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## **1 PARAGRAPH A OF THE TRADE POLICY REVIEW MECHANISM**

### **1.1 Text of Paragraph A**

*Members hereby agree as follows:*

#### **A. Objectives**

(i) The purpose of the Trade Policy Review Mechanism ("TPRM") is to contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of the multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of Members. Accordingly, the review mechanism enables the regular collective appreciation and evaluation of the full range of individual Members' trade policies and practices and their impact on the functioning of the multilateral trading system. It is not, however, intended to serve as a basis for the enforcement of specific obligations under the Agreements or for dispute settlement procedures, or to impose new policy commitments on Members.

(ii) The assessment carried out under the review mechanism takes place, to the extent relevant, against the background of the wider economic and developmental needs, policies and objectives of the Member concerned, as well as of its external environment. However, the function of the review mechanism is to examine the impact of a Member's trade policies and practices on the multilateral trading system.

### **1.2 Mission of the Trade Policy Review Mechanism (TPRM)**

1. The Report of the Trade Policy Review Body (TPRB) on its Third Appraisal of the operation of the TPRM stated as follows:

"The TPRM is linked to WTO disciplines, transparency, understanding and a collective appreciation by the WTO Membership as a whole of individual Members' trade policies and their impact on the trading system. The TPRB reaffirmed the relevance of TPRM's mission as defined in Annex 3 of the Marrakesh Agreement."<sup>1</sup>

2. The Chairperson's introductory remarks on the first day of each TPRB meeting recalls the purpose of the TPRM, which is to achieve greater transparency in, and understanding of, Members' trade and related policies and measures. It is not intended to serve as a basis for the enforcement of obligations under WTO Agreements, nor does it serve dispute-settlement purposes. Moreover, the TPRM does not impose new policy commitments on Members.

3. In the course of the Fourth Appraisal, Members reaffirmed the relevance of the TPRM's mission as defined in Annex 3 and stressed the importance that they continue to attach to the Mechanism and its existing mandate aimed at enhancing transparency, which Members consider to be a pillar of the WTO. They all agreed that the TPRM was functioning effectively and achieving its objectives. Members have also stressed that any changes in the functioning of the TPRM's role in enhancing transparency should not jeopardize its present satisfactory performance.<sup>2</sup> In the course of the Fifth Appraisal, Members expressed "broad satisfaction with the quality of the Secretariat's reports and impartiality", but nevertheless invited the Secretariat to "continue to explore ways to

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<sup>1</sup> [WT/TPR/229](#), para. 4.

<sup>2</sup> [WT/MIN\(11\)/6](#), section IV.

improve and streamline its reports in order to make them more effective in achieving the objectives of the TPRM and, at the same time, help reduce documentation and translation costs of the TPRB".<sup>3</sup>

4. With respect to the trade policy reviews of least developed country Members, the 2013 annual report by the TPRB states that:

Trade Policy Reviews of LDCs have helped to enhance understanding in these countries of the WTO Agreements, enabling better compliance and integration into the multilateral trading system. In some cases, better interaction between government agencies has been facilitated by the reviews. The reports' wide coverage of Members' policies also enables Members to identify any shortcomings in policy and specific areas where further technical assistance may be required. When requested by the Member concerned, the Secretariat organizes follow-up seminars to discuss the outcome of the trade policy review process with domestic stakeholders.<sup>4</sup>

### 1.3 Reference to the practice of the General Agreement on Tariffs and Trade (GATT)

5. The WTO's TPRM continues and expands the TPRM of the General Agreement on Tariffs and Trade 1947 (GATT 1947), which was established on 12 April 1989 on a provisional basis by a GATT Council Decision adopted as one of the "early harvest" decisions of the Uruguay Round.<sup>5</sup> The 1989 Decision established the TPRM "to contribute to improved adherence by all contracting parties to GATT rules, disciplines and commitments ... by achieving greater transparency in, and understanding of, the trade policies and practices of contracting parties".

6. The WTO's TPRM, like the TPRM of the GATT 1947, "enables the regular periodic appreciation and evaluation of individual Members' trade policies and their impact on the functioning of the multilateral trading system", but "is not, however, intended to serve as a basis for the enforcement of specific obligations under the Agreements or for dispute settlement procedures, or to impose new policy commitments on Members."<sup>6</sup>

7. The WTO Agreement incorporated the April 1989 Decision and expanded trade policy reviews to cover policies and issues related to trade in services and intellectual property rights. On 10 May 1994, just after the conclusion of the Uruguay Round, the GATT 1947 Council agreed to continue the TPRM until the WTO's TPRM entered into force.

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Current as of: June 2020

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<sup>3</sup> [WT/MIN\(13\)/5](#), paras. 2.1 and 3.4.

<sup>4</sup> [WT/TPR/321](#), para. 9.

<sup>5</sup> GATT document [L/6490](#) (BISD 36S/403). See also the document on Article X of the GATT 1947 (GATT Analytical Index, pp. 305-307).

<sup>6</sup> TPRM, para. A(i).