien, will chair this Task Force ad personam. The establishment of this Task Force follows a mandate given to the Director General by Ministers at the Hong Kong Conference. The Task Force will provide recommendations to the General Council by July 2006 on how to operationalize Aid for Trade and how Aid for Trade might contribute most effectively to the development dimensions of the Doha Development Agenda.

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> [Summary of the meeting.](#)



As mandated by the Hong Kong Declaration, groups of members are to start presenting their requests on various services sectors to other members on 28 February 2006. Plurilateral meetings to discuss these requests are expected to be held during the next services cluster of meetings scheduled from 27 March to 7 April 2006.

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### Chairperson's questions for post-Hong Kong talks

In early February, Ambassador Crawford Falconer, chairperson of the agriculture negotiations, circulated a set of questions for the work leading up to the 30 April deadline for "modalities". He said these should be an aid for the discussions as the talks start evolving texts. "In considering these questions, it might also be useful if delegations could bear in mind the distinction between those issues which ministers will have to decide and the preparatory and technical work we must do to prepare the ground for such ministerial decisions," he said in a page-long cover note.

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### Lamy urges members to "step up" negotiations

Director-General Pascal Lamy, in his [statement](#) to the Trade Negotiations Committee on 7 February, noted the "very detailed timelines" in the Hong Kong Declaration and urged negotiators "to intensify contacts with other delegations and with your capitals, to move us towards the elements we will need to conclude this Round at the end of the year".

During the month, the Director-General made speeches encouraging further progress in the Doha Round:

- In a [speech](#) at the International Institute of Economics in Washington on 17 February, he said that "as in the other Rounds, US leadership is indispensable" for the Doha Round to conclude successfully by the end of the year. He added that "at the end of the day all countries stand to gain from a strengthened multilateral trading system – both developed and developing countries since trade is not a zero-sum game".
- In a [speech](#) before the South African Institute of International Affairs in Johannesburg on 10 February, he said that in Geneva "every country knows it will have to move" to successfully conclude the Round, and pointed to the leadership role of South Africa "in ensuring that the major players make significant movement".

Mr. Lamy has also underlined the development dimension of the trade negotiations:

- In a [speech](#) in Santiago, Chile on 30 January, he said “we need to remember that trade is only a tool to elevate the human condition: the ultimate impact of our rules on human beings should always be at the centre of our consideration”. He urged more assistance to help developing countries deal with the imbalances created between winners and losers from trade opening.
- In a [speech](#) in Lima, Peru on 31 January, said that the current negotiations must integrate the issues and concerns of developing countries “in every stage”. Developing countries also have the “opportunity to adopt and lock in reforms which underpin economic growth and development,” he added as he praised Peru and its regional partners for being “constructive actors” in the WTO.

The Director-General responded to questions from all over the world on the Doha Round and about many subjects ranging from sustainable development to generic medicines his first live [online chat](#) held on 21 February, from 12:00 to 1:30 p.m. Geneva time.

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## DISPUTE SETTLEMENT [back to top](#)

### DSB establishes panel in reference to aircraft subsidy dispute



The Dispute Settlement Body, on 17 February, established a panel to help to resolve a number of procedural matters that have risen in the dispute US measures affecting trade in large civil aircraft brought by the EC (DS317).

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The EC asked for a special meeting of the DSB to be convened 2 February to request the establishment of a panel in reference to the case “US – measures affecting trade in large civil aircraft”.

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The following reports were issued during the month:

- On 20 February, the award of the arbitrator regarding the reasonable period of time for the EC to implement the recommendations and rulings of the Dispute Settlement Body in the case “European Communities – Customs Classification of Frozen Boneless Chicken Cuts” (WT/DS269, WT/DS286);
- On 13 February, the Appellate Body report regarding the second compliance panel report on the European Communities’ complaint against “United States: Tax treatment for ‘Foreign Sales Corporations’” (DS108); and
- On 1 February, the report of the panel established to examine Korea's complaint against “Japan – Import quotas on dried laver and seasoned laver” (DS323). The panel reported that a mutually agreed solution had been reached in the case.

**TRADE POLICY REVIEW** [back to top](#)**Angola: Diversification of production and trade is essential for balanced development**

Since the end of the 30-year old civil war, Angola has made significant progress in fostering growth and stabilizing its economy, and has redoubled efforts for a better integration in the multilateral trading system both in regional and global terms, according to a WTO Secretariat report on the trade policies and practices of Angola. The authorities are committed to trade liberalization as a means to secure the foundations for sustainable economic growth and poverty reduction, although effective production in various sectors still remains mainly through tariff escalation. Oil and diamonds dominate the export sector. The report suggests that to consolidate recent improvements in macroeconomic performance, Angola needs to redevelop sectors other than the traditional oil and diamonds, and intensify the diversification of production and trade as well as rehabilitate the domestic infrastructure. Continued help in efforts for landmine clearance in conflict areas and providing urgent technical assistance would also help in the stabilization and development efforts.

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**Israel: Shift to high-tech contributed to increases in exports and economic growth**

The recovery of Israel's economy from the early 2000's recession has been mostly led by exports, in particular by innovation and a shift to high-technology goods and services, according to a WTO Secretariat report on the trade policies and practices of Israel. The report notes the high level of protection still in place for agriculture. It stresses that continued structural and trade reforms, including further privatizations, MFN tariff reductions (on agricultural goods in particular) and reduction in the gap between bound and applied tariff rates, would enhance predictability and transparency of the trade regime; further reforms of import duties would enhance adherence by Israel to its WTO commitments. The report also highlights Israel's unilateral lifting of its general prohibition on imports from WTO Members that have no diplomatic relations with it or prohibit imports from Israel, a move that the authorities hope will be appreciated and reciprocated.

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**DEVELOPMENT** [back to top](#)**US gives \$100,000 aid on food, animal and plant health standards**

The United States has committed to donate US\$ 100,000 (approximately 127,800 Swiss francs) to help developing countries analyse and implement international standards on food safety and animal and plant health – so-called sanitary and phytosanitary (SPS) standards.

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**OTHER WTO ACTIVITIES** [back to top](#)**SPS Committee grapples with 'regionalization'**

The SPS Committee, which deals with food safety and animal and plant health, continued, in its February 2006 meeting, to grapple with differing views on how to recognize regions (and not whole countries) as being free from disease or pests – an obligation in the WTO agreement.

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**REPORTS** [back to top](#)**Overview of developments in the international trading environment**

The Director-General, in his [annual report](#) to the Trade Policy Review Body on 28 February, said that “the improvement in growth prospects in many of the world's poorest countries has been an especially welcome development over the past few years”. Beyond the robust expansions in China and India – which account for over half of the world's poor – GDP growth in Highly Indebted Poor Countries (HIPCs) has also risen despite adverse effects of the global slowdown and falling commodity prices.

**A 'probabilistic' approach to the use of econometric models in sunset reviews**

Economists have increasingly become involved in trade remedy and litigation matters that call for economic interpretation or quantification. The literature on the use of econometric methods in response to legal requirements of trade policy is rather limited. This [new WTO staff working paper](#) contributes to filling this gap by demonstrating the efficacy of using a simple 'probabilistic' model in analyzing the 'likelihood' of injury to the local industry concerned, following a finding of continuation or recurrence of dumping (or countervailable subsidies).