



WORLD TRADE
ORGANIZATION

Annual Report 2008





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WTO members (As of 31 December 2007)

Albania	Dominica	Kuwait	Romania
Angola	Dominican Republic	Kyrgyz Republic	Rwanda
Antigua and Barbuda	Ecuador	Latvia	Saint Kitts and Nevis
Argentina	Egypt	Lesotho	Saint Lucia
Armenia	El Salvador	Liechtenstein	Saint Vincent & the Grenadines
Australia	Estonia	Lithuania	Saudi Arabia
Austria	European Communities	Luxembourg	Senegal
Bahrain, Kingdom of	Fiji	Macao, China	Sierra Leone
Bangladesh	Finland	Madagascar	Singapore
Barbados	Former Yugoslav Republic of Macedonia (FYROM)	Malawi	Slovak Republic
Belgium	France	Malaysia	Slovenia
Belize	Gabon	Maldives	Solomon Islands
Benin	The Gambia	Mali	South Africa
Bolivia	Georgia	Malta	Spain
Botswana	Germany	Mauritania	Sri Lanka
Brazil	Ghana	Mauritius	Suriname
Brunei Darussalam	Greece	Mexico	Swaziland
Bulgaria	Grenada	Moldova	Sweden
Burkina Faso	Guatemala	Mongolia	Switzerland
Burundi	Guinea	Morocco	Chinese Taipei
Cambodia	Guinea Bissau	Mozambique	Tanzania
Cameroon	Guyana	Myanmar	Thailand
Canada	Haiti	Namibia	Togo
Central African Republic	Honduras	Nepal	Tonga
Chad	Hong Kong, China	Netherlands	Trinidad and Tobago
Chile	Hungary	New Zealand	Tunisia
China	Iceland	Nicaragua	Turkey
Colombia	India	Niger	Uganda
Congo	Indonesia	Nigeria	United Arab Emirates
Costa Rica	Ireland	Pakistan	United Kingdom
Côte d'Ivoire	Israel	Panama	United States of America
Croatia	Italy	Papua New Guinea	Uruguay
Cuba	Jamaica	Paraguay	Venezuela (Bolivarian Republic of)
Cyprus	Japan	Peru	Viet Nam
Czech Republic	Jordan	Philippines	Zambia
Democratic Republic of the Congo	Kenya	Poland	Zimbabwe
Denmark	Korea, Republic of	Portugal	
Djibouti		Qatar	

Director-General's Foreword

As all marathon runners know, the last few miles can be the hardest. Both stamina and perseverance are needed to finally cross the finishing line. The same is also true of the work of the World Trade Organization.

In 2007 we took great strides in moving towards completion of the Doha Development Round. Negotiations resumed across the board and we moved in sight of the finishing line. But we're not quite there yet and one last effort is needed.

The key areas of agriculture and industrial products continued to be the main focus of discussions. In July 2007 draft blueprints were circulated by the chairs of the negotiating groups for agriculture and non-agricultural market access. These blueprints set out areas where agreement had been reached and areas where further discussion was still needed. In November a new rules text was also circulated which sharpened the negotiating focus on complex questions such as anti-dumping, fisheries subsidies and industrial subsidies. Progress has also been made on the other areas under negotiation, whether services, trade facilitation, environmental goods and services or the special and differential provisions in favour of developing countries.

The aim of circulating draft texts is of course to assist the negotiations. The chairs of the negotiating groups are well aware that subsequent revisions will be needed but they also know that these texts act as solid foundations for further discussions and play a vital role in moving WTO members towards consensus.

Looking back, we have come a long way since Ministers first decided – at the WTO's 2001 ministerial conference in Doha – to launch this latest round of negotiations. For some, the pace of these negotiations has been too slow, but such assessments tend to overlook the complexities involved in forging consensus among 153 countries seeking agreement on 20 diverse topics. Moreover, there is a tendency to disregard the significant progress that has already been achieved.

In agriculture alone, an important package of reforms is already on the table, including a substantial reduction of trade-distorting agricultural subsidies, elimination of export subsidies, substantial cuts in agriculture tariffs, provision of duty-free quota-free market access for exports of least-developed countries and deep reforms in the way cotton is traded.

But, of course, a final deal rests on members agreeing on all negotiating elements that are before them. And that is no simple task. Many disparate elements are involved and many trade-offs required. As far as agriculture and industrial goods are concerned, many commentators have portrayed the basic equation as: the developed countries must reduce their subsidies and their levels of agricultural protection to obtain better access in the large emerging economies of the developing world. But this is an oversimplification. In fact, developed countries must pare back their industrial tariff peaks, while emerging countries scale down their farm tariffs, though for developing countries the reductions in tariffs and subsidies will be less than for developed countries. It is important to note as well that enhanced market access in emerging economies is of interest to many other developing countries as well as those in the industrial world.

Along with this principle of balance is the need for fairness. As the stated aim of the Doha Round is to promote development, the principle of the rich countries contributing more than their poorer partners needs to be maintained. This dual quest for balance and fairness calls for highly skilled juggling, which helps further to explain the time needed to reach an agreement.

In 2008, revised negotiating documents have been circulated to move the discussion forward. In the two latest texts submitted by the chairmen of the agricultural and industrial negotiating groups, there are three main issues on the table for consideration: the reduction of agricultural subsidies in the rich countries, the reduction of agricultural tariffs, and the reduction of tariffs on industrial goods.



Much progress was achieved in a serious negotiating effort by all WTO members in July 2008. Even if final convergence on modalities in agriculture and industrial products could not be reached, an enormous amount of progress was achieved, on which negotiators could build to achieve an agriculture and industrial package. A new phase in the negotiations would then open with three components running in parallel: specifying final commitments in agriculture and industrial goods, tabling final offers and scheduling in services, and finalizing the other rule-making parts of the negotiations.

In my contacts and meetings over the last few months there has been high-level political commitment on every side to concluding the Round successfully. The challenge remains to give practical effect to this commitment and to do it without delay.

As well as further opening trade, a WTO deal could help soften the impact of high food prices by tackling the systemic distortions in the international market for food. Our aim is to substantially lower barriers to trade in agricultural products and to diminish levels of trade-distorting subsidies, particularly in developed countries that have hampered food production and investment in agriculture in many developing countries. Conclusion of the Doha Round would result in less distortion in world markets and increased international trade, leading to more rapid and efficient adjustment to changes in demand.

In addition to the Doha negotiations, we have focused on a number of other important issues over the past year. Foremost among these is the Aid for Trade Initiative. The aim of this initiative is to help developing countries exploit the potential benefits of trade opening by making a better use of the available toolbox of development assistance. This includes increasing their capacity to produce goods and to comply with the product standards required in export markets.

In November 2007 the first global review of Aid for Trade took place at the WTO. The review provided a clear snapshot of global Aid for Trade flows in recent years, combining OECD analysis with self-assessments from donor countries, recipients and international agencies. This information provides us with a solid baseline from which to measure future progress.

The review also focused on specific regional priorities for Latin America and the Caribbean, Asia and the Pacific, and for Africa, with input from the World Bank and the regional development banks. In early 2008, WTO members approved a roadmap for the year ahead, with the aim of focusing on assisting and monitoring the implementation of national and sub-regional plans.

Another key consideration for the WTO is the issue of climate change, which intersects with international trade in many ways. From a practical perspective, it is clear that a consensual international accord on climate change is needed to properly address all of the relevant issues. A multilateral agreement that includes all major polluters is the only effective way of providing the necessary guidance to international institutions, including the WTO, on the measures needed to tackle climate change.

Many of the rules applied by the WTO could prove valuable in the fight against climate change but these would need to be mobilized under clearer environmental parameters that only the environmental community can set. An immediate contribution that the WTO can make is to open markets to clean technology and services. This could deliver a double-win for our members: a win for the environment and a win for trade. No further incentive could be needed for that final push towards the finishing line.



Pascal Lamy
Director-General

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Abbreviations

APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of South-East Asian Nations
CBD	Convention on Biological Diversity
CIS	Commonwealth of Independent States
CRO	Committee on Rules of Origin
CTE	Committee on Trade and Environment
CTG	Council for Trade in Goods
DDA	Doha Development Agenda
DSB	Dispute Settlement Body
DSU	Dispute Settlement Understanding
EC	European Communities
EFTA	European Free Trade Association
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign direct investment
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GNP	Gross National Product
IMF	International Monetary Fund
ITTC	Institute for Training and Technical Cooperation
LAIA	Latin American Integration Association
LDCs	Least-developed countries
MEAs	Multilateral environmental agreements
MERCOSUR	Southern Common Market
MFN	Most-favoured nation
NAMA	Non-agricultural market access
NGO	Non-governmental organization
NTBs	Non-tariff barriers
OECD	Organisation for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
RAMs	Recently acceded members
RTAs	Regional trade agreements
S&D	Special and differential treatment
SCM	Subsidies and countervailing measures

SPS	Sanitary and phytosanitary measures
SVEs	Small vulnerable economies
TBT	Technical barriers to trade
TNC	Trade Negotiations Committee
TPR	Trade Policy Review
TRIPS	Trade-related aspects of intellectual property rights
RTA	Trade-related technical assistance
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme

0 is zero or became zero due to rounding.

\$ United States dollars

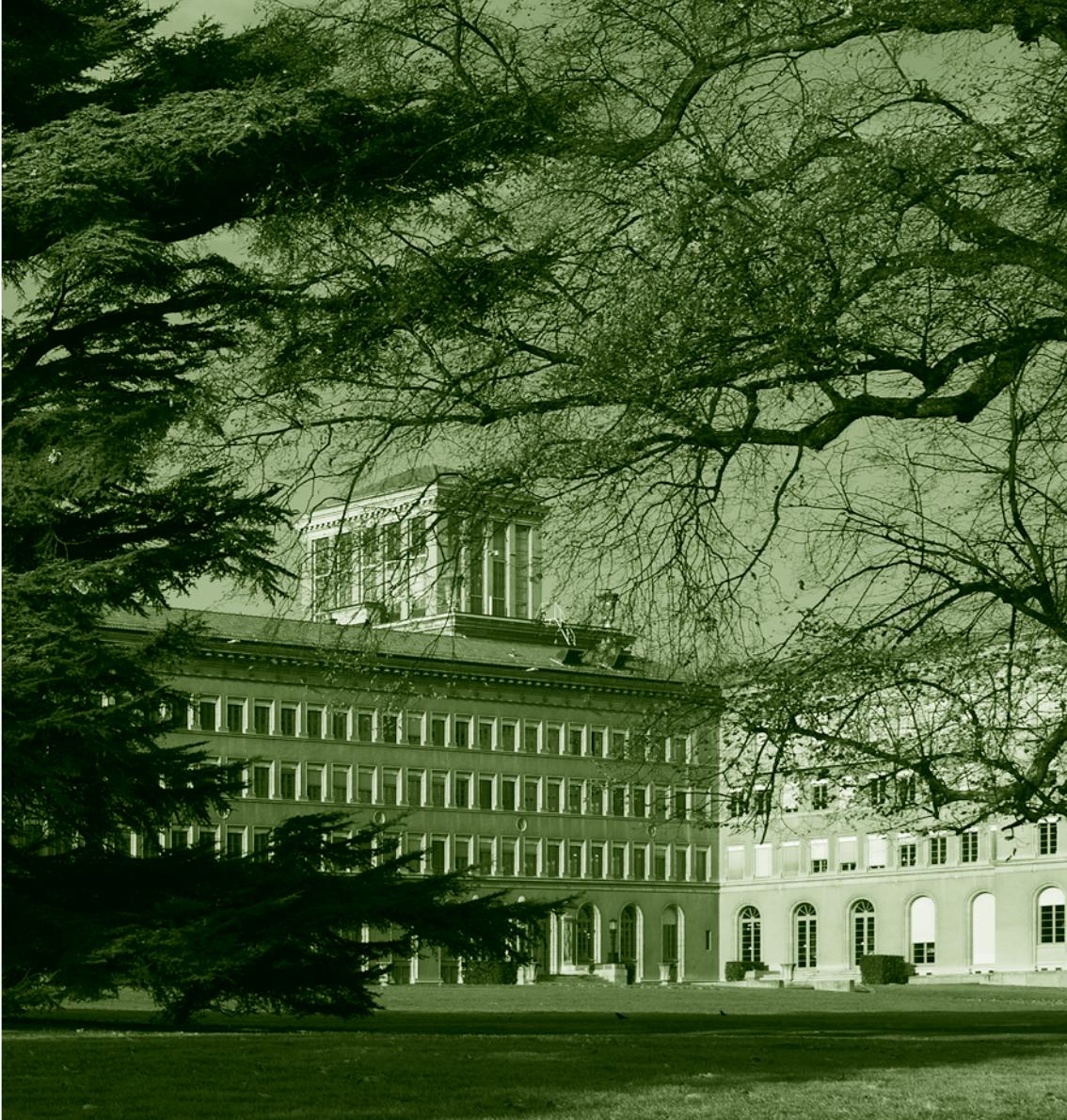
Billion means one thousand million.

Minor discrepancies between constituent figures and totals are due to rounding.

Unless otherwise indicated, (i) all value figures are expressed in US dollars; (ii) trade figures include the intra-trade of free trade areas, customs unions, regional and other country groupings.

Note

This report covers the WTO's activities in 2007. The word "country" is frequently used to describe WTO members whereas a few members are officially "customs territories", and not necessarily countries in the usual sense of the word.





Chapter One

OVERVIEW

Overview

Trade developments in 2007

Weaker demand in the developed countries limited the expansion of international trade in 2007. Consequently, world merchandise exports grew in real terms (that is, at constant prices) by only 5.5 per cent, compared with 8.5 per cent in 2006.

There was lower import growth than in 2006 in North America, Europe, Japan and the net oil-importing developing countries in Asia. This downward trend outweighed the higher import growth in Central and South America, the Commonwealth of Independent States, Africa and the Middle East. It is estimated that the developing countries collectively accounted for more than half of the increase in world merchandise imports in 2007.

Among the leading traders, China's expansion in merchandise trade remained outstandingly strong in 2007 as lower export growth to the US and Japanese markets was largely offset by higher export growth to Europe and a boom in shipments to the net oil-exporting regions. Despite a booming domestic economy, import growth continued to lag behind export growth.

The slowdown in economic activity in developed countries was the major factor in the reduced expansion of global trade in 2007. The variation in real trade growth among regions remained large, reflecting marked differences in economic activity and relative price developments. Unsurprisingly, thanks to their faster income growth and increased international purchasing power, net exporters of mining products (fuels and minerals) recorded a double-digit rise in their imports, while exports tended to increase less than the global average.

Assuming global GDP growth of between 2.5 and 3 per cent in 2008, global merchandise trade could slow down to about 4.5 per cent, or about 1 percentage point less than in 2007. This pessimistic outlook is based primarily on adverse developments in the financial markets, the dramatic downturn in the US property market, the decline in inter-bank lending and the dwindling capitalisation of major stock markets.

Turmoil on financial markets not only affects US demand growth but also leads to lower economic growth for Japan and Western Europe. As world trade responds strongly to variations in global economic activity, a stronger than projected deceleration in world economic growth could cut trade growth much more sharply, to significantly less than 4.5 per cent.

Trade negotiations

Trade negotiations among WTO members resumed in January 2007 following the suspension of negotiations in July 2006. Progress in this latest round of negotiations continued to be supervised by the Trade Negotiations Committee (TNC), which was established at the Doha Ministerial Conference in 2001. In 2007 the TNC held five informal meetings and one formal meeting.

At the informal TNC meeting in January, the Chair of the TNC (the WTO Director-General) informed members that the political conditions were more favourable for the conclusion of the Doha Round than they had been for a long time. Political leaders around the world had expressed their wish for the negotiations to resume fully. Messages stressing both the importance and urgency of concluding the negotiations had been heard from all sides, including at the highest political levels and there had been expressions of support from business communities and civil society across a broad range of the membership.

In the informal TNC meeting in April, the Chair highlighted the increased level of activity in and around negotiating groups since the return to full negotiating mode. He also noted that a number of major players had affirmed their commitment to a successful outcome of the negotiations around the end of the year and to intensified efforts to find common ground. The Chair reported that the Agriculture Chair had issued a first

instalment of a “challenges” paper, aimed at provoking participants into showing movement from current positions and towards consensus. A wide range of views had been expressed by delegations on its content.

In June the TNC held two informal meetings followed by a formal meeting in July, around the time that new draft texts were issued by the Chairs of the agriculture and non-agricultural market access (NAMA) negotiating groups. At the July meeting, the TNC received reports from all the negotiating group Chairs. These showed that good progress had been made across the board over the previous months. The reports outlined the processes that the Chairs intended to follow to build on progress. In particular, the Rules Chair announced his intention to circulate draft texts on anti-dumping measures and on subsidies, such as fisheries subsidies, and countervailing measures.

At the November informal meeting of the TNC, the Chair provided an overview of the progress that had been made in the negotiations. He stressed that more progress was needed, starting with agriculture and NAMA, and that members needed to step up the pace in all areas and prepare for the final phase of the negotiations. There was a shared understanding that progress on the substance was driving the process and that reaching agreement on agriculture and NAMA remained members’ primary focus.

The revised agriculture and NAMA texts, which had originally been foreseen for November, would not be issued at that time because members had recognised that more time was needed to settle the details and to allow the Chairs to table more comprehensive texts. The TNC Chair said that the agriculture and NAMA Chairs would resume their consultations in January 2008, with the intention of circulating their revised texts about one month later.

Accession to the WTO

Following ratification of its accession package, Viet Nam became the WTO's 150th member on 11 January 2007. In June, Tonga ratified its accession package and became the WTO's 151st member on 27 July. Cape Verde concluded its accession negotiations as a least-developed country, with the General Council adopting the country's accession package on 18 December. Following domestic ratification, Cape Verde would become a member of the WTO.

WTO membership is open to any state or customs territory with full autonomy in the conduct of its trade policies. In 2007, working parties were established regarding the accession of Comoros and Liberia. As of 31 December 2007, 29 governments were pursuing accession to the WTO: Afghanistan, Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia and Herzegovina, Comoros, Ethiopia, Iran, Iraq, Kazakhstan, Lao PDR, Lebanon, Liberia, Libya, Montenegro, Russia, Samoa, Sao Tomé and Principe, Serbia, Seychelles, Sudan, Tajikistan, Ukraine, Uzbekistan, Vanuatu and Yemen.

The Working Party on the Accession of Ukraine concluded its work in early 2008. The accession package was adopted by the General Council on 5 February 2008.

WTO dispute settlement

The WTO's procedure for resolving trade disputes is vital for enforcing WTO rules and for ensuring that trade flows smoothly. Disputes arising from any agreement contained in the Final Act of the Uruguay Round and covered by the Dispute Settlement Understanding (DSU) are dealt with by the Dispute Settlement Body (DSB).

The DSB met 19 times during 2007. It has the sole authority to establish dispute settlement panels, adopt panel and Appellate Body reports, supervise the implementation of recommendations and rulings, and authorize the suspension of concessions in the event of non-implementation of recommendations.

In 2007 the DSB received 13 notifications from WTO members formally requesting consultations under the DSU. During the year, the DSB established 11 panels to deal with 14 new cases and adopted panel and/or Appellate Body reports in six cases. Mutually agreed solutions or withdrawals were notified in three cases.

Closer cooperation with other international organizations

The WTO works closely with other international organizations to ensure "coherence" in global economic policy-making, recognizing that it is important to integrate trade into the policies and activities of other organizations. The WTO also calls on other organizations to help maintain orderly exchange rate and financial conditions in world markets, to provide sufficient flows of development finance, and to address the need of adjustment support for trade liberalization.

The WTO has worked closely with the World Bank, the International Monetary Fund and other international and regional organizations in the area of global economics, development and the environment since the beginning of the Doha Development Agenda. A particular focus in 2007 was implementing the recommendations made by WTO ministers in Hong Kong in 2005 regarding the Aid for Trade Initiative and enhancing cooperation in the areas of trade-related technical assistance and training, including the Enhanced Integrated Framework for technical assistance to least-developed countries.

Aid for Trade

In 2007 the WTO's Aid for Trade initiative moved into its first stage of implementing the 2006 recommendations of the Aid for Trade Task Force. The initiative, launched at the Hong Kong Ministerial Conference in 2005, aims to help developing countries, particularly least-developed countries, develop the skills and trade-related infrastructure that is needed to implement and benefit from WTO agreements and to expand their trade.

The success of the initiative depends on creating closer cooperation in national capitals between trade, finance and development officials of WTO member governments, matched by close cooperation at the international and regional level among intergovernmental organisations with core responsibilities in these areas. The role of the WTO is to encourage additional flows of Aid for Trade and to support improved ways of monitoring and evaluating the initiative.

In 2007, WTO activities focused on two areas. First, the WTO made a start on establishing a system of monitoring Aid for Trade at three levels:

- global monitoring of overall Aid for Trade flows, based on work carried out by the OECD
- monitoring the commitment of individual donors to provide additional Aid for Trade
- monitoring how the needs of developing countries for additional Aid for Trade are being presented to, and met by, the international donor community, including the development banks.

The second main focus was to work with the World Bank and the regional development banks to launch the first regional reviews of Aid for Trade, with the aim of encouraging recipients, donors and the private sector in each region to work together and to focus on specific challenges, to prioritize needs and to design deliverable business plans. These regional reviews took place in the autumn in Lima, Peru, for the Latin America and Caribbean region, in Manila, the Philippines, for the Asia/Pacific region and in Dar-es-Salaam, Tanzania, for the Africa region.

In November the first Global Review and Annual Debate on Aid for Trade by the WTO's General Council took place, providing members with the opportunity to discuss the results of the WTO monitoring process and to provide political guidance on future work.

WTO Public Forum

The WTO's annual Public Forum provides participants, including non-governmental organizations from all over the world, with a unique opportunity to discuss trade-related matters. In October 2007 over 1,000 participants attended the 2007 Public Forum held at WTO headquarters. Under the theme of "How can the WTO help harness globalisation?", a frank debate took place on the role of the WTO in helping trade to become an engine of development and in contributing to a better distribution of the benefits of trade. The Forum focused on the tools that the WTO requires to help harness globalisation, and the need for cooperation among international organizations. The topics discussed included:

- global governance
- coherence between national and international levels of policy-making and between multilateral institutions
- economic growth and the role of trade as a vehicle for development
- sustainable development.

Technical assistance and training

The main aim of the WTO's trade-related technical assistance programme is to improve understanding of WTO activities. The training is, as much as possible, tailored to the needs of the beneficiary countries. WTO members may submit to the WTO Secretariat their requests for technical assistance at any time during the year. This ensures that technical assistance is provided in a focused and timely manner, in response to identified needs. Particular attention is focused on providing training to developing countries, and in particular to least-developed countries.

In 2007, a total of 457 training activities were provided by the WTO's Institute for Training and Technical Cooperation (ITTC). These included activities at the WTO in Geneva as well as in other countries. Training courses varied in length, from one day to 12 weeks, while the number of staff involved in each activity ranged from one to over 20 for the longer courses. The number of participants for each course averaged around 30. The majority of activities in 2007 were held in Africa (166 activities), representing 37 per cent of the ITTC's total training output for the year. This was followed by Asia and the Pacific (77), representing one-sixth of all activities.





Chapter Two

WTO ACTIVITIES

WTO activities

Part 1

1. Doha Development Agenda

In January 2007, WTO members returned to full negotiating mode in the multilateral process, following the suspension of the negotiations in July 2006. A major development in July 2007 was the circulation of draft blueprints – or “modalities” texts – by the Chairs of the negotiating groups for agriculture and non-agricultural market access (NAMA). These papers set out areas of convergence and areas where gaps would need to be bridged. The Chairs underlined that these texts were to be revised in light of members’ views. Subsequent informal sessions of the negotiating groups gave members the opportunity to comment on these texts.

In November the Rules Chair circulated new texts on anti-dumping measures (measures to combat the export of products at less than the “normal” domestic price) and on subsidies, including fisheries subsidies, and countervailing measures (measures taken to counteract the effect of subsidies), with varied reactions from members. Work in the other areas of the negotiations continued to advance towards text-based negotiations. At the December meeting of the General Council, the Chair stated that the high-level political commitment on every side to successfully concluding the Doha Round of negotiations had been reiterated many times but the challenge was to make this commitment become a reality without further delay.

Work programme

Agriculture

Implementation issues

In 2007 the Committee on Agriculture continued to review implementation issues and concerns based on its follow-up reports to the General Council. The first issue concerns finding ways of improving the implementation of measures aimed at reducing any negative effects of the reform programme for least-developed and net food-importing developing countries. The second issue concerns ensuring that WTO members administer their tariff rate quota regimes in a transparent and non-discriminatory manner. Members with tariff quota commitments in their Schedules are required to provide supplementary notifications to the Committee on Agriculture to ensure that tariff quota regimes benefit all members, particularly developing countries. The third issue concerns the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes.

Negotiations

The objective of the agriculture negotiations for 2007 was to complete “modalities” – in other words, a blueprint for a final deal on agricultural trade.

The Chair of the Agriculture Negotiating Group, Ambassador Crawford Falconer of New Zealand, circulated a draft text in mid-2007 and a number of informal Working Documents on specific issues, with the intention of building consensus around key topics. This allowed the discussions to move forward during the second half of 2007. Intensive consultations were organized to give all groupings and individual members a chance to fully engage in the negotiating process and to bridge existing gaps. These meetings were supplemented by negotiations at senior official level, or at a technical level, regarding agricultural policy matters with extensive trade and political implications.

During 2007, substantial progress was made on market access, domestic support and export competition, with special and differential treatment in favour of developing countries being an integral element of the negotiations. A new draft text was issued by the Chair on 8 February 2008. The revised version was well received by delegations, and constitutes another important step towards the completion of modalities.

Market access for non-agricultural products

Discussion of market access for non-agricultural products was marked by three significant landmarks in 2007:

- the resumption in early 2007 of negotiations, which had been suspended since June 2006
- the emergence of a new alliance of members (the so-called middle group/non-group of members) in June 2007
- the issuance on 17 July 2007 of a new draft text by the Chair of the Negotiating Group.

Prior to the resumption of the negotiations, the first two months of 2007 were spent on technical issues, such as scheduling and reviewing submissions of ad valorem equivalents (AVES – duties levied on an item on the basis of its value and not on the basis of its quantity) in the context of consultations open to the full membership. On the subject of AVEs, good progress was made, with most submissions being deemed "verified" by members.

Much work was done by members on non-tariff barriers (NTBs), such as quotas and import licensing systems. Several legal NTB texts were produced and compiled into a document, with the clear understanding that there was no consensus on these proposals. A number of small-group consultations were held by the Chair to move forward on the flexibilities to be applied to recently acceded members (RAMs), developing countries with a low binding coverage (i.e. a commitment not to increase a rate of duty beyond a low level), least-developed countries (LDCs) and small vulnerable economies (SVEs).

Erosion of non-reciprocal trade preferences enjoyed by developing countries was examined based on a WTO Secretariat assessment initially prepared in 2006 but supplemented in 2007. These open-ended consultations were supplemented by confessionalists (individual delegations meeting with the Chair) and non-agricultural market access (NAMA) caucuses (private sessions with individual parties) organized by the Chair with some 25 delegations.

Following the resumption of the negotiations, the attention of the Negotiating Group from March until July was focused on the preparation of the Chair's text on NAMA "modalities" (the blueprint for a final deal). The objective of the Chair was to use the language suggested in his 2006 document "Towards NAMA Modalities" as the basis for his new text. With this in mind, all elements of the modalities were discussed during these months in various configurations.

From 4 to 8 June, all issues were debated in sessions open to the full membership. A new alliance of members called the "non-group" or "middle-group" (Chile; Colombia; Costa Rica; Hong Kong, China; Israel; Mexico; Peru; Singapore and Thailand) emerged at this point. Until that time, there had been only two alliances (excluding regional groupings): the "Friends of Ambition", which later became the "Core group" (Canada, European Communities, Iceland, Japan, New Zealand, Norway, Switzerland and the United States) and the NAMA-11 group of developing countries (Argentina, Bolivarian Republic of Venezuela, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa and Tunisia). As its name suggests, this new alliance positioned itself in the middle ground between the Core group and the NAMA-11.

On 17 July 2007 the Chair issued a modified text. This was met with strong negative reactions from a sizeable body of developing members but also with positive reactions from others. While it appeared that many developing countries could accept the architecture of the Chair's paper, they felt that the numbers were too ambitious or did not comply with the NAMA mandate.

Following the summer break, work resumed in earnest in the Negotiating Group. There was an expectation that a revised text would be issued in early November, with a view to reaching agreement on modalities by the end of the year. The Negotiating Group began its work by looking at the non-formula issues regarding tariff reductions and subsequently turned to the core issues of formula and formula-related flexibilities. Several proposals were received during this time from various groups. It was evident that more time was required by members to negotiate and discuss the various issues. This meant that agreement on NAMA modalities was not possible by the end of 2007.

Services

The Special Session of the Council for Trade in Services held five meetings in 2007. The following matters were addressed:

Review of progress in the Doha negotiations

Substantive discussions regarding progress in the Doha negotiations were held at all five meetings in 2007. WTO members reported on the latest bilateral bargaining (known as “request-offer” negotiations) between governments to improve market access opportunities. Under this approach, members submit initial requests for specific commitments from other members and, in return, make initial offers, specifying to what extent they are willing to consider opening their domestic markets in response to these requests.

Members reiterated their negotiating interests in terms of market access and rules, identified their expectations in the current Round of negotiations and outlined their assessment of the latest state of play. In particular, members gave positive assessments of the further rounds of plurilateral request-offer negotiations held in 2007.

Special treatment for least-developed countries

Discussions on special treatment for least-developed countries (LDCs) continued to be based on a communication submitted by Zambia on behalf of the LDC Group in 2006 and on a communication by the European Communities, the United States, Japan and Canada proposing a mechanism to assess the provision of special priority to sectors and modes of supply (ways of trading services) that are of interest to LDCs.

Proposals on special and differential treatment provisions

In 2007, little substantive progress was made in discussing proposals on special and differential treatment provisions for developing countries. In accordance with the Hong Kong Declaration of 2005, the Services Council was to complete its considerations as quickly as possible, with a view to making clear recommendations for a decision to be adopted at the General Council by December 2006. The Services Council is yet to formulate these recommendations.

Proposals relating to the negotiations under Article XIX (Negotiations of Specific Commitments) of the General Agreement on Trade in Services (GATS)

In 2007, four new negotiating proposals were submitted. These dealt with the scope of coverage of computer and related services, Mode 4 (individuals travelling from their own country to supply services in another) commitments with respect to installers and maintainers, liberalization in Mode 4 and liberalization of trade in environmental services.

Assessment of trade in services

The Services Council heard and discussed a World Bank presentation of a study entitled “Services Trade & Development: The Experience of Zambia”. Discussion of this item was in keeping with the Guidelines and Procedures for the Negotiations on Trade in Services adopted in 2001.

Committee on Trade in Financial Services

The Committee on Trade in Financial Services held two formal meetings in 2007. At these meetings, it continued to monitor acceptance of the Fifth Protocol to the GATS (containing the results of the 1997 negotiations on financial services), which has not yet been ratified by Brazil, Jamaica and the Philippines. The Committee invited the United Nations Conference on Trade and Development (UNCTAD) to make a presentation on the outcome of its Expert Meeting on Trade and Development Implications of Financial Services held in September 2007. In addition, the Committee carried out the sixth transitional review of China’s implementation of its specific commitments in financial services, as mandated by its Protocol of Accession.

Working Party on Domestic Regulation

The Working Party on Domestic Regulation (WPDR) held two formal meetings and several informal meetings in 2007. The WPDR is mandated to develop disciplines to ensure that measures relating to licensing requirements

and procedures, qualification requirements and procedures and technical standards do not constitute unnecessary barriers to trade in services.

At the formal meeting held on 20 April 2007, WTO members discussed an informal note by the Chair on the development of regulatory disciplines under GATS Article VI:4 (Domestic Regulation). This note represented an attempt by the Chair to bring together into a single text various elements of the disciplines which had been the object of informal consultations among members in the preceding months. Members agreed that the informal note constituted an acceptable basis for further negotiations.

In informal consultations between April and September 2007, WTO members engaged in detailed discussions on all elements of the note, with a view to reaching drafting solutions on specific provisions in the text. At a formal meeting on 17 September 2007, the Chair reported on the informal consultations and assessed the overall progress in the negotiations as positive. In preparation for a revision of the Chair's informal note, further informal consultations took place in November and December 2007.

Committee on Specific Commitments

During 2007 the Committee on Specific Commitments held two formal meetings. The role of the Committee is to oversee the implementation of services commitments and the application of the procedures for the modification of schedules. It aims to improve the technical accuracy and coherence of schedules of commitments and lists of MFN (most-favoured nation) exemptions.

The discussion on classification issues in the Committee in 2007 focused on computer and related services and distribution services. The Committee also discussed the relationship between existing schedules and new commitments resulting from the current negotiations.

Working Party on GATS Rules

In 2007 the Working Party on GATS Rules (WPGR) held three formal meetings. The role of the WPGR is to carry out negotiations on emergency safeguard measures (i.e. emergency measures to temporarily suspend commitments in individual sectors), government procurement and subsidies.

WTO members pursued their examination of issues on the basis of a proposed annex on emergency safeguard measures from the delegations of Brunei Darussalam, Indonesia, Malaysia, Myanmar, the Philippines and Thailand. Divergent views continued to be expressed on various aspects of the proposal.

On government procurement, discussions focused on the proposal from the European Communities for a GATS annex on government procurement in services. Issues raised included the possible benefits of opening procurement markets, procedural rules, special and differential treatment for developing countries and most-favoured (MFN) application (i.e. applying equal treatment to all trading partners). Delegations continued to hold divergent views on various aspects of this topic.

Concerning subsidies, the WPGR pursued its consideration of issues related to the information exchange foreseen in Article XV (Subsidies) of the GATS as well as to the definition of subsidy. The WPGR considered a WTO Secretariat Note on subsidies contained in Trade Policy Review reports as well as an informal communication from Hong Kong, China, and from Mexico on non-actionable subsidies in trade in services.

Special Duties Division

In 2007 the Special Duties Division (SDD) of the Doha Development Agenda (DDA) focused on three areas:

- implementation of the WTO mandate on cotton development assistance
- participation in WTO missions and capacity-building exercises
- policy advice to senior management on Africa and selected development issues.

Two rounds of the Director-General's Consultative Framework Mechanism on Cotton were organized. In addition, the Director-General convened a High Level Session (HLS) on Cotton in March 2007. The purpose of the consultations and the HLS was to push for further progress in the implementation of the mandate. Specifically, the aims were to increase the level of disbursements in relation to commitments, to accelerate the pace of implementation of cotton commitments and to seek increased development assistance for cotton.

As a follow-up to the "2006 Verification Exercise" of the commitments made by the development community and in light of progress made at the 2007 consultations and the HLS, the Director-General circulated revisions of the "Evolving Table on Cotton Development Assistance". Two WTO Secretariat Progress Reports were issued to members in the Sub-Committee on Cotton.

The Director-General's concluding remarks at the HLS summarised the "outcomes" and "understanding" emerging from the session. Mr Lamy noted that there would be no Round without cotton on board and recalled the mandate for an ambitious, expeditious and specific outcome on cotton across all three pillars of the agriculture negotiations. Progress had already been made on two of the three pillars at the Hong Kong Ministerial Conference. He underlined that cotton needed a breakthrough in the Doha Round of negotiations. On the development assistance aspects, he noted that, in spite of progress registered, further progress was required.

In November 2007 the Secretariat organized the first "Seminar on South Co-operation for Cotton Sector Development". Organized at the initiative of Brazil, China and India, the seminar provided a forum for presentations by least-developed countries (LDCs) of priorities in the cotton sector within a South-South framework. It also included presentations by developing countries on their framework of development assistance for the cotton sector and provided an opportunity for identifying best practices in the cotton chain among developing countries.

Members/participants requested the Secretariat to prepare an "Emergent Framework Table on South-South Co-operation for Cotton Sector Development". This is under preparation. As a follow-up to the 9th Round of the Consultative Framework, the Secretariat is also working on a table for reporting and tracking domestic cotton reforms in African cotton-producing and trading countries.

The SDD undertook six missions in 2007:

- Strategic Dialogue on a Research Agenda on Trade for Africa, organized by the International Centre on Trade and Sustainable Development, Geneva
- Workshop on Cotton Trade and Development in the Doha Round, organized by the International Cotton Advisory Committee and the African Cotton Association, Accra, Ghana
- Fostering Entrepreneurship Leadership Seminar, organized by the Centre for Applied Studies in International Negotiations, Geneva
- China International Cotton Conference, Urumqi, China
- Workshop on Cotton, organized by the International Trade Centre and China's Ministry of Commerce, Shijiazhuang, China
- 66th Plenary Meeting of the International Cotton Advisory Committee, Izmir, Turkey.

Technical barriers to trade

The Technical Barriers to Trade (TBT) Committee continued to review how technical assistance is provided to help developing and least-developed countries benefit from the TBT Agreement. During 2007 the Committee began to follow-up on the work programme agreed at the Fourth Triennial Review of the Operation and Implementation of the TBT Agreement, including on technical assistance and on special and differential treatment for developing countries. In particular, the TBT Committee discussed how the format for the Voluntary Notification of Specific Technical Assistance Needs and Responses was working and started to ask WTO members to exchange experiences on the delivery and receipt of technical assistance.

Trade-related aspects of intellectual property rights (TRIPS)

Ambassador Manzoor Ahmad (Pakistan), the Chair of the TRIPS Council's special negotiating sessions, held a series of meetings in 2007 in which members continued to discuss three proposals but remained divided on two fundamental questions.

These negotiations started several years before the Doha Round because they are required under the TRIPS Agreement (Article 23.4). When the round was launched in 2001, they were included (paragraph 18 first sentence of the Doha Declaration). The objective is to set up a multilateral system for notifying and registering

geographical indications for wines and spirits. The latest instructions for the negotiations come from paragraph 29 of the 2005 Hong Kong Declaration, which calls for the talks to be “intensified”.

The three proposals are:

- one proposal by Hong Kong, China
- the “joint proposal” by Argentina, Australia, Canada, Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Mexico, New Zealand, Nicaragua, Paraguay, Chinese Taipei and the United States
- the proposal by the European Communities.

To help move the negotiations forward, the Secretariat compiled a factual report of the issues raised and the views expressed when the proposals were discussed.

During the second half of the year, the Chair intensified his consultations in various formats. His aim was to ensure that the TRIPS Special Sessions, like other Doha Round negotiating groups, would be in a position to provide any input that might be needed for negotiations that bring various subjects together.

One delegation put forward some new ideas on participation in the multilateral system and the legal effects of a registration. The discussions that followed were detailed and useful, and members said they were willing to continue to explore how to move forward. But they remained divided on two key issues:

- the legal effects, i.e. to what extent members would be obliged to protect geographical indications registered in the system
- participation, especially the question of whether or not legal effects should apply to members choosing not to participate in the system.

October 2007 saw the TRIPS Council’s fifth annual review of how developed countries’ governments provide incentives for their companies to transfer technology to least-developed countries. The incentives are required by TRIPS Agreement (Article 66.2). The 2001 Doha Ministerial Conference agreed that the TRIPS Council would “put in place a mechanism for ensuring the monitoring and full implementation of the obligations”. This was set up by a council decision in February 2003, detailing the information developed countries are to supply on how their incentives are functioning in practice. As usual, before the meeting, members submitted detailed reports on what they have done.

Members continue to refrain from raising disputes on the legally complex subject of non-violation and situation complaints, as agreed at the 2005 Hong Kong Ministerial Conference (paragraph 45 of the declaration). It remained on the TRIPS Council’s agenda in 2007 following an agreement to do so in the council in March 2006. The purpose was to provide members with an opportunity to share any new thinking they might have.

In general, under WTO agreements, a government can bring a dispute to the Dispute Settlement Body even if the letter of an agreement or commitment has not been violated. The government has to show that it has been deprived of an expected benefit because of another government’s action, or because of any other situation that exists.

But for intellectual property, TRIPS Article 64.2 prescribed a five-year moratorium on these “non-violation and situation complaints”. This has been extended by a series of ministerial conferences, including Hong Kong in 2005. Members’ views differ on whether the moratorium should be made permanent. TRIPS Council’s discussion also covers to what extent and how (“scope and modalities”) this kind of dispute might be brought to the WTO’s dispute settlement procedures.

Members continued to consult on the subjects of geographical indications (extension) and TRIPS-CBD (Convention on Biological Diversity) under the chairmanship of Deputy Director-General Rufus Yerxa, but with little change in their basic positions.

One set of consultations deals with extending to other products the “higher” or “enhanced” level of protection currently given to geographical indications for wines and spirits (TRIPS Article 23). Members differ on whether this would help their trade or whether it would create an unnecessary legal and commercial burden.

The other set of consultations is about the relationship between the TRIPS Agreement and the CBD. More recently the focus has been on a proposal to amend the TRIPS Agreement so that patent applicants are required

to disclose the country of origin of biological resources and traditional knowledge used in the inventions, and evidence that they complied with national requirements on "prior informed consent" and "fair and equitable" benefit sharing (terms used in the CBD). A range of alternative proposals have also been submitted.

The consultations are held under paragraph 39 of the 2005 Hong Kong Declaration, which deals with "outstanding implementation issues" under paragraph 12(b) of the 2001 Doha Declaration.

Trade and environment

The Committee on Trade and Environment continued to discuss in special session:

- the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs)
- procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the criteria for the granting of observer status
- the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.

This work was mandated under the Doha Ministerial Declaration of 2001 and was undertaken in open-ended sessions of the full WTO membership as well as in small-group consultations.

Regarding the relationship between WTO rules and obligations in MEAs, the Committee pursued its examination of key ideas put forward in proposals by WTO members. The Committee also made some progress on cooperation between WTO and MEA secretariats by focusing on ways of facilitating the exchange of information, including through information exchange sessions with MEAs, document exchange, and WTO-MEA collaboration in technical assistance and capacity-building activities for developing countries. In addition, the Committee discussed proposals relating to the criteria that could guide WTO committees when considering requests for observer status by MEAs.

Regarding environmental goods and services, a number of new proposals were tabled in 2007. Some of these proposals focused on environmental goods which, in the proponents' view, would respond to the mandate. These included goods and technologies identified on the basis of their climate-friendliness. Some WTO members put forward new ideas on how these negotiations should be framed. Several members emphasized the need to ensure that the outcome of the negotiations would benefit trade, the environment and development.

Ambassador Mario Matus (Chile) took over from Ambassador Toufiq Ali (Bangladesh) as Chair of the Negotiating Group in July 2007.

Trade, debt and finance

Under the Chairmanship of Mr Ravi Bangar (India), the Working Group on Trade, Debt and Finance met once in 2007, on 14 September. In its two previous meetings held in 2006, the Group had found no consensus on possible recommendations on steps that might be taken within the mandate and competence of the WTO, according to the Doha Ministerial Declaration.

Subsequent consultations held by the Chair aimed to identify whether members still had an interest in the topics that had provided the basis for earlier examination, and whether new topics that would fall within the scope of the Doha Declaration had emerged in the meantime – taking into account the requirements to avoid duplication of work undertaken in other bodies of the WTO.

After discussions at the formal meeting of 14 September 2007, and in view of the willingness of some members to revisit certain topics of interest or concern to them, it was suggested that these members follow up with written submissions. When such submissions are made available to other members, further informal consultations will be held by the Chair with a view to examining how they might help the Working Group pursue its work in a more focused and productive way. On 26 November 2007, the Working Group adopted its Annual Report (2007) to the General Council.

Trade facilitation

In 2007, WTO members continued their work in the Trade Facilitation Negotiating Group, which was chaired by Ambassador Sperisen-Yurt of Guatemala.

Over the course of seven formal meetings, delegations submitted proposals on all elements of the negotiating mandate, refining previous submissions and consolidating several elements. Members decided to focus their work on the “third generation” contributions which had emerged from earlier proposals in non-text form.

According to a progress report by the Chair to the Trade Negotiations Committee, the negotiations continued to make steady progress, in a transparent and inclusive manner, on all aspects of the negotiating mandate. Valuable progress was made on the identification of trade facilitation needs and priorities, development aspects, cost implications and inter-agency cooperation. The textual proposals represent a significant advance, but not agreement. The Chair pointed out that the proposals require further refinement and negotiation.

Work also continued regarding the Secretariat’s technical assistance and training activities. A comprehensive needs assessment programme entered a new phase, with a dozen national events already completed at the end of 2007.

WTO rules

In the context of negotiations aimed at clarifying and improving procedures under the existing WTO provisions applying to Regional Trade Agreements (RTAs), the General Council adopted in December 2007 a Decision establishing on a provisional basis a “transparency mechanism” for RTAs. This mechanism is being implemented. The Decision calls for the mechanism to be reviewed, modified if necessary in the light of experience, and replaced with a permanent mechanism as part of the overall outcome of the Doha Round.

2. Ministerial Conference and General Council

Ministerial Conference

The Ministerial Conference consists of representatives of all WTO members. It is the highest decision-making body of the organization and is required to meet at least once every two years. Ministerial Conferences review ongoing work, provide political guidance and direction to that work, and set the agenda for further work. Since the establishment of the WTO, ministerial conferences have been held in Singapore (1996), Geneva (1998), Seattle (1999), Doha (2001), Cancun (2003) and Hong Kong, China (2005).

The timing of the next Ministerial Conference was discussed at the December 2006 meeting of the WTO General Council, which is entrusted with carrying out the functions of the WTO between Ministerial Conferences. The Chair informed the General Council that, in view of the ongoing negotiations, WTO members were not yet in a position to decide on when the next Conference would take place. In October 2007 the Chair reported that the factors preventing members from taking a decision on the timing of the Ministerial Conference continued to apply, and that consequently it would not be possible to hold a Conference before the end of 2007.

General Council

In 2007 the General Council continued to oversee the progress of the Doha Round of negotiations on the basis of reports from the Director-General (in his capacity as Chair of the Trade Negotiations Committee). The Council also reviewed progress of the Work Programme on Small Economies on the basis of reports from the Chair of the Committee on Trade and Development. Other matters considered by the General Council in 2007 are outlined below.

Non-recognition of rights

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

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

Aid for Trade

In July the General Council received an update from the Director-General on Aid for Trade, which aims to help developing countries develop the skills and infrastructure needed to benefit from WTO agreements (see page 4). The Director-General also outlined the work undertaken in the Committee on Trade and Development in this area. In keeping with the recommendation of the Task Force on Aid for Trade, the Council held its first annual debate on Aid for Trade. This acted as the final segment of a global review of Aid for Trade organized at the WTO from 19 to 21 November. The aim of this review was to take stock of what had been achieved so far, to identify what should happen next, and to improve WTO monitoring and evaluation of this initiative.

Accession to the WTO

In 2007 the General Council continued to oversee the accession processes of governments seeking to join the WTO. In October the Council established a Working Party to examine a request from the Comoros for accession to the WTO. In December the Council considered and approved terms and conditions for the accession of Cape Verde, whose membership had been under discussion since July 2000 when a Working

Party had been established to examine its request for accession. In keeping with WTO provisions, Cape Verde becomes a member 30 days following the date of its ratification of the Protocol of Accession. Also in December, the General Council established a Working Party to examine an accession request from Liberia.

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

Waivers under the WTO Agreement

In keeping with WTO provisions, the General Council considered and granted in 2007 several requests for waivers from obligations under the WTO Agreement as set out in Table 2.1 below. Also, in July and December, in keeping with WTO provisions that any waiver granted for a period of more than one year be reviewed not later than one year after it is granted and thereafter annually until the waiver terminates, the Council conducted reviews of the following multi-year waivers:

- Preferential Tariff Treatment for Least-Developed Countries (LDCs), granted on 15 June 1999 until 30 June 2009
- EC – the ACP-EC Partnership Agreement, granted on 14 November 2001 until 31 December 2007
- LDCs – Article 70.9 of the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement with respect to pharmaceutical products, granted on 8 July 2002 until 1 January 2016
- Albania – Implementation of Specific Concessions, granted on 26 May 2005 until 1 January 2009
- EC – European Communities' Preferences for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and the Former Yugoslav Republic of Macedonia, granted on 28 July 2006 until 31 December 2011
- Kimberley Process Certification Scheme for rough diamonds, granted on 15 December 2006, from 1 January 2007 until 31 December 2012
- Canada – CARIBCAN, granted on 15 December 2006 until 31 December 2011
- Cuba – Article XV:6 of GATT 1994, granted on 15 December 2006 until 31 December 2011.

Other issues

Other issues of concern to members brought to the General Council for consideration in 2007 were:

- a statement from Paraguay on behalf of the Informal Group of Developing Countries regarding the process of accession of developing countries
- a statement by the Dominican Republic, Honduras and Nicaragua expressing concern at legislation in the US Congress which, if signed into law, would significantly raise excise tax rates applicable to their exports of hand-rolled cigars into the United States, and which (the US clarified) had recently been vetoed by its President.

The Council also continued to follow up its 1 August 2004 Decision and the Hong Kong Ministerial Declaration regarding the Development Assistance Aspects of Cotton. In December it heard an update from the Director-General indicating that members had advanced in their implementation of the mandate on this matter and that there was continuing constructive engagement between the development community and the African cotton producing and trading countries. The Council also pursued a review of the exemption provided under Paragraph 3 of GATT 1994, which is mandated every two years for as long as the exemption is in force.

Table 2.1 – Waivers under Article IX of the WTO Agreement

in 2007 the General Council granted the following waivers from obligations under WTO agreements which are still in effect.

Members	Type	Decision	Expiry	Document
Argentina	Introduction of Harmonized System 1996 changes into WTO Schedules of Tariff Concessions – Extension of Time-Limit	27 July 2007	30 April 2008	WT/L/692
Panama	Introduction of Harmonized System 1996 changes into WTO Schedules of Tariff Concessions – Extension of Time-Limit	27 July 2007	30 April 2008	WT/L/693
Argentina, Australia, Brazil, China, Costa Rica, Croatia, El Salvador, European Communities, Iceland, India, Republic of Korea, Mexico, New Zealand, Nicaragua, Norway, Singapore, Chinese Taipei, Thailand, United States and Uruguay	Introduction of Harmonized System 2002 changes into WTO Schedules of Tariff Concessions	18 December 2007	31 December 2008	WT/L/712
Argentina; Australia; Brazil; Canada; Costa Rica; Croatia; El Salvador; European Communities; Guatemala; Honduras; Hong Kong, China; India; Republic of Korea; Macao, China; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Pakistan; Singapore; Switzerland; Thailand; United States and Uruguay	Introduction of Harmonized System 2007 changes into WTO Schedules of Tariff Concessions	18 December 2007	31 December 2008	WT/L/713
United States	Former Territory of the Pacific Islands	27 July 2007	31 December 2016	WT/L/694
Mongolia	Export duties on raw cashmere	27 July 2007	29 January 2012	WT/L/695

Also in July the Council considered and adopted a draft decision, forwarded by the Committee on Subsidies and Countervailing Measures, on procedures for the continuation of extensions of the transition period under Article 27.4 of the Agreement on Subsidies and Countervailing Measures (concerning the phasing-out of export subsidies) for certain developing countries.

In keeping with the provisions of the General Council Decision of August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (concerning compulsory licensing in the pharmaceutical sector), the TRIPS Council reviewed the functioning of the system set out in that Decision with a view to ensuring its effective operation, and reported to the Council in December. Also in December, the Council considered and adopted a draft decision submitted by the TRIPS Council to extend to 31 December 2009 the period for the acceptance by members of the Protocol Amending the TRIPS Agreement, which will enter into force upon acceptance by two-thirds of WTO members.

The General Council conducted a year-end review of WTO activities on the basis of annual reports from all subsidiary bodies, and reviewed matters relating to the operation of the WTO budget and pension plan. The General Council also considered a report from the Joint Advisory Group of the International Trade Centre (a joint subsidiary organ of the United Nations Conference on Trade and Development and the WTO) and progress on the harmonization work programme on Rules of Origin.

3. Trade in goods

During 2007 the Council for Trade in Goods (CTG) met five times in formal session. The CTG carried out a transitional review of China in connection with its Protocol of Accession. The Council's report, together with the reports of its subsidiary bodies, were submitted to the General Council.

The CTG took note of the reports of the Committee on Market Access and recommended for adoption by the General Council a number of waiver requests relating to the introduction of the Harmonized System (whereby countries classify traded goods on a common basis) into the WTO Schedules of tariff concessions. The CTG also recommended granting the United States' request for an extension of the waiver for the former trust territory of the Pacific Islands and granting Mongolia's request for a waiver from its accession commitments on the export of raw cashmere.

The CTG continued to discuss the waiver requests for three US preference programmes (the African Growth and Opportunity Act, the Caribbean Economic and Recovery Act and the Andean Trade Preference Act) and a request from Senegal for an extension of its waiver for the use of minimum customs values. The CTG adopted the notification format for notification of regional trade agreements.

With respect to 10 new countries joining the European Union, the CTG heard a statement from Colombia on its concerns and agreed on the extensions of the deadline for withdrawal of concessions referred to in Article 28, paragraph 3, of the General Agreement on Tariffs and Trade 1994. The CTG also agreed to an extension of the deadline in relation to further EU enlargement with two new members.

Concerning textile-related issues, discussion continued on the basis of submissions received in the prior year and a new submission received in May 2007. Finally, the CTG heard complaints from the Philippines regarding certain Thai customs and domestic taxation measures that were being applied to cigarettes from the Philippines.

Rules of origin

The main objective of the Agreement on Rules of Origin (laws, regulations and administrative procedures which determine a product's country of origin) is to harmonize rules of origin applied under non-preferential trading conditions and to ensure that such rules do not create unnecessary obstacles to trade. The Agreement sets out a Harmonization Work Programme to be followed by the Committee on Rules of Origin (CRO) in conjunction with the World Customs Organization's Technical Committee on Rules of Origin (TCRO).

Due to the complexity of the issues, the Work Programme could not be finalized within the three years foreseen by the Agreement (ending in July 1998) and so the CRO has continued its work. The number of unresolved issues has been reduced to 137.

A major stumbling block to the progress of the Work Programme has been the implication on other WTO agreements of implementing the harmonized rules of origin. Although the Chair of the CRO, on behalf of the Chair of the General Council, held intensive consultations with members on these core policy issues, the issues remain unresolved. At its meeting on 27 July 2007, the General Council recognized that, although important progress had been made over the last year, delegations in the CRO felt that guidance from the General Council was now needed on how to take these issues forward. The recommendation of these delegations was that work on these issues be suspended until guidance is provided by the General Council.

The General Council agreed that, in the meantime, the CRO should continue its work, with a view to resolving all technical issues, including the technical aspects of the overall architecture, as soon as possible.

Market access

In 2007 the Committee on Market Access met five times. The Committee's work continued to focus on the highly technical exercise of introducing changes to the Harmonized System (the classification of traded goods on a common basis) into the WTO's schedules of concessions.

Following the entry into force of the Harmonized System nomenclature in 1987, the committee set up by the World Customs Organization has agreed on four sets of changes (agreed in 1992, 1996, 2002 and 2007). Progress has been made in respect of the changes agreed in 1996 insofar as some 40 members have completed the relevant legal procedures. However, there remain some 60 members who have not followed

these procedures. Work relating to the 2002 changes has advanced well, with only a few files remaining to be prepared by the WTO Secretariat. Work on the 2007 changes has experienced delays and to date only two developed countries have submitted their files.

The Committee on Market Access examined requests for waiver extensions, which have been made in the context of changes to the Harmonized System. These waivers allow members to introduce the system changes into their national tariffs and to undertake the WTO legal procedures subsequently. The Committee approved two requests for waiver extensions made in respect of the 1996 changes and the extension of the 2002 and 2007 “collective” waiver decisions.

The Committee took note of information regarding the Integrated Data Base (IDB), which contains members' tariff and trade data over many years, and the Consolidated Tariff Schedules (CTS) database, which reflects members' WTO goods concessions. The information in the IDB is based on members' submissions, and a key challenge has been to ensure timely submissions. While some improvement has been observed, further progress is needed.

These databases have been used for the calculation of ad valorem equivalents (AVEs – duties levied on an item on the basis of its value), responding to requests arising from the Doha negotiations, the preparation of the *World Tariff Profiles*, which has been co-produced with the International Trade Centre and the United Nations Conference on Trade and Development, and the publication of the Harmonised System summaries.

A number of organisations have requested access to the databases. As a result, in 2007 the Committee approved requests to access the IDB and CTS databases from the United Nations Economic Commission for Africa, the International Coffee Organization and the Southern African Customs Union.

The Committee conducted the sixth review in connection with China's Protocol of Accession. The Committee took note of the most recent information available in the tariff library and the web site addresses where more recent national tariffs can be found. The WTO Secretariat document “Situation of Schedules of WTO Members”, which gives information on the current situation of each member's schedule of concessions, was examined by the Committee.

Import licensing

The Agreement on Import Licensing Procedures establishes disciplines on members' import licensing systems, with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It contains provisions to ensure that automatic import licensing procedures are not used in such a manner as to restrict trade, and that non-automatic import licensing procedures (licensing for the purposes of implementation of quantitative or other restrictions) do not act as additional restrictions on imports over and above those which the licensing system administers. In addition, non-automatic import licensing systems must not be administratively more burdensome than absolutely necessary to administer the relevant measures.

By becoming members of the WTO, governments commit themselves to simplifying and bringing transparency to their import licensing procedures and to administering them in a neutral and non-discriminatory manner.

The obligations contained in the Agreement include publication of import licensing procedures, notification to the Committee on Import Licensing, fair and equitable application and administration, and simplification of procedures and provision of foreign exchange to pay for licensed imports on the same basis as for imports of goods not requiring import licences. The Agreement establishes time limits for processing licence applications, publication of information concerning licensing procedures and notification to the Committee.

The Committee on Import Licensing held two meetings during 2007. It reviewed 61 notifications submitted by 37 members and carried out its Sixth Transitional Review regarding China's Protocol of Accession and its annual review of the implementation and operation of the Agreement. Two out of the 61 notifications received were the first responses provided by two members to the questionnaire within the Agreement. Nevertheless, the Committee noted that the lack of compliance of members with the transparency obligations of the Agreement has been the main preoccupation of the Committee for some time.

The Committee received written comments and questions from members on the notifications submitted and/or on import licensing procedures maintained by members. It also heard oral concerns and comments regarding certain import licensing procedures applied by some members.

Three technical assistance activities took place in 2007. The general objective was to help the relevant authorities gain a better understanding of the aims and details of the Agreement. Training was also provided to enable the authorities to differentiate between the two types of import licences and other trade barriers which could achieve better results through less trade-restrictive and less trade-distorting measures such as technical regulations. In the case of an acceding country, technical assistance was provided to help the authorities prepare their responses to members during the accession process. Participants in these activities were representatives of the various ministries and governmental institutions which deal with import licensing regimes.

Trade in information technology products

The Ministerial Declaration on Trade in Information Technology Products (ITA) was agreed in Singapore in 1996 and has been accepted by 69 WTO members. The objective is to eliminate tariffs on computers, telecommunications equipment, semiconductors, semiconductor manufacturing equipment, software and scientific instruments. On 1 January 2000 and 1 January 2005, most developed and developing participating members reduced tariffs for most of these products to zero while certain tariff lines for some participants were granted longer implementation periods. The details are contained in each participant's ITA schedule of concessions.

In 2007 the Committee held two meetings and continued its work on the non-tariff measures (NTMs) work programme. In this respect, the Committee noted the useful work done by the WTO Secretariat in updating the "Draft List of the Types of Conformity Assessment Procedures for EMC/EMI [electromagnetic capability/electromagnetic interference] used by ITA Participants". Several delegations have used the Committee's work on NTMs as their inputs to the NAMA negotiations on non-tariff barriers.

The Committee conducted further discussions on classification divergences. To facilitate the discussions, the WTO Secretariat prepared and updated a note, which tried to categorize items based on their prospect of finding a consensus or common interpretation. In addition, the Committee discussed classification issues regarding changes to the Harmonised System (the classification of traded goods on a common basis).

On 28-29 March 2007 the Committee organized an IT symposium with the participation of the private sector to commemorate the 10th anniversary of the ITA. The purpose of the symposium was:

- to review the operation of the ITA over the past decade with the increased participation of developing countries
- to provide an overview of the IT sector, taking into account the latest developments in technological convergence and the impact of globalization
- to highlight the prospects for further expansion of trade in ITA products, with a view to ensuring that the original objective of the ITA is maintained.

In 2007 the Committee discussed the proposals by the United States concerning product coverage of the current ITA and reviewed the implementation of the ITA. It welcomed the United Arab Emirates as a new participant and continued consultations with respect to ITA II.

Customs valuation

For importers, the process of estimating the value of a product at customs presents problems that can be just as serious as the actual duty rate charged. The WTO Agreement on Customs Valuation aims for a fair, uniform and neutral system for the valuation of goods for customs purposes. The Committee on Customs Valuation carries out work in the WTO on customs valuation. During 2007 the Committee held two formal meetings, on 8 May and 18 October.

In the area of notifications, members are required to ensure that their laws, regulations and administrative procedures conform with the provisions of the WTO Agreement on Customs Valuation, and must inform the Committee of any changes in this regard. At the end of 2007, 74 members had notified their national legislation on customs valuation. This figure includes the 14 members who indicated that the legislation notified under the Tokyo Round Customs Valuation Agreement remained valid and does not include individual EC members. Fifty members have not yet made a notification.

At its meeting of 18 October, the Committee adopted its 2007 report to the Council for Trade in Goods. Adoption of the fourth to the thirteenth annual reviews remains blocked by an unresolved issue concerning one member's interpretation of paragraph 2, Annex III of the Agreement on Customs Valuation. This states that developing countries which currently value goods on the basis of officially established minimum values may wish to make a reservation to enable them to retain such values on a limited and transitional basis under such terms and conditions as may be agreed to by the members.

At its October meeting, the Committee also completed the Transitional Review of China in accordance with China's Protocol of Accession. It submitted its report on this Review to the Council for Trade in Goods. Two other matters were raised concerning Indonesian customs valuation practices and Nigerian reference price regimes.

Under the Customs Agreement, a WTO Technical Committee was established under the auspices of the World Customs Organization to promote, at the technical level, uniformity of interpretation and application of the Agreement. The Technical Committee presented reports on its 23rd, 24th and 25th Sessions during the year. The Committee continued to discuss the importance of strengthening cooperation between the customs administrations of members in the prevention of customs fraud (paragraph 8.3 of the Ministerial Decision on Implementation-Related Issues and Concerns of 2001). It noted that no new developments had been made in the matter, which would be discussed further at the next meeting in 2008.

Agriculture

The Committee on Agriculture (regular session) held three meetings in 2007, at which members raised questions about the implementation of commitments. Items for discussion included:

- the consolidation of the EC Schedule following EU enlargement
- procedures initiated in the dairy sector and the possible impact on trade of changes to compositional standards for cheese
- import prohibitions on certain agricultural products; and the use of reference prices for customs valuation purposes
- VAT policies
- deposit requirements for agricultural imports for processing
- export subsidy measures for wine, alcohol and wheat flour; and domestic subsidy measures for a number of agricultural sectors (wheat, maize, meat, sugar dairy and oil processing), including support through national farm income programmes
- the consistency of certain subsidies with the terms of the Agreement on Agriculture
- mandatory price reporting regulations for livestock and meat
- state trading for rice
- monetization practices involving rice donations under international food aid programmes.

The Committee continued to examine the implementation of members' commitments resulting from the Uruguay Round or from accession terms on the basis of notifications submitted in the areas of market access (tariff quota administration, tariff quota fill and special safeguard actions), domestic support and export subsidies. Since 1995, the Committee has reviewed over 2,300 notifications. Of this total, 121 were submitted by members in 2007. The question of outstanding notifications remains a matter of deep concern to the Committee. By the end of March 2008, only 11 members had fully complied with their notification obligations for the period 1995-2006.

The Committee continued to discuss the three implementation-related issues in the area of agriculture. These are:

- the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes
- the examination of possible ways of improving the implementation of measures aimed at reducing any negative effects of the reform programme on least-developed and net food-importing developing countries
- the review of the administration of the tariff quota regimes.

At its September 2007 meeting, the Committee on Agriculture held the sixth transitional review of China's accession commitments. During that review, concerns were raised with respect to discriminatory VAT exemptions, export VAT rebates and tariff rate quotas.

Sanitary and phytosanitary measures

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

Measures which are based upon international standards are presumed to be consistent with the obligation to be scientifically justified. When governments implement measures that are stricter than international standards, these measures must be based upon a risk assessment. Governments are obliged to provide advance notice when proposed new, or modified, regulations differ from relevant international standards.

In 2007 the SPS Committee considered a wide range of specific trade concerns, including many related to individual notifications. The issues discussed included concerns with the use of anti-microbial treatments (AMTs), tolerance level for pathogens in raw meat and poultry products, maximum levels of pesticide residues in several products, measures taken in response to avian influenza, bovine spongiform encephalopathy (BSE) and foot-and-mouth disease, fire blight in apples, and measures on prawns and prawn products. In total, 19 new trade concerns were raised in 2007, 21 previously raised concerns were again discussed, and five were reported to have been resolved.

The SPS Committee continued to work on issues identified in its Second Review of the Agreement. The Committee also continued to consider specific proposals on special and differential treatment which have been made by various members as well as specific work to address some of the underlying concerns of developing countries. In particular, the Committee continued an analysis of SPS-related technical assistance, with the aim of identifying best practices in this regard.

The SPS Committee held a third special workshop on the implementation of the transparency provisions of the SPS Agreement in October 2007. At the workshop, a number of institutional and national challenges were identified, including raising awareness at the political level and among the public at large, coordinating among different ministries, mobilizing the relevant private sector representatives, overcoming difficulties in regional/intergovernmental cooperation, managing the inflow of notifications and ensuring the sustainability of efforts.

As of 31 December 2007, a total of 8,559 notifications had been circulated, including corrigenda, addenda and revisions. The number of notifications in 2007 (1,193) was greater than the number submitted in 2006 (1,146). A total of 139 members (93 per cent) had notified an enquiry point and 131 (87 per cent) had identified their national notification authority.

The WTO's technical assistance activities in the SPS area help developing countries to meet standards for market access of food and other agricultural commodities. In 2007 the WTO Secretariat organized six national seminars and four regional or sub-regional workshops; it also participated in three other SPS training activities organized by other members. The programmes of these activities included presentations on transparency obligations, dispute settlement, implementation problems, specific trade concerns and technical/scientific issues, such as risk analysis and equivalence, as well as the work undertaken by the three standard-setting organizations referenced in the SPS Agreement (Codex, OIE and IPPC).

A third two-week specialized trade policy course on the SPS Agreement was held in 2007 for French-speaking participants. This course involved in-depth and interactive training focused on problems arising in the implementation of the SPS Agreement.

Subsidies and countervailing measures

The Agreement on Subsidies and Countervailing Measures (SCM) regulates the use of subsidies and the actions countries can take to counter the effects of subsidies. The Agreement applies to subsidies that are specific to an enterprise or industry – or group of enterprises or industries – within the territory of a WTO member.

Extensions for the elimination of export subsidies

Under the SCM Agreement, some developing countries were given a longer timeframe to eliminate export subsidies. When this timeframe ran out, these countries were able to request an extension to this transition period.

In July 2007 the General Council adopted a decision on procedures for the continuation of extensions for eliminating export subsidies for certain developing countries. Under this decision, the Committee on Subsidies and Countervailing Measures will continue the extensions with respect to certain export subsidy measures for 2008 if requested by particular members. From 2008 to 2012, the Committee will decide annually whether to continue these extensions of the transition period, subject to certain conditions.

The General Council decision makes it clear that the Committee cannot extend the transition period beyond 31 December 2013. As a consequence, the final two-year phase-out period shall end no later than 31 December 2015. At meetings held in October and December 2007, the Committee agreed to continue the transition period for 2008 for the export subsidy programmes of the following WTO members: Antigua and Barbuda; Barbados; Belize; Costa Rica; Dominica; Dominican Republic; El Salvador; Fiji; Grenada; Guatemala; Jamaica; Jordan; Mauritius; Panama; Papua New Guinea; St. Kitts and Nevis; St. Lucia; St. Vincent and the Grenadines; and Uruguay.

Exemptions from prohibited subsidies

In December 2007 the WTO Secretariat circulated updated information on the developing countries exempt from prohibited export subsidies. To qualify for this exemption, the country must have less than US\$ 1,000 per capita GNP. They remain exempt until their GNP reaches this level for three consecutive years. The qualifying countries comprise: Bolivia, Cameroon, Congo, Côte d'Ivoire, Egypt, Ghana, Guyana, Honduras, India, Indonesia, Kenya, Nicaragua, Nigeria, Pakistan, Philippines, Senegal, Sri Lanka and Zimbabwe.

Notification and review of subsidies

Transparency is essential for the effective operation of the SCM Agreement, which requires members to make a notification of specific subsidies by 30 June of each year. Members are asked to give priority to submitting new and full notifications every two years while the Committee gives less emphasis to the review of updating notifications.

The Committee held special meetings in April and October 2007, at which it continued its review of 2005 new and full subsidy notifications and started its review of 2007 notifications. At its April meeting, the Committee reviewed the 2005 full and subsidy notifications of Argentina, China, Chile, Honduras, Hong Kong China, Korea, Liechtenstein, New Zealand, Qatar, Singapore, Suriname, Swaziland, Thailand, Tunisia and Turkey. In October the Committee reviewed the 2007 notifications of Armenia, Honduras, Macao China and Nigeria.

Permanent Group of Experts

The Agreement provides for a Permanent Group of Experts (PGE), composed of five independent persons who are highly qualified in the fields of subsidies and trade relations. The PGE provides assistance to panels regarding whether a subsidy is prohibited and provides advisory opinions at the request of the SCM Committee or a member. The PGE has drafted Rules of Procedure and submitted them to the Committee for approval. As of the end of 2007, the PGE consisted of Yuji Iwasawa and Asger Petersen. Three positions were vacant.

Countervailing duty legislation

Under the SCM Agreement, a country can use the WTO's dispute-settlement procedure to seek the withdrawal of a subsidy or the removal of its adverse effects. Alternatively, the country can launch its own investigation and ultimately charge extra duty ("countervailing duty") on subsidized imports that are found to be hurting domestic producers.

Members are required to notify their countervailing duty legislation and/or regulations to the SCM Committee. At its meeting in April 2007, the Committee reviewed notifications regarding countervailing duty legislation of the European Communities, India, Mexico, New Zealand, Panama, Chinese Taipei and Turkey. At its October 2007 meeting, the Committee reviewed notifications submitted by Albania, Japan, Nigeria and the United States.

Countervailing investigations and actions

Table 2.2 indicates that eight new countervailing duty investigations were initiated by WTO members between 1 July 2006 and 30 June 2007. Countervailing duty "actions" taken by WTO members over the same period are summarized in Table 2.3. As of 30 June 2007, members reported 61 countervailing measures (including undertakings by exporting companies) in force.

Table 2.2: Exporters subject to initiations of countervailing investigations by WTO members, 1 July 2006 to 30 June 2007^a

Affected country	Initiations
Argentina	2
India	2
Brazil	1
China	1
France	1
Korea	1
Total	8

^aThe table is based on information from members that have submitted semi-annual reports. It is incomplete due to a significant number of missing notifications or notifications not providing information required by the notification format adopted by the Committee.

Table 2.3: Summary of countervailing duty actions, 1 July 2006 to 30 June 2007

Reporting party	Initiations	Provisional duties	Definitive duties	Undertakings (by exporting companies)	Total measures (definitive duties or undertakings) in force on 30 June 2007
Australia	1	1	1	0	1
Brazil	1	0	0	0	1
Canada	1	2	1	0	6
Chile	2	0	0	0	0
Costa Rica	0	0	0	0	1
European Communities	0	0	1	0	13
Japan	0	0	0	0	1
Mexico	0	0	0	0	2
New Zealand	0	0	0	0	1
Peru	0	0	0	0	1
South Africa	0	0	0	0	1
United States	3	4	2	0	33
Total	8	7	5	0	61

Safeguards

WTO members have the right to apply safeguard measures on imports of a product from all sources (but not from a particular member) provided that certain conditions exist – for example, that increased imports cause serious harm to the domestic industry. The WTO's Agreement on Safeguards sets forth detailed rules concerning the investigation and the imposition of safeguard measures. The Agreement also stipulates that members shall not seek, take or maintain any voluntary export restraints, orderly marketing arrangements or any other similar measures which afford protection.

Notification of safeguards laws and/or regulations of members

Members are required to notify to the Committee on Safeguards their national legislation and/or regulations concerning safeguards. As of end of 2007, 91 members (counting the European Communities and its member states as one member) had notified the Committee of their domestic safeguards legislation and/or regulations.

Table 2.4: Safeguard actions that members have notified to the Committee on Safeguards

WTO members	Initiations of investigation (total since 1995)	Final measures imposed (total since 1995)	Initiations of investigation during 2007	Final measures imposed during 2007	Measures in force as of 31 December 2007
India	15	8	0	1	0
Jordan	12	6	1	1	2
Chile	11	7	0	0	0
Turkey	11	7	2	1	7
United States	10	6	0	0	0
Czech Republic	9	5	–	–	–
Philippines	7	5	0	0	4
Total (for all WTO members)	159	82	6	5	21

Notes: Apart from the figures indicated in the total, the table shows only members that have imposed five or more final measures since 1995.

The Czech Republic became a member state of the EC as of 1 May 2004.

This section does not deal with the "special safeguards" stipulated in the Agreement on Agriculture nor the so-called China-specific safeguard measures taken in accordance with the Accession Protocol of China.

Anti-dumping practices

WTO members are allowed to apply "anti-dumping" measures on imports of a product with an export price below its "normal value" (usually, the comparable price of the product in the domestic market of the exporting country) if such imports cause or threaten to cause material injury to a domestic industry (as outlined in Article VI of GATT 1994). Detailed rules and procedures to be followed in initiating and conducting anti-dumping investigations are set forth in the Agreement on Implementation of Article VI of GATT 1994. This Agreement also clarifies the role of dispute settlement panels in disputes concerning anti-dumping actions taken by WTO members.

Notification and review of anti-dumping legislation

WTO members are obliged to inform the WTO of their anti-dumping legislation and/or regulations (or the lack of such legislation or regulations). Members who enact new legislation or amend existing legislation are required to notify the new text or amendment to the WTO. As of 31 December 2007, 96 members (counting the European Communities and its 27 member states as a single member) had submitted notifications

regarding anti-dumping legislation and/or regulations. Twenty-eight members had not yet submitted a notification. Review of members' notifications of legislation takes place at the regular meetings of the Committee on Anti-Dumping Practices, on the basis of written questions and answers.

Subsidiary bodies

The Committee has two subsidiary bodies: the Working Group on Implementation and the Informal Group on Anti-Circumvention. These bodies normally meet twice a year in regular session, in conjunction with the regular meetings of the Committee.

The Working Group on Implementation considers, principally, technical issues concerning the Agreement. At its meetings in April and October 2007, the Working Group continued discussions on a series of topics referred to it by the Committee based on papers submitted by WTO members, draft recommendations prepared by the WTO Secretariat and information submitted by members concerning their own practices.

In the Informal Group on Anti-Circumvention, members discuss the matters referred to the Committee by Ministers in the 1994 Ministerial Decision on Anti-Circumvention. The Informal Group met in April and October 2007, continuing to discuss: "what constitutes circumvention", "what is being done by members confronted with what they consider to be circumvention" and "to what extent can circumvention be dealt with under the relevant WTO rules and what other options may be deemed necessary?". Discussions were based on papers submitted by WTO members and information from members concerning their own experiences.

Anti-dumping actions

Anti-dumping actions taken from 1 July 2006 to 30 June 2007 are summarized in Tables 2.5 and 2.6. The tables are incomplete because certain members have not submitted the required semi-annual reports for this period or have not provided all of the information required by the format adopted by the Committee.

The data available indicate that 159 new anti-dumping investigations were initiated by WTO members from 1 July 2006 to 30 June 2007. WTO members initiating 10 or more new investigations were India (29), the European Communities (18), Brazil (14) and China (11). The United States initiated nine new investigations and Argentina, Egypt, Korea and Malaysia each initiated eight new investigations. Australia, Canada, Chile, Colombia, Japan, Mexico, New Zealand, Pakistan, Peru, South Africa, Chinese Taipei, Thailand and Turkey each initiated seven or fewer new investigations.

As of 30 June 2007, 28 members reported anti-dumping measures (including undertakings with exporters) in force. Of the 1,274 measures reported, 18 per cent were maintained by the United States, 13 per cent by India, 12 per cent by the European Communities, 8 per cent each by China and Turkey, and 5 per cent each by Argentina, Mexico and South Africa.

Products exported from China were the subject of the most anti-dumping investigations (53) initiated from 1 July 2006 to 30 June 2007, followed by products exported from Korea (11), Chinese Taipei (10), the European Communities and Indonesia (9 each), Japan (8) and the United States (7). The remaining members exporting products subject to investigation were each subject to fewer than seven new investigations.

Table 2.5: Summary of anti-dumping actions, 1 July 2006 – 30 June 2007,¹ by WTO members

Reporting WTO member	Initiations	Provisional measures	Definitive duties	Price undertakings with exporters	Measures in force on 30 June 2007²
Argentina	8	5	10	0	62
Australia	2	3	3	1	46
Brazil	14	3	1	0	50
Canada	3	6	3	0	40
Chile	2	1	1	0	1
China	11	10	14	0	103
Colombia	5	9	3	0	6
Costa Rica	0	1	1	0	1
Egypt	8	0	6	0	31
European Communities	18	11	13	2	149
India	29	20	18	0	162
Indonesia	0	0	1	0	15
Israel	0	0	3	1	6
Jamaica	0	0	0	0	NR
Japan	4	0	0	0	2
Korea, Republic of	8	3	7	2	29
Malaysia	8	8	0	0	16
Mexico	5	5	0	0	69
New Zealand	6	1	2	0	10
Pakistan	3	4	4	2	17
Paraguay	0	0	0	0	1
Peru	1	1	2	0	33
Philippines	0	0	0	0	1
South Africa	5	1	5	0	61
Chinese Taipei	4	1	2	2	7
Thailand	3	1	0	0	24
Trinidad and Tobago	0	0	0	0	4
Turkey	3	0	13	0	99
United States	9	8	6	0	229
Total	159	102	118	10	1,274

NR = Not reported

¹ The table is based on information from WTO members having submitted semi-annual reports for the period 1 July 2006 to 30 June 2007. The information is incomplete due to missing reports and/or missing information in reports.

² Includes definitive price undertakings.

Table 2.6: Exporting countries subject to two or more initiations of anti-dumping investigations,¹ 1 July 2006 to 30 June 2007²

<i>Exporting country</i>	<i>Number of anti-dumping investigations</i>
China	53
Korea, Republic of	11
Chinese Taipei	10
European Communities and/or its member states	9
Indonesia	9
Japan	8
United States	7
Brazil	6
Singapore	5
India	5
Thailand	4
Argentina	4
Malaysia	3
Russia	3
South Africa	3
Australia	2
Hong Kong, China	2
Kazakhstan	2
Mexico	2
Ukraine	2
All others	9
Total	159

¹ Countries that were each the subject of one initiation of an anti-dumping investigation comprise: Bulgaria, Canada, Egypt, Former Yugoslav Republic of Macedonia, New Zealand, Philippines, Saudi Arabia, Turkey and Uruguay.

² The table is based on information from members having submitted semi-annual reports for the period 1 July 2006 to 30 June 2007. The information is incomplete due to missing reports and/or missing information in reports.

Technical barriers to trade

During 2007 the Technical Barriers to Trade (TBT) Committee held three regular meetings. At each meeting, the Committee considered specific trade concerns brought to its attention by WTO members. The Committee also began an exchange of experiences on issues agreed as future work items at the Fourth Triennial Review of the Operation and Implementation of the TBT Agreement. These included good regulatory practice, conformity assessment procedures, transparency, technical assistance, and special and differential treatment for developing countries.

In 2007, particular emphasis was given to discussions on good regulatory practice. In addition to the regular TBT Committee meetings, the Fifth Special Meeting on Procedures for Information Exchange was held on 7-8 November 2007. The meeting addressed issues relating to publication practices, notification practices, use of electronic tools, technical cooperation and the work of Enquiry Points.

State trading enterprises

The Working Party on State Trading Enterprises held one formal meeting in October 2007. Its main task is to review the notifications and counter-notifications submitted by members on their state trading activities.

Reviews of the notifications are conducted in formal meetings of the Working Party. Notifications must be made by all members every two years, regardless of whether the member maintains any state trading enterprises, and regardless of whether such enterprises have conducted any trade during the period under review. The requirement for updating notifications was eliminated as of 2004.

At its October 2007 meeting, the Working Party reviewed new and full notifications for 2006 from 14 members: Canada; Chile; Colombia; European Communities; Japan; Macao, China; Qatar; Saudi Arabia; Singapore; Chinese Taipei; Turkey; the United States; Zambia; and Zimbabwe. It also reviewed: new and full notifications for 2004 from Australia, Canada, Chile, Colombia, the European Communities and Zambia; updating notifications for 2002 and 2003 from Canada, Chile and the European Communities; and new and full notifications for 2001 as well as updating notifications for 1999 and 2000 from Canada. The Working Party also adopted its 2007 Annual Report to the Council for Trade in Goods.

Trade-related investment measures (TRIMs)

The TRIMs Committee held one meeting during 2007. During this meeting in November, the Committee continued its consideration of proposals regarding special and differential treatment, which were referred to it by the Chair of the General Council. The proposals were originally submitted by the African Group of countries.

Informal consultations held concerning a revised version of the proposals submitted by Kenya on behalf of the African Group did not lead to a consensus among members in spite of the new wording concerning both the country coverage and the timescale of the flexibilities being sought. At its November meeting, the Committee also conducted the sixth annual review under the Transitional Review Mechanism of China's Protocol of Accession and submitted its report to the Council for Trade in Goods.

4. Trade in services

Council for Trade in Services

The Council for Trade in Services held five formal meetings in 2007. The following matters were addressed:

Review of air transport under the GATS Annex on Air Transport

In 2007 the Council held two meetings dedicated to the second Review of Air Transport Services. At the first meeting, WTO members addressed developments related to bilateral Air Services Agreements (ASAs) on the basis of the WTO Secretariat's Quantitative Air Services Agreements Review (QUASAR) methodology and database. Discussions on the operation of the Air Transport Annex focused on a submission by Australia, the European Communities, New Zealand, Norway and Switzerland proposing to extend the scope of the General Agreement on Trade in Services (GATS) to ground handling and airport operation services.

At its second meeting, the Council addressed, on the basis of a Secretariat note, developments in the following aviation areas:

- plurilateral ASAs
- the economic and financial situation of scheduled passenger airlines
- low-cost carrier services
- non-scheduled passenger services
- regional air transport services
- general aviation services
- air cargo services
- slots
- alliances and cooperation among airlines
- ownership
- other significant economic and regulatory developments.

A communication by Canada and the United States provided the basis for the debate on the operation of the Annex.

New notification format for regional trade agreements

At its meeting on 16 November 2007, the Council for Trade in Services adopted a new format for the notification of regional trade agreements (RTAs), including those under Article V (Economic Integration) of the GATS, in line with the recommendation of the Committee on Regional Trade Agreements. This new format for RTAs modifies the *Guidelines for Notifications under the GATS* as far as notifications pursuant to GATS Article V:7 are concerned.

Transitional review of China's Protocol of Accession

At its meeting on 16 November 2007, the Council for Trade in Services conducted and concluded the sixth transitional review of China's Protocol of Accession. The Council also took note of the report from the Committee on Trade in Financial Services on its review, which formed part of the Council's report to the General Council.

5. Trade-related aspects of intellectual property rights (TRIPS)

The Council for TRIPS is the body, open to all WTO members, that is responsible for administering the TRIPS Agreement, in particular monitoring the operation of the Agreement as required by Article 68. In 2007, the Chair was Ambassador Yonov Agah of Nigeria.

The TRIPS Council's regular meetings

Reviewing the situation in individual members

The TRIPS Council reviewed the intellectual property legislation of Saudi Arabia (as a new member) and completed its reviews of the legislation of Mauritius and Swaziland, which had begun earlier. It took note of the outstanding material required to complete the pending reviews of six other members that started in 2001 and 2002 after the transition periods for developing countries expired. A meeting in October 2007 saw the Council's sixth annual transitional review of how China has implemented the intellectual property commitments it made in its WTO membership agreement (the Protocol of Accession).

Plants, animals, biodiversity and traditional knowledge

The Council continued to discuss a group of subjects related to biotechnology, biodiversity and traditional knowledge, and in parallel with consultations held by Deputy Director-General Rufus Yerxa. These cover:

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

The discussion was based on members' papers, which paid particular attention to the relationship between the TRIPS Agreement and the CBD. The latest instructions for the discussion come from paragraph 44 of the 2005 Hong Kong Ministerial Declaration.

Pharmaceutical patents and public health

In October, the TRIPS Council carried out its annual review of how the present "Paragraph 6" system is working. Agreed in August 2003, the system introduced legal changes designed to make it easier for poorer countries to import cheaper generic versions of patented medicines, made under compulsory licensing, if they are unable to manufacture the medicines themselves. It followed the instructions of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

The legal form adopted in 2003 was a waiver releasing WTO members from the constraint of Article 31(f) of the TRIPS Agreement, which constrained countries from producing generics under compulsory licence in order to export. The Council's report on this review contains information on the implementation and use of the system established under the 2003 decision. In July and October 2007, the WTO received the first notifications from countries intending to use the system: from Rwanda as a prospective importer, and Canada, which issued a compulsory licence for a generic medicine to be manufactured and exported to Rwanda.

In December 2005, members agreed to convert the 2003 waiver into a permanent amendment of the TRIPS agreement. The original deadline for members to accept the amendment was 1 December 2007. But the number accepting the amendment was still short of the required two thirds. In October, members proposed in the TRIPS Council to give themselves another two years – until the end of 2009. This was adopted by the General Council in December. By the end of the year those accepting the amendment were: the United States; Switzerland; El Salvador; Republic of Korea; Norway; India; the Philippines; Israel; Japan; Australia; Singapore; Hong Kong, China; China; European Communities.

Technical and financial cooperation

The TRIPS Council agreed that developed countries would update the information on their technical and financial cooperation activities in time for the Council's meeting in October. Updated information was also received from a number of intergovernmental organizations that are observers to the Council as well as from the WTO Secretariat.

Other issues

The TRIPS Council's agenda included the review of the implementation of the whole TRIPS Agreement (under Article 71.1), and the review of the application of the provisions on geographical indications (under Article 24.2). The United States, Switzerland and Japan circulated papers on the enforcement of intellectual property rights, and the Council discussed these at the request of the authors. (The Council's work on the incentives for technology transfer to least-developed countries (Article 66.2) and on "non-violation and situation complaints" is described on page 12.)

6. Trade and environment

The Committee on Trade and Environment (CTE) continued to give particular attention in regular session to:

- the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development
- the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- labelling requirements for environmental purposes.

During the two regular meetings held in 2007, particular attention was given to market access issues. The CTE held discussions based on two WTO Secretariat notes. The first provided an overview on work carried out in the Technical Barriers to Trade and Sanitary and Phytosanitary (SPS) Committees with respect to environment-related notifications and specific trade concerns. The second note concerned the findings of OECD Trade Policy Studies 2005 and the Trade and Environment Review 2006 of the United Nations Conference on Trade and Development (UNCTAD).

A discussion was held on trade opening for organic agricultural products, and a number of developing countries shared their national and regional experiences in this sector. UNCTAD informed the CTE of its recent studies and technical assistance activities in this area. In sectoral discussions, the CTE heard information on the recent activities on fishery subsidies by the United Nations Environment Programme (UNEP). Regarding labelling requirements for environmental purposes, a presentation was given on the US Energy Star, a government-backed programme helping businesses and individuals to protect the environment through superior energy efficiency. The presentation generated discussions on energy efficiency labelling schemes.

Other activities carried out by the CTE in 2007 included discussions on transparency of trade measures used for environmental purposes, based on a note prepared by the WTO Secretariat on the Environmental Database for 2004. This note listed environment-related measures or provisions notified under WTO agreements in 2004 as well as environment-related measures, provisions or programmes mentioned in the Trade Policy Reviews of 2004.

The CTE discussed technical assistance and capacity building in recognition of the importance of these activities in helping developing countries and least-developed countries in the area of trade and environment. Norway presented a paper on the Norwegian Action Plan for Environment in Development Cooperation.

As part of its commitment to providing trade and environment-related technical assistance, the WTO Secretariat organized in 2007 a regional workshop for Asian and Pacific economies in India (16-18 October). This was intended to help developing countries participate more in the WTO's work on trade and environment, in particular under the Doha Development Agenda (DDA). At the workshop, participants were informed of the relevant WTO rules with respect to trade and environment, the work of the CTE and the status of the trade and environment negotiations in the Doha Round. The workshop provided WTO members with an opportunity to share experiences on trade and environment matters and promoted greater dialogue between trade and environment officials. UNCTAD and UNEP secretariats were invited to contribute to the programme.

A number of WTO members informed the CTE of their experience in national environmental reviews. UNEP provided an overview of its activities on the integrated assessment of trade-related policies. The WTO Secretariat consolidated a list of trade-related environmental reviews which have been or are being carried out under the headings of multilateral trade liberalization initiatives, regional and bilateral trade liberalization initiatives and national projects. The list also provides a brief description of the CTE's discussions on environmental reviews.

Regarding sustainable development, ministers agreed in Doha that the CTE and the Committee on Trade and Development would, within their respective mandates, each act as a forum to identify and debate developmental and environmental aspects of the negotiations in order to appropriately reflect the issue of sustainable development. The Chair invited delegations to further discuss the WTO Secretariat note on Environmental Aspects of the DDA Negotiations, which compiles the environment-related issues in five negotiating groups: agriculture, non-agricultural market access (NAMA), rules, services, and trade and environment.

For information on the Committee on Trade and Environment in special session, see page 14.

7. Resolution of trade conflicts under the WTO's Dispute Settlement Understanding

Overview

The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes arising from any agreement contained in the Final Act of the Uruguay Round that is covered by the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). The DSB, which met 19 times during 2007, has the sole authority to establish dispute settlement panels, adopt panel and Appellate Body reports, maintain surveillance of implementation of recommendations and rulings, and authorize suspension of concessions in the event of non-implementation of recommendations.

Dispute settlement activity in 2007

In 2007, the DSB received 13 notifications from members formally requesting consultations under the DSU. During the year, the DSB established 11 panels to deal with 14 new cases and adopted panel and/or Appellate Body reports in six cases. Mutually agreed solutions or withdrawals were notified in three cases.

The following section provides some background to cases that were active in 2007 and, where available, the substantive outcome. It describes the implementation status of adopted reports in cases where new developments occurred in 2007. The cases are listed in order of their DS number. Additional information on each of these cases can be found on the WTO website at www.wto.org.

European Communities – Regime for the importation, sale and distribution of bananas, complaint by Ecuador (WT/DS27)

On 23 February 2007, Ecuador requested the establishment of a compliance dispute panel. At its meeting on 20 March, the DSB agreed to refer to the original panel, if possible, the question of whether the new EC banana regime was in conformity with the DSB's recommendations and rulings. An interest in the case was declared by Cameroon, Colombia, Côte d'Ivoire, Dominica, the Dominican Republic, Ghana, Jamaica, Japan, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and the United States, who reserved their "third-party rights". Subsequently, Belize, Brazil, Madagascar, Nicaragua, Panama and Suriname reserved their third-party rights.

On 5 June 2007, Ecuador requested the WTO Director-General to determine the composition of the panel, which was subsequently composed on 15 June. On 5 December, the Chair of the Panel informed the DSB that it would not be possible to circulate its report within 90 days of the date of referral. The Chair stated that the Panel expected to issue its final report to parties in December 2007 and, following translation, the final report was expected to be circulated to WTO members in February 2008.

European Communities – Regime for the importation, sale and distribution of bananas, complaint by the United States (WT/DS27)

On 29 June 2007, the United States requested the establishment of a compliance dispute panel as it considered that the European Communities had failed to bring its import regime for bananas into compliance with its WTO obligations and that the regime therefore remained inconsistent. At its meeting on 12 July, the DSB agreed to refer the matter to the original panel, if possible. An interest in the case was declared by Brazil, Cameroon, Colombia, the Dominican Republic, Ecuador, Jamaica, Japan, Nicaragua and Panama, who reserved their third-party rights. Subsequently, Belize, Côte d'Ivoire, Dominica, Mexico, St. Lucia, St. Vincent and the Grenadines, and Suriname reserved their third-party rights.

On 3 August 2007, the United States requested the Director-General to determine the composition of the panel, which was subsequently composed on 13 August.

Chile – Measures affecting the transit and importing of swordfish, complaint by the European Communities (WT/DS193)

On 13 December 2007, the European Communities informed the DSB that the European Communities and Chile had proceeded to a joint evaluation of the Arrangement of 25 January 2001 and had concurred that

implementation had been developing in a positive manner. Accordingly, they maintained the suspension of the process for the constitution of the dispute panel.

Chile – Price band system and safeguard measures relating to certain agricultural products, complaint by Argentina (WT/DS207)

On 5 and 19 February 2007 respectively, Chile and Argentina each notified its decision to appeal to the Appellate Body certain issues of law covered in the Dispute Panel compliance report of 8 December 2006 and certain legal interpretations developed by the Panel.

On 7 May 2007, the Appellate Body report was circulated to WTO members. The Appellate Body found that: (i) the Panel did not err in its allocation of the burden of proof; (ii) the Panel did not err in its interpretation of Article 4.2 (Market Access) and footnote 1 of the Agreement on Agriculture, or in its application of those provisions to the measure at issue. The Appellate Body therefore upheld the Panel's finding that the measure at issue was a border measure similar to a variable import levy and to a minimum import price within the meaning of footnote 1 to Article 4.2. It also upheld the Panel's finding that, by maintaining a border measure similar to a variable import levy and to a minimum import price, Chile was acting inconsistently with its obligations under Article 4.2 and had not implemented the recommendations and rulings of the DSB.

As the Appellate Body had upheld the Panel's finding that the measure at issue was inconsistent with Article 4.2, it found that it was not necessary to rule on Argentina's conditional appeal regarding Article II:1(b) (Schedules of Concessions) of the GATT 1994.

At its meeting on 22 May 2007, the DSB adopted the compliance Appellate Body report and the Panel report, as upheld by the Appellate Body report.

United States – Continued Dumping and Subsidy Offset Act of 2000, joint complaint by Australia, Brazil, Chile, European Communities, India, Indonesia, Japan, Korea and Thailand (WT/DS217), and Canada and Mexico (WT/DS234)

On 19 April and 23 August 2007 respectively, the European Communities and Japan notified the DSB of the new list of products on which the additional import duty would apply, prior to the entry into force of a level of suspension of concessions.

United States – Preliminary determinations with respect to certain softwood lumber from Canada, complaint by Canada (WT/DS236)

On 23 February 2007, the United States and Canada informed the DSB that on 12 October 2006 they had concluded a further agreement, which amended the original agreement – the Softwood Lumber Agreement – so as to facilitate its entry into force.

United States – Provisional anti-dumping measure on imports of certain softwood lumber from Canada, complaint by Canada (WT/DS247)

On 23 February 2007, the United States and Canada informed the DSB that on 12 October 2006 they had concluded a further agreement, which amended the original agreement – the Softwood Lumber Agreement – so as to facilitate its entry into force.

United States – Final countervailing determination with respect to certain softwood lumber from Canada, complaint by Canada (WT/DS257)

On 23 February 2007, the United States and Canada informed the DSB that on 12 October 2006 they had concluded a further agreement, which amended the original agreement – the Softwood Lumber Agreement – so as to facilitate its entry into force.

United States – Final dumping determination on softwood lumber from Canada, complaint by Canada (WT/DS264)

On 23 February 2007, the United States and Canada informed the DSB that on 12 October 2006 they had concluded a further agreement, which amended the original agreement – the Softwood Lumber Agreement – so as to facilitate its entry into force.

United States – Subsidies on upland cotton, complaint by Brazil (WT/DS267)

On 18 December 2007, the Dispute Panel compliance report was circulated to WTO members.

The Panel found with respect to the measure taken by the United States to comply with the DSB recommendations and rulings relating to the original Panel's finding of inconsistency with Article 5 (Adverse Effects) and Article 6 (Serious Prejudice) of the Subsidies and Countervailing Measures (SCM) Agreement that the United States was acting inconsistently with its obligations under the SCM Agreement. The Panel found that the effect of marketing loan and counter-cyclical payments to US upland cotton producers was significant price suppression within the meaning of Article 6.3(c) of the SCM Agreement in the world market for upland cotton. This constituted "present" serious prejudice to the interests of Brazil within the meaning of Article 5(c) of the SCM Agreement. Specifically, the United States had failed to comply with its obligation under Article 7.8 (Remedies) of the SCM Agreement "to take appropriate steps to remove the adverse effects or ... withdraw the subsidy".

In addition, the Panel found that Brazil had not made its case that the effect of marketing loan and counter-cyclical payments to US upland cotton producers, pursuant to the US Farm Security and Rural Investment Act of 2002, was an increase in the US world market share in upland cotton as compared with the average US world market share during the previous period of three years and that this increase followed a consistent trend over a period when subsidies have been granted. Therefore, the Panel found that it had not been established that the United States had acted inconsistently with Articles 5(c) and 6.3(d) of the SCM Agreement.

With respect to the measure taken by the United States to comply with the DSB recommendations and rulings relating to the original panel's findings of inconsistency with Article 10.1 (Prevention of Circumvention of Export Subsidy Commitments) and Article 8 (Export Competition Commitments) of the Agreement on Agriculture and Articles 3.1(a) and 3.2 (Prohibition) of the SCM Agreement, the Panel found that regarding particular export credit guarantees issued after 1 July 2005, the United States had acted inconsistently with Article 10.1 of the Agreement on Agriculture by applying export subsidies in a manner which resulted in the circumvention of US export subsidy commitments with respect to certain unscheduled products and certain scheduled products, and as a result was acting inconsistently with Article 8 of the Agreement on Agriculture. Regarding the particular export credit guarantees issued after 1 July 2005, the Panel found that the United States also acted inconsistently with Articles 3.1(a) and 3.2 of the SCM Agreement by providing export subsidies to unscheduled products and by providing export subsidies to scheduled products in excess of the commitments of the United States under the Agreement on Agriculture.

The Panel therefore found that the measures taken by the United States to comply with the recommendations and rulings adopted by the DSB in the original proceeding were inconsistent with its obligations under the covered agreements.

United States – Sunset reviews of anti-dumping measures on oil country tubular goods from Argentina, complaint by Argentina (WT/DS268)

On 12 and 24 January 2007 respectively, the United States and Argentina each notified its decision to appeal to the Appellate Body certain issues of law covered in the Panel compliance report of 30 November 2006 and certain legal interpretations developed by the Panel.

On 12 April 2007, the Appellate Body report was circulated to WTO members. The Appellate Body reversed the Panel's finding that the amended waiver provisions were, *as such*, inconsistent with Article 11.3 (Duration and Review of Anti-dumping Duties and Price Undertakings) of the Anti-Dumping Agreement. The Appellate Body noted that, under the "amended" waiver provisions, a company-specific finding by the US Department of Commerce (USDOC) was now based on "positive evidence" (and not a mere "assumption") since an exporter waiving its right of participation at the USDOC stage of the sunset review investigation now had to sign a statement that it was likely to dump if the anti-dumping duty order were revoked or the investigation terminated.

Furthermore, the Appellate Body observed that the amended waiver provisions did not preclude the USDOC from considering other evidence on the record of the sunset review before making an order-wide determination of likelihood of dumping. The Appellate Body agreed that the USDOC's analysis on the decline in the volume of dumped imports – one of the two factual bases of the original likelihood of dumping determination, and which had been incorporated into Section 129 Determination at issue – was part of the "measure taken to

comply" within the meaning of Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) of the DSU. Consequently, the Appellate Body let stand the Panel's conclusion that the USDOC's findings regarding the volume of dumped imports and the "likely past dumping" (which had not been appealed) lacked a sufficient factual basis and failed to meet the requirements of Article 11.3 of the Anti-Dumping Agreement.

The Appellate Body agreed with the Panel's finding that the USDOC did not act inconsistently with Article 11.3 or Article 11.4 of the Anti-Dumping Agreement by developing a new factual basis, pertaining to the initial sunset review period, for its Section 129 Determination.

At its meeting on 11 May 2007, the DSB adopted the Appellate Body compliance report and Panel report, as modified by the Appellate Body report.

On 21 May 2007, Argentina requested authorization from the DSB to suspend concessions pursuant to Article 22.2 (Compensation and the Suspension of Concessions) of the DSU. On 1 June, the United States requested, in accordance with Article 22.6 of the DSU, that the matter be referred to arbitration, since it objected to the level of suspension of concessions proposed by Argentina. At its meeting on 4 June, the DSB decided to refer the matter to arbitration. On 21 June, the parties jointly requested the Arbitrator to suspend the Article 22.6 arbitration proceeding until either party subsequently requested its resumption. In accordance with the parties' joint request, the Arbitrator suspended the arbitration proceeding.

United States – Investigation of the International Trade Commission in softwood lumber from Canada, complaint by Canada (WT/DS277)

On 23 February 2007, the United States and Canada informed the DSB that on 12 October 2006 they had concluded a further agreement, which amended the original agreement – the Softwood Lumber Agreement – so as to facilitate its entry into force.

United States – Anti-dumping measures on cement from Mexico, complaint by Mexico (WT/DS281)

On 16 May 2007, the United States and Mexico notified the DSB of a mutually agreed solution under Article 3.6 (General Provisions) of the DSU. The solution was in the form of an agreement between the United States and Mexico, dated 6 March 2006 (the "Trade in Cement Agreement"). This agreement makes possible increased imports of Mexican cement, encourages US cement exports to Mexico and settles outstanding litigation relating to the US anti-dumping order on Mexican cement. The agreement also provides for the anti-dumping order to be revoked as of 1 February 2009.

United States – Anti-dumping measures on oil country tubular goods (OCTG) from Mexico, complaint by Mexico (WT/DS282)

On 12 April 2007, Mexico requested the establishment of a compliance dispute panel. At its meeting on 24 April, the DSB agreed, if possible, to refer the matter raised by Mexico to the original panel. An interest in the case was declared by China, Japan and the European Communities, who reserved their third-party rights. Subsequently, Argentina and Thailand reserved their third-party rights. On 8 May, the Panel was composed.

On 5 July 2007, Mexico requested the Panel to suspend its work until further notice. Mexico reserved its right to request the Panel to resume its work at any time. On the same day, the Panel informed the DSB that it had agreed to this request and that it would suspend its work until further notice.

United States – Measures affecting the cross-border supply of gambling and betting services, complaint by Antigua and Barbuda (WT/DS285)

On 30 March 2007, the Dispute Panel compliance report was circulated to WTO members. The Panel concluded that the United States had failed to comply with the recommendations and rulings of the DSB. At its meeting on 22 May, the DSB adopted the Panel compliance report.

On 21 June 2007, Antigua and Barbuda requested authorization from the DSB, pursuant to Article 22.2 (Compensation and the Suspension of Concessions) of the DSU, to suspend the application to the United States of concessions and related obligations of Antigua and Barbuda under the General Agreement on Trade in Services and the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement. On 23 July, the United States objected to the level of suspension of concessions and obligations proposed by Antigua and Barbuda and also claimed that Antigua and Barbuda's proposal did not follow the principles and procedures

set forth in Article 22.3 of the DSU. At its meeting on 24 July, the DSB agreed that the matter be referred to arbitration as required under Article 22.6 of the DSU.

On 21 December 2007, the decision by the Arbitrator was circulated to WTO members. The Arbitrator determined that the annual level of nullification or impairments of benefits accruing to Antigua was US\$ 21 million and that Antigua could request authorization from the DSB to suspend obligations under the TRIPS Agreement at a level not exceeding US\$ 21 million annually.

Australia – Quarantine regime for imports, complaint by the European Communities (WT/DS287)

On 9 March 2007, Australia and the European Communities notified the DSB that they had reached a mutually agreed solution under Article 3.6 (General Provisions) of the DSU. The parties have agreed to a solution to address the issues identified by the European Communities, while respecting the appropriate level of protection of Australia and consistent with Australia's legislation regarding sanitary and phytosanitary measures and import policy development process. This solution includes enhanced transparency of the quarantine regime of Australia, principles of treatment for market access applications from the European Communities, and continued expert discussions on scientific aspects associated with trade in pig meat and chicken meat.

European Communities – Measures affecting the approval and marketing of biotech products, complaints by the United States (WT/DS291), Canada (WT/DS292) and Argentina (WT/DS293)

On 21 June 2007, the United States and the European Communities, Canada and the European Communities, and Argentina and the European Communities, respectively, notified the DSB that they had agreed that the reasonable period of time for the European Communities to implement the recommendations and rulings of the DSB would be 12 months from the date of the adoption of the Dispute Panel reports. Accordingly, the reasonable period of time was to expire on 21 November 2007. On 21 November, the parties informed the DSB that they had agreed to modify the reasonable period of time so as to expire on 11 January 2008.

United States – Laws, regulations and methodology for calculating dumping margins ("zeroing"), complaint by the European Communities (WT/DS294)

At the DSB meeting on 24 April 2007, the United States said that after the correction of a clerical error in the determination of one investigation, they would have fully implemented the DSB recommendations and rulings. The European Communities commended the United States for the steps it had taken to secure compliance, but questioned whether it had fully implemented the DSB recommendations and rulings.

On 4 May 2007, the United States and the European Communities notified the DSB of an Understanding regarding procedures under Article 21 (Surveillance of Implementation of Recommendations and Rulings) and Article 22 (Compensation and the Suspension of Concessions) of the DSU. On 9 July, the European Communities requested consultations under Article 21.5 of the DSU. On 20 July, Brazil and the Republic of Korea requested to join the consultations. On 13 September, the European Communities requested the establishment of a compliance dispute panel.

At its meeting on 25 September 2007, the DSB agreed, if possible, to refer the matter raised by the European Communities to the original panel. An interest in the case was declared by India, Japan, Mexico, Republic of Korea, Norway, Chinese Taipei and Thailand, who reserved their third-party rights. On 28 November, the European Communities requested the Director-General to compose the panel, which was subsequently composed on 30 November.

Mexico – Definitive anti-dumping measures on beef and rice, complaint by the United States (WT/DS295)

On 16 January 2007, the parties informed the DSB of an Understanding regarding procedures under Article 21 (Surveillance of Implementation of Recommendations and Rulings) and Article 22 (Compensation and the Suspension of Concessions) of the DSU.

United States – Reviews of countervailing duty on softwood lumber from Canada, complaint by Canada (WT/DS311)

On 23 February 2007, the United States and Canada informed the DSB that on 12 October 2006 they had concluded a further agreement, which amended the original agreement – the Softwood Lumber Agreement – so as to facilitate its entry into force.

Korea – Anti-dumping duties on imports of certain paper from Indonesia, complaint by Indonesia (WT/DS312)

At its meeting on 23 January 2007, the DSB agreed to refer the matter raised by Indonesia to the original dispute panel. An interest in the case was declared by China, the European Communities, Japan, the United States and Chinese Taipei, who reserved their third-party rights.

On 28 September 2007, the Dispute Panel compliance report was circulated to WTO members. The Panel concluded that the Korean Trade Commission (KTC) acted inconsistently with Article 6.8 (Evidence) of the Anti-Dumping Agreement and paragraph 7 of Annex II (Best Information Available) by failing to exercise special circumspection in the use of information from secondary sources in its effort to base its determination on whether using a manufacturing company's interest expenses for a trading company would be proper, and in the corroboration of such interest expenses with the interest expenses of some other companies. The Panel found that the KTC acted inconsistently with the obligation set forth under Article 6.2 by failing to allow Indonesian exporters to comment on the KTC's injury re-determination.

On 22 October 2007, the DSB adopted the Dispute Panel compliance report.

European Communities and certain member states – Measures affecting trade in large civil aircraft, complaint by the United States (WT/DS316)

On 14 December 2007, the Chair of the Dispute Panel informed the DSB that due to the substantive and procedural complexities involved in this dispute, it now expected to complete its work in 2008. (See also dispute WT/DS347.)

United States – Continued suspension of obligations in the EC–Hormones dispute, complaint by the European Communities (WT/DS320)

On 23 January 2007, the Chair of the Dispute Panel informed the DSB that it had expected to issue its final report to the parties in the course of October 2006. However, due to the complexity of the scientific issues involved and due to the difficulties in scheduling the second open hearing of the Panel with the parties and experts consulted by the Panel, it was not possible to meet that time line. The Panel estimated that it would issue its final report to the parties in the course of June 2007. On 22 June, the Chair of the Panel informed the DSB that the preparation of the Panel report was taking longer than expected and that it expected to issue its final report to the parties in the course of October. The report was finally issued to the parties on 21 December.

Canada – Continued suspension of obligations in the EC – Hormones dispute, complaint by the European Communities (WT/DS321)

On 23 January 2007, the Chair of the Dispute Panel informed the DSB that it had expected to issue its final report to the parties in the course of October 2006. However, due to the complexity of the scientific issues involved and due to the difficulties in scheduling the second open hearing of the Panel with the parties and experts consulted by the Panel, it was not possible to meet that time line. The Panel estimated that it would issue its final report to the parties in the course of June 2007. On 22 June, the Chair of the Panel informed the DSB that the preparation of the Panel report was taking longer than expected and that it expected to issue its final report to the parties in the course of October. The report was issued to the parties on 21 December.

United States – Measures relating to zeroing and sunset reviews, complaint by Japan (WT/DS322)

On 9 January 2007, the Appellate Body report was circulated to WTO members. The Appellate Body upheld the Dispute Panel's finding that the United States' zeroing procedures constituted a measure that could be challenged, *as such*, and therefore dismissed the United States' claim that the Panel acted inconsistently with Article 11 (Function of Panels) of the DSU.

Regarding zeroing in transaction-to-transaction comparisons in original investigations, the Appellate Body reversed the Panel's finding that the United States did not act inconsistently with the Articles 2.1, 2.4 and 2.4.2 (Determination of Dumping) of the Anti-Dumping Agreement and Articles VI:1 and VI:2 (Anti-dumping and Countervailing Duties) of the GATT 1994 by maintaining zeroing procedures in original investigations when calculating margins of dumping on the basis of transaction-to-transaction comparisons.

The Appellate Body noted that because dumping and margins of dumping can only be found to exist in relation to the product under investigation, and not at the level of an individual transaction, all the transaction-specific comparisons of normal value and export price must be aggregated when the overall margin of dumping is calculated. By disregarding certain comparison results, the United States acted inconsistently with Article 2.4.2 of the Anti-Dumping Agreement and with the "fair comparison" requirement of Article 2.4 of this agreement, given that zeroing artificially inflates the magnitude of dumping.

The Appellate Body reversed the Panel's finding that zeroing in periodic and new shipper reviews was not inconsistent with the Anti-Dumping Agreement and Articles VI:1 and VI:2 of the GATT 1994. The Appellate Body found, instead, that the United States had acted inconsistently with Articles 9.3 and 9.5 (Imposition and Collection of Anti-dumping Duties) of the Anti-Dumping Agreement and Article VI:2 of the GATT 1994 by levying duties in excess of an exporter's margin of dumping and with the "fair comparison" requirement of Article 2.4 of the Anti-Dumping Agreement, as explained above.

At its meeting on 23 January 2007, the DSB adopted the Appellate Body report and the Dispute Panel report, as modified by the Appellate Body report.

On 29 March 2007, Japan requested that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) (Surveillance of Implementation of Recommendations and Rulings) of the DSU. On 27 April, the Director-General appointed Mr Florentino Feliciano to act as arbitrator. On 4 May, the United States and Japan informed the DSB that they had mutually agreed that the reasonable period of time for the United States to implement the DSB recommendations and rulings would be 11 months, expiring on 24 December. The United States and Japan also wished to inform the DSB that they no longer sought to have the reasonable period of time determined through binding arbitration.

Mexico – Anti-dumping duties on steel pipes and tubes from Guatemala, complaint by Guatemala (WT/DS331)

On 8 June 2007, the Dispute Panel report was circulated to WTO members. The Panel found that Mexico's initiation of the investigation, the conduct of the investigation and the imposition of a definitive anti-dumping measure on imports of black and galvanised steel pipes and tubes from Guatemala was inconsistent with the requirements of Article 5.3 and 5.8 (Initiation and Subsequent Investigation), Article 3.1, 3.2, 3.4 and 3.5 (Determination of Injury) and paragraphs 3, 5, 6 and 7 of Annex II (Best Information Available) of the Anti-Dumping Agreement. Pursuant to Article 19.1 (Panel and Appellate Body recommendations) of the DSU, the Panel also suggested revoking the anti-dumping measures applied to steel pipes and tubes from Guatemala in order to properly implement the conclusions and recommendations identified in this case. On 24 July, the DSB adopted the Panel report.

On 25 September 2007, Guatemala and Mexico informed the DSB that they had agreed that the reasonable period of time would be six months from the adoption of the Panel report. If possible, Mexico would endeavour to implement the DSB's rulings and recommendations within a shorter period of time.

Brazil – Measures affecting imports of retreaded tyres, complaint by the European Communities (WT/DS332)

On 12 June 2007, the report of the Dispute Panel was circulated to WTO members. The Panel concluded that Brazil's import ban on retreaded tyres was inconsistent with Article XI:1 (General Elimination of Quantitative Restrictions) of the GATT 1994 because it prohibited the issuance of import licences for retreaded tyres, and it was not justified under Article XX(b) (General Exceptions) of the GATT 1994. The fines imposed by Brazil on the importation, marketing, transportation, storage, keeping or warehousing of retreaded tyres were also held to be inconsistent with Article XI:1 of the GATT 1994 and were found not to be justified under either Article XX(b) or Article XX(d) of the GATT 1994.

Measures maintained by the Brazilian State of Rio Grande do Sul in respect of retreaded tyres were found to be inconsistent with Article III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994

because they accorded less favourable treatment to imported retreaded tyres than to "like" domestic products and were not justified under Article XX(b) of the GATT 1994. The Panel also found that the import ban was "necessary" within the meaning of Article XX(b) of the GATT 1994 and was thus provisionally justified.

On 3 September 2007, the European Communities notified its intention to appeal to the Appellate Body certain issues of law covered in the Panel report and certain legal interpretations developed by the Panel. On 31 October, the Chair of the Appellate Body informed the DSB that the Appellate Body would not be able to circulate its report within 60 days due to the time required for completion and translation of the report. On 3 December, the Appellate Body report was circulated to WTO members.

The Appellate Body upheld the Panel's finding that the import ban could be considered "necessary" within the meaning of Article XX(b) of the GATT 1994 and was thus provisionally justified under that provision. The Appellate Body reversed the Panel's finding that the Southern Common Market (MERCOSUR) exemption did not result in the import ban being applied inconsistently with the "chapeau" of Article XX. The Appellate Body also reversed the Panel's findings that imports of used tyres did not result in "arbitrary discrimination", and resulted in "unjustifiable discrimination" and "a disguised restriction on international trade" under the chapeau of Article XX only to the extent that import volumes "significantly undermined" the objectives of the import ban.

The Appellate Body found that the reasons provided by Brazil to explain the discrimination resulting from both the MERCOSUR exemption and the imports of used tyres under court injunctions bore no connection with the objective pursued by the import ban that provisionally justified it under Article XX(b), and even would go against this objective. Accordingly, the Appellate Body found that the MERCOSUR exemption and imports of used tyres under court injunctions resulted in the import ban being applied in a manner that constituted "arbitrary or unjustifiable discrimination" within the meaning of the chapeau of Article XX.

On 17 December 2007, the DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report.

Turkey – Measures affecting the importation of rice, complaint by the United States (WT/DS334)

On 21 September 2007, the Dispute Panel report was circulated to WTO members. The Panel found that Turkey's decision, from September 2003 and for different periods of time, to deny or fail to grant Certificates of Control to import rice outside of the tariff rate quota constituted a quantitative import restriction as well as a practice of discretionary import licensing within the meaning of footnote 1 to Article 4.2 (Market Access) of the Agreement on Agriculture. Accordingly, as it was a measure of the kind which have been required to be converted into ordinary customs duties, it was therefore inconsistent with Article 4.2 of the Agreement on Agriculture.

The Panel concluded that Turkey's requirement that importers must purchase domestic rice in order to be allowed to import rice at reduced-tariff levels under the tariff quotas accorded less favourable treatment to imported rice than that accorded to "like" domestic rice, in a manner inconsistent with Article III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994. On 22 October, the DSB adopted the Panel report.

United States – Anti-dumping measure on shrimp from Ecuador, complaint by Ecuador (WT/DS335)

On 20 January 2007, the Dispute Panel report was circulated to WTO members. The Panel concluded that the United States Department of Commerce acted inconsistently with Article 2.4.2 (Determination of Dumping) of the Anti-Dumping Agreement in its final and amended final affirmative determinations of sales at less than fair value (dumping) with respect to certain frozen warm-water shrimp from Ecuador, and in its final anti-dumping duty order. At its meeting on 20 February, the DSB adopted the Panel report.

On 26 March 2007, the parties informed the DSB that, pursuant to Article 21.3(b) (Surveillance of Implementation of Recommendations and Rulings) of the DSU, they had agreed that the reasonable period of time for the United States to implement the DSB recommendations and rulings would be six months, expiring on 20 August 2007.

Japan – Countervailing duties on dynamic random access memories from Korea, complaint by Korea (WT/DS336)

On 13 July 2007, the Dispute Panel report was circulated to WTO members. In light of its findings, the Panel upheld Korea's claims that: (i) Japan's investigating authorities (JIA) had improperly found that certain creditors

of Hynix Semiconductor, Inc. (a Korean company) had been "entrusted or directed" by the Government of Korea to participate in the December 2002 restructuring of Hynix contrary to the Subsidies and Countervailing Measures (SCM) Agreement; (ii) JIA had improperly found that the December 2002 restructuring conferred a benefit on Hynix, contrary to Article 1.1(b) (Definition of a Subsidy) and Article 14 (Calculation of the Amount of the Subsidy in Terms of the Benefit to the Recipient) of the SCM Agreement; and (iii) JIA had improperly calculated the amount of benefit conferred by the October 2001 and December 2002 restructurings, contrary to Articles 1.1(b) and 14 of the SCM Agreement.

The Panel rejected Korea's claim that only entities that "have an interest in the outcome of a countervailing duty proceeding" can be interested parties within the meaning of Articles 12.7 and 12.9 (Evidence) of the SCM Agreement. The Panel also found that JIA did not violate Article 15.5 (Determination of Injury) and Article 19.1 (Imposition and Collection of Countervailing Duties) of the SCM Agreement by failing to demonstrate that the imports were causing injury "through the effects of subsidies".

On 30 August 2007, Japan notified its decision to appeal to the Appellate Body certain issues of law covered in the Panel report and certain legal interpretations developed by the Panel. On 24 October, the Chair of the Appellate Body informed the DSB that the Appellate Body would not be able to circulate its report within 60 days due to the time required for completion and translation of the report.

On 28 November 2007, the Appellate Body report was circulated to WTO members. As regards the Panel's review of the JIA finding of "entrustment or direction" of the relevant creditors with respect to the December 2002 restructuring, the Appellate Body found that the Panel had failed to examine the investigating authority's evidence in its totality. The Panel had thereby failed to apply the proper standard of review in a manner consistent with its obligations under Article 11 (Function of Panels) of the DSU. Therefore, the Appellate Body reversed the Panel's finding that the investigating authority's determination of "entrustment or direction" of creditors was inconsistent with the SCM Agreement.

Furthermore, the Appellate Body upheld the Panel's finding that the JIA had acted inconsistently with Article 1.1(b) and Article 14 of the SCM Agreement by determining that the December 2002 restructuring conferred a benefit on Hynix. The Appellate Body also upheld the Panel's findings that the JIA had calculated the amount of benefit conferred on Hynix by the October 2001 and December 2002 restructurings inconsistently with Articles 1.1(b) and 14 of the SCM Agreement. The Appellate Body, however, clarified that the proper benchmark for the calculation of the amount of benefit is the market standard and rejected the Panel's view that different standards apply to inside and outside creditors.

The Appellate Body upheld the Panel's finding that the JIA did not act inconsistently with Article 12.7 and 12.9 of the SCM Agreement by including certain financial institutions in the investigation as "interested parties" and by using "facts available" for those financial institutions that failed to provide information. The Appellate Body also upheld the Panel's finding that the JIA did not act inconsistently with Articles 15 and 19.1 of the SCM Agreement by not undertaking a separate examination of the effects of the subsidies in addition to, and as distinguished from, the effects of the subsidized imports.

With respect to the modification of information for the public version of the Panel report, the Appellate Body stated that, while a panel must not disclose information which is by its nature confidential, a panel, in deciding to modify information in its report at the request of one or both of the parties should bear in mind the rights of third parties and other WTO members and make efforts to explain its reasoning in such a way that the public version of its report is understandable.

On 17 December 2007, the DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report.

European Communities – Anti-dumping measure on farmed salmon from Norway, complaint by Norway (WT/DS337)

On 2 February 2007, the Chair of the Dispute Panel informed the DSB that it would not be possible for the Panel to complete its work within six months of the date of composition. On 16 November, the Panel report was circulated to WTO members. The Panel found that the European Communities had acted inconsistently with various provisions of the Anti-Dumping Agreement, although in other respects the European Communities had not acted inconsistently with a number of other provisions of the same Agreement. The Panel exercised judicial economy with respect to certain claims.

China – Measures affecting imports of automobile parts, complaints by the European Communities (WT/DS339), the United States (WT/DS340) and Canada (WT/DS342)

On 19 January 2007, the European Communities, the United States and Canada requested the Director-General to determine the composition of the Dispute Panel, which was subsequently composed on 29 January.

On 16 July 2007, the Chair of the Panel informed the DSB that it would not be able to complete its work within six months due to the complexity of the issues presented in the case. The Panel expected to issue its final report to the parties by January 2008.

Mexico – Definitive countervailing measures on olive oil from the European Communities, complaint by the European Communities (WT/DS341)

On 13 February 2007, the European Communities requested the Director-General to compose the Dispute Panel, which was subsequently composed on 21 February. On 14 November, the Chair of the Panel informed the DSB that it would not be possible to issue its report within six months due to the complexity of issues presented in the case as well as the need to translate the parties' submissions. The Panel expected to issue its final report to the parties by April 2008.

United States – Measures relating to shrimp from Thailand, complaint by Thailand (WT/DS343)

On 19 January 2007, Thailand requested the Director-General to compose the Dispute Panel, which was subsequently composed on 26 January. An interest in the case was declared by Brazil, Chile, China, the European Communities, India, Japan, Republic of Korea and Mexico, who reserved their third-party rights. Subsequently, Viet Nam also reserved its third-party rights.

On 27 July 2007, the Chair of the Panel informed the DSB that it would not be possible for the Panel to complete its work within six months of the date of composition, in part due to the nature and scope of the dispute.

United States – Final anti-dumping measures on stainless steel from Mexico, complaint by Mexico (WT/DS344)

On 21 May 2007, the Chair of the Dispute Panel informed the DSB that the Panel would not be able to complete its work in six months in light of scheduling conflicts and that it expected to complete its work in November 2007.

On 20 December 2007, the Panel report was circulated to WTO members. The Panel concluded that model zeroing in investigations was, *as such*, inconsistent with Article 2.4.2 (Determination of Dumping) of the Anti-Dumping Agreement, and that the United States Department of Commerce (USDOC) had acted inconsistently with the same provision in the investigation on *Stainless Steel Sheet and Strip in Coils from Mexico* by using model zeroing. The Panel also concluded that simple zeroing in periodic reviews was not, *as such*, inconsistent with the provisions of the Anti-Dumping Agreement and the GATT 1994 cited by Mexico and that the USDOC did not act inconsistently with such provisions by using simple zeroing in the five periodic reviews on *Stainless Steel Sheet and Strip in Coils from Mexico* at issue in this case.

The Panel recommended that the DSB request the United States to bring its relevant measure into conformity with its obligations under the WTO Agreement. The Panel, however, refrained from making any recommendation regarding model zeroing in investigations, *as such*, as it had found that the USDOC had abandoned the practice of model zeroing in investigations as from 22 February 2007.

The Panel rejected Mexico's request for a suggestion regarding implementation, under Article 19.1 (Panel and Appellate Body recommendations) of the DSU, in connection with its two "as such" claims and its "as applied" claim on simple zeroing in the five periodic reviews at issue in this dispute.

United States – Customs bond directive for merchandise subject to anti-dumping/countervailing duties, complaint by India (WT/DS345)

On 19 January 2007, India requested the Director-General to compose the Dispute Panel, which was subsequently composed on 26 January. On 27 July, the Chairman of the Panel informed the DSB that it would not be possible for the Panel to complete its work within six months of the date of composition, in part due to the nature and scope of the dispute.

European Communities and certain member states – Measures affecting trade in large civil aircraft (second complaint), complaint by the United States (WT/DS347)

On 6 October 2007, the United States requested the Dispute Panel to suspend its work, in accordance with Article 12.12 (Panel Procedures) of the DSU. The Panel agreed to this request. As the Panel has not been requested to resume its work, the authority of the Panel lapsed as of 7 October. (See also dispute WT/DS316.)

United States – Continued existence and application of zeroing methodology, complaint by the European Communities (WT/DS350)

On 10 May 2007, the European Communities requested the establishment of a dispute panel. At its meeting on 4 June, the DSB established the panel. An interest in the case was declared by Chinese Taipei, India, Japan and the United States, who reserved their third-party rights. Subsequently, Brazil, China, Egypt, Republic of Korea, Norway and Thailand reserved their third-party rights. On 29 June, the European Communities requested the Director-General to compose the panel, which was subsequently composed on 6 July 2007. On 1 October, the Chair of the Panel informed the DSB that it would not be possible for the Panel to complete its work in six months in light of scheduling conflicts.

Following the resignation on 8 November 2007 of one of the panellists, the parties agreed on the appointment of a new panellist on 27 November. On 14 December, the Chair of the Panel informed the DSB that due to this resignation, further delays were unavoidable and that the Panel expected to complete its work in September 2008.

Chile – Provisional safeguard measure on certain milk products / Definitive safeguard measure on certain milk products, complaints by Argentina (WT/DS351, WT/DS356)

On 8 March 2007, Argentina requested the establishment of a panel for both disputes. At its meeting on 24 April, the DSB established the panel. An interest in the case was declared by the United States, who reserved its third-party rights. On 15 June, the panel was composed. On 31 July, Argentina requested the Panel to suspend its work in accordance with Article 12.12 (Panel Procedures) of the DSU. On 3 August, the Chair of the Panel informed the DSB that it had agreed to this request and that it would suspend its work until further notice.

India – Measures affecting the importation and sale of wines and spirits from the European Communities, complaint by the European Communities (WT/DS352)

On 23 March 2007, the European Communities requested the establishment of a dispute panel. At its meeting on 24 April, the DSB established the panel. An interest in the case was declared by Australia, Chile, Japan and the United States, who reserved their third-party rights. On 11 June, the European Communities requested the Director-General to determine the composition of the panel, which was subsequently composed on 21 June.

On 13 July 2007, the European Communities requested the Panel to suspend its work pursuant to Article 12.12 (Panel Procedures) of the DSU. The European Communities reserved its right to request the Panel to resume its work at any time. The Panel agreed to this request and suspended its work from 16 July.

United States – Measures affecting trade in large civil aircraft (second complaint); complaint by the European Communities (WT/DS353)

On 18 May 2007, the Chair of the Dispute Panel informed the DSB that it would not be possible for the Panel to complete its work within six months of the date of composition in light of the substantive and procedural complexities of this dispute. The Panel expected to complete its work in July 2008.

Brazil – Anti-dumping measures on imports of certain resins from Argentina; complaint by Argentina (WT/DS355)

On 7 June 2007, Argentina requested the establishment of a dispute panel. At its meeting on 24 July, the DSB established the panel. An interest in the case was declared by the European Communities, Japan, Chinese Taipei and the United States, who reserved their third-party rights. On 28 September, the panel was composed. On 14 December, the Chair of the Panel informed the DSB that it would not be able to complete its work in six months in light of scheduling conflicts. The Panel expected to complete its work in August 2008.

United States – Subsidies and other domestic support for corn and other agricultural products, complaint by Canada (WT/DS357)

United States – Domestic support and export credit guarantees for agricultural products, complaint by Brazil (WT/DS365)

On 8 January 2007, Canada requested consultations with the United States concerning three different categories of measures.

First, Canada claims that the United States provides subsidies to the US corn industry that are specific to US producers of primary agricultural products and/or to the US corn industry. Canada considers that the measures at issue are inconsistent with Article 5(c) (Adverse Effects) and Article 6.3(c) (Serious Prejudice) of the Subsidies and Countervailing Measures (SCM) Agreement.

Secondly, Canada claims that the United States makes available to its exporters premium rates and other terms more favourable than those which the market would otherwise provide through export credit guarantee programmes. Canada considers that these programmes provide subsidies contingent upon export performance contrary to Article 3.1(a) and 3.2 (Prohibition) of the SCM Agreement, and they also violate Article 3.3 (Incorporation of Concessions and Commitments), Article 8 (Export Competition Commitments), Article 9.1 (Export Subsidy Commitments) and Article 10.1 (Prevention of Circumvention of Export Subsidy Commitments) of the Agreement on Agriculture.

Thirdly, Canada claims that, through the improper exclusion of domestic support, the United States provides support in favour of domestic producers in excess of the commitment levels specified in its Schedule, contrary to Article 3.2 of the Agreement on Agriculture.

Australia Argentina, Brazil, the European Communities, Guatemala, Nicaragua, Thailand and Uruguay requested to join the consultations. Subsequently, the United States informed the DSB that it had accepted these requests.

On 7 June 2007, Canada requested the establishment of a dispute panel. At its meeting on 20 June, the DSB deferred the establishment of a panel.

On 11 July 2007, Brazil requested consultations with the United States concerning two distinct categories of US agricultural measures: (i) domestic support for agricultural products; and (ii) export credit guarantees for agricultural products. Brazil claims that the measures result in possible inconsistencies with Article 3.2 of the Agreement on Agriculture, as, in Brazil's view, the United States exceeded its commitment levels in each of the years 1999-2001 as well as in 2002 and 2004-2005.

Concerning export credit guarantees, Brazil seeks consultations on various US export credit guarantee programmes, which it claims result in possible inconsistencies with Articles 3.3, 8, 9.1 and 10.1 of the Agreement on Agriculture and also Articles 3.1(a) and 3.2 of the SCM Agreement, because, in Brazil's view, the United States makes available export credit guarantees on terms more favourable than those which are otherwise available in the market.

During July 2007, Canada, Guatemala, Costa Rica, Mexico, the European Communities, Argentina, Australia, India, Nicaragua and Thailand requested to join the consultations. Subsequently, the United States informed the DSB that it had accepted these requests.

On 8 November 2007, Canada and Brazil each requested the establishment of a dispute panel. On 15 November, Canada withdrew its first request to establish a panel dated 7 June 2007. At its meeting on 27 November, the DSB deferred the establishment of a panel. Further to a second request to establish a panel from both Canada and Brazil, the DSB established a single panel at its meeting on 17 December. An interest in the case was declared by Argentina, Australia, Chile, China, the European Communities, India, Japan, Mexico, New Zealand, Nicaragua, South Africa, Chinese Taipei and Thailand, who reserved their third-party rights. Subsequently, Turkey and Uruguay reserved their third-party rights.

China – Certain measures granting refunds, reductions or exemptions from taxes and other payments, complaint by the United States (WT/DS358)

On 2 February 2007, the United States requested consultations with China concerning measures granting refunds, reductions or exemptions from taxes and other payments owed to the Government by enterprises in China.

The United States considers the measures in question to be inconsistent with Article 3 (Prohibition) of the Subsidies and Countervailing Measures (SCM) Agreement in that they provide refunds, reductions or exemptions to enterprises in China on the condition that those enterprises purchase domestic over imported goods, or on the condition that those enterprises meet certain export performance criteria. The United States also claims that the measures accord imported products treatment less favourable than that accorded to "like" domestic products and so are inconsistent with Article III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994 and Article 2 (National Treatment and Quantitative Restrictions) of the Trade-Related Investment Measures (TRIMs) Agreement.

The United States also claims that the measures do not comply with China's obligations in its Accession Protocol, which forms part of the terms of accession agreed between China and the WTO as an integral part of the WTO Agreement.

Australia, the European Communities, Japan and Mexico requested to join the consultations. China informed the DSB that it had accepted these requests.

On 27 April 2007, the United States requested supplemental consultations to take into account China's recently adopted new income tax law. Australia, Canada, the European Communities, Japan and Mexico requested to join the supplemental consultations. China informed the DSB that it had accepted these requests.

On 12 July 2007, the United States requested the establishment of a dispute panel. At its meeting on 31 August, the DSB established a single panel for this dispute and dispute WT/DS359 (see below). An interest in the case was declared by Australia, Canada, Chile, the European Communities, Japan, Chinese Taipei and Turkey, who reserved their third-party rights. Subsequently, Argentina, Colombia and Egypt reserved their third-party rights.

On 19 December 2007, China and the United States informed the DSB that they had reached an agreement in relation to this dispute, in the form of a memorandum of understanding.

China – Certain measures granting refunds, reductions or exemptions from taxes and other payments, complaint by Mexico (WT/DS359)

On 26 February 2007, Mexico requested consultations with China concerning measures granting refunds, reductions or exemptions from taxes and other payments owed to the Government by enterprises in China. Mexico considers the measures in question to be inconsistent with Article 3 (Prohibition) of the Subsidies and Countervailing Measures (SCM) Agreement, Article III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994 and Article 2 (National Treatment and Quantitative Restrictions) of the Trade-Related Investment Measures (TRIMs) Agreement. Mexico also claims that the measures do not comply with China's obligations under its Accession Protocol, which forms part of the terms of accession agreed between China and the WTO as an integral part of the WTO Agreement.

Australia, the European Communities, Japan and the United States requested to join the consultations. China informed the DSB that it had accepted these requests.

On 4 May 2007, Mexico requested supplemental consultations to take into account China's recently adopted new income tax law. Australia, Canada, the European Communities, Japan and the United States requested to join the supplemental consultations. China informed the DSB that it had accepted these requests.

On 12 July 2007, Mexico requested the establishment of a dispute panel. At its meeting on 31 August, the DSB established a single panel for this dispute and dispute WT/DS358. An interest in the case was declared by Australia, Canada, Chile, the European Communities, Japan, Chinese Taipei and Turkey, who reserved their third-party rights. Subsequently, Argentina, Colombia and Egypt reserved their third-party rights.

India – Additional and extra-additional duties on imports from the United States, complaint by the United States (WT/DS360)

On 6 March 2007, the United States requested consultations with India with respect to "additional duties" or "extra additional duties" that India allegedly applies to imports from the United States. These include wines and distilled products. The United States claims that the measures are inconsistent with Article II:1 (Schedules of Concessions) and Article III:2 and III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994.

On 16 and 21 March 2007 respectively, the European Communities and Australia requested to join the consultations. Subsequently, India informed the DSB that it had accepted the request of the European Communities.

On 24 May 2007, the United States requested the establishment of a dispute panel. At its meeting on 20 June, the DSB established the panel. An interest in the case was declared by Australia, Chile, the European Communities, Japan, and Viet Nam, who reserved their third-party rights.

On 3 July 2007, the dispute panel was composed. On 17 December, the Chair of the Panel informed the DSB that due to the complexity of the dispute, and the administrative and procedural matters involved, the Panel was not able to complete its work in six months. The Panel expected to issue its final report to the parties in March 2008.

China – Measures affecting the protection and enforcement of intellectual property rights, complaint by the United States (WT/DS362)

On 10 April 2007, the United States requested consultations with China concerning certain measures pertaining to the protection and enforcement of intellectual property rights in China.

The four matters on which the United States requests consultations are: (i) the thresholds that must be met in order for certain acts of trademark counterfeiting and copyright piracy to be subject to criminal procedures and penalties; (ii) goods that infringe intellectual property rights that are confiscated by Chinese customs authorities, in particular the disposal of such goods following removal of their infringing features; (iii) the scope of coverage of criminal procedures and penalties for unauthorized reproduction or unauthorized distribution of copyrighted works; and (iv) the denial of copyright and related rights protection and enforcement to creative works of authorship, sound recordings and performances that have not been authorized for publication or distribution within China. The United States claims that the four above-mentioned matters are inconsistent with various provisions of the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement.

On 20 April 2007, Japan requested to join the consultations. On 25 April, Canada and the European Communities requested to join the consultations. On 26 April, Mexico requested to join the consultations. Subsequently, China informed the DSB that it had accepted these requests.

On 13 August 2007, the United States requested the establishment of a dispute panel. At its meeting on 25 September, the DSB established a panel. An interest in the case was declared by Argentina, the European Communities, Japan, Mexico and Chinese Taipei, who reserved their third-party rights. Subsequently, Australia, Brazil, Canada, India, Republic of Korea, Thailand and Turkey reserved their third-party rights. On 3 December, the United States requested the Director-General to compose the dispute panel, which was subsequently composed on 13 December.

China – Measures affecting trading rights and distribution services for certain publications and audiovisual entertainment products, complaint by the United States (WT/DS363)

On 10 April 2007, the United States requested consultations with China concerning certain measures that allegedly restrict trading rights with respect to imported films for theatrical release, audiovisual home entertainment products (e.g. video cassettes and DVDs), sound recordings and publications (e.g. books, magazines, newspapers and electronic publications). The request also concerned certain measures that allegedly restrict market access for, or discriminate against, foreign suppliers of distribution services for publications and foreign suppliers of audiovisual services (including distribution services) for audiovisual home entertainment products.

The United States claims that there are possible inconsistencies with China's Protocol of Accession, the GATT 1994 or the General Agreement on Trade in Services (GATS) in relation to the two types of measures referred to above.

On 25 April 2007, the European Communities requested to join the consultations. Subsequently, China informed the DSB that it had accepted this request. On 10 July, the United States requested supplemental consultations. On 20 July, the European Communities requested to join the supplemental consultations.

On 10 October 2007, the United States requested the establishment of a dispute panel. At its meeting on 27 November, the DSB established the panel. An interest in the case was declared by the European

Communities and Japan, who reserved their third-party rights. Subsequently, Australia, Republic of Korea and Chinese Taipei reserved their third-party rights.

Colombia – Indicative prices and restrictions on ports of entry, complaint by Panama (WT/DS366)

On 12 July 2007, Panama requested consultations with Colombia on indicative prices applicable to specific goods and restrictions on ports of entry for certain goods allegedly contrary to various provisions of the GATT 1994 and the Agreement on Customs Valuation.

Between 24 and 27 July 2007, Honduras, Guatemala and Chinese Taipei requested to join the consultations. Subsequently, Colombia informed the DSB that it had accepted these requests.

On 14 September 2007, Panama requested the establishment of a dispute panel. At its meeting on 22 October, the DSB established the panel. An interest in the case was declared by Ecuador, the European Communities, Guatemala, Honduras, India, Chinese Taipei and the United States, who reserved their third-party rights. Subsequently, China and Turkey reserved their third-party rights.

Australia – Measures affecting the importation of apples from New Zealand, complaint by New Zealand (WT/DS367)

On 31 August 2007, New Zealand requested consultations with Australia concerning measures imposed by Australia on the importation of apples from New Zealand. New Zealand considers that these restrictions are inconsistent with Australia's obligations under various provisions of the Sanitary and Phytosanitary Measures Agreement.

On 13 and 14 September 2007 respectively, the European Communities and the United States requested to join the consultations. Subsequently, Australia informed the DSB that it had accepted these requests. On 6 December, New Zealand requested the establishment of a dispute panel. At its meeting on 21 January 2008, the panel was established by the DSB. An interest in the case was declared by Chile, the European Communities, Japan, Chinese Taipei and the United States, who reserved their third-party rights.

Table 2.7: Requests for consultations

<i>Dispute</i>	<i>Complainant</i>	<i>Date of request</i>
United States – Subsidies and other Domestic Support for Corn and other Agricultural Products; United States – Domestic Support and Export Credit Guarantees for Agricultural Products (WT/DS357, WT/DS365)	Canada (WT/DS357) Brazil (WT/DS365)	8 January 2007
European Communities – Regime for the Importation of Bananas (WT/DS361)	Colombia	21 March 2007
European Communities – Regime for the Importation of Bananas (WT/DS364)	Panama	22 June 2007
United States – Preliminary Anti-Dumping and Countervailing Duty Determinations on Coated Free Sheet Paper from China (WT/DS368)	China	14 September 2007
European Communities – Certain Measures Prohibiting the Importation and Marketing of Seal Products (WT/DS369)	Canada	25 September 2007

Appellate Body

The Appellate Body consists of seven members appointed by the Dispute Settlement Body (DSB) for a term of four years, with the possibility of being reappointed for one further four-year term. Giorgio Sacerdoti (Italy) served as Chair of the Appellate Body from 17 December 2006 to 16 December 2007. On 16 December 2007, Appellate Body members elected Luiz Olavo Baptista (Brazil) to serve as Chair of the Appellate Body from 18 December 2007 to 17 December 2008.

Yasuhei Taniguchi's second term of office expired on 10 December 2007. Merit E. Janow (United States), whose first term of office expired on the same day, informed the DSB that she would not seek reappointment for a second term. The second terms of office of A.V. Ganesan (India) and Georges Abi-Saab (Egypt) expire on 31 May 2008.

On 20 June 2007, the DSB agreed to undertake a single selection process for appointing Appellate Body members to the two positions for which the terms of office would expire in December 2007 and the two positions for which the terms of office expire in May 2008. The DSB established a Selection Committee, which consisted of the Director-General and the 2007 Chairs of the DSB, General Council, Goods Council, Services Council, and TRIPS Council.

The DSB set 31 August 2007 as the deadline for WTO members to nominate candidates. Nine nominations were received. Benin, Japan, Korea, Pakistan and the Philippines nominated one candidate each, and China and the United States each nominated two candidates. The Selection Committee held interviews with the nominated candidates and received the views of delegations. On 27 November, upon the recommendation of the Selection Committee, the DSB appointed Lilia R. Bautista (Philippines) and Jennifer Hillman (United States) to begin their terms of office on 11 December 2007 and appointed Shotaro Oshima (Japan) and Yuejiao Zhang (China) to begin their terms of office on 1 June 2008. Ms Bautista and Ms Hillman were sworn in on 17 December 2007.

Lilia R. Bautista was born in the Philippines on 16 August 1935. She was recently consultant to the Philippine Judicial Academy, which is the training school for Philippine justices, judges and lawyers. She is also a member of several corporate boards.

Ms Bautista was the Chairperson of the Securities and Exchange Commission of the Philippines from 2000 to 2004. Between 1999 and 2000, she served as Senior Undersecretary and Special Trade Negotiator at the Department of Trade and Industry in Manila. From 1992 to 1999, she was the Philippine Permanent Representative in Geneva to the United Nations, the WTO, the World Health Organization, the International Labour Organization, and other international organizations. During her assignment in Geneva, she chaired several bodies, including the WTO Council for Trade in Services. Her long career in the Philippine Government also included posts as Legal Officer in the Office of the President, Chief Legal Officer of the Board of Investments, and acting Trade Minister from February to June 1992.

Ms Bautista earned her Bachelor of Laws Degree and a Masters Degree in Business Administration from the University of the Philippines. She was conferred the degree of Master of Laws by the University of Michigan as a Dewitt Fellow.

Jennifer Hillman was born in the United States on 29 January 1957 and serves as a Fellow and Adjunct Professor of Law at the Georgetown University Law Center's Institute of International Economic Law. Her work focuses on the WTO dispute settlement system, the WTO agreements related to trade remedies and WTO jurisprudence related to trade remedies.

From 1998 to 2007, she served as a member of the United States International Trade Commission – an independent, quasi-judicial agency responsible for making determinations in anti-dumping and countervailing proceedings, and conducting safeguard investigations. From 1995 to 1997, she served as Chief Legal Counsel to the United States Trade Representative, overseeing the legal developments necessary to complete the implementation of the Uruguay Round Agreement. From 1993 to 1995, she was responsible for negotiating all United States bilateral textile agreements prior to the adoption of the Agreement on Textiles and Clothing.

Ms Hillman has a Bachelor of Arts and Master of Education from Duke University, North Carolina, and a Juris Doctor degree from Harvard Law School in Cambridge, Massachusetts.

Shotaro Oshima was born in Japan on 20 September 1943 and is a law graduate from the University of Tokyo, with almost 40 years experience as a diplomat in Japan's Foreign Service, most recently as Ambassador to the Republic of Korea.

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

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

Ms Zhang served as a Board Director to the West African Development Bank from 2005 to 2007. Between 1998 and 2004, she held various senior positions at the Asian Development Bank (ADB), including as Assistant General Counsel, Co-Chair of the Appeal Committee, and Director-General of the ADB. Prior to this, she held several positions in government and academia in China, including as Director-General of Law and Treaties at the Ministry of Foreign Trade and Economic Cooperation (1984–97), where she was involved in drafting many of China's trade laws, such as the Foreign Trade Law, the Anti-Dumping Regulation and the Anti-Subsidy Regulation.

From 1987 to 1996, she was one of China's chief negotiators on intellectual property. She also served as the chief legal counsel for China's WTO accession. Between 1982 and 1985, Ms Zhang worked as legal counsel at the World Bank. She was a Member of the Governing Council of UNIDROIT (International Institute for the Unification of Private Law) from 1987 to 1999.

Ms Zhang has a Bachelor of Arts from China High Education College, a Bachelor of Arts from Rennes University of France, and a Master of Laws from Georgetown University Law Center.

Dispute Settlement Understanding

To facilitate "work towards a rapid conclusion of the negotiations" on improvements and clarifications of the Dispute Settlement Understanding (DSU), the Chair of the DSB Special Session held a series of substantive consultations with WTO members in the first half of 2007 on issues for which revised drafting proposals had been recently submitted. The proposals related to compensation and suspension of concessions, flexibility and member control, panel composition, post-retaliation, remand, sequencing, special and differential treatment, strictly confidential information, third-party rights, time savings and transparency.

In the second half of 2007, the Chair of the DSB Special Session launched a new stage in the negotiations. This new stage consisted of further substantive consultations among interested members aimed at bridging the gaps between members' positions concerning revised drafting proposals addressed in the consultations in the first half of 2007.

Throughout the year, each set of substantive consultations ended with a brief informal meeting of the DSB Special Session, where the Chair reported back to the full membership on progress made in the consultations, and regularly discussed future steps in the negotiations.

8. Trade Policy Reviews

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

Reviews are conducted in the Trade Policy Review Body (TPRB), a full-membership body of equal ranking to the General Council and the Dispute Settlement Body. During 2007, the TPRB was chaired by Ambassador Vesa Himanen (Finland).

The four largest trading entities (at present, the European Communities, the United States, China and Japan) are reviewed every two years; the next 16 largest trading partners every four years; and the remaining WTO members every six years, with a longer interval envisaged for least-developed countries. It has been agreed that these intervals may, if necessary, be applied with a flexibility of six months' extension.

During 2007, the TPRB carried out 18 reviews of the following members (listed in chronological order): Chad; Japan; Argentina; the European Communities; Australia; Canada; Costa Rica; Macao, China; India; Central African Republic; Indonesia; Bahrain; Panama; Cameroon and Gabon; Peru; Organization of East Caribbean States (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines); Thailand; and Turkey. The Chair's concluding remarks for these reviews are included in Annex I. The programme for 2008 comprises 16 reviews, including China for the second time and the United States for the ninth time.

By the end of 2007, a total of 248 reviews had been conducted, covering 133 WTO members. Of these, Canada, the European Communities, Japan and the United States had each been reviewed eight times. Five reviews had been undertaken of four members: Australia; Hong Kong, China; Indonesia; and Thailand. Eight members (Brazil, India, Republic of Korea, Malaysia, Norway, Singapore, Switzerland and Turkey) had been reviewed four times. Three reviews had been undertaken of 22 members and two reviews of 38 members. Over the past few years, greater focus has been placed on reviews of least-developed countries (LDCs). By the end of 2007, TPRs had covered 27 of the 32 LDCs that are WTO members.

In an appraisal of the operation of the TPR mechanism undertaken in 2005 and presented to the Sixth Ministerial Conference in Hong Kong, China, members found that the mechanism was functioning effectively and that its mission and objectives remained important. In 2007 a new appraisal was started, to be completed by early 2008.

Documents distributed for reviews are available to all delegations of WTO members. Press briefings are held regularly by the Chair or the Director of the Trade Policies Review Division and in some cases by the member under review. The summary observations of the Secretariat Report, the WTO press release, the Concluding Remarks by the Chair and the TPR reports (both by the member under review and the Secretariat) are made available on the WTO web site. TPR reports are published on behalf of the WTO by Bernan Associates to ensure a wide and efficient distribution of the reports.

Trade Policy Reviews in 2007

The concluding remarks by the Chair of the Trade Policy Review Board for the 18 countries reviewed in 2007 are provided below.

Chad

This first Trade Policy Review of Chad has fostered a better understanding of its economic environment and of the challenges it faces. Our discussions have benefited from the engagement of the delegation of Chad, led by His Excellency Mr Youssouf Abassalah, Minister of Trade and Handicraft, the excellent contributions of the discussant, Ambassador Feyder, and interventions by members.

Members noted the strong economic growth that accompanied the development of oil production by Chad, and encouraged it to further redirect oil revenues into priority projects to improve its Human Development Index; its GDP per capita doubled between 2002 and 2004. They suggested incorporating trade policy elements into Chad's Poverty Reduction Strategy Paper, and linking them to such issues as sustainable development and protecting the environment. The Darfur crisis has had a severe influence on the Chadian economy. Plans to improve the business environment, including measures to address governance issues and promote investment, and adoption of an Investment Charter would be welcome. Members were interested in the degree of trade integration within the Central African Economic and Monetary Community and the Economic Community of Central African States, and in the advancement of negotiations on an Economic Partnership Agreement with the European Communities.

Members enquired about Chad's technical assistance needs in trade facilitation, and in customs-related areas. They urged Chad to simplify its registration and customs procedures, terminate its recourse to minimal import values, and fully implement the WTO Agreement on Customs Valuation. Members invited Chad to reduce its high border taxation and noted that in doing so it would better comply with its WTO commitments, which could be improved. Many duties and taxes are imposed on imports despite being bound by Chad at zero. Concerns were expressed about the imposition of various export taxes. Members encouraged Chad to fulfil its notification obligations, including on an updated version of its tariff, and on TBT (technical barriers to trade) and SPS (sanitary and phytosanitary) measures. Interest was expressed in the announced competition law.

Members encouraged Chad to liberalize its services sector (including the privatization of SOTEL Tchad), as it has a central role in the performance of the economy. Such liberalization, together with increased productivity in agriculture (80 per cent of total employment) and further reforms in the cotton subsector (including the Cotonchad company), should contribute to the diversification of the economy and sustain growth. Other issues of interest to members include structural reforms (e.g. privatization of State monopolies); application of internal taxes to imports and domestic production; government procurement; intellectual property protection; and the creation of a domestic refinery.

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

In conclusion, Chad's future economic performance remains dependent upon its socio-political stability and the strengthening of its diversification efforts. Full implementation of the WTO Agreements by Chad and improvement of its multilateral commitments on goods and services would enhance the transparency and predictability of its trade regime, and help to attract the foreign direct investment needed for diversification purposes. I urge both the WTO membership and the Secretariat to be receptive to Chad's assistance needs. Such assistance, together with economic reforms and further multilateral trade liberalization (including in the cotton subsector), would help it to better integrate into the multilateral trading system.

Japan

The eighth Trade Policy Review of Japan has been informative and open, thus contributing to a much enhanced understanding of Japan's trade and related policies. Our discussions have greatly benefited from the active engagement of the Japanese delegation led by Ambassador Yokota, from the insightful contributions by the discussant, Ambassador Valles Galmés, and from thoughtful interventions made by a large number of WTO members.

Members were encouraged by the continued growth of Japan's economy (the second largest in the world), which is important for the prosperity of the world economy and the expansion of trade. Members recognized that the multilateral trading system, by keeping foreign markets open to Japan's exports, contributed greatly to its economic growth. However, they enquired whether the sustainability of Japan's recovery might be undermined by, for example, the combination of high public debt and a rapidly aging population. Members encouraged Japan to continue its reform process and improve its market access, particularly in agriculture.

Members welcomed Japan's active role in the multilateral trading system, particularly its strong support for the Doha Development Agenda (DDA). In this respect, members commended Japan for providing trade-related technical assistance and capacity-building initiatives to developing and least developed countries, as well as financial assistance with respect to "aid for trade". Members also expressed their appreciation for the preferential market access provided by Japan to developing countries and LDCs, and its commitment to provide duty-free and quota-free market access for products from LDCs (least-developed countries); they encouraged

Japan to open further its market in respect of exports from these countries. Members also noted Japan's increasing involvement in bilateral/regional trading arrangements; they urged Japan to ensure that these arrangements are fully compatible with the multilateral system.

Members expressed their appreciation for steps taken by Japan to liberalize further its trade regime. Many imports enter Japan duty-free or at low tariff rates and most applied rates coincide with the bound rates, imparting a high degree of predictability to the tariff. However, Japan's tariff structure remains complex, involving significant tariff peaks (often involving non-ad valorem rates) and, for some products, tariff quotas. These mainly involve agricultural and food products, textiles and clothing, and leather and leather products. Members expressed their concern about the recent decrease in the share of overseas goods and services in Japan's government procurement and encouraged Japan to promote foreign participation in its government procurement. Steps to strengthen intellectual property rules and to expedite registration procedures for patents were welcomed.

While appreciating Japan's moves to harmonize its standards and technical regulations with international norms, and further accepting foreign test results, many members expressed concern over the level of complexity and transparency in Japan's sanitary and phytosanitary (SPS) measures, technical regulations, and standards. Some members raised questions on national treatment with regard to the application of SPS measures. They encouraged Japan to employ these measures in the least trade-restrictive manner.

Members welcomed Japan's recent strengthening of competition policy. Members also appreciated continued enhancement of transparency and progress in regulatory reforms, as provided for in the Government's three-year programme and the Special Zones for regulatory reform. In addition, members enquired about factors discouraging inward foreign direct investment (FDI), which remains relatively low. Members appreciated the progress in privatizing public services, particularly Japan Post; they encouraged Japan to ensure a level playing field in the markets concerned (e.g. banking, insurance).

On agriculture, members were interested in Japan's plan to move away from price support to income support; at the same time, they were concerned that the level of domestic support for agriculture was apparently as large as the sector's contribution to GDP. Many members were concerned about Japan's use of import quotas on fish. On manufacturing, members were interested in Japan's plans to promote particular sectors. Members appreciated reforms in the energy and services sectors, particularly, in financial services, telecommunications, and legal services. Members expressed their belief that reforms should continue with a view to enhancing competition not only in these services, but also in transport, medical, and educational services.

In closing, I would like to thank the Japanese delegation for the oral and written responses provided during the meeting; we all look forward to receiving answers on outstanding questions. The keen interest shown by members in this review, with the large number of advance written questions, numerous interventions and high attendance, reflects the importance that members attach to Japan's role in the multilateral trading system. It also demonstrates the value of the TPRM even for members that, like Japan, maintain relatively open and transparent trade and investment regimes. This review has highlighted a number of possible improvements to Japan's trade regime, many of which could be brought about as part of the DDA negotiations. In this regard, I am encouraged by the statement by Japan that its long-run economic interests have been very well served by its commitment to the multilateral trading system. I also hope that Japan will take to heart the concerns expressed by members, particularly with regard to its policies on agriculture, tariff and non-tariff measures, sanitary and phytosanitary measures, government procurement, and FDI.

Argentina

This third Review of the trade policies of Argentina has contributed to a much better understanding of their evolution during a particularly eventful period for the Argentine economy. We owe this to the active participation of Ambassadors Stancanelli and Dumont as well as of the rest of the Argentine delegation; to the insightful interventions by the discussant, Ambassador Gosper; and to the engagement of the many members which took part in this exercise.

Members unanimously congratulated Argentina on its remarkable economic recovery since 2003, following one of the country's most severe economic crises in modern history. They expressed great satisfaction for Argentina's success in reducing unemployment and poverty, and for the clear improvements in the internal and external balances. However, several members expressed concern about the long-term sustainability of Argentina's economic policy mix, noting that reliance on administrative measures to control inflation might

provide temporary relief but risked building supply and demand imbalances and undermining the investment climate. Argentina was thus invited to consider removing temporary measures, and to rely to a greater extent on market forces to allocate resources.

Members noted that the investment regime is generally open but encouraged Argentina to enhance investor confidence. To achieve this, Argentina could expand its GATS (General Agreement on Trade in Services) commitments, which members observed covered only 6 of the 12 sectors specified in the GATS. Closing the considerable gap between applied and bound tariffs would also bring greater predictability to the trade and investment regime. The DDA offers Argentina an excellent opportunity to seek such improvements, while buttressing the international trading environment within which Argentina plays an important role as an exporter of agricultural commodities and, increasingly, of industrial products. In this regard, Members pointed out that Argentina has much to gain from a successful conclusion of the DDA, recognizing at the same time Argentina's very active participation in the WTO and the current negotiations.

Members commended Argentina for having lowered its average applied tariff since its last Review while expressing concern with respect to the use and impact of export taxes. Argentina emphasized that export taxes are intended to comply with financial obligations, and that there is no definite target date for their elimination. Members acknowledged that these taxes were an important source of fiscal revenue but noted that export taxes can distort trade patterns and have a negative impact on trading partners.

Relying to members' queries, Argentina indicated that imports receive national treatment on the application of internal taxes and that local-content requirements linked to incentive schemes were not mandatory. Argentina also provided information on its import licensing regime, government procurement procedures, and certain IPR-related issues, with members recognizing Argentina's efforts to improve IPR protection.

In response to questions concerning agriculture, Argentina indicated that export restrictions are no longer in place, and described new measures being introduced to prevent increases in the consumer price of certain food items. On fuel-related matters, Argentina explained the causes for the restrictions on natural gas exports, noting that by law national demand must be met first. Also provided were clarifications concerning various aspects of insurance and professional services, as well as cabotage restrictions and exceptions in air and maritime transport. Members expressed their appreciation for the extensive responses and explanations provided by the Argentine delegation.

In conclusion, members welcomed Argentina's economic recovery and the marked improvement in its key social indicators since 2003. Members also encouraged Argentina to pursue policies that would ensure the sustainability of growth and allow the fulfilment of its potential. Sound foundations for this can be established by building such policies on the WTO principles of transparency, predictability and non-discrimination. This would also befit Argentina's strong historical support for the multilateral trading system. In this regard, we look forward to Argentina's continuous and constructive role in the DDA.

European Communities

This eighth Trade Policy Review of the European Communities (EC) has allowed us to improve our understanding of its trade and related policies and their developments since its previous Review in 2004. We owe this to the active participation of Deputy Director General of DG Trade, Mr. Peter Balás, and his delegation. Our thanks are also due to our discussant, Ambassador Claudia Uribe, for her insightful contribution to our discussions, and the engagement of many delegations.

Members welcomed the EC's recent positive overall economic performance following the economic slowdown in 2001-03. They hoped that the recovery would be sustained given the positive impact this might have on unemployment and the long-term sustainability of public debt within the EC, and on the world economy in general. Members recognized the EC's continuing commitment to, and active participation in the WTO, including the DDA negotiations. They expressed appreciation for the EC's substantial contribution to technical cooperation, and for its non-reciprocal preferences to developing countries. Nonetheless, several members raised concerns about the EC's already extensive network of preferential trade agreements and its decision to launch new negotiations that could further complicate its regime and divert trade; the EC was exhorted to ensure that its RTAs are complementary to the multilateral trading system.

Members commended the EC on its liberal trade regime for non-agricultural products. Nevertheless, some Members indicated that despite an increase in the exposure of farmers to world market signals due to the implementation of the 2003 Common Agricultural Policy (CAP), mainly through the decoupling of payments from production, agriculture remains protected by a complex tariff structure, high tariffs, tariff quotas (with unfilled quotas), and benefits from high levels of domestic support and export subsidies. They argued that the reduction or elimination of such measures, through the further liberalization of the CAP, would benefit EC consumers, improve resource allocation, and contribute to global economic growth. Several members also showed interest in the EC's specific regimes on, inter alia, tobacco, olive oil, cotton, bananas, and sugar.

Various members raised concerns about the active use of contingency trade remedies by the EC; its regime on technical barriers to trade and SPS measures, particularly the new REACH system for chemicals; its state aid and subsidies programmes; its classification of ITA products; and about the lack of harmonization within the EC in areas, such as internal tax rates and standards. Other issues of interest to members included the EC's enlargement to 27 countries; its new legislation on public procurement; the European Globalization Fund; business regulation and competition policy; protection of intellectual property rights; the dismantling of the remaining barriers to trade in services both at the intra-EC level and vis-à-vis third countries; and its regimes on, inter alia, fisheries, energy, financial services, telecommunications, and transport.

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

In conclusion, the active involvement of a large number of members in this Review reflects the key role that the EC plays in the multilateral trading system. Members have shown appreciation to the EC for maintaining its market largely open as it is the world's leading exporter and the second-largest importer of goods, and the first exporter and importer of commercial services. It seems that the main area where many members would like to have the EC's positive and prompt response is agriculture. members encourage the EC to pursue its trade liberalization policy, both on goods and services, on a multilateral basis; in particular, liberalization of agriculture would, inter alia, reinforce its support for developing countries.

Australia

The fifth Trade Policy Review of Australia has contributed to a much better understanding of recent developments in Australia's trade and trade-related policies. I thank Mr. Langman and his delegation as well as the discussant, Ambassador Sun Zhenyu of China, and members of the TPRB for contributing to our fruitful exchange of views. Australia's responses to the questions posed by the discussant as well as members was also appreciated.

Members acknowledged the high degree of transparency in the formulation and evaluation of Australia's economic policies. Transparency has contributed to the continued process of reform, which in turn has contributed to Australia's strong GDP growth over the past 15 consecutive years. Trade liberalization, much of it unilateral, has played an integral part in the reform. Australia's economy is now among the most open in the world. Australia's prudent macroeconomic policies have helped to strengthen the economy's resilience to external shocks. Accordingly, the inflation rate has been kept, by and large, within the Central Bank's targeted range. Both the Commonwealth and the state governments have achieved fiscal surpluses, and net government debt has been eliminated. In addition, unemployment has fallen to its lowest level since the 1970s.

Members welcomed Australia's active role in the multilateral trading system, particularly its strong support for the Doha Development Agenda. At the same time, they remarked on Australia's increasing involvement in bilateral/regional trading arrangements, and urged Australia to ensure that these arrangements are fully compatible with the multilateral trading system.

Members acknowledged Australia's low level of applied tariff protection, and welcomed its unilateral reduction of tariffs for passenger motor vehicles and textiles, clothing and footwear in 2005. Despite the cuts in tariffs applied to these products, their rates remain considerably higher than the average applied MFN (most-favoured nation) rate. Some members enquired about plans to reduce tariff protection (and other assistance) to these industries. Several members remarked that more than 40% of Australia's bound rates exceeded applied MFN rates by at least five percentage points, thereby imparting a degree of unpredictability to the tariff. However, Australia has not raised any tariffs during the review period. Members also expressed their concern on tariff escalation, which could impede developing countries' industrialization.

Several members urged Australia to reassess its position as the only major industrialized country that is not a signatory to the WTO Agreement on Government Procurement. Certain members raised questions concerning protection of intellectual property rights. Members also remarked on the continued progress in competition policy and regulatory reform, especially with regard to infrastructure services.

Several members expressed their concern on the screening procedures for foreign direct investment. They also sought clarification on Australia's foreign investment regulations, particularly with regard to mining, which has been one of the major driving forces behind Australia's recent economic growth.

Although agriculture accounts for a relatively small share of GDP, it has played a much bigger role in exports. Several members noted that a review of the single-desk arrangement for exports of a few agricultural products has been recommended under Australia's National Competition Policy, and urged Australia to consider eliminating this arrangement. On agricultural imports, members pointed out the strictness of Australia's SPS requirements and voiced concern over their trade restrictiveness and the lengthiness of related procedures; however, they also noted steps taken by the authorities to improve import risk analyses.

Given that services dominate Australia's economy, certain members remarked that Australia's commitments made in RTAs in some specific sectors go beyond its GATS commitments. They also acknowledged liberalization in financial, telecommunications, and transportation services and sought clarification on plans to further liberalize these and other services.

This Review has been very useful in giving members an overview of Australia's trade policies and practices and the challenges it faces. I would once again like to thank the Australian delegation, the discussant, members, and the Secretariat for contributing to a very enlightening two days of discussions. We look forward to receiving Australia's outstanding responses within the next month.

Canada

This Trade Policy Review has led to an open and frank discussion between Canada and its trading partners, and illustrated the contribution that an open and transparent trade regime can make to achieving and maintaining high living standards. We owe the success of this Review to the participation of Director-General Salembier, Ambassador Stephenson, and the rest of the Canadian delegation, the forthright and refreshing comments by our discussant, Ambassador Matus, and the active involvement of many members.

Members commended Canada for its impressive economic performance since its last Review in 2003. They attributed this to the implementation of sound macroeconomic policies and the flexibility afforded by Canada's open trade regime. However, noting that productivity growth has been lagging behind other OECD economies, members encouraged Canada to take further steps to eliminate remaining trade and investment barriers. In this context, Canada indicated that it has recently introduced Advantage Canada, a long-term plan to improve its economic prosperity.

Members welcomed Canada's active participation in the WTO, praising its constructive involvement in the DDA. Canada reiterated that the DDA remains its top trade policy priority. Canada was also commended for its significant contribution to trade-related technical assistance and capacity building. Members acknowledged the value of Canada's wide-ranging unilateral initiative to enhance market access for LDC exports, and some asked Canada to consider extending unilateral preferences to other members.

Members questioned certain aspects of Canada's foreign investment regime, including review criteria, ownership limitations, and residency requirements for directors. Several specific references were made to foreign investment restrictions in telecommunications and air transport. In response, Canada indicated that it is aware of the benefits of further liberalization and that Advantage Canada contemplated the reduction of investment barriers. Some members also made calls for Canada to continue to take steps to facilitate its internal trade through increased regulatory coherence among different levels of government.

Members commended Canada for its low tariffs overall and significant number of duty-free tariff lines. Concern was expressed about tariff escalation and tariff peaks. Issues were raised about the time and requirements necessary to clear customs and obtain visas. The reduction in the use of anti-dumping measures was seen as positive, and hope was expressed that this trend would continue. Some technical regulations, for example certain packaging and labelling requirements, are considered overly onerous.

Members asked Canada to ensure that internal taxes on wine and beer do not discriminate against imports. On government procurement, several members expressed interest in securing greater access to procurement opportunities at the sub-federal level. Canada provided answers to a number of questions on IPR-related issues, including copyrights, patents, geographical indications, and enforcement.

While members commended Canada's efforts to promote agricultural reform in the DDA, concern was expressed about protection afforded to certain, mainly supply-managed products. Disappointment was also expressed concerning proposed changes to Canada's dairy import regime, which will further distance parts of the agri-food sector from the market-based solutions that have worked so well in other areas. In this respect, Canada indicated that the supply management system has served its interests well and that it has no plans to put time limits on it. On the other hand, members appreciated recent reform proposals for the Canadian Wheat Board and encouraged Canada to proceed with such reform.

In conclusion, this eighth Trade Policy Review of Canada has provided an opportunity to revisit issues considered in earlier reviews, and discuss the evolution of Canadian trade policies and practices since 2003. This Review has confirmed Canada's steadfast commitment to the TPRM and, more generally, to the multilateral trading system. Canada's sound economic policies and outward-oriented trade regime have allowed its economy to adapt and prosper in the face of various external shocks. However, there remain a number of areas where reforms would both be beneficial for Canada and help to strengthen international trade, which Canada acknowledged is integral to its continued prosperity. I would thus encourage Canada, and all members, to take further political risks in the DDA in order to achieve a mutually beneficial outcome to these negotiations.

I would like to close this meeting by thanking once again the Canadian delegation, the discussant, and the numerous members that took part in this meeting for contributing to an informative and engaging review. I would also like to express my appreciation to the Canadian delegation for the oral and written responses provided during the meeting; we look forward to receiving Canada's outstanding responses within the next month.

Costa Rica

Costa Rica's third Trade Policy Review has offered a better understanding of the evolution of its trade policies over the last six years together with the challenges that it currently faces. I thank Ms. Castro, Ambassador Saborío, and the rest of the Costa Rican delegation, as well as the discussant, Ambassador Glenne, and the members that took part in this exercise for contributing to a fruitful exchange of views.

Members commended Costa Rica for the overall direction of its economic policies, solid growth record and efforts to control inflation, but noted that the fiscal deficit remains a challenge. Members warmly praised Costa Rica's commitment to the WTO, including its staunch support for the principle of non-discrimination and its active and constructive participation in the DDA. Indeed, Costa Rica was described as a model for how small economies can take advantage of trade liberalization and the multilateral trading system to support growth and development. Costa Rica mentioned the steps it had recently taken to bring up to date its notifications to the WTO.

Members noted Costa Rica's involvement in regional trade agreements, and in particular its participation in the CACM and possible membership in the CAFTA-DR. Costa Rica noted that the decision on whether to approve the CAFTA-DR would be taken to a referendum this year. If approved, Costa Rica would need to make significant legislative changes to comply with the CAFTA-DR. To ensure that this process helps to strengthen the WTO, members considered it important that any liberalization be bound at the multilateral level, and invited Costa Rica to take this into account in its revised services offer.

Members greatly appreciated Costa Rica's progress with the modernization and simplification of its trade regime but considered that the predictability of the regime would be enhanced by narrowing the gap between bound and applied tariffs. Costa Rica gave detailed information about its new system for the administration of tariff quotas, and its policies and practices regarding SPS measures and technical regulations.

Concerning the differences in the application of internal taxes to imports and local products, Costa Rica indicated that domestic discussions are under way to address the issue. It also pointed out that new IPR (intellectual property rights) legislation is expected to enter into force this year. Improvements to the competition policy legislation are also under consideration.

Members noted that the impact of the free zone regime and other fiscal concessions was not clear: while these measures may foster investment and exports, they also distort resource allocation and hinder efforts to consolidate the fiscal situation. Members thus welcomed Costa Rica's possible rationalization of its incentive schemes, and the legislative reforms now under active consideration to bring the free zone regime into line with multilateral rules.

On services, members encouraged Costa Rica to continue taking steps to foster private investment in order to improve infrastructure, in particular in maritime ports. Several members considered that Costa Rica's state monopolies in telecommunications and insurance were hindering growth, and thus encouraged it to liberalize these sectors. Costa Rica indicated that with this aim and, if approved, as part of the parallel agenda to implement the CAFTA-DR, draft legislation was currently under discussion at the National Assembly. The authorities were also studying possible amendments to the banking regulations to reduce existing asymmetries and allow the establishment of bank branches.

In conclusion, it is my clear impression that this Body greatly appreciated Costa Rica's commitment to the multilateral trading system. Members assessed its trade and investment regime as generally open but were also aware of the costs that remaining barriers, particularly in services, impose on the economy as a whole. Members thus expressed unequivocal support for the Government's ambitious reform agenda. The actual course of implementation will be decided later this year but I trust that Costa Rica will in any case carry out the reforms necessary to buttress economic growth and living standards. I also invite Costa Rica to demonstrate once more its support for a strong multilateral trading system by binding recent and future liberalization in the WTO.

I would like to close this meeting by thanking once again the Costa Rican delegation, the discussant, and the members that took part in this meeting for contributing to an informative and engaging review. I would also like to express my appreciation to the Costa Rican delegation for the comprehensive responses provided during the meeting.

Macao, China

The third Trade Policy Review of Macao, China has been thorough and informative and has given us a better understanding of the trade policies and practices of the Macao Special Administrative Region (MSAR), together with the challenges that it faces. I thank Mr. Tam Pak Yuen and his delegation as well as the discussant, Mr. Paulo Estivallet de Mesquita of Brazil, and members of the TPRB for contributing to our fruitful exchange of views. The reports by the Macao, China authorities and the Secretariat, as well as the detailed responses of the delegation of Macao, China to the many questions posed, have provided a valuable resource for domestic reflection and for transparency within the WTO.

Members noted that Macao, China continues to be open to trade and investment. Since its last Trade Policy Review, the economy has grown rapidly as a result of sound economic policies, liberalization of the gaming sector, and a favourable external environment. The MSAR is essentially a free port that imposes no tariffs and few non-tariff border measures, and has no contingency measures in place. While members appreciated the absence of trade restrictive measures, they noted that the scope of MSAR's tariff bindings remains low. They urged Macao, China to expand bindings coverage, notably in the context of the DDA negotiations, and the authorities have indicated a willingness to do so. Members also noted that a number of services sectors have been liberalized, notably gaming and mobile telephony, and in the context of the DDA, Macao, China's revised GATS offer can be considered relatively comprehensive. Regarding the investment regime, given the low rates of tax on company profits and the non-discriminatory treatment of foreign investors, Macao, China is widely regarded as an attractive investment destination.

Members welcomed Macao, China's active and constructive role in the WTO and its contribution to the DDA negotiations and its commitment to the primacy of the rules-based multilateral trading system. They also noted the current and potential benefits from the Closer Economic Partnership Arrangement (CEPA) with the Mainland in terms of both the opportunities for at least partial diversification of economic activities and for ensuring a steady and expanding flow of visitors and tourists to Macao, China, mainly as a result of the Individual Traveller Scheme.

Members noted the MSAR's steady and consistent improvements in the protection of intellectual property rights, but welcomed further efforts to strengthen transparency, the legal framework, and enforcement in matters relating in particular to signal, software, and optical disc piracy. Members also appreciated the recent

legislation that was passed targeting money-laundering activities, and a member enquired about any plans to improve anti-corruption legislation in the private sector.

Some members noted the lack of a comprehensive competition policy law to address, for example, the activities of private companies with exclusive rights under government concessions and consumer protection. Some members encouraged Macao, China to further open its government procurement system and encouraged the authorities to consider joining the GPA. Attention was also drawn to an apparent lack of transparency in certain areas such as land allocation and to difficult challenges in terms of infrastructure development. The question was raised as to whether MSAR legislation gives the Chief Executive the authority to provide export subsidies. Concerning sustainable development, a member emphasized the need for Macao, China to strike a careful balance between economic growth and social development.

Members noted that the MSAR has become increasingly a services-oriented economy focused on tourism, and commended the initiatives of the authorities to transform Macao, China from a gaming destination into a regional hub for meetings, incentives, conventions, and exhibitions.

This Review has been very useful in giving us all an overview of Macao, China's trade policies and practices and the challenges it faces. I would once again like to thank the Macao, China delegation for their efforts, the discussant for his insightful comments, and members for contributing to what has been an enlightening two days of discussions. We look forward to receiving the remaining outstanding responses as soon as possible.

India

This fourth Trade Policy Review of India has greatly improved our understanding of India's trade and trade-related policies and the challenges it faces in sustaining, and indeed improving, its economic growth. I thank Secretary Pillai and his delegation, the discussant, Ambassador Eckart Guth of the European Communities, and members of the TPRB for contributing to our fruitful exchange of views. India's response to the large number of questions is also greatly appreciated.

Members all agreed that India's economic performance has been impressive, with GDP growth averaging over 7% between 2001/02 (fiscal year, April-March) and 2006/07; growth has been particularly rapid since 2003, averaging over 8.5% and has translated into improved social indicators, including a reduction in the percentage of the population living below the poverty line. They attributed this impressive performance mainly to structural reforms, including unilateral trade liberalization, such as reductions in applied tariffs.

Nevertheless, they noted that continued economic reforms, particularly further trade liberalization and measures to address infrastructure bottlenecks, will be required to meet the longer term goal of annual growth of between 8% and 10%. There was concern that India's relatively low tax-to-GDP ratio is seemingly insufficient to meet its developmental needs. It was also pointed out that privatization of SOEs (state-owned enterprises) will have to resume as loss-making SOEs remain a considerable budgetary burden. Given that public spending is constrained by the Government's fiscal position, they suggested that FDI could be an alternative source of investment in infrastructure, thereby contributing to India's economic growth. However, although FDI has been rising, it has not met expectations, implying that barriers to FDI need to be addressed.

Members commended India's tariff reform, noting that the average applied MFN tariff has been cut by half, from 32.3% in 2001/02 to 15.8% in 2006/07. The tariff, nevertheless, remains relatively high, especially for agricultural products, at 40.8%. Moreover, the significant gap between the applied and bound tariff rates, as well as the considerable number of unbound lines in its tariff schedule, provides the Indian authorities with considerable scope to raise tariffs, thereby contributing to its unpredictability. Some members also remarked on the lack of an official comprehensive and easily accessible publication containing applied tariffs and other charges, as well as the numerous tariff exemptions announced throughout the year that complicate the tariff structure.

While import tariffs have declined, the export regime remains highly complex, partly as a consequence of various measures to neutralize duties levied on imported inputs used in exports; export processing zones and special economic zones also offer tax holidays to investors. Some members urged India to consider whether across-the-board import duty reductions would be more beneficial than selective duty exemptions.

India's active role in the multilateral trading system was commended, and members encouraged it to continue to show leadership in bringing the Doha Round to a successful conclusion. They also noted India's involvement in regional trade agreements. Some members encouraged India to adopt an ambitious preferential trade regime, offering least developed countries better preferential access to its market.

India remains a major user of anti-dumping measures, although the number of investigations and measures in force has been declining. Members urged India to exercise maximum restraint in initiating anti-dumping and safeguard actions and in imposing such measures. While applauding reforms in government procurement, some members encouraged India to consider becoming an observer to the Agreement on Government Procurement, leading to its eventual accession to the Agreement; this would show India's increased willingness to open its public sector to competition.

Members commended India for taking steps to align its national standards with international norms. They expressed concerns on SPS (sanitary and phytosanitary measures), but welcomed measures adopted to streamline SPS procedures. They also noted that alignment of standards and SPS measures with international practices could improve the trading environment. Strengthening of the IPR (intellectual property rights) regime was also urged. Some members expressed their appreciation of the new Patent Act introduced in 2005, and considered that effective implementation of IPR related legislation would be in the interest of India itself.

Members noted continued government intervention in agriculture through, inter alia, high tariffs, price support, and direct subsidies to inputs. Moreover, agricultural growth remains slow and erratic, causing considerable distress, especially among small and marginal farmers. Some concerns were expressed about the development of the manufacturing sector, which is being held back by the complex customs duty structure, as well as the relatively high tariffs in textiles and clothing, and automobiles. Members remarked on the superior performance of India's services sector, where liberalization has been most rapid. Nonetheless, some noted that reforms in services have been uneven and limited in scope, and foreign investment restrictions remain. They were also concerned that inadequate infrastructure, particularly in transport and electricity, remains a major bottleneck.

This Review has been very informative and has given a useful overview of India's trade policies and practices and the challenges it faces. I would once again like to thank the Indian delegation, the discussant, and members for contributing to a very enlightening two days of discussions. We look forward to receiving India's responses to outstanding written questions within the next month.

Central African Republic

This first Trade Policy Review of the Central African Republic has fostered a better understanding of the challenges it faces in integrating the multilateral trading system. Our discussions benefited from the engagement of the delegation of the Central African Republic, led by Her Excellency Mrs Rosalie Koudouqueret-Mologbama, Minister of Trade, Industry and Small and Medium-Sized Enterprises, the excellent contributions of the discussant, Mr Mathias Bogaert, and interventions by members.

Members noted the economic recovery that had occurred in 2006, although the post-conflict Human Development Indicators of the Central African Republic remained low and socio-political stability remained a concern. Measures to improve the business environment, in particular to promote governance, intellectual property protection and transparency in government procurement, would help attract investment. Trade policy formulation could take greater account of private sector concerns. Members were interested in the commercial relations of the Central African Republic within the Central African Economic and Monetary Community, as well as the status of its negotiations with the European Communities on an Economic Partnership Agreement and the use of preferences under non-reciprocal agreements. They emphasized the significance of transport costs as a barrier to trade for the land-locked Central African Republic.

Members enquired about the technical assistance needs of the Central African Republic. Members encouraged the computerization of customs procedures, the elimination of the double-taxation of imports when transiting through neighbouring countries, the elimination of minimum import values and quantitative restrictions on sugar and coffee imports, and the full implementation of the WTO Agreement on Customs Valuation. They noted that the fees for pre-shipment inspection paid by importers further increased the cost of imports already subject to relatively high tariffs. The Central African Republic also imposed "other duties and taxes" on all imports, including those for which these were bound at zero; the tariff on bicycles exceeded the bound level. Concerns were expressed about departures from national treatment in the application of value-added and excise taxes.

Members encouraged the Central African Republic to improve its multilateral commitments on services, so far limited to tourism, and to liberalize telecommunication services, including by privatizing incumbent SOCATEL. Such liberalization, together with increased production of cash crops and forest products, and the opportunities under the new mining regime, should help sustain growth and reduce poverty. In the leading export sectors of mining and forestry, trade could be linked to sustainable development. Members also encouraged reform of the power sector. Other issues of interest to members included the establishment of a mission to the WTO by the Central African Republic; notifications; and standards and technical regulations.

Members appreciated the responses provided by the delegation of the Central African Republic.

In conclusion, the Central African Republic is engaged upon a programme of reforms that could benefit from fuller implementation of the WTO Agreements and improvement of its multilateral commitments on goods and services. This would help to attract the foreign direct investment needed to rebuild the economy. Members encouraged the Central African Republic to integrate the findings of this TPR exercise and of its DTIS (Diagnostic Trade Integration Study) into its Poverty Reduction Strategy Paper. I urge both the WTO membership and the Secretariat to be receptive to its assistance needs.

Indonesia

The fifth Trade Policy Review of Indonesia has considerably improved our understanding of Indonesia's trade and trade-related policies since 2003 and the challenges it faces in sustaining, and improving, its economic growth. I am grateful to Director-General Herry Soetanto and his delegation, the discussant, Ambassador Mia Horn Af Rantzien of Sweden, as well as members of the TPRB for contributing to the meeting's useful exchange of views. Indonesia's response to the large number of questions is also much appreciated.

Members commended Indonesia on its impressive economic performance, with annual GDP growth averaging over 5% between 2003 and 2007. At the same time, macroeconomic vulnerabilities have declined, despite a daunting number of natural catastrophes and setbacks. To many members, fiscal consolidation appeared to be the hallmark of economic policy with the narrowing of the fiscal deficit, the reduction in public debt, and the consequent overall improvement in Indonesia's external position. However, the low level of taxes relative to GDP appears insufficient to meet its developmental needs. Members commended Indonesia's ambitious reform programme, covering infrastructure, investment, and the financial sector, which aims to improve economic growth, increase employment, and reduce poverty.

Nevertheless, they noted that continued economic reforms – in particular measures to improve the investment climate and infrastructure investment – are necessary to help sustain higher rates of growth of between 6% and 7% in the short term in order to help reverse the rising trend in unemployment. Several members noted that the recent passage of the new Investment Law constituted, in principle, a positive step in improving Indonesia's investment climate for both foreign and domestic investors. However, some members also pointed out that there remain a number of unresolved issues regarding the law's implementation, notably the uncertainty for investors regarding the transparency and scope of the new negative list of sectors that is under preparation. Such uncertainty could hamper attainment of the Government's stated objective of attracting foreign direct investment, which, a decade after the Asian financial crisis, remains at a low level, implying that significant barriers persist.

Members appreciated that Indonesia had reduced its average applied MFN tariff to 9.5% in 2006; but it was noted that products such as alcoholic beverages and cars are subject to relatively high tariffs of over 60%. Indonesia, which has bound over 93% of its tariff lines, was urged by some members to bind all of its tariff lines and to bring them more in line with its applied rates, thereby improving the predictability of its tariff regime.

Members commended Indonesia for measures undertaken to improve governance, to the benefit of the business climate, and encouraged Indonesia to continue its efforts. They also commended Indonesia for its efforts to strengthen protection of intellectual property rights by improving its legal framework to combat violations as well striving to assure effective implementation. Some members enquired about progress in labour market and tax reform. Members applauded Indonesia for its efforts on customs reform and for improvements made to the import system. However, specific concerns were raised, *inter alia*, about arbitrary customs valuation procedures, lack of transparency on the part of customs authorities, discriminatory SPS measures, as well as restrictive import licences in the textile sector.

Indonesia's active role in the multilateral trading system was commended, in particular its leadership role as coordinator of the G-33, and also its role as an active member of the Cairns Group and the G-20. Indonesia is well placed to contribute to the development of special products, SSMs (special safeguard mechanisms) and other provisions for developing countries and members encouraged it to continue to work constructively to resolve outstanding issues to bring the Doha Round to a successful conclusion. Members also noted Indonesia's involvement in promoting regional trade liberalization through APEC and ASEAN as well as through bilateral trade agreements.

Members noted the improved performance of a number of Indonesia's services sectors, such as telecommunications and financial services where reform has been most marked. Nonetheless, some noted that reforms in services have been uneven and limited in scope, and foreign investment restrictions remain. They were also concerned that inadequate infrastructure, particularly in transport, remains a bottleneck for a country that consists of thousands of islands.

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

Bahrain

This second Trade Policy Review of the Kingdom of Bahrain has allowed us to improve our understanding of its trade and related policies, and the developments since its previous Review in 2000. Our discussions have greatly benefited from the participation of H.E. Dr. Hassan Fakhro, Minister of Industry and Commerce, and his delegation. Our thanks are also due to our discussant, Ambassador Ichiro Fujisaki, for his insightful contribution to our discussions, and the engagement of delegations.

Members commended Bahrain for its impressive economic performance over the past few years. This reflects its successful diversification strategy, supported by its generally open and business-friendly environment, a large influx of foreign labour, and in recent years, by high oil and natural gas earnings. Bahrain was praised for its efforts towards ensuring intergenerational equity in the exploitation of its non-renewable resources, through health, education, and infrastructure projects. Recent measures taken by Bahrain to further liberalize its investment regime were also welcomed, although delegations noted that the investment regime remains restricted or limited in certain activities, some of which continue to be dominated by state-owned companies.

Members appreciated Bahrain's commitment to the multilateral trading system, including the DDA negotiations, and encouraged it to increase its participation in WTO activities and to fully meet its notification requirements. Bahrain's market for all products is quite open, and the bulk of its trade has taken place on an MFN basis. Nevertheless, delegations noted Bahrain's participation in the Gulf Cooperation Council (GCC), the Greater Arab Free-Trade Area (GAFTA), as well as in bilateral trade agreements, most of which are not yet fully established.

Members welcomed the decrease in tariff protection from 7.7% in 2000 to 5.3% in 2007 following the application of the GCC common external tariff by Bahrain on 1 January 2003, but urged Bahrain to extend the scope of its tariff binding commitments, and reduce the gap between applied and bound rates. Some members also raised concerns about Bahrain's requirement for consular formalities on imports, and its enforcement of WTO provisions on customs valuation. Delegations noted the absence of competition legislation, and encouraged Bahrain to amend its government procurement regime to remove, *inter alia*, the price preferences for domestic and GCC products. Other issues of interest to members included TBT and SPS measures; protection of intellectual property rights; agriculture, including consumer subsidies to beef imported from Australia and domestic support; state control over, and development plans for, the energy sector; state support for manufacturing, in particular the aluminium industry; and services, including GATS commitments, financial services, telecoms, transport, and tourism.

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

In conclusion, I congratulate the Kingdom of Bahrain on the openness of its economy and encourage it to pursue its reforms, including by further improving its multilateral commitments, both on goods and services, with a view to enhancing the transparency and predictability of its trade regime, and adherence to WTO principles. Members could help Bahrain in its efforts by keeping their markets open for products and services of interest to Bahrain, and by providing adequate technical assistance.

Panama

Panama's first Trade Policy Review has allowed this Body to appraise in detail the evolution of its trade policies in recent years. I thank Minister Ferrer, Chief Negotiator Sheffer, Ambassador Harris and the rest of the Panamanian delegation, as well as the discussant, Mr. Glass, and members who engaged in the discussion as part of this exercise.

Panama was warmly praised for its commitment to the multilateral trading system, including its constructive role in the Doha Development Agenda. Panama's full engagement in this review demonstrated beyond doubt not only that commitment but also its support of the TPRM and transparency in general. Members took note of Panama's involvement in preferential agreements, including the recently completed agreement with the United States, Panama's main trading partner. Members also encouraged Panama to continue along the path of global economic integration which it has followed so successfully.

Members welcomed Panama's strong economic growth in recent years, which they linked to sound macroeconomic policies and the liberalization of the trade regime. Members highlighted the importance of a disciplined fiscal policy to sustain economic growth, particularly in view of the costly Canal expansion and the absence of monetary policy instruments. Panama was also encouraged to capitalize on the present auspicious economic environment to take steps to distribute more widely the benefits of growth.

Members noted that the Canal is of critical importance to the domestic economy, and gives Panama a unique place in international trade representing as it does a vital transit point for global commerce. Although members welcomed the Canal expansion, they noted the need for its careful management while expressing some concerns about rising tolls. The Colon Free Zone is also important for Panama's economy, having become a continental distribution hub. The granting of tax breaks and export subsidies through export processing zones and other schemes was questioned in view of their cost and possible distorting effects.

Members appreciated Panama's modernization and liberalization of its trade regime, which had been undertaken in part on an autonomous manner. However, members considered that transparency and predictability would be enhanced by simplifying the tariff structure and narrowing the gap between bound and applied tariffs. Panama provided responses to the various questions and concerns raised by members over SPS measures and technical regulations. Panama was invited to speed up its negotiations to accede to the GPA (Government Procurement Agreement).

Considering the great importance of services for its economy, members congratulated Panama for undertaking reforms to modernize its services sector. They pointed to the numerous benefits from past liberalization, and thus encouraged Panama to continue opening the sector. Panama was also invited to expand its GATS commitments as to reflect more closely the degree of access afforded in practice to foreign service suppliers. Panama indicated that it is working on its revised services offer, aiming to include additional commitments in many sectors that are already liberalized. It also provided responses to service-related questions concerning activities such as telecommunications, transport and retail trade.

In conclusion, this first Trade Policy Review of Panama has been invaluable in shedding light on developments since Panama acceded to the WTO ten years ago. Members stressed that during this short period Panama had become an active and respected member of this Organization. Members considered that the liberalization carried out in recent years had underpinned rapid economic growth, but encouraged Panama to undertake further reforms to ensure the sustainability of growth. I would also invite Panama to bind recent and future reforms in the WTO to give greater predictability to its trade and investment regime, as well as to strengthen the multilateral trading system from which, as a small, open economy, it greatly benefits.

I would like to close this meeting by thanking once again the Panamanian delegation, the discussant, and the members that took part in this meeting for contributing to an informative and engaging review. I would also like to express my appreciation to the Panamanian delegation for the comprehensive responses provided during the meeting. We look forward to receiving outstanding responses within the next month.

Cameroon and Gabon

This joint Trade Policy Review of Cameroon and Gabon had enabled a better appreciation of their overall development objectives and the role of trade in attaining them. Our dialogue had been stimulated by the full and open engagement of the high-level delegations of Cameroon and Gabon, and the perceptive contribution of our discussant.

Members had noted the encouraging recent economic performances of Cameroon and Gabon. The rise of world prices of petroleum since 2003 had benefited economic growth, fiscal performance and reduction of external debt in both countries. Cameroon and Gabon participated in the Central African Economic and Monetary Community (CEMAC), and enjoyed non-reciprocal trade preferences. Their inflation had been low, fostered by their common restrictive monetary policy. Members encouraged Cameroon and Gabon to pursue their socio economic reforms to alleviate poverty. Further structural reforms would contribute to attracting the foreign direct investment needed for the diversification of both economies, in the context of their declining petroleum reserves. Improvement of governance and infrastructure would also help. Gabon was encouraged to address the anti-competitive effects of monopolies.

Members appreciated the firm commitment of Cameroon and Gabon to the multilateral trading system, including the Doha Development Agenda. They welcomed efforts made by both countries to improve their customs procedures and facilitate trade, but urged them to fully implement the customs valuation agreement. The tariffs of Cameroon and Gabon were based on the common external tariff of the CEMAC; their relatively high rates and their structure had undermined competitiveness and economic growth prospects. Members had encouraged both countries to simplify their tariffs under the CEMAC, and urged them to better conform with the national treatment principle in the application of their internal taxes. Cameroon had been encouraged to enlarge the scope of its tariff bindings on non-agricultural products and to reduce its bound rates. Gabon had been invited to address the issue of the significant share of tariff lines on which applied rates exceed bound levels. Both countries had been invited to make notifications in a more timely and complete manner.

Further information had been sought on the incentives schemes of Cameroon and Gabon, as well as on the administration of their new mining regimes. They had been encouraged to improve the sustainability of forestry activities. Members had commended Cameroon and Gabon for the liberalization of their telecommunications services, and encouraged them to develop tourism and enhance their commitments under the GATS. Further clarification had also been sought on a number of issues, notably: contingency trade remedies; technical barriers to trade; SPS measures; export taxes; government procurement; and protection of intellectual property rights.

Members had expressed their appreciation for the responses to their questions as provided by the delegations of Cameroon and Gabon and looked forward to further responses.

In conclusion, members valued the steps taken by Cameroon and Gabon to improve their economic environment. They encouraged both countries to pursue their reforms, and to enhance the predictability and credibility of their trade regimes by expanding the scope and improving the implementation of their WTO commitments on goods and services. Such initiatives would contribute to attracting the foreign direct investment needed for the diversification of both economies. Trading partners could support those efforts by keeping their markets open, and by providing appropriate technical assistance.

Peru

The Third Trade Policy Review of Peru has allowed this Body to consider Peru's trade and investment policies and practices against the backdrop of its economic and institutional environment. Our discussions have benefited greatly from the active participation of Vice-Minister Ferreyros, Ambassador Ponce, Ms Elmore and the rest of the Peruvian delegation, the thoughtful intervention by the discussant, Ambassador Gosper, and the involvement of many delegations.

Members commended Peru's solid economic growth in recent years, underpinned by prudent macroeconomic policies, structural reforms, and a favourable global economic environment. Nevertheless, they noted that Peru still faces challenges in translating these achievements into stronger improvements in social indicators including poverty reduction. Members encouraged Peru to persevere with structural reforms, including those necessary to eliminate bottlenecks created by inadequate infrastructure, as a means to sustain its recent economic performance.

Members welcomed Peru's commitment to the multilateral trading system and its support for the DDA. They noted Peru's ambitious preferential trade agenda, including its participation in the Andean Community, the recently completed agreement with the United States, and the several ongoing bilateral negotiations. Peru was invited to notify its preferential agreements to the WTO in order to enhance their transparency.

Members praised Peru's liberalization of its trade regime, including the unilateral reduction of applied MFN tariffs. However, some noted that the tariff structure had lost uniformity, resulting in increased effective

assistance to some sectors. In response to members' questions, Peru indicated that it has recently abolished the tariff surcharge applied on certain products, but that the elimination of the price band system is not under discussion. Peru was encouraged to enhance the predictability of its trade regime by eliminating the gap between bound and applied tariff rates.

Members welcomed Peru's efforts to facilitate trade, although some considered customs clearance procedures to be lengthy and complex. Concerns were also expressed about the increase in anti-dumping investigations, and the use of a simplified duty drawback scheme. Peru gave detailed information about its policies and practices regarding technical regulations and SPS measures. It also indicated that consideration is being given to reducing local preferences in government procurement but not to acceding to the GPA. Peru stressed the total independence of its competition authority, while some members considered it desirable to strengthen further this important entity.

In response to concerns about its use of incentive programmes, Peru noted that its current aim is to reduce fiscal distortions, and that steps are being taken to apply stricter assessment criteria to future programmes and to phase out others. Peru also indicated that it is working on formally abolishing local-content requirements for dairy products, and reassessing income tax benefits contingent on the use of domestic inputs.

With respect to service activities, members noted the considerable liberalization that Peru has undertaken in areas such as telecommunications and financial services. However, they also pointed to certain restrictive measures in areas such as maritime and air transport, and the need to accelerate the modernization of ports. Peru provided responses to members' specific questions concerning activities such as telecommunications, banking, maritime and air transport, as well as professional services.

I would like to conclude this meeting by congratulating Peru for its steadfast support of trade liberalization as a development tool. In Peru, liberalization and sound economic policies have paid off with much improved external and internal balances as well as robust economic growth. But additional reforms are necessary to raise productivity and, critically, distribute the gains from trade more widely. Thus, I welcome Peru's renewed emphasis on improving social indicators, as well as its ongoing efforts to strengthen its institutions and infrastructure. I invite Peru to bind its reforms in the WTO in order to give greater predictability to its trade regime, and thus further promote investment and growth.

Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines)

The second Trade Policy Review of the Organization of Eastern Caribbean States (OECS) WTO members has allowed this Body to appraise in detail the evolution of their trade policies since 2001. I thank Minister Mayers, Minister Cort, Minister Straker, Ambassador Antoine, Mr. James and Mr. Berridge, as well as the other members of their delegations. I would also like to thank the discussant, Mr. Cliche, and members who engaged in the discussion as part of this exercise.

Members noted that the six OECS-WTO members reviewed face economic challenges, many of which stem from their small size. This Review has also shown how OECS countries have coordinated and pooled their resources, seeking to overcome their individual constraints. Their greater involvement in regional integration schemes was seen by some members as the best and perhaps the only means to overcome human resource limitations. In this regard, the establishment of a joint OECS technical mission in Geneva was seen as important, as were ongoing efforts to set up an OECS Economic Union.

This Body warmly welcomed the OECS-WTO members' commitment to a rules-based multilateral trading system, and to the process of trade liberalization as a tool of development. The OECS-WTO members outlined the difficulties they face in taking full advantage of global trade due to their smallness and vulnerability to external shocks. Overcoming such difficulties would offer the opportunity to develop more diversified and robust economies. The Aid for Trade initiative could also play a central role in this respect, although there is no prioritization as yet.

Members noted that taxes on imports make key fiscal contributions in all the OECS countries reviewed. However, some members questioned the OECS application of ad valorem customs service charges; although the OECS countries consider the charges necessary, they are in the process of reassessing these and other taxes. The OECS-WTO members were also invited to consolidate their fiscal reform processes, including through the streamlining of their numerous incentives regimes.

OECS countries noted their progress towards meeting WTO obligations but recognize that some weaknesses persist. Participants appreciated the OECS-WTO members' modernization and liberalization of their trade regimes. However, OECS countries were urged to give priority attention to making the policy and legal changes necessary to implement their WTO obligations. Areas where improvements were deemed necessary include WTO notifications, applied versus bound tariffs, customs valuation, non-automatic licensing, sanitary and phytosanitary measures, and protection of intellectual property. In response, OECS-WTO members expressed their intention to improve their levels of compliance but stressed the importance of having the time and assistance necessary to achieve this.

Members observed that economic restructuring in the OECS-WTO members has been accompanied by the expansion of the services sector. Members commended the five OECS signatories to the ECTEL Treaty for their efforts to liberalize their telecommunications sector. Considering the importance of services for their economies, and the actual generally liberal nature of their service regimes, the OECS-WTO members were invited to make deeper and wider commitments under the GATS. The countries reviewed provided replies to service-related questions concerning activities such as tourism and telecommunications.

In conclusion, members acknowledged the progress made by the OECS countries reviewed in restructuring their economies, while recognizing the challenges they still face. Members offered strong encouragement to the six countries to pursue further reforms. They also urged them to enhance the transparency and predictability of their trade regimes by expanding the scope and improving the implementation of their WTO commitments. This would help the OECS-WTO members to attract the foreign direct investment they need to strengthen their economies. Trading partners can support these efforts by providing appropriate technical assistance to support greater OECS participation in the multilateral trading system. OECS-WTO members could consequently take greater advantage of trading opportunities to foster growth and development.

I would like to close this review by thanking once again the delegations of the OECS-WTO members, the discussant, and the members that took part in this meeting for contributing to an informative review. I would also like to express my appreciation to the delegations of the OECS-WTO members for the responses provided during the meeting. We look forward to receiving the outstanding responses within the next month.

Thailand

This fifth Trade Policy Review of Thailand has considerably improved our understanding of trade and trade-related policy developments in Thailand since 2003 and the challenges it faces in sustaining, and indeed improving, its economic growth. I am grateful to Ambassador Thawatchai Sophastienphong and his delegation, the discussant, Ambassador Manzoor Ahmad of Pakistan, as well as members of the TPRB for contributing to the meeting's useful exchange of views. Thailand's response to the large number of questions is also much appreciated.

Members commended Thailand on its steady and robust economic performance, the decline in the unemployment rate, reduced poverty levels, and also for becoming a more outward-oriented economy. They recognized that its macroeconomic fundamentals remain strong, but also pointed to the challenges posed by endogenous and exogenous factors, notwithstanding the economy's resilience so far. Despite praise for Thailand's generally liberal investment regime, virtually all members expressed concern over the impact of planned amendments to the Foreign Business Act and drew attention to the need to revive private investment, which has shown signs of weakening, in order to sustain future growth. Concerns were also expressed regarding the concept of "sufficiency economy" in policy making and the existing regulatory burden in certain areas.

Thailand's active role in the multilateral trading system and contribution to the Doha Round negotiations, notably to agricultural trade liberalization, were commended. Several members recognized Thailand's commitment to "open regionalism" and its involvement in promoting regional trade liberalization through APEC (Asia-Pacific Economic Cooperation) and ASEAN (Association of South-East Asian Nations) as well as through bilateral free-trade agreements.

Some members observed that Thailand's complex customs tariff schedule and the widening gap between its average bound and applied MFN tariff rates cause uncertainty and unpredictability for its trading partners; thus, they urged Thailand to simplify its tariff and improve its bindings, currently covering 73.7% of the tariff lines. Certain members commended Thailand for measures taken to improve customs automation and streamline customs procedures. On the other hand, there were some areas of concern, including customs valuation practices and import restrictions involving licensing and prohibitions, where Thailand was encouraged to make improvements.

Several members commended Thailand's efforts to strengthen protection of intellectual property rights by improving its legal framework and enforcement, although some concern was expressed over the issue of compulsory licences for certain pharmaceuticals. Some members noted that persistent state involvement in the economy and government procurement constitutes important policy instruments. Members applauded Thailand for its efforts to improve transparency.

Several members encouraged Thailand to further liberalize services, particularly as regards foreign equity participation, and wondered whether liberalization and reforms in certain services activities (e.g. telecoms) would be reflected in Thailand's GATS schedule of commitments.

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

Turkey

This fourth Trade Policy Review of the Republic of Turkey has allowed us to improve our understanding of its trade and related policies, and the developments since its previous Review in 2003. Our discussions have benefited greatly from the participation of Mrs. Ülker Güzel, Deputy Undersecretary of Foreign Trade, and her delegation. Our thanks are also due to our discussant, Ambassador Fernando de Mateo, for his insightful contribution to our discussions, and the engagement of many delegations.

Members commended Turkey on its impressive economic performance over the past few years, with high real GDP growth, lower inflation, and declining public and external debt burdens. This reflects the steps taken to continue improving the competitiveness of its non-agricultural sector, already quite open, and the implementation of an ambitious reform programme, notably on the fiscal, privatization, and social security fronts. Recent measures to further liberalize Turkey's investment regime were also welcomed, although delegations noted that the investment regime remains restricted or limited in certain activities, some of which continue to be dominated by state-owned companies.

Members appreciated Turkey's commitment to the WTO, including the DDA negotiations, but indicated that accession to the EU remains Turkey's ultimate objective. Indeed, in line with its customs union with the EC, Turkey has been increasingly implementing its trade policies through an extensive network of preferential trade agreements. Concerns were raised on Turkey's complex tariff regime, with applied, statutory, and bound tariffs, as well as on the application by Turkey of non-ad valorem tariffs to products bound at ad valorem rates. Members indicated that extension of the scope of tariff binding commitments, reduction of bound rates, and further simplification and rationalization of Turkey's tariff regime would contribute to better resource allocation. Concerns were also expressed about Turkey's internal taxation system, and its relatively large use of anti-dumping measures.

Members welcomed Turkey's relatively liberal trade regime for non-agricultural products, and its wide-ranging programme to restructure its agriculture. Nevertheless, some members stated that the high level of tariff protection and the limited liberalization of agricultural products under Turkey's preferential trade arrangements are impeding the exposure of the sector to greater competition. While noting that up to 15% price preferences are granted by Turkey to local products, some delegations encouraged it to become a member of the plurilateral Agreement on Government Procurement. Members commended Turkey on the liberalization of its fixed telephony services. Other issues of interest to members included customs procedures and valuation; TBT and SPS measures; export promotion and subsidies; other incentive schemes, including for the mining, energy, and manufacturing sectors; protection of intellectual property rights; and services, including GATS commitments, financial services, telecoms, transport, and tourism.

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

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

9. Committee on Regional Trade Agreements

The promotion of preferential trade relations among selective partners through the establishment of regional trade agreements (RTAs) is a key trade policy objective of many WTO members. The overall number of RTAs is increasing steadily, and this is likely to be strengthened by the many RTAs under negotiation.

In 2007, 18 new agreements were notified to the WTO. Of these, 11 were notified under Article XXIV of the GATT 1994, which covers agreements dealing with trade in goods, six under Article V of the GATS covering agreements dealing with trade in services and one under the Enabling Clause, which covers regional trade agreements signed between developing countries. Of the 386 RTAs notified to the WTO by the end of 2007, 197 were active: 125 under GATT Article XXIV, 50 under GATS Article V, and 22 under the Enabling Clause.

RTAs are evolving in their regulatory provisions, scope, coverage and partner composition. Most RTAs under negotiation go beyond tariff concessions to include commitments in services and innovative provisions in areas such as investment, competition policy, trade facilitation, government procurement, intellectual property, electronic commerce and, in some cases, labour and environment. Such innovations may lay the ground for future multilateral trade rules; however, the different regulatory regimes put in place through RTAs also make international trade more complex and may undermine the key WTO principles – namely transparency, predictability and non-discrimination. The evolving preferential trading landscape also seems to know no bounds; layers of preferential trading relations are being established at the bilateral, regional, continental and cross-regional level and among partners irrespective of their level of economic development.

Europe has the largest number of RTAs, accounting for almost half of the agreements in force that were notified to the WTO. The main regional groupings are the European Communities (EC) and the European Free Trade Association (EFTA), which consists of Iceland, Liechtenstein, Norway and Switzerland. South-eastern Europe has consolidated into a third group under a plurilateral agreement – “Central European Free Trade Association plus”, which consists of Albania, Bosnia-Herzegovina, Croatia, FYR Macedonia, Moldova, Montenegro, Serbia and UNMIK/Kosovo. Existing ties between this region and the EC are being further institutionalized. EC negotiations with Croatia and Turkey are under way while a Stability and Association Agreement (SAA) was signed with Montenegro and SAA negotiations with Bosnia-Herzegovina are continuing.

In 2007 there was further consolidation of the intra-European RTA networks with the accession of Romania and Bulgaria to the EC. As a result, 35 notified RTAs were repealed, resulting in a net reduction in the number of notified RTAs in 2007. Further intra-European RTA initiatives will include FTA negotiations between the EC and Ukraine following Ukraine’s accession to the WTO.

In the Mediterranean Basin, the EC and its Mediterranean partners (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey) are working to establish a Euro-Mediterranean FTA by 2010. This is set to become one of the world’s biggest marketplaces, grouping as many as 40 countries (including the EFTA) under a free trade area. The EC has thus far signed EuroMed Association agreements with all the Mediterranean partners. The EFTA states and Turkey by virtue of their association with the EC are following suit.

Once completed, the EuroMed FTA will provide for “cumulation of origin” among the EC, EFTA, Turkey, the Faroe Islands and the Mediterranean countries. Under “cumulation of origin”, a product originating in one partner country and used in the manufacture or processing of products in other partner countries is recognised as having originated in the first partner country. A PanEuroMed Protocol on cumulation of origin has been adopted for this purpose. Other EC initiatives under the EuroMed framework include liberalization of trade in services and investment, deepening agricultural liberalization, regulatory convergence and a strengthening of the legal and institutional framework.

Beyond its immediate neighbourhood, the EC is negotiating with MERCOSUR (an RTA among Argentina, Brazil, Paraguay and Uruguay) and the Gulf Cooperation Council (GCC), consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). In 2007 the European Commission was given a negotiating mandate for a new generation of FTAs with the Association of South-East Asian Nations (ASEAN), India and the Republic of Korea; negotiations were launched in May and June 2007.

With the expiry of the WTO waiver for EC/ACP (African-Caribbean-Pacific) preferences, the EC also agreed interim market access arrangements with its ACP partners, essentially designed to safeguard Cotonou Agreement trade preferences for non-least-developed countries while continuing negotiations to complete the

EC-ACP Economic Partnership Agreements (EPAs). These are taking place with seven groups of ACP countries; of these, the Caribbean appears to be the only region that had initialised a full EPA covering goods and services by the end of 2007.

The EFTA states have completed FTA negotiations with Canada and launched negotiations with Colombia and Peru, in addition to the ongoing negotiations with the GCC and Thailand, and are considering an FTA with India. Switzerland also decided to launch negotiations on its own for a comprehensive economic partnership agreement with Japan.

In the Western hemisphere, the United States has concluded ten FTAs since 2004 and its RTA network continues to expand. It is negotiating with Malaysia, Thailand, the Southern African Customs Union (SACU) and the UAE. An FTA with Oman has not yet been implemented and four FTAs (with Colombia, Panama, Peru and Korea) were pending Congressional approval at the end of 2007. Canada has also intensified its focus on RTAs. In 2007 it concluded FTA negotiations with the EFTA states and launched negotiations with Colombia, the Dominican Republic and Peru in addition to ongoing negotiations with the Central American Four (El Salvador, Guatemala, Honduras and Nicaragua), the Republic of Korea and Singapore. It is also conducting a feasibility study for an FTA with Jordan. Mexico's participation in RTAs is longstanding and it has 12 FTAs covering 46 partners (including EC-27 and EFTA-4) across the Americas, Asia and Europe. It is negotiating FTAs with Korea and Singapore.

Central and Latin America have four customs unions in various stages of implementation: the Central American Common Market (CACM), the Caribbean Community (CARICOM), and the Andean Community and MERCOSUR in Latin America. There is also a Latin American Integration Association (LAIA/ALADI), which aims at a region-wide Common Market, and a number of bilateral agreements with intra-and extra-regional partners.

In Central America the members of the CACM, in addition to their customs union, have concluded FTAs with Chile, Mexico and the United States, and are negotiating with Canada and Panama. Panama has FTAs in force with Chinese Taipei. It has signed FTAs with Chile and the United States and is considering an FTA with MERCOSUR. In addition to its FTAs with Costa Rica and the Dominican Republic, CARICOM is negotiating an FTA with Canada and considering one with MERCOSUR.

While negotiating an FTA with MERCOSUR as a group, the Andean Community members are also pursuing others on an individual basis. Peru has signed FTAs with Chile, Thailand and the United States, and is negotiating with Canada, China, the EFTA states and Singapore. Colombia has signed FTAs with Chile and the United States and is negotiating with EFTA, while Ecuador is negotiating with Chile. MERCOSUR has signed framework agreements aiming at the establishment of FTAs but they do not appear to have led to concrete results so far. Its only ongoing FTA negotiation is with the EC.

In 2007 Chile notified FTAs with China and Japan, and with Brunei, New Zealand and Singapore as parties to the Trans-Pacific Strategic Economic Partnership (SEP-4). It approved its partial scope agreement with India and has launched FTA negotiations with Australia and Malaysia. It concluded a feasibility study for an FTA with Turkey, and is continuing negotiations with Thailand.

Countries in the Asia-Pacific are consolidating their drive towards regionalism. Notwithstanding the existence of sub-regional groupings, most of the RTAs being formed are bilateral with some cases of collective RTA negotiations, mainly involving ASEAN. As a result, overlapping memberships and the complexity of intra-regional trade relations are increasing. Rationalization of these bilateral relationships into region-wide integration schemes is, however, on the agenda, with several initiatives being either pursued, such as ASEAN+3 (China, the Republic of Korea and Japan), or suggested.

In East Asia, Japan launched negotiations with Australia, India, Switzerland and Viet Nam in 2007. The Republic of Korea signed an FTA with the United States in 2007 and launched negotiations with the EC; it is also conducting feasibility studies for FTAs with Australia, China, MERCOSUR and New Zealand. China has notified five FTAs since 2003 and has recently concluded one with Pakistan. It is also negotiating five FTAs and considering two, with India and the Republic of Korea. Chinese Taipei is also expanding its RTA network, having signed FTAs with several Central American countries.

In South-East Asia, ASEAN members are working towards creating an East Asian Economic Community by 2015, which aims to form a single market with the progressive elimination of tariff and non-tariff barriers, liberalization of services and investment, and free movement of professionals. In addition to its notified agreement with China, ASEAN is negotiating FTAs with Australia, the EC, India, Japan, the Republic of Korea and New Zealand. Some ASEAN members are also pursuing bilateral initiatives. For example, Singapore (which

is already party to 11 FTAs) is negotiating a further seven; Malaysia (which has FTAs with Japan and Pakistan) is negotiating with Australia, New Zealand and the United States, and conducting a feasibility study with India; and Thailand (which is negotiating FTAs with Bahrain, the EFTA states, and the United States) has early harvest agreements with India and Peru, and is considering several others.

South Asia's RTA initiatives, while traditionally limited to its immediate neighbourhood, are also shifting. Pakistan and India have embarked on ambitious negotiations aimed at preferential agreements with their major trading partners, albeit of a partial nature. In addition to a previous agreement with Sri Lanka, India notified an FTA with Singapore in 2007. It has also concluded RTAs with Afghanistan, Chile, MERCOSUR, SACU and Thailand. It is negotiating with ASEAN, the EC, the GCC, the Republic of Korea and Japan and is considering RTAs with Australia, China, EFTA, Malaysia and New Zealand. By the end of 2007, Pakistan had not notified any RTAs but has partial scope agreements with Mauritius and Sri Lanka. It has signed FTAs with China and Malaysia, and is negotiating RTAs with the GCC, Indonesia, MERCOSUR and Singapore.

In addition to their Closer Economic Relations Agreement of 1983, Australia and New Zealand have FTAs with other partners. Australia has FTAs with Singapore, Thailand and the United States and is negotiating six FTAs and proposing a further three. New Zealand has FTAs with Singapore and Thailand and is party to the Trans-Pacific SEP-4; it is also negotiating five FTAs and considering two others. The Pacific Islands are negotiating an Economic Partnership Agreement (EPA) with the EC.

Integration in Central Asia has been directed mainly at re-establishing economic links that existed before the fall of the communist bloc. However, most early plurilateral attempts (i.e. the Commonwealth of Independent States FTA) have not materialized. Although the CIS institutional framework is still present, preferential liberalization has been achieved through an overlapping network of bilateral agreements and other plurilateral initiatives. The latter include: the Single Economic Space between Belarus, Kazakhstan, Russia and Ukraine; the EurAsian Economic Community between Belarus, Kazakhstan, the Kyrgyz Republic, Russia and Tajikistan; and the Central Asian Cooperation Organization, consisting of Kazakhstan, the Kyrgyz Republic, Russia, Tajikistan and Uzbekistan. Other regional groupings include the Economic Cooperation Organization, whose members agreed in 2005 to form an FTA in the future.

In North Africa and the Middle East, the most significant developments include: the Agadir Agreement between Egypt, Jordan, Morocco and Tunisia, which entered into force in 2007; the Pan-Arab FTA notified to the WTO in 2007; and the establishment of the GCC as a customs union. Several countries are also developing closer links with Europe as part of the EuroMed process. Some have also begun looking further afield for market access – for example, Jordan's FTAs with Singapore and the United States and an FTA under consideration with Canada. More significant, however, is the RTA agenda of the GCC, which currently includes negotiations on ten FTAs. Negotiations with the United States are being conducted on a country by country basis rather than as a customs union. So far, Bahrain and Oman have concluded FTAs with the United States, and the UAE is in negotiations.

Among all the regions of the world, Sub-Saharan Africa has focused most on the traditional concept of regional integration based on deeper economic and political integration among geographically adjacent countries. The ambitious goals of most African RTAs, their low level of intra-regional trade, poor implementation of several agreements, and overlapping memberships tend to underline the dominant role played by regional politics in the design of RTAs. Extra-regional preferential trade relations have been based, until recently, on non-reciprocal preferences under schemes such as the Generalized System of Preferences, the African Growth Opportunities Act and the EC-ACP programmes. Most countries, with the exception of countries in North Africa and South Africa, benefit from such schemes.

With the expiry of the WTO waiver for preferential trade between the EC and the ACP, the EPA process has taken centre stage in African RTA developments and is likely to affect significantly intra-RTA dynamics. The EPA process is supposed to build upon and strengthen existing regional integration arrangements. This may be the case in western and Central Africa, where negotiations are taking place with the Economic Community of West African States (ECOWAS) and the Economic and Monetary Community of Central Africa (CEMAC), with Mauritania negotiating with ECOWAS, and Sao Tomé and Principe and DR Congo negotiating with CEMAC. However, it may not be so apparent in Eastern and Southern Africa (ESA), where the EPA negotiations foresee three configurations (ESA, the East African Community [EAC] and the Southern African Development Community [SADC] "minus"), with members from four regional integration groups.

Considering that several RTAs are either already customs unions (West African Economic and Monetary Union, CEMAC, EAC and SACU) or planning to become customs unions (SADC and the Common Market for Eastern and Southern Africa [COMESA]), they may face compatibility challenges with the integration agendas of existing RTAs. Examples of overlapping memberships include: SADC members Malawi, Mauritius, Zambia and Zimbabwe, which have chosen to negotiate with ESA; COMESA members Angola and Swaziland (the latter is also a SACU member), which have opted for the SADC EPA configuration; and South Africa as part of the SADC configuration along with its existing FTA with the EC. Nevertheless, by the end of 2007 the countries of ESA (with a few exceptions) had initialled EPAs, while interim agreement had not been reached with ECOWAS or CEMAC. However, Côte d'Ivoire and Ghana have signed interim agreements.

The Committee on Regional Trade Agreements (CRTA), the body entrusted with monitoring notified RTAs, held four meetings in 2007. Following the General Council's adoption in December 2006 of a Transparency Mechanism for RTAs, the CRTA considered 11 RTAs in 2007, assisted by factual presentations prepared by the WTO Secretariat. These presentations were prepared by the Secretariat in full consultation with the parties to the RTA and "on its own responsibility". They describe the main provisions of the agreement and trade liberalization between the parties to be achieved by the end of implementation.

In addition, the Secretariat is required to prepare factual abstracts on RTAs for which the CRTA has concluded a factual examination prior to the adoption of the Decision; during 2007, 15 such abstracts were prepared (on the goods aspects of RTAs) in consultation with the parties to the relevant RTAs. These have been placed on the WTO web site. Members are required to endeavour to inform the WTO of any RTAs that are being negotiated or that have been signed. As of December 2007, 33 such "early announcements" were provided to the Secretariat. Nine involved RTAs that had been signed but were not yet in force and 24 involved RTAs under negotiation. These are also available on the WTO web site.

Despite the transparency and procedural improvements achieved with the transparency mechanism, there was no further progress on achieving consensus on the format or substance of RTAs, due to long-standing institutional, political and legal difficulties. The Negotiating Group on Rules is attempting to address these difficulties.

10. Committee on Trade and Development

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

Special Session

The Special Session held six formal meetings and a number of informal consultations in 2007. During these, members continued to consider the remaining proposals specific to WTO agreements and the possible elements of a S&D monitoring mechanism.

Members engaged in text-based discussions on seven of the 16 remaining proposals specific to WTO agreements. These included one proposal on governmental assistance to economic development, three proposals on the Agreement on Sanitary and Phytosanitary Measures (which is concerned with food safety and the health and safety of animals and plants) and three proposals relating to the Agreement on Import Licensing.

Based on these discussions, the Chair of the Committee explored the possibility of alternative language on a number of the proposals. At the request of the proponents, discussions on the proposal relating to governmental assistance to economic development were put on hold and will resume once the proponents have tabled their revised text. Despite making progress, members were not in a position to make recommendations on any of the proposals. The remaining nine proposals specific to WTO agreements will be taken up when members propose new ideas or alternative language.

The Special Session continued to coordinate its efforts with the Chairs of the bodies to which the "Category II" proposals have been referred. These are proposals for strengthening the S&D provisions in the WTO agreements which relate to issues being discussed in other WTO bodies. The Chair of the Committee on Trade and Development, through written communications, sought regular updates from the other Chairs on progress in their respective areas. The Chairs reported that while discussions had taken place on some of the issues, there had been few developments on the proposals. Some Chairs reported that a substantive number of the Category II proposals were being addressed in the ongoing negotiations.

Members addressed the duty-free quota-free (DFQF) market access decision adopted at the Hong Kong Ministerial Meeting in 2005. To facilitate discussions on this issue, the least-developed countries (LDCs) had tabled two submissions in the Special Session in 2006, one on rules of origin and the other on market access. While members did not engage in substantive discussions on the submissions in 2007, a number of preliminary comments were provided and a number of concerns were raised. The LDCs also continued to pursue issues related to the DFQF decision in the negotiating groups on Agriculture and Non-Agricultural Market Access (NAMA). A number of members, including Brazil, Canada, China, the European Communities, India, Japan, New Zealand, Norway, Switzerland, Turkey and the United States, provided information on steps taken towards providing DFQF market access to the LDCs.

Members continued to consider the possible elements of a monitoring mechanism for S&D on the basis of a proposal put forward by the Chair. This proposal contained a number of elements put together on the basis of questions put to members on the structure and scope of the mechanism as well as its relationship to other existing mechanisms in the WTO.

The elements included the need for the mechanism to be simple, practical and efficient and to take into account other existing and proposed monitoring mechanisms. The mechanism also needed to possess a flexible structure that could evolve as necessary, with the scope for a regular high-level review of S&D-related issues in the WTO. With respect to its scope, the mechanism would need to monitor the implementation and effectiveness of S&D provisions in existing agreements as well as those that will result from the Doha Round of negotiations.

In this regard, the WTO Secretariat compiled a document containing all the monitoring and review mechanisms that are currently in place or that have been proposed in other WTO bodies in order to avoid duplication. While members have made progress towards fine-tuning the elements in the proposal, further work is still required before an agreement can be reached on the mechanism's possible scope and structure.

As part of its reporting requirements, the Special Session submitted a total of three reports to the General Council, one of which was submitted jointly to the Trade Negotiations Committee.

Regular Session

The Regular Session of the Committee on Trade and Development held six formal meetings in 2007. The principal themes addressed were:

- technical cooperation and training
- notifications regarding market access for developing and least-developed countries (LDCs)
- the Report of the Joint Advisory Group on the International Trade Centre (ITC)
- declining terms of trade for primary commodities, and its implication to trade and development of primary commodity exporting countries
- transparency for preferential trade arrangements
- identifying and debating developmental and environmental aspects of the negotiations in order to ensure that the objective of sustainable development is appropriately reflected
- duty-free and quota-free market access for LDCs
- participation of developing countries in the multilateral trading system.

The Committee took note of the 2006 Annual Report on Technical Assistance and Training and of the Technical Cooperation Audit Report for 2006. It also took note of the Semi-Annual Review of the Implementation of Activities (covering 1 January to 30 June 2007) and adopted the Biennial Technical Assistance and Training Plan 2008-2009. The Committee also reviewed the Report of the 40th Session of the Joint Advisory Group (JAG) on the ITC, held from 25 to 27 April 2007. The report was presented to the Committee by the Executive Director of the ITC.

In 2007 the Committee continued to consider the notification by the European Communities of its revised Generalized System of Preferences (GSP) scheme – programmes by developed countries granting preferential tariffs to imports from developing countries. Two notifications by the United States concerning its GSP scheme were also considered, as was a notification concerning Japan's GSP scheme.

With regard to regional trade agreements (RTAs), China, on behalf of the participating states of the Asia-Pacific Trade Agreement, made a notification concerning the Amendment to the Bangkok Agreement (the First Agreement on Trade Negotiations among Developing Member Countries of the Economic and Social Commission for Asia and the Pacific).

Other items concerning RTAs on the Committee's agenda in 2007 were:

- the Protocol on the Establishment of the East African Customs Union
- a biennial report to the WTO (covering January 2004 to December 2005) by the Latin American Integration Association (LAIA)
- the questions submitted by the European Communities, the United States and Japan on the notifications concerning the Framework Agreement on Comprehensive Economic Cooperation between the Association of South East Asian Nations (ASEAN) and the People's Republic of China, and the Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and the People's Republic of China.

The Committee also adopted the notification format for RTAs proposed by the Committee on Regional Trade Agreements.

Regarding the Committee's consideration of the declining terms of trade for primary commodities and the implications for primary commodity exporting countries, a panel discussion on commodity issues was held with the participation of the Ambassador of Côte d'Ivoire and representatives of the ITC and the United Nations Conference on Trade and Development (UNCTAD). This was followed by presentations by the Food and Agriculture Organization (FAO) and UNCTAD. Following the members' decision to invite a private sector organization to a meeting of the Committee, a representative of Nestlé made a presentation to the members.

The December 2006 General Council Decision on Transparency for Preferential Trade Arrangements invited the Committee to consider transparency for preferential trade arrangements (other than RTAs), and to report back within six months for appropriate action by the General Council. In reporting to the General Council in

July 2007, the Committee Chair said that his informal consultations had allowed important progress to be made but that more time would be required before the Committee could come to a decision.

The Committee has been undertaking a review of the developmental aspects of the Doha negotiations based on a periodically updated background paper prepared by the WTO Secretariat. In 2007 the Committee continued its review on the basis of a third revision of the Secretariat paper. It was agreed that this item would be temporarily taken off the Committee's agenda but it could be taken up again if so requested by any member.

Regarding duty-free, quota-free (DFQF) market access for LDCs, the Committee considered written submissions by the United States and Canada. Japan made a notification concerning its provision of enhanced DFQF market access to LDCs, which was transmitted to the Sub-Committee on LDCs for consideration. The Committee conducted its second annual review of the implementation of DFQF market access.

To assist the Committee with its requirement to keep under continuous review the participation of developing countries in the multilateral trading system, the WTO Secretariat prepared a report highlighting salient features concerning the participation of developing economies in the global trading system. The findings were presented to the Committee, which took note of the report.

Dedicated Session

In 2007 members continued their Work Programme on Small Economies. The Committee on Trade and Development held a Dedicated Session on 3 December 2007, at which the Secretariat presented an update to assist the Dedicated Session in monitoring progress of the small economies' proposals in the negotiating and other bodies.

Sub-Committee on Least-Developed Countries

The Sub-Committee on Least-Developed Countries (LDCs) held three formal meetings in 2007. The work of the Sub-Committee has mainly focused on the implementation of the WTO Work Programme for the LDCs. The subjects considered were:

- market access for LDCs
- trade-related technical assistance and capacity-building initiatives for LDCs
- assistance to LDCs in the diversification of their production and export base
- WTO accession of LDCs.

Market access for LDCs

Market access for LDCs was considered at every meeting of the Sub-Committee in 2007. The WTO Secretariat provided the Sub-Committee with notes on "Market Access Issues for Least-Developed Countries in the Area of Trade in Services", which included information on the services sectors of LDC members in the form of "trade information sheets". The sheets – one for each LDC member – contain information on services trade flows and on service sector reforms in the LDCs.

The Sub-Committee considered a notification by Japan concerning enhanced duty-free, quota-free (DFQF) market access to the LDCs. The notification states that as of 1 April 2007, the Government of Japan has been providing DFQF market access to LDCs for 98 per cent of products defined at the tariff-line level and over 99 per cent on the basis of import value.

The WTO Secretariat also provided the Sub-Committee with a note on "Market Access for Products and Services of Export Interest to Least-Developed Countries". The note contains information on trends in LDC trade and market access conditions, covering goods and to a limited extent services. Following comments received from members, the Secretariat issued a revision of the note.

Trade-related technical assistance and capacity-building initiatives for LDCs

The WTO Secretariat provided the Sub-Committee with an overview of its technical assistance and training activities to the LDCs, including in the area of the Doha Work Programme. In 2006, out of 486 activities, LDCs were involved in 212 of them, representing 44 per cent of WTO's trade-related technical assistance.

The WTO Secretariat gave a presentation to the Sub-Committee, on the Standards and Trade Development Facility (STDF). It indicated that the STDF Working Group had approved 11 LDC-specific projects and 18 project preparation grants as of June 2007, in keeping with the target of allocating 40 per cent of STDF grant resources to the LDCs and other low-income economies.

The Chair of the Enhanced Integrated Framework (EIF) interim Board reported on the status of the implementation of the EIF (see below). The Sub-Committee agreed that all responsibilities entrusted to the Integrated Framework Working Group (IFWG) would be vested in the EIF Board as of 29 June 2007, while ensuring that the Board's decisions regarding allocations from the current IF Trust Fund would be taken by consensus.

Assistance to LDCs in the diversification of their production and export base

In considering assistance to LDCs in the diversification of their production and export base, the Sub-Committee reviewed a presentation by the United Nations Industrial Development Organization (UNIDO) on its trade capacity building programme, in particular the activities in favour of LDCs. It was highlighted that 60 per cent of all UNIDO's trade capacity building programmes were devoted to LDCs.

Accession of LDCs

The Sub-Committee considered a WTO Secretariat note concerning the state of play of the WTO accession working parties of the LDCs. Twelve LDCs are at various stages in their WTO accession process, which represents more than one-third of ongoing accession negotiations.

Integrated Framework for Least-Developed Countries

The Integrated Framework is an international initiative through which the International Monetary Fund, the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Development Programme, the World Bank and the WTO combine their efforts with those of least-developed countries (LDCs) and donors to respond to the trade development needs of LDCs.

Members meeting as the Integrated Framework Steering Committee (IFSC) in May 2007 adopted a package of measures to start the implementation phase of the Enhanced Integrated Framework (EIF). These measures translated the Recommendations on an Enhanced Integrated Framework, adopted in 2006, into operational actions. The enhancement of the Integrated Framework is based on the three elements which had earlier been endorsed by WTO ministers at the Hong Kong Ministerial Conference in December 2005:

- additional, predictable financial resources to implement the LDCs' list of trade priorities
- strengthened capacities within the LDCs to manage, implement and monitor the IF process
- enhanced IF governance.

The recommendations contain the Enhanced IF's way of doing business and are laid down in the EIF Compendium of Working Documents. In 2007, the Programme Implementation Unit (PIU) was established in the WTO Secretariat to help it carry out its responsibilities as the current IF Secretariat. Once the fully-fledged EIF Secretariat is established as part of the Enhanced IF's structures, the PIU is expected to move to this new Secretariat, which will be housed in the WTO but will report to the EIF Board. The IF continued to collaborate with other initiatives, such as the Standards and Trade Development Facility (STDF). The IF is the mechanism available to LDCs to implement Aid for Trade.

Key differences between the Integrated Framework and the Enhanced Integrated Framework

The recommendations adopted in May 2007 reflect the main differences between the Integrated Framework (IF) and the Enhanced Integrated Framework (EIF): stronger ownership of the EIF process by the least-developed countries (LDCs) and increased commitments from donors, which will be key in the EIF partnership both locally, in their capitals and in Geneva.

In the participating countries, the EIF focal point will be supported in his/her work by national EIF implementation arrangements. These arrangements will focus on mainstreaming trade into national development plans and poverty reduction strategies, ensuring more effective follow-up to the Diagnostic Trade Integration Studies (DTISs) and implementation of trade priorities, and achieving greater and more effective coordination among donors and national EIF stakeholders. Another aspect of IF enhancement will be greater efforts from the donors to harmonize their trade-related programmes with the EIF and to secure funds for the implementation of trade priorities in a sustainable manner. This is expected to result in more effective trade management in the participating countries and to a more prominent role of trade in national development strategies.

The second set of changes relate to the establishment of a fully-fledged EIF Secretariat housed in the WTO and headed by an Executive Director. The Secretariat, of which a kernel already exists in the form of the IF Programme Implementation Unit at the WTO, is developing strong and close working relationships with the focal points and donor facilitators in the IF countries and is communicating best practices through an array of virtual and face-to-face outreach activities. As the IF Secretariat reaches its full size, strengthened and continuous monitoring and evaluation will help to ensure that the EIF achieves its objectives, and strategies will be developed to involve the private sector more closely in the EIF process.

The third difference between the current and the Enhanced IF will be the provision of sufficient funding through a multilateral trust fund and bilateral/regional cooperation. There has to be sufficient funding available in the multilateral trust fund to meet the costs associated with domestic capacity building (Tier I) and some of the activities identified as trade priorities (Tier II). The Trust Fund also finances the Executive Secretariat.

Since May 2007, the interim IF Board has worked to finalize preparations for the launch of the EIF. These included:

- developing the EIF accountability framework and selecting the Trust Fund Manager
- designing monitoring and evaluation systems
- addressing funding and replenishment issues and conducting outreach activities.

In parallel with the work to enhance the IF, beneficiary countries continued to make use of the IF's existing mechanisms to build further trade capacity. The Enhanced IF will apply to all current IF beneficiaries and to any new applicants. At present, 45 LDCs are at various stages of the IF process. Thirty LDCs have undertaken and validated a Diagnostic Trade Integration Study (DTIS): Angola, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Djibouti, Ethiopia, The Gambia, Guinea, Lao PDR, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Tanzania, Uganda, Vanuatu, Yemen and Zambia. Some are now in the process of updating their DTISs. A further ten LDCs are in the process of preparing their DTISs: Afghanistan, Cape Verde, East Timor, Guinea Bissau, Liberia, Niger, Samoa, Solomon Islands, Sudan and Tuvalu, while another five have applied to join the IF: Equatorial Guinea, Haiti, Democratic Republic of Congo, Togo and Kiribati.

Working Group on Trade and Transfer of Technology

The Working Group on Trade and Transfer of Technology continued in 2007 the examination of the relationship between trade and transfer of technology and considered possible recommendations that might be taken within the mandate of the WTO to increase flows of technology to developing countries. The Working Group held four formal sessions in 2007. Work on the relationship between trade and transfer of technology continued largely on the basis of a presentation made by the United Nations Conference on Trade and Development (UNCTAD) and a country presentation made by the Philippines.

The UNCTAD presentation on "Trends in Cross-Border Flows of Technology" identified six crucial indicators for assessing cross-border technology flows. These were:

- payment of royalties and licensing fees by the users to technology providers
- trade in capital goods
- trade in business and professional services
- the number of patents filed
- the flow and expenditure of transnational corporations in research and development
- the growth of industrial alliances.

The presentation demonstrated that technology ownership and development was mostly concentrated in developed countries. Only a limited number of developing countries with larger markets, and with some production and technological capacity already in place, had benefited from technology flows.

Highlighting its experience with technology generation and transfer, the Philippines' presentation stressed that the successful transfer of technology played an important role in stimulating the formation and growth of advanced technology entrepreneurial start-ups.

In continuing the consideration of possible recommendations on steps that might be taken to increase flows of technology to developing countries, members focused their discussion on the proposal tabled by India, Pakistan and the Philippines. The proposal elaborated on some of the possible recommendations tabled earlier by these members. Members continued to remain positively engaged in learning more about the proposed recommendations. In its Annual Report 2007, the Working Group recommended to the General Council that it continue its work, with a view to increasing the flows of technology to developing countries.

11. Committee on Budget, Finance and Administration

In 2007 the Committee on Budget, Finance and Administration continued to monitor the WTO's financial and budgetary situation, including the implementation of schemes and measures regarding the receipt of contributions from WTO members. It considered issues concerning human resources management and heard progress reports on the WTO Pension Plan, the accommodation needs of the WTO and the Security Enhancement Programme.

Major areas of activity

The Committee was informed that there were inconsistencies in the Financial Rules and Regulations of the WTO concerning: the threshold for competitive bidding regarding an intended purchase; and the biennial audit of WTO accounts. The Committee forwarded a revision to these Rules and Regulations to the General Council.

The Committee noted the accession of two new members in 2007: Viet Nam on 11 January; and Tonga on 27 July.

As the mandate of the current WTO External Auditor (the Austrian Court of Audit) ends with the audit of the 2007 accounts, the Committee set up a working group for the selection of a new external auditor. The working group's proposal was that the Committee should consider recommending the French Cour des Comptes as the external auditor of the WTO accounts and pension plan. This would be effective for a period of six years, starting with the audit of the 2008 accounts. A final decision would be taken by the General Council.

The Swiss authorities addressed the Committee on several occasions regarding the WTO's future building needs. In November they explained that due to inherent difficulties, the plans to create extra office space in the WTO Headquarters, as outlined in July, had been amended. Instead, the Swiss authorities proposed to construct a new building on the south car park.

The financial proposal presented to the Committee included a CHF 60 million loan for the construction of the new building and a CHF 70 million grant from the Swiss Government to cover the cost of renovating the Headquarters, renting the former Serono building and completing other related work. WTO members and the Swiss authorities agreed on the need for a master plan for the overall project. In December, the Committee recommended to the General Council that the Director-General be authorized to undertake direct negotiations with the Swiss authorities.

The Committee recommended that the General Council approve the budgets for 2008 and 2009, which total CHF 185 million and CHF 191 million respectively. In addition, the Committee recommended that the 2006 surplus be used as follows:

- CHF 1,500,000 to finance the restructuring plan in 2008
- CHF 5,496,223 to be used as income against the budget for 2008, thereby reducing members' contributions.

Regarding the Appellate Body, the Committee recommended that the General Council increase the remuneration (retainer and daily fee) by 10 per cent in 2008 and by 5 per cent in 2009. It noted that in the last 11 years the remuneration had only been adjusted once. Furthermore, it recommended that the remuneration should be adjusted annually according to the Geneva Consumer Price Index for the previous 12 months, as from January 2010.

The Committee also discussed contributions to the Doha Development Agenda Global Trust Fund, adjustment of the WTO dependency allowances and the 2008-09 budget estimates of the International Trade Centre.

12. Plurilateral agreements

Agreement on Government Procurement

The parties to the plurilateral Agreement on Government Procurement (GPA) of 1994 comprise: Canada; the European Communities (covering its 27 member states); Hong Kong, China; Iceland; Israel; Japan; Republic of Korea; Liechtenstein; the Kingdom of the Netherlands with respect to Aruba; Norway; Singapore; Switzerland; and the United States. In 2007, Albania, Georgia, Jordan, the Kyrgyz Republic, Moldova, Oman, Panama and Chinese Taipei were in the process of negotiating their accession to the Agreement. In addition, the following WTO members had commitments regarding accession to the GPA in their respective WTO accession protocols: Armenia, China, Croatia, the Former Yugoslav Republic of Macedonia, Mongolia and Saudi Arabia.

During 2007 the Committee on Government Procurement continued its negotiations under Article XXIV.7(b) and (c) of the Agreement, which comprise the following elements:

- simplification and improvement of the text of the Agreement, including, where appropriate, adaptation to advances in information technology
- expansion of the coverage of the Agreement
- elimination of remaining discriminatory measures and practices which distort open and competitive procurement.

Regarding work on the text of the Agreement, a legal check was completed of the revised text on which provisional agreement was reached by the negotiators in December 2006. Regarding the coverage negotiations, a series of informal sessions was held.

Other matters considered by the Committee in 2007 included modifications to the appendices to the Agreement, statistical reports, and notifications of threshold figures in national currencies.

13. Committee on Balance-of-Payments Restrictions

The Committee on Balance of Payments Restrictions met in May 2007 under the Chairmanship of Ambassador Chitsaka Chipaziwa (Zimbabwe) to consult with the Government of Bangladesh. The Government agreed that it would remove its remaining restrictions on salt, chicks and eggs by end-2008. In November, the Committee conducted the sixth annual review of China's balance of payments restrictions in line with China's Protocol of Accession.

WTO activities

Part 2

1. Cooperation with other international organizations and outreach

Relations with non-governmental organizations and outreach activities

In 2007 the WTO maintained regular dialogue with non-governmental organizations (NGOs) regarding specific aspects of the WTO, the Doha Development Agenda and many other issues in recognition of the important role played by NGOs in raising general awareness of WTO activities.

NGO representatives are in regular contact with the WTO Secretariat and WTO members. They attend WTO ministerial conferences and participate in workshops and symposiums. The WTO's annual Public Forum has become one of the largest and most important ways of providing participants, including NGO representatives from all over the world, with a unique opportunity to debate among themselves and with WTO members on relevant trade-related matters of particular interest to them.

On 4-5 October 2007 over 1,000 participants attended the 2007 Public Forum held at WTO headquarters. The theme, "How can the WTO help harness globalisation?", stimulated a frank debate on the role that the WTO can play in helping trade to become an engine of development and in contributing to a better distribution of the benefits of trade in today's global economy. The Forum focused on the tools that the WTO requires to help harness globalisation, and the need for cooperation among international organizations. A total of 37 sessions were held, organized by both participants and the WTO Secretariat. The topics discussed were divided into four areas: global governance; coherence between national and international levels of policy-making and between multilateral institutions; economic growth and the role of trade as a vehicle for development; and sustainable development. A summary of the 2007 Public Forum is available as a WTO publication.

In 2007 two new events provided an opportunity for further NGO involvement: in April the WTO organized the first issue-specific dialogue with 28 NGO representatives to discuss the development component of the Doha Development Agenda and in November, NGOs participated in the Aid for Trade Global Review.

At the April event, the following questions were addressed: How are trade and development linked? How can this linkage be further strengthened? To what extent has special and differential treatment (S&D) for developing countries helped development? What is the way forward on S&D? What kind of issues are key to civil society as the debate on trade and development progresses? Issue-specific dialogues provide an opportunity for representatives of civil society, WTO members and observers and Secretariat staff to exchange information and views on matters related to the multilateral trading system which are of particular relevance to them. Dialogue takes place at the WTO in an informal setting and is off the record.

Given their interest and potential roles in trade capacity-building, NGOs were invited to the Aid for Trade Global Review held at the WTO in November 2007. Throughout the three-day high-level meeting, more than 25 specialists from internationally well-known NGOs participated in panels and workshops, contributing to the success of the Review.

Geneva-based NGO representatives are regularly briefed on meetings of the major WTO councils and committees, including those chaired by the Director-General. In 2007, briefings focused particularly on the state of play of the current Doha negotiations in the run-up to major meetings of the WTO. Moreover, the WTO's Director-General and Secretariat staff frequently meet NGO representatives from all over the world. WTO Secretariat officials also participate as frequently as possible in major meetings where subjects of interest to NGOs are discussed. In addition, NGOs have the possibility of sending to the WTO Secretariat their position papers and studies, which are posted on the WTO website. All WTO members receive a monthly list of these position papers. When a member is interested in a copy, they can normally retrieve it directly from the WTO website or request it from the Secretariat. This is a simple and straightforward way for the public and WTO members to learn about NGO concerns. In 2007, 23 position papers and studies were received by the WTO.

Since 2003, the WTO has been involved in organizing regional and national workshops for NGO representatives as part of the WTO's outreach efforts. Regional workshops are organized in partnership with international, local or regional NGO organizations. These outreach activities are considered to be instrumental in explaining and promoting the rules-based multilateral trading system. They enhance the dialogue between the WTO and local and/or regional NGOs. In 2007, a regional outreach activity with over 40 representatives from NGOs from the Asian region was organized in the Philippines, focusing on Asian perspectives on the future of the multilateral trading system.

Cooperation with other international organizations

The WTO works closely with other international organizations and regional bodies, especially those involved in trade-related issues.

The WTO is a member of the United Nations Chief Executives Board – a high-level body chaired by the UN Secretary-General and composed of heads of UN agencies, funds and programmes, Bretton Woods institutions and the WTO – which looks at global issues, with a view to enhancing international cooperation. The WTO Director-General, who attends the Board's meetings twice a year, was actively involved in 2007, alongside the Head of the International Labour Organization, in an exercise to review the Board's *modus operandi*. Together, they produced a set of recommendations, which were adopted by the Board.

WTO Secretariat officials participate in the Board's subsidiary bodies, dealing with programmes and management issues. The WTO Secretariat is represented on a high-level United Nations coordination committee monitoring progress in achieving the United Nations' Millennium Development Goals. The WTO participates in meetings of the UN Economic and Social Council to ensure a proper follow-up to the conferences dealing with development.

In October 2007 the WTO participated in a UN General Assembly dialogue on "Financing for Development". This was intended to be a preparatory step for the Review Conference of the International Conference on Financing for Development to be held in Doha in 2008.

Regarding the development aspects of trade, the WTO cooperates with the United Nations Conference on Trade and Development (UNCTAD) to coordinate activities in terms of providing training and technical assistance to developing and least-developed countries. UNCTAD is a major partner of the WTO in programmes such as the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries and the Joint Integrated Technical Assistance Programme. The WTO and UNCTAD sponsor various inter-regional information sessions and training activities to help representatives from developing countries learn more about the WTO and trade negotiations. These activities usually involve staff from both the WTO and UNCTAD.

Other intergovernmental organizations with which the WTO cooperates and interacts on the development aspects of trade include the United Nations Development Programme, the International Trade Centre, the International Monetary Fund and the World Bank. The WTO has long and sustained working relationships, at the respective operational levels of the Secretariat, with these organizations but also with others, such as the Food and Agriculture Organization (FAO), the World Customs Organization (WCO), the World Intellectual Property Organization (WIPO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The WTO cooperates closely with the Organisation for Economic Co-operation and Development (OECD). The Director-General participates in the annual OECD Ministerial Meeting and is a regular speaker at the OECD Forum, which is organized on the sidelines of the Ministerial Meeting. WTO Secretariat officials regularly participate in many OECD meetings, including the Trade and Executive Committees, in order to prepare for the DG's attendance at the Ministerial Meeting.

Relations with parliamentarians and outreach activities

The WTO Secretariat has recently been enhancing its working relations with parliaments. This includes WTO participation in the meetings of ad-hoc parliamentary bodies as well as outreach activities organized by the Secretariat at national and regional levels.

Parliamentarians have a constitutional role to play in ratifying WTO agreements that are negotiated by governments. These parliamentarians are showing increasing interest in the multilateral trading system. Their

scrutiny of trade matters is growing through the Inter-Parliamentary Union (IPU), for example, and through the Parliamentary Conference on the WTO, which is organized on the sidelines of the WTO ministerial conferences.

The WTO Director-General regularly addresses the Parliamentary Conference on the WTO, and staff from the Secretariat regularly participate in meetings organized by the IPU, particularly as the WTO is a member of the IPU's Steering Committee on WTO matters. Through these contacts and many others with national parliaments, the WTO Secretariat provides up-to-date information on the most important issues facing the multilateral trading system.

The WTO regularly organizes specific workshops for parliamentarians designed to enhance their understanding of the WTO and to keep them abreast of developments concerning the Doha negotiations. They complement national workshops for parliamentarians, which are carried out as part of the WTO's regular technical assistance work. An important outcome of these outreach activities has been enhanced working relations with parliamentarians as well as with regional and local parliamentary organizations.

In 2007 the WTO Secretariat organized two regional workshops for parliamentarians: in Viet Nam (for French-speaking parliamentarians from the Assemblée Parlementaire de la Francophonie); and in Kenya (for parliamentarians from Africa, members of the Commonwealth Parliamentary Association). In March 2007 a workshop for parliamentarians from developing countries was organized for the first time at WTO headquarters in partnership with the German foundation Friedrich Ebert Stiftung.

2. Technical cooperation and training

In 2007, a total of 457 training activities were provided by the WTO's Institute for Training and Technical Cooperation (ITTC). These included activities at the WTO in Geneva as well as in other countries. Training courses varied in length, from one day to 12 weeks, while the number of staff involved in each activity ranged from one to over 20 for the longer courses. The number of participants for each course averaged around 30. In addition to these training activities, a number of internships, including doctoral research studies, were undertaken.

The main aim of the WTO's trade-related technical assistance (TRTA) programme is to improve understanding of WTO activities. The training is, as much as possible, tailored to the needs of the beneficiary countries. WTO members may submit to the WTO Secretariat their requests for technical assistance at any time during the year. This ensures that technical assistance is provided in a focused and timely manner, in response to identified needs. Particular attention is focused on providing training to developing countries, and in particular to least-developed countries (LDCs).

The WTO Secretariat publicises the training programme in a variety of ways, highlighting the entitlements of WTO members and drawing attention to how technical assistance can be requested. ITTC staff have particular responsibilities for specific regions. Staff members maintain contact with the countries in their particular regions to ensure that the proposed training meets the countries' requirements. ITTC staff act as liaison officers between specialist WTO divisions and the beneficiary countries to ensure that the right foundations for training are in place. They also contact countries that have not requested training in order to explore whether these countries have a particular need for assistance.

Technical assistance features prominently on the agenda of the "Geneva Week" for non-resident WTO members and observers. Two Geneva Weeks were held in 2007, in May and November. The purpose of these weeks is to inform the non-resident member countries and observers about recent developments taking place at the WTO.

To monitor the quality of the training provided, and to ensure that the needs of the beneficiary countries are being well catered for, the ITTC activities are assessed through Back-to-Office Reports compiled by WTO staff. These reports are systematically analyzed by the Technical Cooperation Audit Unit, leading to follow-up recommendations.

The recommendations of the 2006 Strategic Review of WTO-provided TRTA were extensively discussed in the Committee on Trade and Development, both in formal and informal sessions. Several of the recommendations were incorporated in the Technical Assistance Plan 2007, resulting in a number of specific activities during the year. Some of the other recommendations will be incorporated in subsequent TA plans.

The three-month Trade Policy Courses, held in Geneva or elsewhere, and the regional seminars continued to be the most labour-intensive training activities, requiring preparation time of up to nine weeks. The regional seminars may be organized solely by the WTO, or as part of a partnership arrangement with another agency.

The majority of activities in 2007 were held in Africa (166 activities), representing 37 per cent of the ITTC's total training output for the year (see Table 2.8). This was followed by Asia and the Pacific (77 activities), representing one-sixth of all activities. A total of 55 activities were organized for Latin America (12 per cent), 28 for the grouping of Central and Eastern Europe and Central Asia (6 per cent), 24 for the Arab and Middle-East countries (5 per cent), and 19 for the Caribbean (4 per cent).

LDCs benefited from around 44 per cent of all training activities. This includes training courses held in the LDCs (58 activities) as well as regional seminars, workshops and training activities to which LDCs were invited. Several programmes were specifically geared towards LDCs, or had significant LDC emphasis. These included the Integrated Framework (IF) for Trade-related Technical Assistance to LDCs and the Joint Integrated Technical Assistance Programme (JITAP), which mobilizes the expertise and support of the WTO, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC) to help African countries benefit from the new multilateral trading system.

Other programmes specifically geared towards LDCs include the three-week Introduction Courses for LDCs, Geneva Weeks, the Reference Centres Programme, the Netherlands Trainee Programme, and support provided in needs assessments and in the preparation of Trade Policy Reviews. LDCs are entitled to a higher level of national activities and receive priority attention in the accession process. More generally, priority was given to LDCs in the selection process for Geneva-based training courses.

A total of 214 training activities were held at the national level in 2007 and 152 activities were regional events. This represents a significant increase in the number of national activities, reflecting the increased demand for this type of training. In addition, the WTO participated in activities organized by other agencies and took part in trade-related conferences, symposia and high-level meetings. These amounted to 91 activities, which were mostly undertaken as part of the partnership arrangements that the WTO has with other agencies.

The total number of regional and global activities undertaken, as contained in Tables 2.8 and 2.9, includes regional workshops and seminars of the JITAP, university workshops in preparation for the Regional Trade Policy Courses, eTraining modules and regional activities held under the WTO's partnership arrangements with other agencies and bodies.

Most national training activities specifically addressed WTO agreements (see Table 2.10). Training to assist the production of Trade Policy Reviews (TPRs) was in strong demand, as was training on market access issues (such as non-agricultural market access), customs valuation, rules of origin, trade facilitation, trade-related intellectual property rights (TRIPS), development issues, WTO rules and sanitary & phytosanitary measures (SPS).

The activities covered in the Technical Assistance Plan are partly financed from the regular budget and partly through the Doha Development Agenda Global Trust Fund (DDAGTF). This fund was established in 2001 to finance technical assistance activities for developing and least-developed countries as well as economies in transition. One of the purposes for creating a global fund was to consolidate the extra-budgetary funds in one un-earmarked fund so as to provide a solid and stable financial basis for the delivery of a global programme. Following the finalization of the 2007 Technical Assistance Plan, the General Council approved the recommended target amount of CHF 24 million for the technical assistance activities to be financed from the DDAGTF in 2007, maintaining the cost of the Plan at the same level as it has been since 2003.

Table 2.8: Trade-related technical assistance by region

Region	National technical assistance		Regional/global technical assistance		Other (conferences etc.)		Total	
	Number of activities	As a % of total activities	Number of activities	As a % of total activities	Number of activities	As a % of total activities	Number of activities	As a % of total activities
Africa	102	48%	39	26%	25	27%	166	37%
Arab and Middle East countries	13	6%	7	5%	4	4%	24	5%
Asia and the Pacific	36	17%	28	18%	13	14%	77	17%
Caribbean	12	6%	7	5%	0	0%	19	4%
Central and Eastern Europe and Central Asia	16	7%	7	5%	5	5%	28	6%
Global	0	0%	50	33%	38	42%	88	19%
Latin America	35	16%	14	9%	6	7%	55	12%
Total	214	100%	152	100%	91	100%	457	100%

Table 2.9: Overview of trade-related technical assistance

Course	Total	
	Number of activities	As a % of total activities
General WTO-related technical assistance and training	50	10.9%
Trade Policy Courses	14	3.1%
<i>Geneva-based Trade Policy Courses</i>	4	0.9%
<i>Regional Trade Policy Courses</i>	10	2.2%
Geneva-based introduction courses	2	0.4%
Geneva-based thematic courses	4	0.9%
WTO introduction days	3	0.7%
Geneva Week	2	0.4%
Geneva-based topic-specific symposia	7	1.5%
Regional and sub-regional capacity-building programmes (Short Trade Policy Courses)	18	3.9%
Specialised & advanced training & technical assistance	233	50.8%
Geneva-based specialised courses	2	0.4%
National technical assistance activities	165	35.9%
<i>Topic-based activities</i>	124	27.0%
<i>Technical assistance within the Trade Policy Review Mechanism Framework</i>	31	6.8%
<i>Assisting beneficiaries in conducting needs assessment¹</i>	-	-
<i>Reference Centres</i>	10	2.2%
Regional seminars	54	11.8%
<i>Agriculture</i>	3	0.7%
<i>Dispute settlement</i>	4	0.9%
<i>Government procurement (Plurilateral Agreement)</i>	3	0.7%
<i>Non-agriculture market access (NAMA)</i>	8	1.7%
<i>Technical barriers to trade</i>	3	0.7%
<i>Regional Trade Agreements</i>	3	0.7%
<i>Rules</i>	5	1.1%
<i>Sanitary and phytosanitary measures</i>	5	1.1%
<i>Services</i>	5	1.1%
<i>Trade & development</i>	4	0.9%
<i>Trade & environment</i>	1	0.2%
<i>Trade facilitation</i>	7	1.5%
<i>Trade-related intellectual property rights</i>	3	0.7%
<i>Advanced training programme for senior government officials</i>	4	0.9%

<i>Course</i>	<i>Total</i>	
	<i>Number of activities</i>	<i>As a % of total activities</i>
<i>Intensive course on trade negotiations skills</i>	5	1.1%
<i>Outreach activities for parliamentarians and civil society</i>	3	0.7%
Academic support for training and capacity-building: an integrated approach	20	4.4%
Regional Trade Policy Courses (RTPCs)		
University programme	20	4.4%
<i>Follow-up to RTPCs (Phase II)</i>	1	0.2%
<i>Regional workshops</i>	4	0.9%
<i>National workshops</i>	15	3.3%
E-learning programme	24	5.2%
eTraining: online courses	18	3.9%
Self-training modules: computer-based training modules	5	1.1%
State of play briefing	1	0.2%
Other programmes and support activities	61	13.7%
Programme activities	63	13.7%
<i>Joint Integrated Technical Assistance Programme (JITAP)</i>	12	2.6%
<i>Integrated Framework/Enhanced IF</i>	25	5.9%
<i>Standards and Trade Development Facility (STDF)</i>	23	5.0%
<i>WTO documentation (support to national technical assistance)</i>	1	0.2%
Participation in conferences	69	15.0%
Total	457	100%

¹ Assisting beneficiaries in conducting needs assessment does not require missions per se, and is mostly taken care of through the Netherlands Trainee Programme, the technical assistance missions within the Trade Policy Review Mechanism Framework, and other national activities.

Table 2.10: National technical assistance activities in 2007

Topic-based activities, technical assistance within the Trade Policy Review Mechanism Framework, assisting beneficiaries in conducting need assessment and Reference Centres¹

Topics	Number of activities	As a % of all activities
Accession	3	1.8
Agriculture	7	4.2
Competition policy	2	1.2
Customs valuation	1	0.6
Development issues	6	3.6
Dispute settlement	5	3.0
Environment	1	0.6
General capacity-building	18	10.9
Government procurement	3	1.8
IT/WTO Reference Centres	10	6.1
Non-agricultural market access	17	10.3
Notifications	1	0.6
Outreach	6	3.6
Rules	5	3.0
Sanitary and phytosanitary measures	5	3.0
Services	15	9.1
Technical barriers to trade	5	3.0
Trade facilitation	12	7.3
Trade negotiation techniques	1	0.6
Trade Policy Review Mechanism	31	18.8
Trade-related intellectual property rights	11	6.7
Total	165	100

¹ This table does not account for activities undertaken under various programmes (i.e. Integrated Framework, Joint Integrated Technical Assistance Programme, Standards and Trade Development Facility, etc.).

3. Public information activities

Contact with the media and the public

In 2007 the Information and Media Relations Division of the WTO continued to have regular contact with journalists in Geneva through weekly press briefings, news conferences and photo opportunities. The WTO also maintained regular contact with over 1,500 journalists around the world who have registered to use the media newsroom on the WTO web site. They all received weekly email bulletins on developments at the WTO.

There was a sustained level of contact with the public through 134 information briefings at the WTO involving about 4,000 participants. More than 130,000 individuals have registered with our contacts database to receive regular email bulletins on WTO developments. This list consists largely of academics, consultants, government officials and students with a specific interest in trade issues. Over 60,000 public email enquiries and comments were received by the WTO in 2007.

WTO website (www.wto.org)

The website attracted an average of over 1.1 million visitors per month during the year. Users of the site downloaded millions of pages of WTO publications and documents, including over 21,000 copies of the *WTO Annual Report*, about 21,000 copies of the *World Trade Report* and about 50,000 copies of the *International Trade Statistics*.

WTO publications

A total of 178 publications were produced during 2007 in English, French and Spanish. The full list of WTO publications produced in 2007 is provided below. The WTO distributed nearly 50,000 books and information brochures free of charge in English, French and Spanish to the public and to WTO members during 2007.

Many of these publications can be downloaded free of charge from the WTO website. Printed copies can be purchased from the WTO online bookshop: onlinebookshop.wto.org

Publications in 2007

General publications

WTO Annual Report 2007

The Annual Report focuses on the main activities of the organization in 2006 and details its current structure, staff and budget.

English ISBN 978 92 870 3398 7 Paperback
Français ISBN 978 92 870 3399 4 couverture brochée
Español ISBN 978 92 870 3400 7 edición rústica
Price: CHF 50.00

WTO Public Forum 2006

This first edition of the Public Forum proceedings provides a summary of the many views and concerns raised at the 2006 WTO Public Forum, organized under the overall theme «What WTO for the XXIst Century?»

English ISBN 978-92-870-3395-6
Français ISBN 978-92-870-3396-3
Español ISBN 978-92-870-3397-0
Price: CHF 20.00

The WTO in the Twenty-First Century

Three significant issues will determine the future of the WTO: dispute settlement, negotiations and regional integration. These issues, and the interplay between them, are examined by leading scholars and practitioners in the field of international trade law from North America, Europe and Asia-Pacific. In addition, special sections focus on the Asia-Pacific region, its participation in WTO dispute settlement and negotiations, and recent trends towards greater regional integration.

Co-published with Cambridge University Press
English ISBN 978-0-521-87569-1
Price: CHF 155.00

The WTO Website on DVD

A «snapshot» of the WTO website with animated instructions on how to use key features. Includes the legal texts, trade policy reviews, and trade statistics.

English ISBN 978 92 870 3434 2
Français & Español ISBN 978 92 870 3435 9
Price: CHF 20.00

Legal texts

Protocol on the Accession of WTO Members

This is the official WTO certified text of the Protocol Accession negotiated by the acceding country to become a member of the WTO. It provides all the terms, commitments and conditions accepted by the acceding country for membership in the WTO. (Trilingual)

Co-published with Cambridge University Press
Saudi Arabia ISBN 978 0 521 70763 3 Paperback
Viet Nam ISBN 978 0 521 70764 0 Paperback
Price: CHF 250.00

CD-ROM: Agreement on Sanitary and Phytosanitary Measures

This is the second in a series of easy-to-use interactive guides to WTO Agreements on CD-ROM. Each CD-ROM module is designed to guide the user through the complex WTO agreements in a simple step-by-step manner. This module, which covers the WTO Agreement on Sanitary and Phytosanitary Measures, includes text, video and audio material and is complemented by a multiple-choice test to enable users to monitor their individual progress.

Trilingual edition (English, French and Spanish) ISBN 978 92 870 3446 5 CD-ROM
Price: CHF 75.00

Trade topics

Air Transport and the GATS 2000-2005

This special compilation describes air transport services from a regulatory and economic point of view, with a special focus on market access questions. Each volume contains original material and up-to-date insights, written on the basis of close cooperation with industry professionals. This is the first volume of the "Air Transport and the GATS – 2000-2005 in Review" series, which will be published progressively in the course of 2007 and 2008.

English ISBN 978-92-870-3384-0
Français ISBN 978-92-870-3385-7 sortie prévue en 2008
Español ISBN 978-92-870-3386-4 publicación prevista para 2008
Price: CHF 50.00

Air Transport and the GATS 1995-2000

In preparation for the second air transport review mandated by the GATS Annex on Air Transport Services, the Secretariat has gathered in the present booklet the documentation produced in 2000-01 for the first review.

English ISBN 978-92-870-3373-4
Français ISBN 978-92-870-3374-1
Español ISBN 978-92-870-3375-8
Price: CHF 50.00

Trade and Employment

This study is the outcome of collaborative research between the WTO Secretariat and the International Labour Office (ILO). It addresses an issue that is of concern to both organizations: the relationship between trade and employment.

English ISBN 978-92-870-3380-2
Français ISBN 978-92-870-3381-9
Español ISBN 978-92-870-3382-6
Price: CHF 20.00

Statistics

International Trade Statistics 2007

The International Trade Statistics (ITS) report, published annually every November, is one of the WTO's flagship publications, providing comprehensive, comparable and up-to-date statistics on trade in merchandise and commercial services for an assessment of world trade flows by country, region and main product groups or service categories.

English ISBN 978 92 870 3407 6
Français ISBN 978 92 870 3408 3
Español ISBN 978 92 870 3409 0
Price: CHF 50.00

Trade Profiles 2007

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

English ISBN 978 92 870 3431 1
Français ISBN 978 92 870 3432 8
Español ISBN 978 92 870 3433 5
Price: CHF 30.00

Research & Analysis

World Trade Report 2007

On 1 January 2008 the multilateral trading system celebrated its sixtieth anniversary. The World Trade Report 2007 marks the occasion with a retrospective look at what we have learned from those six decades of international trade cooperation. In asking what we have learned, the report reviews a rich history of change and institutional adaptation. It attempts to identify both what lessons are to be drawn from past experience and the nature of challenges to come.

English ISBN 978 92 870 3401 4 Paperback
Français ISBN 978 92 870 3402 1 couverture brochée
Español ISBN 978 92 870 3403 8 edición rústica
Price: CHF 60.00

Trade Policy Reviews

Surveillance of national trade policies is a fundamentally important activity running throughout the work of the WTO. At the centre of this work is the Trade Policy Review Mechanism. All WTO members are reviewed, the frequency of each country's review varying according to its share of world trade.

The following Trade Policy Reviews took place in 2007:

- Chad
- Japan
- Argentina
- European Communities
- Australia

- Canada
- Macao, China
- Costa Rica
- India
- Central African Republic
- Indonesia
- Bahrain
- Panama
- Gabon/Cameroon
- Peru
- Organization of Eastern Caribbean States
- Thailand
- Turkey

Co-Published with Bernan Press

Available in English, French and Spanish

Price: CHF 100.00 each

Discussion Paper n°13 – Fulfilling the Marrakesh Mandate on Coherence: Ten Years of Cooperation between the WTO, IMF and World Bank

A well-functioning, open, rules-based, trading system makes trade policies more predictable and effective tools for economic management. It increases resource flows to developing countries, strengthens markets and economies structurally, and helps underpin macroeconomic and financial stability. That, in turn, makes trade ministries and the WTO more influential partners in cooperating with finance and development ministries, and with the International Monetary Fund (IMF) and the World Bank, to generate the broad coherence of economic policy-making that is sought at national and international levels, and to advance the shared objectives of sustainable growth, development and poverty reduction. These objectives are set out in the WTO Ministerial "Coherence Mandate", which establishes a special relationship with the IMF and the World Bank to achieve greater coherence in global economic policy-making.

English ISBN 978 92 870 3443 4 Paperback

Price: CHF 20.00

Discussion Paper n°12 – The Changing Landscape of Regional Trade Agreements: 2006 Update

Regional trade agreements (RTAs) have become in recent years a very prominent feature of the Multilateral Trading System (MTS). The impasse in the Doha Development Agenda (DDA) negotiations is further strengthening members' resolve to conclude such agreements as a flurry of new RTA initiatives have emerged in recent months whose effects will be felt in the years to come. The objective of this paper is not to assess the pros and cons of RTAs; rather to raise awareness of the magnitude of the RTA phenomenon, the main trends and characteristics of this proliferation with quantitative and qualitative indicators.

English ISBN 978 92 870 3417 5

Price: CHF 20.00

Discussion Paper n°11 – International Production Sharing: A Case for a Coherent Policy Framework

This study seeks to clarify what fragmented production or production sharing is, how widespread it is, how it is organized, its driving forces and what are its policy implications – the latter focusing on developing countries and the Doha Development Round. It presents six country case studies where the importance and nature of production sharing or vertical specialization in the automotive and electronics sectors is studied for each country.

English ISBN 978-92-870-3379-6

Price: CHF 20.00

Working Papers

Working Papers are only available electronically; please visit: www.wto.org/english/res_e/reser_e/wpaps_e.htm
The Contribution of Services Liberalization to Poverty Reduction: What role for the GATS?

There are various conceivable links between services liberalization and poverty reduction, including the efficiency effects associated with increased competition in intermediate (infrastructural) services, income transfers generated by workers moving abroad, or the mobilization of private investment for social policy purposes.

Author: Rudolf Adlung, WTO

Indisputably Essential: The Economics of Dispute Settlement Institutions in Trade Agreements

Economic theory has made considerable progress in explaining why sovereign countries cooperate in trade. Central to most theories of trade cooperation are issues of self-enforcement. The threat of reprisal by an aggrieved party maintains the initial balance of concessions and prevents opportunism.

Authors: Alexander Keck, WTO and Simon Schropp – University of St. Gallen (HSG),
HEI Geneva and NCCR Democracy

Trade Remedy Provisions in Regional Trade Agreements

This paper maps and examines the provisions on anti-dumping, countervailing duties and safeguards in 74 regional trade agreements (RTAs). The RTAs vary in size, degree of integration, geographic region and the level of economic development of their members.

Authors: Robert Teh, WTO; Thomas J. Prusa, Department of Economics, Rutgers University; Michele Budetta, "University Cattolica del Sacro Cuore"

Boosting Trade Finance in Developing Countries: What Link with the WTO?

The paper discusses the efforts deployed by various players, mainly multilateral financial institutions, regional development banks, export credit agencies, to mobilize greater flows of trade finance for developing countries, with a view to help them integrate in world trade.

Author: Marc Auboin, WTO

Dispute settlement

WTO Analytical Index, 2 Volume Set: Guide to WTO Law and Practice – 2nd edition

The WTO Analytical Index is the authoritative guide to the interpretation and application of findings and decisions of WTO panels, the WTO Appellate Body and other WTO bodies. These official reports are part of the trade dispute settlement system, which is administered by the WTO and which rules on trade disputes brought by its members. The book assists anyone working with WTO disputes to make a link between the findings for each case and specific articles in the WTO Agreements. This second edition of the WTO Analytical Index covers developments in WTO law and practice through to the end of December 2004.

Co-published with Cambridge University Press
English ISBN 978 0 521 88029 9 Hardback
Price: CHF 365.00

WTO Appellate Body Repertory of Reports and Awards 1995–2006, 3rd edition

The third edition of The Repertory of Appellate Body Case Law (the 'Repertory') is intended to serve first and foremost as a source of information for those interested in the field of international trade law. It was initially developed as an internal research tool to assist the Appellate Body Secretariat in carrying out its duty to provide legal support to Appellate Body members. The Repertory has been made available to the public in the hope that it will become a practical tool for officials from WTO members, and in particular for members (including developing-country members) that may not have the resources to prepare a similar compendium in-house.

Co-published with Cambridge University Press
English ISBN 978 0 521 88253 8 Hardback
Price: CHF 365.00

WTO Dispute Settlement: One-Page Case Summaries (1995–September 2006)

This first edition publication offers case-by-case, single-page summaries of panel and Appellate Body reports adopted by the WTO Dispute Settlement Body as of 1 September 2006. Intended to facilitate understanding of WTO dispute settlement cases among WTO members by providing core facts, substantive findings contained in the adopted panel, summaries of key findings on significant procedural matters and, where applicable, Appellate Body reports for each decided case are documented. Cases are indexed by article and by WTO agreement.

English ISBN 978-92-870-3360-4

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Dispute Settlement Report 2005 Volumes 1–23

The Dispute Settlement Reports of the WTO include Panel and Appellate Body reports, as well as arbitration awards, in disputes concerning the rights and obligations of WTO members under the provisions of the Marrakech Agreement. The date of each volume corresponds to the date in which the dispute was finally resolved. These are the only WTO authorized and paginated reports, available in English only.

Co-published with Cambridge University Press

Price: CHF 200.00 per volume

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English ISBN 978-0-521-88596-6 Hardback

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Volume 23, Pages 11003–11752

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English ISBN 978-0-521-88603-1 Hardback

Resources

Dictionary of Trade Policy Terms – 5th Edition

This is an accessible guide to the vocabulary used in trade negotiations. It explains about 2,500 terms and concepts in simple language. Its main emphasis is on the multilateral trading system represented by the agreements of the WTO. In addition, it covers many of the trade-related activities, outcomes and terms used in other international organizations.

Co-published with Cambridge University Press

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Chapter Three

WTO SECRETARIAT AND BUDGET

WTO Secretariat and budget

Secretariat

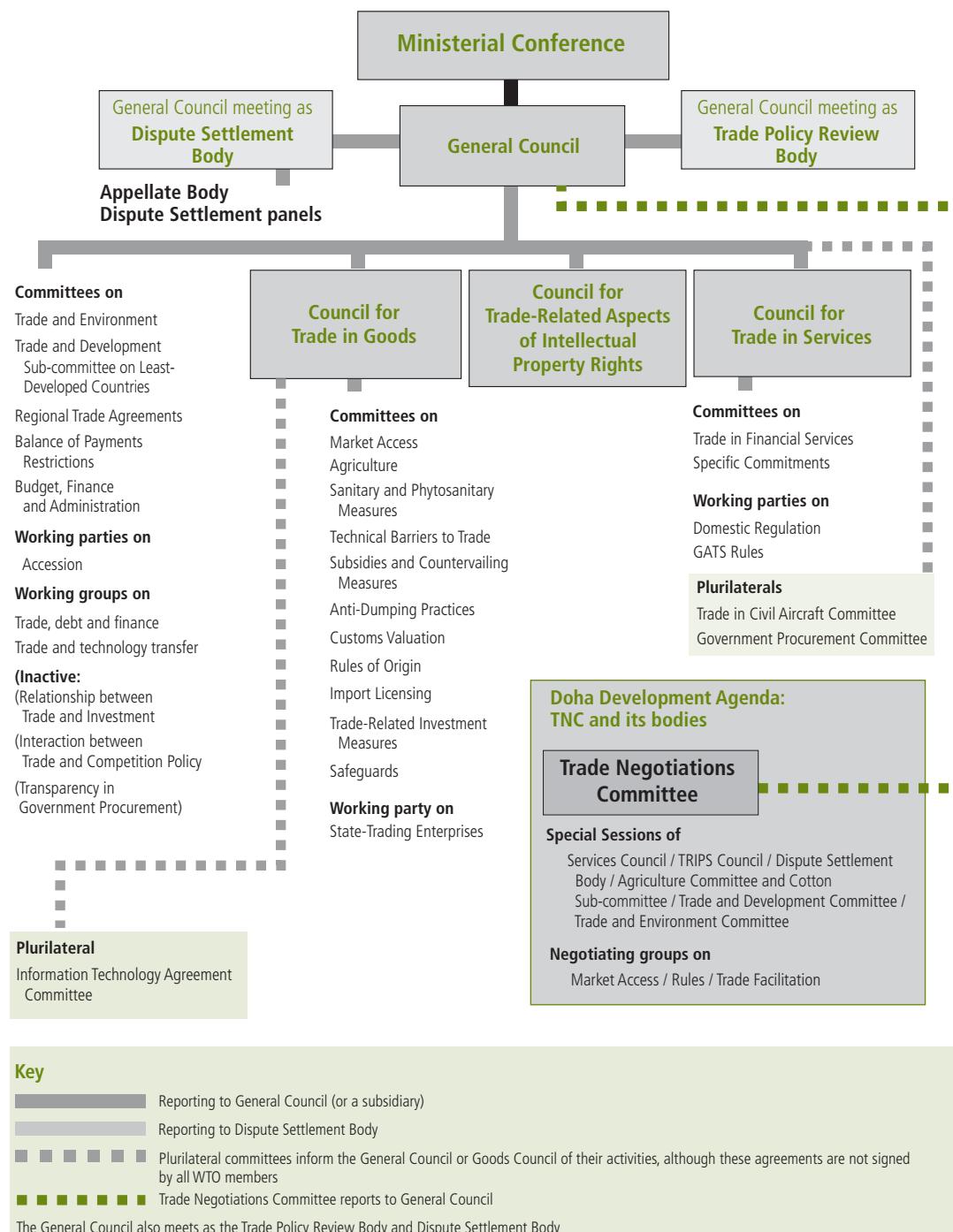
The WTO Secretariat, with offices in Geneva, has 629 regular staff and is headed by Director-General Pascal Lamy. Since decisions are taken by members, the Secretariat has no decision-making powers. Its main duties are to supply technical and professional support for the various councils and committees, to provide technical assistance for developing countries, to monitor and analyze developments in world trade, to provide information to the public and the media and to organize the ministerial conferences. The Secretariat also provides some forms of legal assistance in the dispute settlement process and advises governments wishing to become members of the WTO.

The Secretariat staff includes individuals representing 68 nationalities. The professional staff is composed mostly of economists, lawyers and others with a specialization in international trade policy. There is also a substantial number of personnel working in support services, including informatics, finance, human resources and language services. The total staff complement is composed almost equally of men and women. The working languages of the WTO are English, French and Spanish.

The Appellate Body was established by the Understanding on Rules and Procedures Governing the Settlement of Disputes to consider appeals to decisions by Dispute Settlement panels. The Appellate Body has its own Secretariat. The seven-member Appellate Body consists of individuals with recognized standing in the fields of law and international trade. They are appointed to a four-year term, and may be reappointed once.

WTO Structure

All WTO members may participate in all councils, committees, etc, except Appellate Body, Dispute Settlement panels, and plurilateral committees.



**WTO Secretariat
Organization Chart – June 2008**

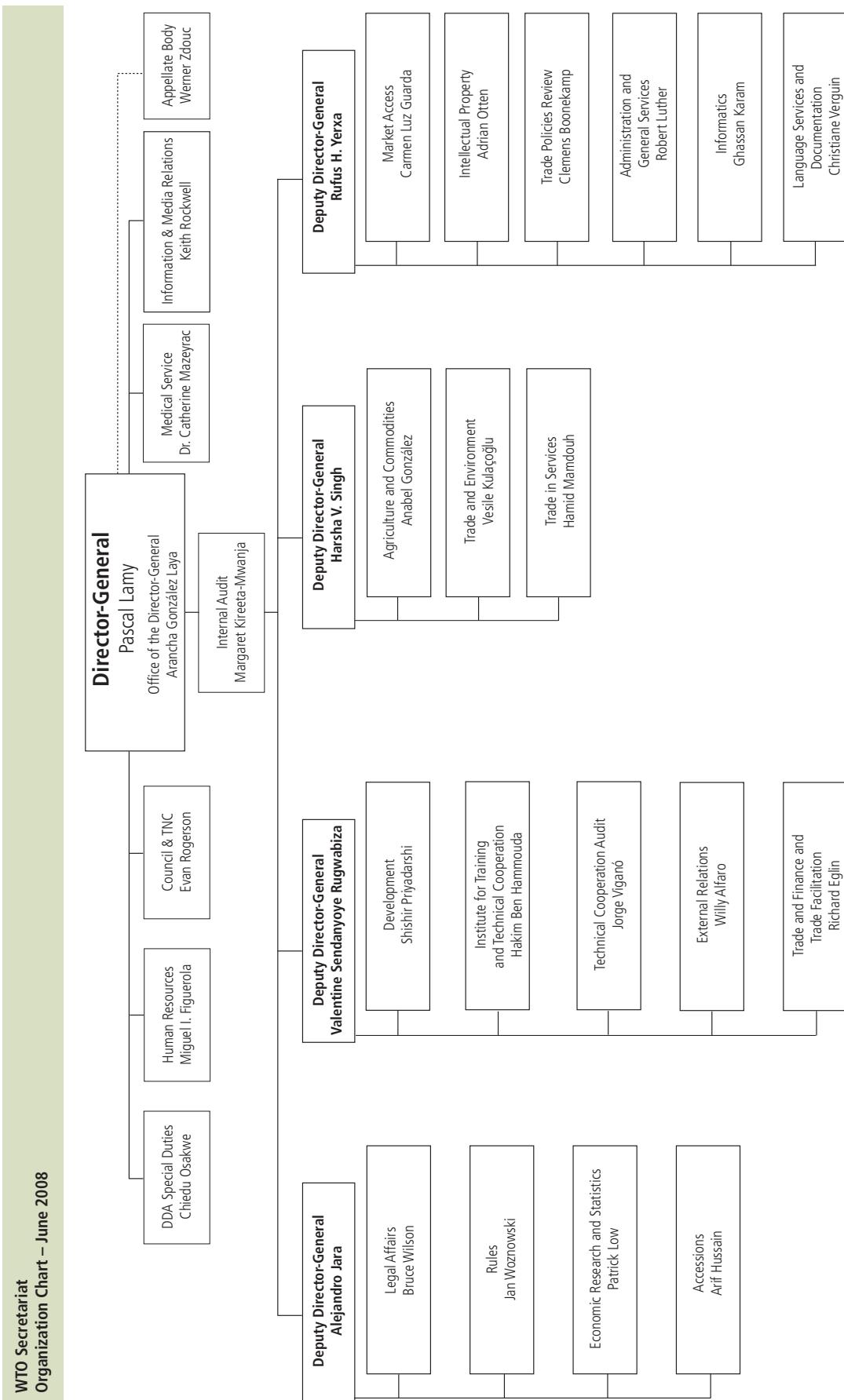


Table 3.1: WTO staff on regular budget by gender and nationality, as of March 2008

Country	Women	Men	Total
Argentina	3	5	8
Australia	3	5	8
Austria	2	3	5
Belgium	4	1	5
Benin	—	1	1
Bolivia	2	2	4
Brazil	3	5	8
Bulgaria	—	1	1
Canada	8	15	23
Chile	3	2	5
China	3	2	5
Colombia	2	5	7
Congo, the Democratic Republic of the	—	1	1
Costa Rica	2	1	3
Côte d'Ivoire	—	1	1
Cuba	—	1	1
Denmark	1	1	2
Ecuador	—	1	1
Egypt	2	3	5
Estonia	1	—	1
Finland	2	3	5
France	103	78	181
Germany	5	11	16
Ghana	—	1	1
Greece	3	2	5
Guatemala	1	—	1
Honduras	1	—	1
Hong Kong, China	1	—	1
Hungary	—	1	1
India	3	9	12
Ireland	9	2	11
Italy	6	7	13
Japan	1	2	3
Korea, Republic of	3	1	4
Lesotho	—	1	1

Country	Women	Men	Total
Malawi	–	1	1
Malaysia	1	2	3
Mauritius	–	2	2
Mexico	2	4	6
Morocco	1	1	2
Netherlands	2	4	6
New Zealand	1	3	4
Nigeria	–	1	1
Norway	–	2	2
Pakistan	–	1	1
Peru	2	3	5
Philippines	4	5	9
Poland	2	3	5
Romania	2	–	2
Rwanda	1	1	2
Saint Lucia	1	–	1
Senegal	–	1	1
South Africa	–	1	1
Spain	30	16	46
Sri Lanka	2	2	4
Sweden	2	2	4
Switzerland	27	17	44
Tanzania	1	–	1
Thailand	–	1	1
Trinidad and Tobago	1	–	1
Tunisia	2	4	6
Turkey	2	1	3
Uganda	1	–	1
United Kingdom	54	18	72
United States of America	21	9	30
Uruguay	1	5	6
Venezuela	1	3	4
Zimbabwe	1	–	1
Total	342	287	629

Table 3.2: Distribution of staff positions within the WTO's divisions

Division	Regular Staff	Directors	Senior Management	Total¹
Director-General	—	—	1.00	1.00
Office of the Director-General	13.00	1.00	—	14.00
Offices of the Deputy Directors-General	5.20	—	4.00	9.20
Accessions Division	7.80	1.00	—	8.80
Administration and General Services Division	78.00	1.00	—	79.00
Agriculture and Commodities Division	14.00	2.00	—	16.00
Council and Trade Negotiations Committee Division	12.30	1.00	—	13.30
Development Division	11.00	1.00	—	12.00
Doha Development Agenda (DDA) Special Duties Division	2.00	1.00	—	3.00
Economic Research and Statistics Division	48.00	2.00	—	50.00
External Relations Division	8.80	1.00	—	9.80
Human Resources Division	17.60	1.00	—	18.60
Informatics Division	38.00	1.00	—	39.00
Information and Media Relations Division	20.80	1.00	—	21.80
Institute for Training and Technical Co-operation	28.50	1.00	—	29.50
Intellectual Property Division	12.00	1.00	—	13.00
Language Services & Documentation Division	157.00	1.00	—	158.00
Legal Affairs Division	15.80	1.00	—	16.80
Market Access Division	10.80	1.00	—	11.80
Medical Unit	2.50	—	—	2.50
Office of Internal Audit	1.00	1.00	—	2.00
Rules Division	20.00	1.00	—	21.00
Technical Cooperation Audit	1.50	—	—	1.50
Trade and Environment Division	6.80	1.00	—	7.80
Trade and Finance and Trade Facilitation Division	8.40	1.00	—	9.40
Trade in Services Division	15.80	1.00	—	16.80
Trade Policies Review Division	37.90	1.00	—	38.90
Appellate Body	14.00	1.00	—	15.00
Total	608.50	26.00	5.00	639.50

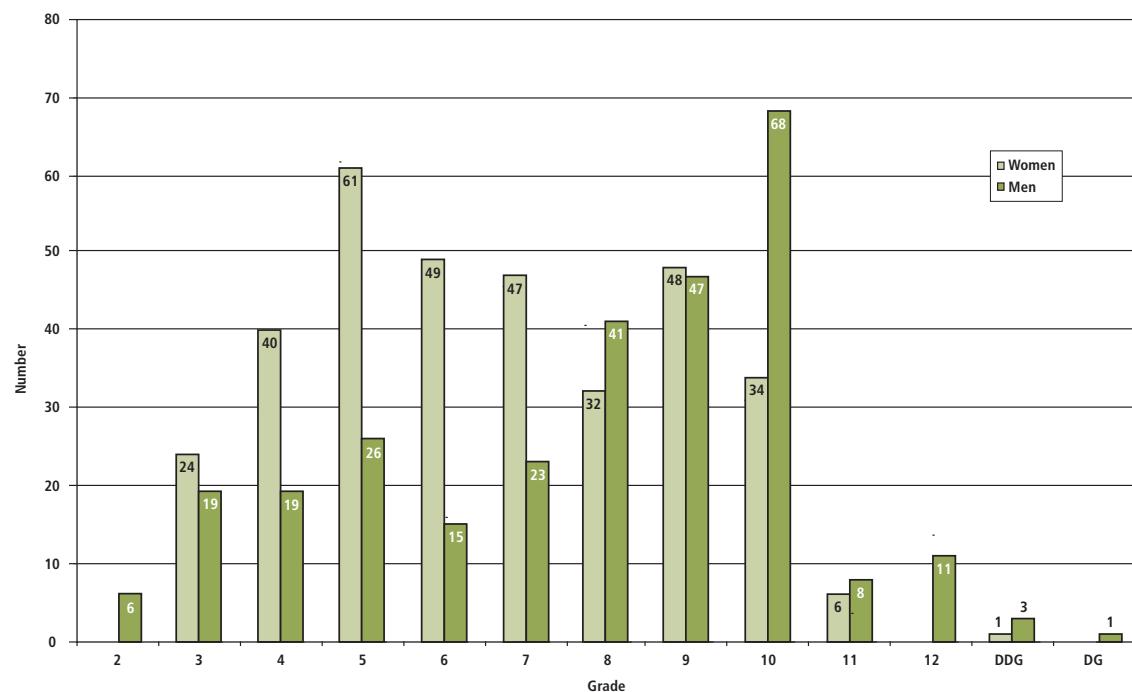
¹ Regular budget posts, including posts not yet filled.

Table 3.3: WTO staff on regular budget by grade and gender within each division as of March 2008

Division	Gender	Grades												Total
		2	3	4	5	6	7	8	9	10	11	12	DDG	
Director-General														
Appellate Body	Women			1		1	3			1	1			6
	Men					2		2	3					8
Council and TNC Division	Women	1			2	1		1	2					7
	Men								4					5
DDA Special Duties Division	Women				1									1
	Men					1					1			2
Human Resources Division	Women	3	1	4		5	1	1	1					16
	Men					1	1							3
Information and Media Relations Division	Women	2		3	3	1	3							12
	Men	1		2		1	1	2	3					11
Medical Unit	Women		1			1				1				3
Office of the Director-General	Women		1	2	2	1		1	1	1				9
	Men	1						3	1					6
Deputy Director-General 1														
Office of Deputy Director-General 1	Women				1									1
	Men													1
Accessions Division	Women		2		1		1							4
	Men					1	1			2				5
Economic Research and Statistics Division	Women		3	2	1	2	3	3	3					17
	Men		2	2	2	4	10	5	6	1	1			33
Legal Affairs Division	Women		1		2	1	2	1	1					8
	Men				1		1	2	3					8
Rules Division	Women	1	1		1	1	1	2	2					9
	Men						3	2	4					10
Deputy Director-General 2														
Office of Deputy Director-General 2	Women				1	1	1							2
Development Division	Women			1	1	1	1	1	1	1				7
	Men						1	1	1	1				4
External Relations Division	Women		2	1	1	1	1	1	1					7
	Men							1	1	1				3
Institute for Training and Technical Co-operation	Women		3	4	2	2	2	1	2					16
	Men						1	5	7	1				14
Technical Cooperation Audit Division	Women	1												1
	Men									1				1
Trade and Finance and Trade Facilitation Division	Women	1		1		1			2	2				7
	Men							1	1		1			3
Deputy Director-General 3														
Office of Deputy Director-General 3	Women						1							1
	Men													1
Agriculture and Commodities Division	Women			2		2	1	2	4		2			13
	Men						1		1	1				3
Trade and Environment Division	Women				1		1	1	1	1	1			6
	Men							1	1					2
Trade in Services Division	Women	1	1	2	1				1	2				8
	Men							3	5		1			9
Deputy Director-General 4														
Office of Deputy Director-General 4	Women				1									1
	Men													1
Administration and General Services Division	Women	1	3	10	4	1	2	3	1					25

Division	Gender	Grades												Total
		2	3	4	5	6	7	8	9	10	11	12	DDG	
Informatics Division	Men	6	13	11	9	4	2	2	1	4	1			53
	Women				1	2	2	2	1					8
Intellectual Property Division	Men		1		4	4	5	7	5	3		1		30
	Women		1		1	1	3		1	2				9
Language Services and Documentation Division	Men							1		3				5
	Women		11	10	23	17	13	8	17	8	1			108
Market Access Division	Men		4	5	8	3	3	8	10	3				44
	Women			1	2	1	1		1	2				8
Trade Policies Review Division	Men							1	1	2				4
	Women		1	6	2	1	3	2	6	1				22
	Men				1	1	2	3	1	9				18
	Total	6	43	59	87	64	70	73	95	102	14	11	4	1

Chart 3.1: WTO staff on regular budget by grade and gender



WTO budget 2008

Most of the income for the WTO's annual budget comes from contributions by its members (see Table 3.5). These contributions are based on a formula that takes into account each member's share of international trade. The balance of the budget for 2008 is financed by miscellaneous income (CHF 1,495,277), which is mainly generated by rental fees, interest on current account, savings on the prior year's obligations, sales of WTO publications, and by the surplus from 2006 (CHF 5,496,223).

The WTO's total budget for 2008 is CHF 184,891,500. This consists of:

- WTO Secretariat: CHF 180,483,300 (see Table 3.4)
- Appellate Body and its Secretariat: CHF 4,408,200 (see Table 3.5)

Table 3.4: WTO Secretariat budget for 2008

Part	Section	Line	Budget 2008 (in CHF)
A	1. Work years	(a) Salary	83,208,100
		(b) Pension	16,799,300
		(c) Common staff costs	15,108,400
		(d) Restructuring plan	0
B	2. Temporary assistance		14,897,400
	3. Communications	(a) Telecommunications	500,000
		(b) Postal charges	1,382,000
	4. Building facilities	(a) Rental	340,000
C		(b) Utilities	1,758,000
		(c) Maintenance and insurance	1,639,000
	5. Permanent equipment	(a) Permanent equipment	2,118,200
		(b) Permanent equipment lease	274,000
D	6. Expendable		1,307,000
	7. Contractual services	(a) Reproduction	1,410,000
		(b) Office automation	3,369,700
		(c) Other	282,000
E		(d) Security outsourcing	3,452,000
	8. Staff overheads	(a) Training	1,390,000
		(b) Insurance	2,490,500
		(c) Joint services	204,000
F		(d) Miscellaneous	30,000
	9. Missions	(a) Missions official	1,496,000
		(b) Missions technical	1,406,000

Part	Section	Line	Budget 2008 (in CHF)
	10. Trade policy courses		3,823,600
	11. Various	(a) Representation and hospitality	298,000
		(b) Dispute settlement panels	1,247,000
		(c) Experts	50,000
		(e) Library	650,000
		(f) Publications	880,000
		(g) Public information activities	270,000
		(h) External auditors	40,000
		(i) Ministerial operating fund	600,000
		(j) ISO	57,000
		(k) Other	80,000
		(m) Security enhancement programme	330,000
D	12. Unforeseen		100,000
	13. International Trade Centre		17,196,100
	Total		180,483,300

Table 3.5: Members' contributions to the WTO budget and the budget of the Appellate Body 2008

(Minimum contribution of 0.015 per cent)

Member	2008 contribution		Interest earned¹	2008 net contribution
	CHF	%	CHF	CHF
Albania	37,359	0.0210	93	37,266
Angola	208,143	0.1170	524	207,619
Antigua and Barbuda	26,685	0.0150	111	26,574
Argentina	572,838	0.3220	0	572,838
Armenia	26,685	0.0150	86	26,599
Australia	2,028,060	1.1400	5,220	2,022,840
Austria	2,511,948	1.4120	10,079	2,501,869
Bahrain	142,320	0.0800	372	141,948
Bangladesh	181,458	0.1020	45	181,413
Barbados	30,243	0.0170	72	30,171
Belgium	4,685,886	2.6340	15,885	4,670,001
Belize	26,685	0.0150	0	26,685
Benin	26,685	0.0150	0	26,685

¹ Interest earned in 2006 under the Early Payment Encouragement Scheme and to be deducted from the 2008 contributions.

<i>Member</i>	<i>2008 contribution</i>		<i>Interest earned¹</i>	<i>2008 net contribution</i>
	<i>CHF</i>	<i>%</i>	<i>CHF</i>	<i>CHF</i>
Bolivia	40,917	0.0230	0	40,917
Botswana	62,265	0.0350	156	62,109
Brazil	1,574,415	0.8850	6,413	1,568,002
Brunei Darussalam	71,160	0.0400	145	71,015
Bulgaria	231,270	0.1300	699	230,571
Burkina Faso	26,685	0.0150	0	26,685
Burundi	26,685	0.0150	0	26,685
Cambodia	58,707	0.0330	59	58,648
Cameroon	49,812	0.0280	0	49,812
Canada	6,272,754	3.5260	28,241	6,244,513
Central African Republic	26,685	0.0150	0	26,685
Chad	26,685	0.0150	0	26,685
Chile	553,269	0.3110	1,096	552,173
China, People's Republic of	9,496,302	5.3380	8,382	9,487,920
Colombia	343,347	0.1930	863	342,484
Congo	48,033	0.0270	0	48,033
Costa Rica	158,331	0.0890	38	158,293
Côte d'Ivoire	110,298	0.0620	0	110,298
Croatia	293,535	0.1650	856	292,679
Cuba	104,961	0.0590	317	104,644
Cyprus	120,972	0.0680	359	120,613
Czech Republic	1,174,140	0.6600	3,528	1,170,612
Democratic Republic of the Congo	26,685	0.0150	0	26,685
Denmark	1,752,315	0.9850	6,557	1,745,758
Djibouti	26,685	0.0150	0	26,685
Dominica	26,685	0.0150	0	26,685
Dominican Republic	177,900	0.1000	523	177,377
Ecuador	156,552	0.0880	590	155,962
Egypt	430,518	0.2420	60	430,458
El Salvador	101,403	0.0570	10	101,393
Estonia	144,099	0.0810	509	143,590
European Communities	0	0.0000	0	0
Fiji	26,685	0.0150	99	26,586

¹ Interest earned in 2006 under the Early Payment Encouragement Scheme and to be deducted from the 2008 contributions.

<i>Member</i>	<i>2008 contribution</i>		<i>Interest earned¹</i>	<i>2008 net contribution</i>
	<i>CHF</i>	<i>%</i>	<i>CHF</i>	<i>CHF</i>
Finland	1,118,991	0.6290	4,446	1,114,545
Former Yugoslav Republic of Macedonia	42,696	0.0240	0	42,696
France	8,674,404	4.8760	30,139	8,644,265
Gabon	48,033	0.0270	0	48,033
Gambia	26,685	0.0150	0	26,685
Georgia	32,022	0.0180	50	31,972
Germany	15,765,498	8.8620	56,102	15,709,396
Ghana	71,160	0.0400	7	71,153
Greece	862,815	0.4850	2,330	860,485
Grenada	26,685	0.0150	0	26,685
Guatemala	112,077	0.0630	430	111,647
Guinea	26,685	0.0150	0	26,685
Guinea-Bissau	26,685	0.0150	0	26,685
Guyana	26,685	0.0150	64	26,621
Haiti	26,685	0.0150	35	26,650
Honduras	64,044	0.0360	4	64,040
Hong Kong, China	5,235,597	2.9430	22,503	5,213,094
Hungary	1,054,947	0.5930	3,682	1,051,265
Iceland	80,055	0.0450	87	79,968
India	1,328,913	0.7470	4,323	1,324,590
Indonesia	1,321,797	0.7430	2,590	1,319,207
Ireland	2,289,573	1.2870	9,071	2,280,502
Israel	898,395	0.5050	1,216	897,179
Italy	7,039,503	3.9570	24,554	7,014,949
Jamaica	81,834	0.0460	82	81,752
Japan	9,811,185	5.5150	31,788	9,779,397
Jordan	122,751	0.0690	346	122,405
Kenya	78,276	0.0440	217	78,059
Korea, Republic of	4,523,997	2.5430	28,626	4,495,371
Kuwait	421,623	0.2370	0	421,623
Kyrgyz Republic	26,685	0.0150	85	26,600
Latvia	110,298	0.0620	381	109,917
Lesotho	26,685	0.0150	99	26,586

¹ Interest earned in 2006 under the Early Payment Encouragement Scheme and to be deducted from the 2008 contributions.

<i>Member</i>	<i>2008 contribution</i>		<i>Interest earned¹</i>	<i>2008 net contribution</i>
	<i>CHF</i>	<i>%</i>	<i>CHF</i>	<i>CHF</i>
Liechtenstein	44,475	0.0250	183	44,292
Lithuania	199,248	0.1120	439	198,809
Luxembourg	674,241	0.3790	2,566	671,675
Macao, China	131,646	0.0740	433	131,213
Madagascar	26,685	0.0150	40	26,645
Malawi	26,685	0.0150	0	26,685
Malaysia	2,182,833	1.2270	7,327	2,175,506
Maldives	26,685	0.0150	56	26,629
Mali	26,685	0.0150	1	26,684
Malta	74,718	0.0420	323	74,395
Mauritania	26,685	0.0150	0	26,685
Mauritius	62,265	0.0350	264	62,001
Mexico	3,741,237	2.1030	13,036	3,728,201
Moldova	26,685	0.0150	99	26,586
Mongolia	26,685	0.0150	111	26,574
Morocco	289,977	0.1630	745	289,232
Mozambique	35,580	0.0200	96	35,484
Myanmar, Union of	49,812	0.0280	0	49,812
Namibia	33,801	0.0190	0	33,801
Nepal	28,464	0.0160	124	28,340
Netherlands	5,984,556	3.3640	22,592	5,961,964
New Zealand	455,424	0.2560	1,725	453,699
Nicaragua	37,359	0.0210	118	37,241
Niger	26,685	0.0150	0	26,685
Nigeria	482,109	0.2710	0	482,109
Norway	1,529,940	0.8600	5,684	1,524,256
Oman	217,038	0.1220	364	216,674
Pakistan	298,872	0.1680	507	298,365
Panama	161,889	0.0910	351	161,538
Papua New Guinea	44,475	0.0250	152	44,323
Paraguay	56,928	0.0320	0	56,928
Peru	225,933	0.1270	0	225,933
Philippines	829,014	0.4660	0	829,014

¹ Interest earned in 2006 under the Early Payment Encouragement Scheme and to be deducted from the 2008 contributions.

<i>Member</i>	<i>2008 contribution</i>		<i>Interest earned¹</i>	<i>2008 net contribution</i>
	<i>CHF</i>	<i>%</i>	<i>CHF</i>	<i>CHF</i>
Poland	1,517,487	0.8530	5,386	1,512,101
Portugal	946,428	0.5320	2,807	943,621
Qatar	238,386	0.1340	339	238,047
Romania	469,656	0.2640	1,148	468,508
Rwanda	26,685	0.0150	0	26,685
Saint Lucia	26,685	0.0150	90	26,595
Saudi Arabia, Kingdom of	1,506,813	0.8470	3,772	1,503,041
Senegal	37,359	0.0210	0	37,359
Sierra Leone	26,685	0.0150	0	26,685
Singapore	3,808,839	2.1410	15,375	3,793,464
Slovak Republic	334,452	0.1880	1,399	333,053
Slovenia	309,546	0.1740	1,082	308,464
Solomon Islands	26,685	0.0150	99	26,586
South Africa	903,732	0.5080	2,527	901,205
Spain	4,646,748	2.6120	13,914	4,632,834
Sri Lanka	142,320	0.0800	162	142,158
St. Kitts and Nevis	26,685	0.0150	68	26,617
St. Vincent and the Grenadines	26,685	0.0150	0	26,685
Suriname	26,685	0.0150	7	26,678
Swaziland	32,022	0.0180	108	31,914
Sweden	2,376,744	1.3360	9,228	2,367,516
Switzerland	2,522,622	1.4180	10,201	2,512,421
Chinese Taipei	3,285,813	1.8470	2,715	3,283,098
Tanzania	48,033	0.0270	90	47,943
Thailand	1,825,254	1.0260	7,300	1,817,954
Togo	26,685	0.0150	0	26,685
Tonga	26,685	0.0150	0	26,685
Trinidad and Tobago	92,508	0.0520	301	92,207
Tunisia	224,154	0.1260	707	223,447
Turkey	1,407,189	0.7910	5,109	1,402,080
Uganda	26,685	0.0150	73	26,612
United Arab Emirates	1,328,913	0.7470	3,478	1,325,435
United Kingdom	9,622,611	5.4090	40,798	9,581,813

¹ Interest earned in 2006 under the Early Payment Encouragement Scheme and to be deducted from the 2008 contributions.

<i>Member</i>	<i>2008 contribution</i>		<i>Interest earned¹</i>	<i>2008 net contribution</i>
	<i>CHF</i>	<i>%</i>	<i>CHF</i>	<i>CHF</i>
United States	25,094,574	14.1060	7,285	25,087,289
Uruguay	67,602	0.0380	67	67,535
Venezuela	540,816	0.3040	0	540,816
Viet Nam	505,236	0.2840	0	505,236
Zambia	26,685	0.0150	111	26,574
Zimbabwe	35,580	0.0200	49	35,531
Total	177,900,000	100.000	508,375	177,391,625

¹ Interest earned in 2006 under the Early Payment Encouragement Scheme and to be deducted from the 2008 contributions.

Table 3.6: Estimated miscellaneous income for 2008

<i>Miscellaneous income</i>	<i>2008 estimates (in CHF)</i>
Sale of publications/souvenirs and royalties	500,000
Profit or (loss) on exchange	0
Savings on previous year's outstanding obligations	120,000
Rental of meeting rooms, office space and parking at Centre William Rappard to others	47,000
Contributions of observer countries	600,000
Interest on current account	80,000
Various	148,277
Total	1,495,277

Notes

The World Trade Organization (WTO) is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

The WTO has 153 members, accounting for 90 per cent of world trade. Members are mostly governments but can also be customs territories. Virtually all decisions in the WTO are taken by consensus among all member countries. These decisions are ratified by members' parliaments.

The WTO's main objective is to establish rules for global trade among its member countries. These rules foster non-discrimination, transparency and predictability in the conduct of trade policy. WTO activities include:

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