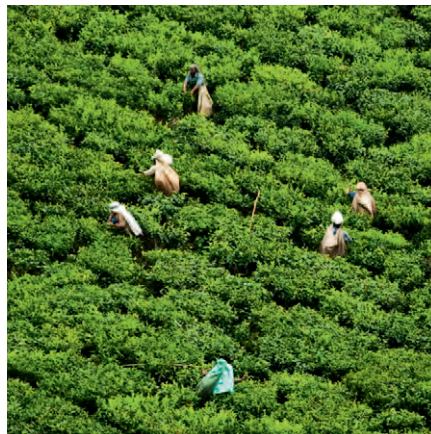




WORLD TRADE
ORGANIZATION

Annual Report 2010



Who we are

The World Trade Organization deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

Using this report

The 2010 Annual Report is split into two main sections. The first is a brief summary of the organization and a review of 2009. The second section provides more in-depth information.

Find out more

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SECTION ONE

Understanding the WTO

Who we are	A global membership
What we stand for	A year in review
What we do	A message from WTO Director-General Pascal Lamy
How it all comes together	Ministerial Conference 2009

SECTION TWO

Trade negotiations

Changes to the rules of trade require the agreement of all WTO members, who must reach consensus through rounds of negotiations. The most recent round began in 2001.

Implementation and monitoring

Various WTO councils and committees seek to ensure that WTO agreements are being properly implemented. All WTO members undergo periodic scrutiny of their trade policies and practices.

Dispute settlement

WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body.

Building trade capacity

The WTO aims to help developing countries build their trade capacity and allows them a longer time to implement trade agreements. Hundreds of training courses are organized each year for officials from developing countries.

Outreach

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public to enhance cooperation and raise awareness of trade issues.

Secretariat and budget

The WTO Secretariat has over 600 regular staff and coordinates the activities of the WTO. Most of the WTO's annual budget consists of contributions by its 153 members.

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REVIEW

TRADE
NEGOTIATIONS

IMPLEMENTATION
AND MONITORING

DISPUTE
SETTLEMENT

BUILDING TRADE
CAPACITY

OUTREACH

SECRETARIAT
AND BUDGET

Virtually all decisions in the WTO are taken by consensus among all member countries.

Who we are

There are a number of ways of looking at the World Trade Organization. It is an organization for trade opening. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates a system of trade rules. Essentially, the WTO is a place where member governments try to sort out the trade problems they face with each other.

The WTO was born out of negotiations, and everything the WTO does is the result of negotiations. The bulk of the WTO's current work comes from the 1986–94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT). The WTO is currently the host to new negotiations, under the 'Doha Development Agenda' launched in 2001.

Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. But the WTO is not just about opening markets, and in some circumstances its rules support maintaining trade barriers – for example, to protect consumers or prevent the spread of disease.

At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. These documents provide the legal ground rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives.

The system's overriding purpose is to help trade flow as freely as possible – so long as there are no undesirable side effects – because this is important for economic development and well-being. That partly means removing obstacles. It also means ensuring that individuals, companies and governments know what the trade rules are around the world, and giving them the confidence that there will be no sudden changes of policy. In other words, the rules have to be 'transparent' and predictable.

Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO system, often need interpreting. The most harmonious way to settle these differences is through some neutral procedure based on an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements.

A brief history

The WTO began life on 1 January 1995 but its trading system is half a century older. Since 1948, the General Agreement on Tariffs and Trade (GATT) had provided the rules for the system. Whereas GATT had mainly dealt with trade in goods, the WTO and its agreements now cover trade in services, and in traded inventions, creations and designs (intellectual property).



What we stand for

The WTO agreements are lengthy and complex because they are legal texts covering a wide range of activities. But a number of simple, fundamental principles run throughout all of these documents. These principles are the foundation of the multilateral trading system.

Non-discrimination

A country should not discriminate between its trading partners and it should not discriminate between its own and foreign products, services or nationals.

More open

Lowering trade barriers is one of the most obvious ways of encouraging trade; these barriers include customs duties (or tariffs) and measures such as import bans or quotas that restrict quantities selectively.

Predictable and transparent

Foreign companies, investors and governments should be confident that trade barriers should not be raised arbitrarily. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition – choice and lower prices.

More competitive

Discouraging 'unfair' practices, such as export subsidies and dumping products at below cost to gain market share; the issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade.

More beneficial for less developed countries

Giving them more time to adjust, greater flexibility and special privileges; over three-quarters of WTO members are developing countries and countries in transition to market economies. The WTO agreements give them transition periods to adjust to the more unfamiliar and, perhaps, difficult WTO provisions.

Protect the environment

The WTO's agreements permit members to take measures to protect not only the environment but also public health, animal health and plant health. However, these measures must be applied in the same way to both national and foreign businesses. In other words, members must not use environmental protection measures as a means of disguising protectionist policies.

Understanding the WTO

Equal treatment is one of the basic principles of the multilateral trading system.



What we do

The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva).

While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities. The Secretariat employs over 600 staff, and its experts – lawyers, economists, statisticians and communications experts – assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced.

Trade negotiations

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added to the package. Many are now being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001.

Implementation and monitoring

WTO agreements require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted. Various WTO councils and committees seek to ensure that these requirements are being followed and that WTO agreements are being properly implemented. All WTO members must undergo periodic scrutiny of their trade policies and practices, each review containing reports by the country concerned and the WTO Secretariat.

Dispute settlement

The WTO's procedure for resolving trade quarrels under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the agreements are being infringed. Judgements by specially appointed independent experts are based on interpretations of the agreements and individual countries' commitments.

Building trade capacity

WTO agreements contain special provision for developing countries, including longer time periods to implement agreements and commitments, measures to increase their trading opportunities, and support to help them build their trade capacity, to handle disputes and to implement technical standards. The WTO organizes hundreds of technical cooperation missions to developing countries annually. It also holds numerous courses each year in Geneva for government officials. Aid for Trade aims to help developing countries develop the skills and infrastructure needed to expand their trade.

Outreach

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public on various aspects of the WTO and the ongoing Doha negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities.



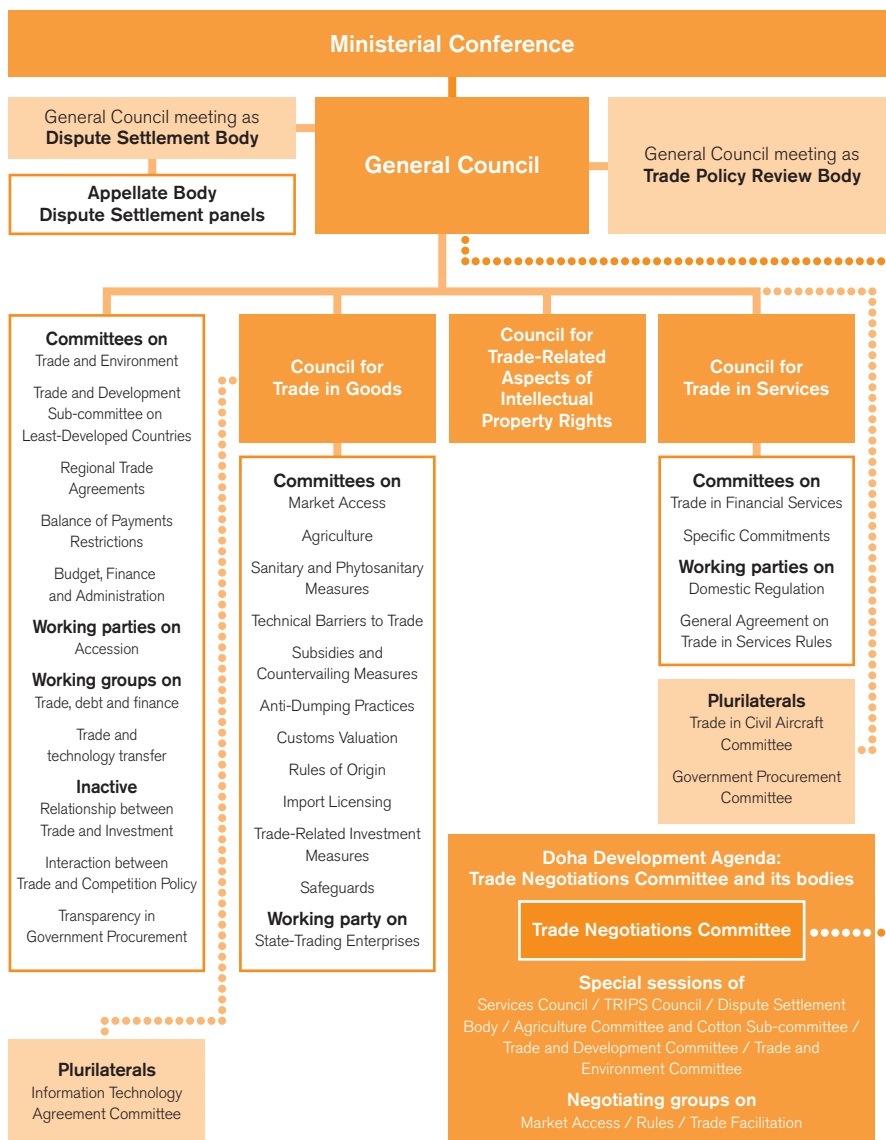
How it all comes together

The WTO's top-level decision-making body is the Ministerial Conference which usually meets every two years.

Below this is the General Council (normally ambassadors and heads of delegation in Geneva, but sometimes officials sent from members' capitals) which meets several times a year in the Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.



* All WTO members may participate in all councils and committees, with the exceptions of the Appellate Body, Dispute Settlement panels and plurilateral committees.

Understanding the WTO

Decisions are taken through various councils and committees, whose membership consists of all WTO members.

The WTO currently has 153 members accounting for almost 90 per cent of world trade.

About two-thirds of the WTO's membership are developing countries.



Membership of the WTO (as of 31 December 2009)

Member*	Year of accession	Member	Year of accession	Member	Year of accession
Albania	2000	Chile	1995	Gabon	1995
Angola	1996	China	2001	The Gambia	1996
Antigua and Barbuda	1995	Colombia	1995	Georgia	2000
Argentina	1995	Congo	1997	Germany	1995
Armenia	2003	Costa Rica	1995	Ghana	1995
Australia	1995	Côte d'Ivoire	1995	Greece	1995
Austria	1995	Croatia	2000	Grenada	1996
Bahrain, Kingdom of	1995	Cuba	1995	Guatemala	1995
Bangladesh	1995	Cyprus	1995	Guinea	1995
Barbados	1995	Czech Republic	1995	Guinea Bissau	1995
Belgium	1995	Democratic Republic of the Congo	1997	Guyana	1995
Belize	1995	Denmark	1995	Haiti	1996
Benin	1996	Djibouti	1995	Honduras	1995
Bolivia	1995	Dominica	1995	Hong Kong, China	1995
Botswana	1995	Dominican Republic	1995	Hungary	1995
Brazil	1995	Ecuador	1996	Iceland	1995
Brunei Darussalam	1995	Egypt	1995	India	1995
Bulgaria	1996	El Salvador	1995	Indonesia	1995
Burkina Faso	1995	Estonia	1999	Ireland	1995
Burundi	1995	European Union**	1995	Israel	1995
Cambodia	2004	Fiji	1996	Italy	1995
Cameroon	1995	Finland	1995	Jamaica	1995
Canada	1995	Former Yugoslav Republic of Macedonia	2003	Japan	1995
Cape Verde	2008	France	1995	Jordan	2000
Central African Republic	1995			Kenya	1995
Chad	1996			Korea, Republic of	1995

* Members are mostly governments but can also be customs territories.

** On 1 December 2009, the *Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community* (done at Lisbon, 13 December 2007) entered into force. On 29 November 2009, the WTO received a Verbal Note (WT/L/779) from the Council of the European Union and the Commission of the European Communities stating that, by virtue of the *Treaty of Lisbon*, as of 1 December 2009, the European Union replaces and succeeds the European Community.



Joining the WTO

The WTO is open to states or customs territories with full autonomy over their foreign economic relations. To become a WTO member, a government has to bring its economic and trade policies in line with WTO rules and principles and negotiate with individual trading partners specific concessions and commitments that it will apply to its trade in goods and services. It can take many years to become a member of the WTO, which requires the full support of the existing membership. However, the accession process is designed to ensure that new members are able to participate fully in the multilateral trading system from the first day of joining.

No new members joined the WTO in 2009, although progress was made in many of the accession negotiations under way. As of 31 December 2009, 29 governments were seeking WTO entry. A report by the Director-General on developments in accessions in 2009 was published in January 2010.

Governments seeking to join the WTO (as of 31 December 2009)

Afghanistan	Lebanon
Algeria	Liberia
Andorra	Libya
Azerbaijan	Montenegro
Bahamas	Russia
Belarus	Samoa
Bhutan	São Tomé and Príncipe
Bosnia and Herzegovina	Serbia
Comoros	Seychelles
Equatorial Guinea	Sudan
Ethiopia	Tajikistan
Iran	Uzbekistan
Iraq	Vanuatu
Kazakhstan	Yemen
Lao People's Democratic Republic	

Before joining the WTO, a new member has to gain the full support of the WTO membership.

Member	Year of accession	Member	Year of accession	Member	Year of accession
Kuwait	1995	Nicaragua	1995	Solomon Islands	1996
Kyrgyz Republic	1998	Niger	1996	South Africa	1995
Latvia	1999	Nigeria	1995	Spain	1995
Lesotho	1995	Norway	1995	Sri Lanka	1995
Liechtenstein	1995	Oman	2000	Suriname	1995
Lithuania	2001	Pakistan	1995	Swaziland	1995
Luxembourg	1995	Panama	1997	Sweden	1995
Macao, China	1995	Papua New Guinea	1996	Switzerland	1995
Madagascar	1995	Paraguay	1995	Chinese Taipei	2002
Malawi	1995	Peru	1995	Tanzania	1995
Malaysia	1995	Philippines	1995	Thailand	1995
Maldives	1995	Poland	1995	Togo	1995
Mali	1995	Portugal	1995	Tonga	2007
Malta	1995	Qatar	1996	Trinidad and Tobago	1995
Mauritania	1995	Romania	1995	Tunisia	1995
Mauritius	1995	Rwanda	1996	Turkey	1995
Mexico	1995	Saint Kitts and Nevis	1996	Uganda	1995
Moldova	2001	Saint Lucia	1995	Ukraine	2008
Mongolia	1997	Saint Vincent and the Grenadines	1995	United Arab Emirates	1996
Morocco	1995	Saudi Arabia	2005	United Kingdom	1995
Mozambique	1995	Senegal	1995	United States of America	1995
Myanmar	1995	Sierra Leone	1995	Uruguay	1995
Namibia	1995	Singapore	1995	Venezuela,	
Nepal	2004	Slovak Republic	1995	Bolivarian Republic of	1995
Netherlands	1995	Slovenia	1995	Viet Nam	2007
New Zealand	1995			Zambia	1995
				Zimbabwe	1995

A year in review

At the Seventh Ministerial Conference in 2009, ministers recognized the crucial role of the rules-based multilateral trading system in mitigating the effects of the economic crisis and focused on what the WTO could do to assist economic recovery.

Trade negotiations

Consistent high-level expressions of support for an early conclusion of the Doha Round failed to translate into the necessary breakthroughs in the detailed talks in Geneva. Nevertheless, useful technical work continued in the negotiating groups on agriculture and non-agricultural market access (NAMA). Other negotiations also advanced. Against the backdrop of the global economic crisis, the WTO Director-General, who chairs the Trade Negotiations Committee, highlighted the significant contribution that a successful conclusion to the Round could make in combating recession and social instability.

A series of international gatherings in 2009 provided strong political support for the negotiations. Meetings of the G-20 underscored the need to reject protectionism and isolationism in times of financial uncertainty, and committed its members to strive for agreement on agriculture and NAMA modalities so as to conclude the Doha Round in 2010. In September the G-20 called for a WTO meeting to take stock of progress in the negotiations by the end of March 2010. However, these declarations of support for bringing the Doha Round to a speedy conclusion failed to translate into a breakthrough in the talks in Geneva.

See page 14

Implementation and monitoring

Following a gap of several years, WTO members agreed in May 2009 that the Seventh Ministerial Conference would take place in Geneva from 30 November to 2 December 2009. Ministers met against the backdrop of the financial and economic crisis to review all areas of the WTO's work. The conference was attended by nearly 3,000 delegates representing all 153 WTO members as well as 56 observers.

Many speakers welcomed the WTO Secretariat's recent series of reports monitoring governments' trade measures during the economic crisis, which they said was useful both as a means of making information available and for countries to exercise peer pressure on each other to avoid damaging protectionist reactions. In summing up, the Chair of the Ministerial Conference said that ministers had recognized the crucial role of the rules-based multilateral trading system in mitigating the effects of the crisis, and had focused on what the WTO could do to assist economic recovery.

Throughout the year, WTO councils and committees continued to monitor the implementation of WTO agreements and to provide a forum for discussion on various issues. In 2009, 37 new regional trade agreements were notified to the WTO, the largest number in any year since the WTO was established.

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Dispute settlement

In 2009 the total number of disputes brought to the Dispute Settlement Body (DSB) since the WTO's creation in 1995 topped 400. During the year, the DSB received 14 notifications from WTO members formally requesting consultations under the Dispute Settlement Understanding (DSU). Since 1995, WTO members have initiated, on average, about 27 disputes each year under the provisions of the DSU.

Of the 402 cases filed up to the end of 2009, roughly half were eventually settled directly between the parties following consultations mandated by the DSU, without going into litigation. The vast majority of the remaining cases were settled satisfactorily through litigation. Director-General Pascal Lamy noted that "this is surely a vote of confidence in a system which many consider to be a role model for the peaceful resolution of disputes in other areas of international political or economic relations".

On 15 December 2009 the European Union concluded agreements with the United States and Latin American banana-producing nations intended to bring to an end the longest-running dispute in the WTO. The dispute concerned the preferential treatment that the European Union gave to the import of bananas from African, Caribbean and Pacific countries.

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The Seventh Ministerial Conference was held in Geneva from 30 November to 2 December 2009.

Building trade capacity

The Second Global Review of Aid for Trade took place at the WTO in July 2009. Held in the midst of the financial crisis, the event signalled continued determination to honour commitments to help developing countries, especially least-developed countries (LDCs), in using trade as a vehicle for economic growth and poverty reduction. This determination was underlined by new Aid for Trade pledges from France, Japan, the Netherlands and the United Kingdom. The two-day meeting was attended by heads of international financial institutions, international organizations, ministers and other dignitaries.

The Enhanced Integrated Framework (EIF) for trade-related assistance to LDCs became effectively operational in 2009. By the end of the year, 47 LDCs were involved in the EIF process, and the EIF Trust Fund had risen to US\$ 90 million. Capacity-building initiatives, market access for LDCs and the Aid for Trade initiative were some of the issues discussed in 2009 by the Committee on Trade and Development and its sub-committees.

In 2009 a total of some 460 trade-related technical assistance activities were provided by the WTO. These included Geneva-based activities as well as those held in WTO member countries. The majority were organized in partnership with other international organizations.

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Outreach

On 6 September 2009 the WTO opened its doors to the public for the first time. About 5,000 people came to learn more about the WTO, its work, staff, membership, artistic treasures and its historic lakeside building. All proceeds from the event were donated to a Geneva-based association which helps local children.

The 2009 Public Forum, held in Geneva in late September, provided nearly 1,300 participants with the opportunity to express their views and voice their concerns on all aspects of the multilateral trading system. Some 43 sessions were held over the three-day period. A total of 435 civil society organizations from 61 countries were accredited to attend the Seventh Ministerial Conference at the end of 2009. Of the 61 countries, about half were developing or least-developed countries.

In 2009 the WTO Secretariat launched a monthly newsletter to inform parliamentarians of the latest developments at the WTO. It also organized three regional workshops for parliamentarians, in cooperation with regional parliamentary associations, and continued to cooperate with a variety of intergovernmental organizations. It maintained regular contact with journalists, in Geneva and around the world, and hosted nearly 160 information briefings involving almost 4,800 participants. Total page views of the website were over 82 million.

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Did you know?

2,792 delegates representing all 153 WTO members as well as 56 observers attended the Seventh Ministerial Conference in Geneva

402 trade disputes had been brought to the WTO's dispute settlement mechanism, as of end 2009, since the WTO was created in 1995

37 new regional trade agreements were notified to the WTO in 2009, the largest annual total since the establishment of the WTO

5,000 people or more attended the WTO's first Open Day

460 training activities were provided by the WTO in 2009 to help countries learn more about the multilateral trading system



“
Trade promises to be an important part of the economic recovery, especially for developing countries.

PASCAL LAMY, DIRECTOR-GENERAL

A message from the WTO Director-General Pascal Lamy

When a tornado strikes, only the mostly firmly rooted structures can withstand its force. The flimsier the foundations, the greater the damage.

In 2009, economies large and small across the world felt the tornado-like force of the financial crisis. The battering taken by the world economy was as bad as anything in the last 70 years and countries struggled to weather the storm. Trade was also hit hard. A 12 per cent contraction in the volume of global trade was the largest such decline since World War II.

Trade contraction would have been catastrophic if countries had slipped into the kind of protectionism that was witnessed in the 1930s. The system of trade rules which embody the WTO provided the foundations to keep markets open and help governments resist the temptation of short-term protectionist measures. In fact, throughout 2009 government-applied trade-restrictive measures affected a mere 0.8 per cent of global imports.

Governments showed consistent restraint, but with more than 200 million people out of work – including 27 million who lost their jobs during the crisis last year – politicians will continue to face strong pressure to curb imports. We must remain vigilant. Yielding to such pressure would, of course, be counterproductive and would be ill-timed given that today, we are seeing a recovery of world trade. After the dramatic fall in 2009, we now forecast a rebound in world trade of about 9.5 per cent this year and trade promises to be an important part of the economic recovery, especially for developing countries.

Ensuring that trade finance is available in all regions of the world, to smaller and medium-sized enterprises and to smaller banks, is an important component in the recovery of world trade. Although collapsing demand and business investment were the principal reasons behind the sharp trade contraction in 2009, a shortage of available trade finance was also a contributing factor. Things have stabilized somewhat in 2010, with more funds available and risk premiums declining. But there are still pockets around the world, particularly in Africa and Eastern and Central Europe, where much-needed finance is simply not affordable even for creditworthy borrowers. Some 80 to 90 per cent of world trade is underpinned by trade finance so the consequences of a drying-up of trade finance are enormous. At the request of members, the WTO has continued to raise awareness of this problem and help foster a dialogue among key actors in this important area of international banking.

We welcomed the G-20's pledge in April of last year to provide additional resources for trade finance. To monitor the impact of this pledge, I regularly host at the WTO a meeting of trade finance bankers, international financial institutions and regulators. The latest such meeting was held on 18 May to monitor the state of the market ahead of the G-20 summit in Toronto in June. The common view was that the US\$ 250 billion provided by the G-20 to support trade finance has been instrumental in reviving liquidity and that this support should continue, at least for the time being.

The conclusion of the Doha Round of trade talks is also crucial to the global recovery from the financial crisis. It is estimated that the implementation of this trade round would inject some 300 to 400 billion dollars a year into the global economy, making it a very low-cost global economic stimulus package.

At the end of March 2010, we took stock of where we stand in the Doha Round. Chairs of the negotiating groups identified areas of progress as well as the gaps that remain. Where the gaps are clear, there is wide recognition that political decisions will be needed to close them. Where the size of the gaps are less clear, further technical work will be required before moving towards the finishing line.

While it is obviously disappointing that we are not closer to our ultimate goal, everyone is still very much committed to the mandate of the Round and to its successful conclusion. I remain convinced that the multilateral trading system can provide a platform for economic



recovery but in order to remain efficient, the rules of 1995 need to be updated. This is what was decided in 2001, when this current round of trade talks was launched, and this is what we are working towards today. The challenge now facing us is to start weaving all strings of the negotiations into an overall package.

There is no doubt that trade negotiations are a vital part of our work. Yet, the WTO is about much more than negotiations. This was confirmed at our Seventh Ministerial Conference, which took place in Geneva at the end of last year. During the two and a half days of the conference, ministers focused on the entire spectrum of WTO activities, trading thoughts and ideas on how we can make our organization more vibrant, efficient and effective.

One of the topics for discussion was how to make our trading system as transparent as possible. For the system to work effectively, governments need to notify partners of changes to their trade policies and to provide data in a timely fashion. The WTO's trade policy review process plays an important role in monitoring this. During the year we also published four reports on how the economic crisis has affected trade policies. These reports have allowed governments to gain a clear view of what others are doing while underscoring that their own actions will be made known to all.

The resolution of commercial disputes between nations is another important aspect of WTO work. In 2009 we reached the milestone of having the 400th case brought before the WTO's dispute settlement body. This is surely a vote of confidence in a system which many consider to be a role model for the peaceful resolution of disputes in other areas of international political or economic relations.

Capacity-building was another important topic discussed at the Ministerial Conference. Many developing countries require greater productive capacity, transport, energy and communications infrastructure, and training to help producers exploit new export opportunities. During the conference, ministers confirmed their commitment to the Aid for Trade initiative, with many countries pledging to increase their contributions.

The international commitment to help developing countries was also confirmed at the Second Global Review of Aid for Trade, which took place here at the WTO in July of last year. I had the pleasure of welcoming my counterparts from the international financial institutions and other international organizations as well as ministers and trade practitioners to assess the success of the initiative to date and what we need to do next. These priorities include strengthening the regional dimension of Aid for Trade, enhancing the role of the private sector and evaluating in a better way the impact of Aid for Trade on the ground. So far so good. But as we prepare for the UN Millennium Development Goals Summit in September this year, we need to maintain the momentum in resources beyond 2010.

It was also a great pleasure for me to open the doors of the WTO to the public in 2009 for the first time ever. Our Open Day attracted over 5,000 visitors who took the opportunity to find out more about what we do and to take a look around our lakeside home.

Finally, I would like to take this opportunity to say how pleased I am to have been asked by WTO members to serve for a second four-year term as Director-General of this institution. It is both an honour and a privilege to serve at the helm of the WTO at such a demanding time and I look forward to working with the membership and our high-quality Secretariat to meet the challenges that lie ahead.



Pascal Lamy
Director-General

Events of 2009

January

Director-General attends World Economic Forum in Davos, Switzerland.

March

WTO launches Chairs Programme for academic institutions in developing countries.

April

David Walker of New Zealand is appointed new Chair of Agriculture Negotiations Group.

WTO launches annual Essay Award for Young Economists.

General Council unanimously agrees to reappoint Pascal Lamy for second term of four years, starting in September.

May

Second Regional Review of Aid for Trade takes place in Montego Bay, Jamaica.

General Council agrees to hold Seventh Ministerial Conference in Geneva from 30 November to 2 December 2009.

June

WTO and UNEP Secretariats publish new report on trade and climate change.

July

Second Global Review of Aid for Trade takes place in Geneva.

September

WTO holds first Open Day, welcoming some 5,000 visitors.

WTO Public Forum 2009 takes place in Geneva.

October

General Council elects Andrés Velasco of Chile as Chair of Seventh Ministerial Conference.

November

400th trade dispute brought to WTO's dispute settlement mechanism.

Seventh Ministerial Conference takes place in Geneva (30 November to 2 December).

December

DG hails accord ending long-running banana dispute.

Ministerial Conference

November/December 2009

Following a gap of several years, WTO members agreed in May 2009 that the Seventh Ministerial Conference would take place in Geneva from 30 November to 2 December 2009. Ministers met against the backdrop of the financial and economic crisis to reaffirm the value of the rules-based multilateral trading system.

In deciding to hold the conference, WTO members agreed to make it a discussion forum rather than a negotiating marathon. It would not be aimed at resolving the outstanding issues in the Doha negotiations. They also agreed to make it shorter than previous conferences – just two and a half days – and to hold it in Geneva. It was attended by nearly 3,000 delegates representing all 153 members as well as 56 observers.

The work of the conference ran on two tracks: plenary sessions, at which ministers made formal speeches, and working sessions, where more informal discussions were held. An overall theme for the conference – ‘The WTO, the Multilateral Trading System and the Current Global Economic Environment’ – provided a broad context for the formal speeches. The interactive working sessions addressed two sub-themes – ‘Review of WTO activities, including the Doha Work Programme’ and ‘The WTO’s contribution to recovery, growth and development’.

Although the conference was not designed for negotiations, almost all ministers said they wanted the Doha Round talks to achieve an agreement soon. ‘Ministers reaffirmed the need to conclude the Round in 2010 and for a stocktaking exercise to take place in the first quarter of next year’, the Chair of the Conference, Chilean Finance Minister Andrés Velasco, said in his summary of the discussions. Many members described a swift conclusion to the Round as an essential stimulus package making no call on government budgets and providing a further insurance policy against protectionism.

Another reason to conclude the Round quickly, in the view of some, was the need for the WTO to move on to newer issues, such as climate change. A number, from both developed and developing countries,

also called for stronger Aid for Trade (see page 112) and related activities to help developing countries adjust to economic circumstances and benefit from the Doha Round’s outcome.

Many speakers welcomed the WTO Secretariat’s recent series of reports monitoring governments’ trade measures during the crisis (see page 74), which they said was useful both as a means of making information available and for countries to exercise peer pressure on each other to avoid damaging protectionist reactions. The reports show that ‘the system has held fast’, one minister said.

Other topics raised by ministers included issues facing the least-developed countries, the growing number of bilateral and regional trade agreements, the need to speed up membership negotiations and make them more transparent, and increasing dialogue with civil society.

It was decided in advance that there would be no outcome document negotiated among members, only a summing up by the Chair. Mr Velasco said ministers had recognized the crucial role of the rules-based multilateral trading system in mitigating the effects of the crisis, and had focused on what the WTO could do to assist economic recovery. The WTO needed to emerge strengthened from the crisis.

At the end of the conference, WTO Director-General Pascal Lamy said: ‘Our objective remains to open trade for the benefit of all. The desire expressed by ministers to conclude the Doha Round quickly had provided the “political energy” needed to close the remaining gaps. This remained the first priority and the litmus test of members’ commitment to the WTO.’

See also p. 30.

Our objective remains to open trade for the benefit of all.



Trade negotiations

Consistent high-level expressions of support for an early conclusion of the Doha Round failed to translate into the necessary breakthroughs in the detailed talks in Geneva. Nevertheless, useful technical work continued in the negotiating groups on agriculture and non-agricultural market access. Other negotiations also advanced.

Doha Development Agenda

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Pascal Lamy at a meeting of the Trade Negotiations Committee in 2009.

Doha Development Agenda

At the Fourth Ministerial Conference in Doha, Qatar, in November 2001, WTO member governments agreed to launch new trade negotiations. They also agreed to work on other issues, in particular the implementation of the current WTO agreements. The entire package is called the Doha Development Agenda (DDA). The negotiations take place in the Trade Negotiations Committee (TNC) and its subsidiaries, which are usually regular councils and committees meeting in 'special session' or specially created negotiating groups. The Chairs of the nine negotiating bodies report to the TNC, chaired by the WTO Director-General, which coordinates their work.

Trade negotiations in 2009

Consistent high-level expressions of support for an early conclusion of the Doha Round failed to translate into the necessary breakthroughs in the detailed talks in Geneva. Nevertheless, useful technical work continued in the negotiating groups on agriculture and non-agricultural market access. Other negotiations also advanced. Against the backdrop of the global economic crisis, the WTO Director-General, who chairs the Trade Negotiations Committee, highlighted the significant contribution that a successful conclusion to the Round could make in combating recession and social instability.

The TNC held four informal meetings in 2009 to hear reports from the various negotiating groups. Some progress was made on the Doha Round 'modalities' for opening markets for agricultural and industrial goods, intended to set the broad outlines – such as formulas or approaches for tariff reductions – for final commitments when the Round is concluded. Other negotiating groups also advanced. But the pace of the negotiations remained frustratingly slow.

After a 'mini-ministerial' meeting in New Delhi urged an intensification of work in Geneva, the TNC in September decided to bring top officials from capitals for a week each month to give added impetus to the talks. This arrangement continued in 2010 in the run-up to a high-level 'stocktaking' meeting at the end of March.

Following the appointment in April 2009 of the new Chair, David Walker of New Zealand, the Agriculture Negotiating Group adopted a two-track work programme. The first track deals with highly technical issues concerning the base data needed to calculate tariff and subsidy reduction commitments and how to prepare and set out the schedules in which these commitments will be inscribed. The second track involves informal consultations on outstanding issues of substance in the draft modalities issued by the previous Chair of the agriculture negotiations in December 2008.

In the Negotiating Group on Non-Agricultural Market Access (NAMA), much of 2009 was devoted to discussion of non-tariff barriers to trade in industrial goods, such as incompatible technical standards that hinder imports. Negotiators also spent considerable time on the technical exercise of scheduling commitments. In addition, there were small group meetings to consider elimination of tariffs in a number of specific industrial sectors, led by the sponsors of these initiatives.

In other areas of the Doha Development Agenda, the Chairs continued their consultations with WTO members in various formats with a view to advancing the substantive work.



A series of international gatherings in 2009 provided strong political support for the negotiations. Meetings of the G-20 underscored the need to reject protectionism and isolationism in times of financial uncertainty, and committed its members to strive for agreement on agriculture and NAMA modalities so as to conclude the Doha Round in 2010. In September, the G-20 called for a WTO meeting to take stock of progress in the negotiations by the end of March 2010. However, these declarations of support for bringing the Doha Round to a speedy conclusion failed to translate into a breakthrough in the talks in Geneva.

In January 2009 the Director-General issued the first of a series of quarterly reports monitoring trade-related developments arising out of the global economic crisis, which saw the biggest drop in world trade in 60 years. WTO members broadly welcomed these reports as an opportunity for the organization to demonstrate its worth, not only as a negotiating forum, but as a bulwark against protectionism.

Seventh WTO Ministerial Conference

The Seventh Ministerial Conference in Geneva at the end of 2009 provided an opportunity for ministers to exchange views on the WTO agenda, including the Doha Round. There was strong convergence on the importance of trade and the Round in assisting economic recovery and the alleviation of poverty in developing countries.

Ministers stressed the centrality of the development dimension, including issues of specific concern to least-developed countries. They further reaffirmed the need to conclude the Doha Round in 2010 and for a stocktaking exercise in the first quarter. There was also broad support for building on progress made to date and not attempting to reopen issues that had been tentatively settled. Ministers pointed out that, while priority was being given to agriculture and NAMA, it remained important to advance in other areas on the agenda, including services, rules and trade facilitation (see page 12).

Agriculture

In 2009, agriculture negotiators made steady progress on technical tasks that would enable them to close gaps and put their Doha Round commitments into legally binding schedules. The work programme for the year followed two tracks. On one track, negotiators discussed the organization and presentation of data necessary to calculate commitments. On the other, the new Chair of the Negotiating Group, David Walker, held consultations with smaller groups of WTO members on issues that are bracketed (i.e. not yet agreed) or otherwise annotated in the agricultural draft modalities and associated documentation.

In the technical discussions, members focused on the development of electronic tables for data presentation that would make the future calculation of Doha Round commitments transparent and verifiable. Members also submitted national data essential for the calculation of base commitments, including data on the total value of agricultural production and domestic consumption. These submissions were then examined in data verification meetings.

The Chair's consultations covered the issues that remained unresolved in the December 2008 agriculture modalities texts, notably the so-called special safeguard mechanism (SSM), which has been one of the most contentious subjects in the agriculture negotiations. The SSM would allow developing countries to raise tariffs temporarily in order to deal with import surges and falling prices, and there were constructive discussions on how to frame this mechanism to address the concerns of both importing and exporting members. Negotiators also had a useful dialogue on the issue of tropical products (i.e. a proposal to accelerate tariff reductions by developed countries on tropical products) and preference erosion (i.e. erosion of the value of trade preferences, such as duty-free access to these products, enjoyed by some developing countries).

Trade negotiations



Background

At the end of 2008, the Chair of the Negotiating Group issued a further revision of the draft agriculture 'modalities' setting out the broad outlines for final commitments on cutting tariffs and subsidies for farm goods and indicating a number of flexibilities for developing countries and specific situations. The revision captured progress made during that year and highlighted the remaining gaps in positions of WTO members.



David Walker was elected Chair of the Negotiating Group on Agriculture on 22 April 2009. He is the third New Zealand ambassador to chair the agriculture negotiations.



Luzius Wasescha, Chair of the Negotiating Group on Non-Agricultural Market Access.

Market access for non-agricultural goods

The Negotiating Group on Non-Agricultural Market Access (NAMA) had a quieter year than usual in 2009 but some very useful work was undertaken in the area of non-tariff barriers (NTBs) to imports of industrial goods. Negotiators also discussed preparation and presentation of the schedules that will contain each WTO member's legally binding NAMA commitments. The groups considering elimination of tariffs in specific industrial sectors continued technical work but there was no advance on the revised draft 'modalities' presented by the Chair, Luzius Wasescha (Switzerland), in December 2008.

NTBs are any measures other than tariffs that protect domestic industry, and can range from stifling customs formalities to incompatible technical standards that keep imports out. As tariff protection has come down over the years, barriers to imports posed by non-tariff measures have become relatively more important. Initially, negotiators had expected to address NTBs in detail once the overall NAMA modalities were adopted. However, at the start of 2009, as the situation in relation to the modalities remained unclear, NTBs were identified as an area where useful work could be done in the interim.

Several dedicated sessions provided an opportunity for an exchange of questions and answers on various NTB proposals. Towards the end of the year, these question-and-answer sessions were replaced by negotiations in smaller groups that focused on five proposals identified in the 2008 draft modalities text as meriting particular attention. These relate to autos, electronics, remanufacturing, labelling of textiles, clothing, footwear and travel goods, and a mechanism for preventing and resolving NTB disputes. Two additional proposals submitted in 2009 were also included because they related to several of the earlier proposals. The Chair intends to hold consultations in 2010 on how to handle all other NTB proposals.

The negotiating group also considered the preparation and presentation of the schedules where NAMA commitments will be inscribed. A workshop on electronic negotiating files (electronic schedules) was organized in July. This workshop was useful not only because it familiarized WTO members with the content of schedules but also because it demonstrated the complexity of the scheduling exercise.

Discussions on eliminating tariffs in 12 specific industrial sectors, including autos, chemicals, pharmaceuticals and electronics, continued to be led by the sponsors of these sectoral initiatives. During the first half of 2009, the sponsors undertook detailed technical work that would enable talks to proceed on the basis of factual numbers, sector-by-sector simulations, and country-by-country analysis. The second half of the year was dedicated to outreach activities by them.

Other issues such as 'case-specific flexibilities' – requests by Argentina, the Bolivarian Republic of Venezuela and South Africa for additional flexibilities – remain pending. No substantive discussions were held on these requests during the year.



Negotiations on trade in services are overseen by the Council for Trade in Services, meeting in special session, and its subsidiary bodies. In 2009 the services negotiations were marked by the resumption of talks on market access, which had been dormant since the failure of the July 2008 meeting of ministers to agree 'modalities' for market access for agricultural and non-agricultural products. Progress was also made in negotiating an 'LDC waiver' that would provide legal cover for preferences given to services and service suppliers of least-developed countries (LDCs).

Market access

A long shadow was cast over the negotiations in services by the failure during the year to achieve real progress in other areas of the Doha Round. Nonetheless, four 'clusters' of negotiations were held in 2009, and some progress was reported on market access issues.

The clusters included numerous bilateral and plurilateral meetings on market access over a wide range of service sectors and modes of supply. Unlike market access for goods, where general formulas will be applied, market access for services is negotiated between trading partners mainly on a request-offer basis. WTO members reported that they had gained a better understanding of certain technical issues in requests and offers, and had received clarifications in some cases on signals made by ministers at the July 2008 'signalling conference', where they indicated possible future market openings in services.

In support of the market access talks, in April the WTO Secretariat organized a successful one-day workshop on technical and legal issues concerning the scheduling of specific commitments, and a half-day workshop on financial services.

Treatment of LDCs

Throughout the year, a small consultative group continued its discussions on the text of an 'LDC waiver'. The text would provide legal justification for preferences granted to LDC members, reflecting the 'special priority' to be accorded to them under Article IV:3 of the General Agreement on Trade in Services (GATS). In late November the Chair of the Special Session of the Council for Trade in Services held a consultation at which a draft text was circulated for discussion, for later distribution to the entire membership. Some issues remained unresolved in the draft, including the precise scope of the waiver and its duration.

Financial services

The Committee on Trade in Financial Services held four formal meetings in 2009. At these meetings, it continued to monitor progress on the acceptance of the Fifth Protocol to the GATS containing the results of the 1997 negotiations on financial services, which have yet to be accepted by Brazil, Jamaica and the Philippines. In addition, the committee carried out the eighth transitional review of China's implementation of its specific commitments in financial services, as mandated by its protocol of accession.

The committee continued to study trade-related aspects of Islamic finance, and held a dedicated discussion on the issue. It also considered proposals for work in three different areas. Pakistan has called for the organization of a dedicated exchange on e-finance, a background note by the Secretariat on recent e-finance developments, and a discussion on the adequacy of the current classification of financial services. The United States has proposed a workshop on trade in non-life insurance services. Meanwhile, Argentina, Ecuador, India and South Africa have put forward a broad work programme on the impact of the financial crisis. This proposal foresees two stages: first, a workshop with international organizations and outside experts, and a note by the Secretariat reviewing the analyses carried out elsewhere on the effects of financial bailouts; and, second, a study by the Secretariat on the impact of bailouts on trade in financial services.

In 2009 the services negotiations were marked by the resumption of talks on market access.

Trade negotiations



Argentina, Ecuador, India and South Africa have put forward a broad work programme on the impact of the financial crisis.

Domestic regulation

The Working Party on Domestic Regulation held four formal meetings and several informal meetings in 2009. Its mandate is to develop disciplines to ensure that licensing requirements and procedures, qualification requirements and procedures, and technical standards do not constitute unnecessary barriers to trade in services.

Work during the year continued to focus on the development of generally applicable disciplines. Discussions in this regard are based primarily on an informal note by the Chair, which contains draft provisions of possible disciplines.

At the meeting of the Special Session of the Council for Trade in Services in November 2009, the Chair reported that, while some progress had been made on technical questions, more focused work was needed. There was little convergence regarding the level of ambition associated with the disciplines, and more was required for the working party to move ahead.

Specific commitments

The Committee on Specific Commitments oversees the implementation of services commitments and the application of the procedures for modifying schedules of commitments. The underlying objective is to improve the technical accuracy and coherence of schedules and lists of most-favoured nation (MFN) exemptions.

These list services where WTO members have claimed exemption from the principle of non-discrimination between trading partners. All MFN exemptions are being reviewed in the Doha negotiations.

During 2009 the committee held four formal meetings. Discussions continued to focus on the relationship between existing schedules and the new schedules that would result from the current negotiations. The committee agreed to work on the assumption that, at the end of the Doha Round, each WTO member would have one single schedule containing all its commitments, which would replace its current schedules. The new schedules would be annexed to the final protocol. However, there were divergent views on whether particular language was needed in the protocol to ensure that the new commitments would accord no less favourable treatment than that provided under the existing schedules. The committee also discussed how to proceed with the verification of services schedules at the end of the negotiations.

GATS rules

The Working Party on GATS Rules held three formal meetings and several informal meetings in 2009, focused on three areas on which the GATS mandates further negotiations. These are emergency safeguard measures that would permit countries temporarily to suspend commitments in the event of a surge in services imports, government procurement of services and subsidies to services or their suppliers.

Throughout 2009 the Chair conducted consultations on the formulation of a work programme for an exchange of information on services subsidies. Informal technical discussions were also launched on the definition of 'domestic industry' in the context of emergency safeguard measures for services trade; the procedural and transparency rules in a proposal on government procurement; and the definition of subsidies in services trade.

To facilitate discussions, the Secretariat prepared background notes on each topic. A series of documents on safeguards-type rules for services in regional trade agreements was also updated. While there was general agreement with the work programme proposed by the Chair, little progress was made on other issues, and the level of ambition expressed by most members remained low.



Trade-related aspects of intellectual property rights (TRIPS)

The Council on Trade-Related Aspects of Intellectual Property Rights, meeting in special session, continued its negotiations on the establishment of a multilateral system ('register') for notifying and registering geographical indications (GIs) for wines and spirits. The TRIPS Council in regular session considered, among other things, the monitoring of members' obligations regarding their technology transfer incentives and the grounds for dispute settlement under the TRIPS Agreement. The Director-General continued his consultations on outstanding implementation issues concerning the scope of protection of GIs other than for wines and spirits, and the linkage between TRIPS and the Convention on Biological Diversity.

Negotiations on a GI register

The GI register for wines and spirits is intended to facilitate the protection of geographical indications. These are place names (or sometimes other terms or signs associated with a place) used to identify products as originating from a location which gives them particular qualities, reputation or other characteristics. Champagne and Tequila are well-known examples. The TRIPS Agreement mandates negotiations on establishing a register, and work has continued since 1996. In 2005 the Hong Kong Ministerial Declaration called for the talks to be 'intensified'.

There are currently three proposals under consideration by the TRIPS Special Session:

- a 2003 proposal by Hong Kong, China
- the so-called 'Joint Proposal' of 2005, revised in 2008, from a group of countries that want the register to be essentially a source of information about national protection of registered GIs
- the 'W/52' proposal put forward in 2008 by a group of over 100 countries as part of a package also covering other TRIPS issues; concerning the register, this proposal is considered to create a stronger expectation of protection of GIs once entered on the register.

During 2009, following a call by WTO members for intensification of technical work, the Chair of the Special Session issued a list of questions to focus discussion on practical examples and technical aspects of the different proposals on the table, and to try and identify common ground. Proponents of the W/52 proposal continued to respond to questions from other members, in particular regarding its legal implications. Proponents of the Joint Proposal explained the effect that implementation would have on their domestic systems of intellectual property protection. Hong Kong, China, introduced some hypothetical case studies.

While the technical discussions were detailed and useful, members remained divided on the two key issues: the legal consequences of registration; and whether or not a member could elect not to be bound by those consequences.

The TRIPS Special Session was chaired by Trevor Clarke (Barbados) until November 2009. Before stepping down as Chair, he circulated a report on his own responsibility which described the work done during his tenure as Chair, the status of the various issues and the way forward, including five suggested guiding principles for further work. Karen Tan (Singapore) then acted as Chair on an interim basis.

Trade negotiations

Trade negotiations



Incentives for technology transfer were discussed at a workshop organized by the WTO Secretariat in 2009. Experts from developed and developing countries discussed the operation of the system and how it could be improved.

Incentives for technology transfer

In October 2009 the TRIPS Council, in regular session, undertook its seventh annual review of the incentives given to companies by developed countries to transfer technology to least-developed countries (LDCs). For this review, developed countries provided detailed information on the incentives they make available.

The TRIPS Agreement requires incentives for technology transfer to LDCs, and ministers agreed at Doha in 2001 that the TRIPS Council would 'put in place a mechanism for ensuring the monitoring and full implementation of the obligations'. This mechanism was set up by a Council decision in 2003, detailing the information to be supplied by developed countries on how their domestic technology transfer incentives are functioning in practice.

At the request of the LDC Group, the WTO Secretariat organized a workshop in 2009 to discuss transfer of technology under the TRIPS Agreement. A number of developed countries explained their reports in more detail. Experts from developed countries and LDCs discussed the operation of the system and how it could be improved.

Disputes over intellectual property protection

In general, disputes can be brought under the WTO Dispute Settlement Mechanism not only if an agreement or commitment has been violated, but also if an expected benefit under an agreement has been nullified without violating the letter of the agreement. For disputes over intellectual property protection, the TRIPS Agreement prescribed a five-year moratorium on such 'non-violation and situation complaints' and this moratorium has been extended by a series of Ministerial Conferences.

In 2009 the Council continued to consider the scope and modalities for such complaints. Members disagree on whether these complaints should be allowed at all, or whether this could be the legitimate basis for a dispute. In the absence of consensus, the Seventh Ministerial Conference further extended the moratorium, in line with a recommendation of the TRIPS Council. Thus members agreed not to initiate such disputes for the time being. Ministers directed the Council to continue examining the scope and modalities for these disputes, and to make recommendations to the next Ministerial Conference to be held in 2011.

Consultations on outstanding implementation issues

The Director-General continued to consult on GI extension and the relationship between TRIPS and the Convention on Biological Diversity (CBD), as called for by the 2005 Hong Kong Ministerial Declaration, which deals with these questions as 'outstanding implementation issues'.

The first issue concerns the possible extension to other products of the 'higher' or 'enhanced' level of protection that is currently only required for geographical indications for wines and spirits. Members differ on whether such an extension would help their trade in such products, or whether increasing the level of protection would create an unnecessary legal and commercial burden.

The other issue concerns the relationship between the TRIPS Agreement and the CBD: whether – and, if so, how – TRIPS should do more to promote the CBD objective of equitably sharing the benefits that arise when genetic resources are used in research and industry. The main focus has been on proposals to amend the TRIPS Agreement to require patent applicants to disclose the source or the country providing genetic resources and associated traditional knowledge. A range of alternative proposals has also been submitted.

From March 2009, the Director-General undertook these consultations personally with interested delegations, and through open-ended information sessions. The consultations concentrated on technical questions, with a view to assisting members to understand more fully each other's interests and concerns and shedding light on the technical aspects of the two issues. The consultations did not address the question of whether, and if so how, these matters should be linked to the broader negotiating agenda. The 'W/52' proposal referred to above advocates formally including them in the Doha Round negotiations but other WTO members are strongly opposed.



In 2009, work in the Special Session of the Committee on Trade and Development focused on refining a mechanism for monitoring the implementation and effectiveness of 'special and differential treatment' provisions for developing countries. In the absence of new ideas and given the persistent divergence of views, the various proposals relating to specific WTO agreements were not addressed in any substantial manner.

Work of the Special Session

During 2009 the Special Session held four formal meetings and a large number of informal consultations.

Agreement-specific proposals

Until the end of 2008, the Special Session had concentrated its efforts on reviewing six of the remaining 16 Agreement-specific proposals, three relating to the Agreement on Sanitary and Phytosanitary Measures, and three relating to the Agreement on Import Licensing. While WTO members were able to clarify certain elements in some of the proposals, no textual amendments were made.

The Chair had initially intended to continue work on the Agreement-specific proposals in 2009. However, he decided that, in the absence of any new ideas or language, members would merely reiterate well-known positions which would risk unravelling the progress already made. As a result, the Agreement-specific proposals were not addressed in any substantial manner during the year.

On 'Category II' Agreement-specific proposals – those referred to other relevant WTO bodies for consideration – limited progress was made. This was largely because issues raised in some of these proposals form an integral part of the Doha Round talks and progress is thus tied to the conclusion of the negotiations. The WTO Secretariat catalogued proposals being addressed in the Doha Round so as to enable the Chair, in collaboration with the other Chairs, to assess how best to expedite progress on the remaining Category II proposals.

Monitoring mechanism

In 2009 the work in the Special Session focused on further refining the elements of a monitoring mechanism on the implementation and effectiveness of provisions on special and differential treatment. Discussions were initially based on a 'non-paper' (an unofficial document) put forward by the previous Chair as well as submissions tabled by developed and developing countries. The present Chair subsequently revised the non-paper, distinguishing between the elements where there was a greater degree of convergence and those where further work was required. In November, the Chair prepared a second revision of his non-paper which will form the basis of further work.



Background

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 and allow developed countries to treat them more favourably than other WTO members. Examples of these 'special and differential treatment' provisions include longer time periods for implementing agreements or measures to increase trading opportunities. Making the provisions more precise, effective and operational is the task of the Special Session of the Committee on Trade and Development.

Trade negotiations



Background

The Working Group on Trade and Transfer of Technology was set up to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the WTO's mandate, to increase the flow of technology to developing countries.

Trade and transfer of technology

In 2009 the Working Group on Trade and Transfer of Technology held four formal sessions, during which WTO members continued to examine the relationship between trade and transfer of technology, and considered possible recommendations on steps to increase the flow of technology to developing countries.

Relationship between trade and transfer of technology

Work on the relationship between trade and transfer of technology in 2009 was based largely on a World Bank study and a presentation by the Food and Agriculture Organization of the United Nations (FAO).

The World Bank study, entitled *Global Economic Prospects: Technology Diffusion in the Developing World*, underscores the crucial roles in development played by trade, foreign direct investment, technology innovation and access to technology. The presentation by the FAO highlighted the link between technology transfer and productivity gains in agriculture.

Both organizations stressed the lessons to be learned from the experience of countries that had undergone rapid technological development in the last few decades. Technology was a catalyst for development in a number of Asian countries that had climbed a steep industrialization curve in a very short time.

Increasing the flow of technology to developing countries

WTO members focused their discussion on a document submitted by India, Pakistan and the Philippines entitled *Facilitating Access to Information on Appropriate Technology Sourcing – A Step to Increase Flows of Technology to Developing Countries*. Members noted that provisions on technology transfer were incorporated in several international agreements, including the Montreal Protocol which has a financing mechanism for technology transfer in relation to eliminating chemicals that deplete the earth's ozone layer. This was seen as a possible model for the work on technology transfer in the Working Group.

Trade and environment

Negotiations on trade and environment are conducted in the Committee on Trade and Environment meeting in special session. In 2009 the committee agreed a work programme covering the two main components of the negotiations – the relationship between the WTO and multilateral environmental agreements (MEAs), and the elimination of barriers to trade in environmental goods and services.

Multilateral environmental agreements

The committee continued to discuss proposals on the relationship between the WTO and MEAs, with a view to clarifying the ideas put forward by WTO members and identifying some areas of common ground. The proposals cover both the relationship between specific trade obligations set out in MEA and WTO rules, and cooperation between WTO and MEA secretariats, including procedures for regular information exchange and criteria for granting observer status to MEAs. In the next phase, members will consider the proposals with the objective of developing a draft text.



Environmental goods and services

The committee undertook further technical work in connection with negotiations to reduce or eliminate tariff and non-tariff barriers (NTBs) to environmental goods and services, including climate-friendly goods and technologies. As part of this technical work, the WTO Secretariat organized a workshop on environmental goods and services with experts from governments, the private sector and international organizations. This event allowed participants to gain a better understanding of the different areas or categories of environmental goods and services, such as renewable energy, air pollution control, and water and waste water treatment. The workshop also addressed some development-related issues, including technology transfer.

A number of members have submitted lists of environmental goods and services of interest to them, which will provide a basis for further consideration of the coverage of the negotiations. There is as yet no agreement on which goods and services should be included, or on how to tackle the tariffs and NTBs involved. The needs of developing countries will also have to be addressed, with a view to achieving a result that is beneficial from a trade, environment and development perspective.

Trade facilitation

Negotiations on trade facilitation continued to move forward in 2009, culminating in December in a draft negotiating text that will form the basis of work in 2010. The negotiations aim to facilitate cross-border trade, partly by improving WTO rules relating to transit of goods, customs formalities and transparency of trade regulations, and partly by enhancing technical assistance and capacity building and promoting cooperation between customs authorities. The main intended beneficiaries are developing and least-developed countries (LDCs).

In 2009 the Negotiating Group on Trade Facilitation, chaired by Eduardo Sperisen-Yurt (Guatemala), reviewed the various proposals from WTO members with a view to refining the language and identifying additional areas of common ground. This exercise, and focused technical discussions, led to the tabling of a first draft consolidated negotiating text in December 2009. Although it requires additional work, the text will allow members to base their further negotiations on a single document.

In the margins of the week-long meetings of the negotiating group, members also held a number of workshops and briefing sessions on selected topics.

To allow all countries to fully engage in and benefit from the negotiations, several donor governments provided funding for the participation of officials based in country capitals. A total of 129 officials from African and LDCs participated in three meetings of the negotiating group in 2009, and donor governments have indicated their willingness to continue this programme in 2010.

In its second year of operation, the WTO's technical assistance programme to assess trade facilitation needs conducted 34 national needs assessments. These were undertaken by the WTO Secretariat with the cooperation of experts from donors and other regional and international organizations, including the Organisation for Economic Co-operation and Development, the United Nations Conference on Trade and Development, the World Customs Organization and the World Bank.

Trade negotiations



The elimination of barriers to trade in environmental services and goods, such as climate-friendly goods, was discussed by the Committee on Trade and Environment.

Trade negotiations



Background

The Food and Agriculture Organization (FAO) of the United Nations reports that 80 per cent of world fish stocks are either fully exploited or overexploited. Meanwhile, governments around the world continue to provide billions, and by some accounts, tens of billions, of dollars in subsidies to the fisheries sector. The Doha Ministerial Conference launched negotiations to clarify and improve WTO disciplines on fisheries subsidies, and at the Hong Kong Ministerial Conference in 2005 there was broad agreement on strengthening those disciplines, including through a prohibition of certain forms of fisheries subsidy that contribute to overcapacity and overfishing. The challenge now facing the negotiating group is to develop stronger rules while respecting the important policy concerns of WTO members, particularly developing and least-developed countries.



The Negotiating Group on Rules began considering specific proposals for stronger disciplines on subsidies that encourage overcapacity and overfishing.

WTO rules

In 2009 the Negotiating Group on Rules focused on an intensive line-by-line review of draft texts of the Agreement on Anti-Dumping and the Agreement on Subsidies and Countervailing Measures that were issued by the Chair in December 2008.

The negotiating group also reviewed the issues raised by the Chair, Guillermo Valles Galmés (Uruguay), in an accompanying 'roadmap' on fisheries subsidies and began considering specific proposals for stronger disciplines on subsidies that encourage overcapacity and overfishing.

During 2009, negotiators worked intensively on the basis of new draft texts of the Agreement on Anti-Dumping (see page 42) and the Agreement on Subsidies and Countervailing Measures (see page 41) issued by the Chair in December 2008. The new texts reflected a 'bottom-up' approach, providing draft legal language only in areas where some degree of convergence appeared to exist. In other areas, the texts contained brackets, indicating issues where no convergence of views was emerging and summarizing in general terms the range of views regarding those issues.

The negotiating group pursued a 'three pillar' approach, discussing draft legal language where provided and bracketed items where no text was provided, as well as reverting to issues and proposals that had not been reflected in the Chair's text but were still of interest to WTO members. By the end of 2009, the negotiating group had virtually completed the review of the Chair's texts, and planned to finish that process by spring 2010.

The December 2008 draft texts were accompanied by a 'roadmap' for further discussion of fisheries subsidies. The negotiating group systematically reviewed all the major issues involved by addressing specific questions posed by the Chair in the roadmap. By the end of the year, it had completed this review and had begun to consider substantive proposals from members. These reflect alternative approaches to strengthening disciplines on subsidies that promote overcapacity and overfishing.

On regional trade agreements (RTAs), the negotiations have so far resulted in a General Council Decision on a Transparency Mechanism for RTAs, which has been applied provisionally since 2007. In order for the mechanism to be adopted on a permanent basis, WTO members need to review, and if necessary modify, it as part of the overall results of the current round of trade negotiations. Members will also review the legal relationship between the mechanism and relevant WTO provisions on RTAs.



Negotiations towards improvement and clarification of the WTO's Dispute Settlement Understanding (DSU) – the rules and procedures governing the settlement of disputes – continued in 2009.

The Chair of the Dispute Settlement Body (DSB) Special Session conducted a series of consultations on the various issues contained in the draft text issued by him in July 2008, which WTO members had endorsed as a basis for further work in November 2008. Each week of consultations ended with a brief informal meeting of the DSB Special Session, where the Chair reported on progress and discussed future steps with the membership.

The discussions in 2009 were useful in consolidating the basis of the work and in clarifying the issues under discussion. However, much work remains to be done to achieve convergence on improvements and clarifications to the DSU. In early 2010 the Chair will consult with members on how best to carry forward the negotiating process towards a rapid conclusion of the negotiations. These negotiations are part of the Doha Development Agenda but they are not part of the 'Single Undertaking' (a single package of about 20 subjects, to be signed eventually by each country with a single signature).

Implementation and monitoring

In late 2009, ministers met – at the Seventh Ministerial Conference – against the backdrop of the financial and economic crisis to review all areas of the WTO’s work. Many welcomed the WTO Secretariat’s recent series of reports monitoring governments’ trade measures during the crisis. Throughout the year, WTO councils and committees continued to monitor the implementation of WTO agreements and to provide a forum for discussion on various issues.

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Implementation and monitoring



Background

The Ministerial Conference of the WTO consists of representatives of all WTO members. It is the highest decision-making body of the organization, and usually meets every two years. Ministerial Conferences review ongoing work, give political guidance and direction to that work, and set the agenda for further work.



The Seventh Ministerial Conference was held in Geneva from 30 November to 2 December 2009.



Background

The General Council is entrusted with carrying out the functions of the WTO and taking actions necessary to this effect between meetings of the Ministerial Conference, in addition to carrying out the specific tasks assigned to it by the Agreement Establishing the WTO.

Ministerial Conference and General Council

Ministerial Conference

The Seventh Ministerial Conference was held in Geneva from 30 November to 2 December 2009, the first formal gathering of ministers since the Hong Kong Ministerial Conference in December 2005. Though not a negotiating meeting, the Conference was an opportunity for ministers to discuss progress in the Doha Round as well as review other areas of the WTO's work (see page 12).

Ministers reaffirmed the goal of concluding the Doha talks in 2010, with a 'stocktaking' meeting in the first quarter of the year. The aim of the stocktaking, set for late March 2010, would be to assess the state of play concerning the 'modalities' that will provide the formulas and other aspects of the blueprint for final agreement on opening trade for agricultural and industrial goods. To complete the Round in 2010, there would need to be an early decision on modalities to leave time for drawing up detailed schedules of tariff and other commitments, and concluding other areas of the negotiations.

The Ministerial Conference took two decisions, on electronic commerce and on disputes under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) (see below). WTO members also agreed to hold the next Ministerial Conference in 2011.

General Council

In 2009 the General Council continued to oversee the progress of the Doha Round negotiations on the basis of reports from the Director-General in his capacity as Chair of the Trade Negotiations Committee. The General Council also reviewed the various accession negotiations and heard reports by the Director-General on cotton and on the Second Global Review of Aid for Trade in July 2009 (see page 112). Reports were received from subsidiary bodies on small economies and 'special and differential treatment' (special rights for developing countries). Some of the other matters considered by the General Council in 2009 are listed below.

Seventh WTO Ministerial Conference

In November the General Council agreed to forward to the Ministerial Conference (see page 12) the draft texts for decisions on electronic commerce and on disputes under the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement.

The decision on electronic commerce extends to the Eighth Ministerial Conference, to be held in 2011, a moratorium on the imposition of customs duties on online transactions. The TRIPS decision extends a moratorium, also until the next Ministerial Conference, on bringing so-called 'non-violation' disputes to the Dispute Settlement Mechanism. Non-violation disputes involve claims that expected benefits under the TRIPS Agreement have been nullified rather than that the rules themselves have been broken (see page 49).

The General Council granted a request by Palestine for observer status at the Seventh Ministerial Conference and considered a proposal by India, co-sponsored by 17 other members, on 'Strengthening the WTO'.

Reappointment of Director-General

In April the General Council reappointed Pascal Lamy as Director-General of the WTO for a second four-year term from 1 September 2009.



Non-recognition of rights under Articles XXIV and XXVIII of GATT 1994

This issue, which has been on the General Council agenda since December 2004, relates to the European Union's refusal of a claim by Honduras and Guatemala, both banana-exporting countries, to be included in consultations and negotiations on changes to the EU's trade regime following the accession of ten new EU member states in May 2004. The European Union similarly refused to recognize the claim of Honduras and Guatemala to be included in consultations and negotiations over the entry into force of an EU-wide tariff-only trade regime for bananas from January 2006.

The European Union has argued that neither country satisfies the criterion of 'substantial supplying interest' set out in WTO rules. However, the rules also state that WTO members whose claims of interest are rejected can bring the matter to the General Council.

In 2009 the Chair of the General Council continued to pursue consultations to bring about a satisfactory resolution of the issue. At the December Council meeting, Honduras and Guatemala requested the temporary suspension of the agenda item relating to non-recognition of rights in the light of the Geneva Agreement on Trade in Bananas. This agreement between the European Union and Latin American banana exporters, reached on 15 December 2009 and reported to the General Council at its December meeting, has effectively put an end to the long-standing dispute over the EU's tariff regime for bananas (see page 84).

Review under China's protocol of accession

In December 2009 the General Council conducted its eighth review of China's implementation of its WTO commitments. China's protocol of accession requires an annual review by the General Council and 16 subsidiary bodies for the first eight years following accession in 2001, with a final review in the tenth year (2011), or earlier if decided by the General Council. The Council discussed the various reports of the subsidiary bodies, development of China's trade with WTO members and other trading partners, and recent developments regarding China's trade regime.

Waivers under Article IX of the WTO Agreement

In 2009 the General Council considered and granted several requests for waivers from obligations under the WTO Agreement, as set out in Table 1 below. It also reviewed the following multi-year waivers:

- Least-developed countries – Extension of the transition period for implementing the TRIPS Agreement with respect to patents on pharmaceutical products, granted on 8 July 2002 until 1 January 2016.
- European Union – Trade 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.
- United States – Duty-free access for products of the former Trust Territory of the Pacific Islands (the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau), granted on 27 July 2007 until 31 December 2016.
- Mongolia – Export duties on raw cashmere, granted on 27 July 2007 until 29 January 2012.
- European Union – Application of autonomous preferential treatment to Moldova, granted on 7 May 2008 until 31 December 2013.
- Kimberley Process Certification Scheme for rough diamonds, granted on 15 December 2006, from 1 January 2007 until 31 December 2012.
- Canada – CARIBCAN (Caribbean-Canada trade agreement), granted on 15 December 2006 until 31 December 2011.
- Cuba – Waiver from a General Agreement on Tariffs and Trade (GATT) provision which provides that a member which ceases to be a member of the International Monetary Fund shall enter into a special exchange agreement with the WTO, granted on 15 December 2006 until 31 December 2011.

Implementation and monitoring



In April 2009 the General Council reappointed Pascal Lamy as Director-General of the WTO for a second four-year term.

Implementation and monitoring



Mario Matus (Chile), Chair of the General Council in 2009.

Transparency for preferential and regional trade agreements

In July the Council heard a report from the Chair of the Committee on Trade and Development on transparency for preferential trade agreements. That report indicated that the committee needed more time to come to a decision. In December the General Council agreed to postpone to July 2010 the deadline for the committee's consideration of the matter and its report to the Council.

Also in December the General Council heard a report by the Chair of the Negotiating Group on Rules regarding the initial review of the transparency mechanism for regional trade agreements. That report stated that there was still no consensus on the best time to undertake the review of the mechanism, which was a necessary condition to making it permanent.

TRIPS-related matters

In December the General Council received a report from the Council on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on its review of the implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (see page 50). This relates to special provisions, currently contained in a waiver to the TRIPS Agreement, permitting generic versions of patented medicines to be exported to developing countries with no manufacturing capacity of their own, which cannot otherwise use TRIPS flexibilities to issue compulsory licences on public health grounds. The General Council agreed a second extension, until December 2011, of the period for acceptance by members of the protocol amending the TRIPS Agreement that is supposed to replace the waiver.

Other issues

The General Council considered a proposal by Argentina and Ecuador that called on the WTO Secretariat to conduct a systematic and comprehensive analysis of the effects of fiscal and stimulus packages taken in response to the economic crisis. The Council also discussed a communication by Norway on possible further action by WTO members in response to the financial crisis, the aim of which was to build on the London Declaration of the 'Group of 20' committing G-20 members to reject protectionism.

The Council considered a proposal on accessions put forward by Gabon on behalf of the informal group of developing countries, which called for an improvement in the existing institutional mechanisms and greater transparency in the process. At its October meeting, the Council also heard a statement by Cambodia on the accession of least-developed countries.

Also brought to the General Council for consideration was a statement by Brazil and India on the seizure in the Netherlands of generic medicines in transit from India to Brazil, which the two countries said had been based on a claim by a third party (a pharmaceutical company) that patent rights had been violated. The Council also heard a statement by Brazil on behalf of developing agricultural exporting countries (also known in the WTO as the Group of 20) on the reintroduction of dairy export subsidies by the United States.

The Council reviewed the exemption provided to the United States under Paragraph 3 of the GATT 1994, which permits the United States to keep long-standing rules (the Jones Act) that require all goods transported by water between US ports to be carried in US-flag ships that are constructed in the United States, and owned and crewed by US citizens. This review is mandated to be held every two years for as long as the exemption is in force.

As part of its overall oversight function, the General Council also conducted a year-end review of WTO activities on the basis of annual reports from all its subsidiary bodies. In addition, it reviewed matters relating to the WTO budget, the building renovation project for the Centre William Rappard and the WTO pension plan, and considered a report from the Joint Advisory Group of the International Trade Centre (ITC). The Joint Advisory Group is the policy-making body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development.



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

In 2009 the General Council granted the following waivers from obligations under the WTO Agreements.

Member	Type	Decision of	Expiry	Document
Argentina	Extension of time limit for introduction of Harmonized System 1996 changes into WTO tariff schedules	27 May 2009	30 April 2010	WT/L/757
Panama	Extension of time limit for introduction of Harmonized System 1996 changes into WTO tariff schedules	27 May 2009	30 April 2010	WT/L/758
Angola; Antigua and Barbuda; Bahrain; Bangladesh; Barbados; Belize; Benin; Botswana; Burkina Faso; Burundi; Cameroon; Central African Republic; Chad; Chile; Congo; Côte d'Ivoire; Democratic Republic of the Congo; Djibouti; Dominica; Dominican Republic; Ecuador; Fiji; Gabon; Gambia; Ghana; Grenada; Guinea; Guinea-Bissau; Guyana; Haiti; Jamaica; Kenya; Kuwait; Lesotho; Madagascar; Malawi; Maldives; Mali; Mauritania; Mozambique; Union of Myanmar; Namibia; Niger; Nigeria; Papua New Guinea; Peru; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Senegal; Sierra Leone; Solomon Islands; South Africa; Sri Lanka; Suriname; Swaziland; Tanzania; Togo; Trinidad and Tobago; Uganda; United Arab Emirates; Zambia; Zimbabwe	Procedures for verifying and certifying Harmonized System 1996 changes relating to the schedules of 64 members	27 May 2009		WT/L/756
Least-developed countries	Preferential tariff treatment for least-developed countries	27 May 2009	30 June 2019	WT/L/759
United States	African Growth and Opportunity Act	27 May 2009	30 September 2015	WT/L/754
United States	Andean Trade Preference Act	27 May 2009	31 December 2014	WT/L/755
Cape Verde	Implementation of the schedule of concessions	28 July 2009	1 January 2010	WT/L/768
Argentina; Australia; Brazil; China; Costa Rica; Croatia; El Salvador; European Union; Iceland; India; Rep. of Korea; Mexico; New Zealand; Norway; Thailand; United States; Uruguay	Introduction of Harmonized System 2002 changes into WTO tariff schedules	17 December 2009	31 December 2010	WT/L/786
Argentina; Australia; Brazil; Canada; China; Costa Rica; Croatia; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Rep. Of Korea; Macao, China; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Pakistan; Singapore; Switzerland; Thailand; United States; Uruguay	Introduction of Harmonized System 2007 changes into WTO tariff schedules	17 December 2009	31 December 2010	WT/L/787

Implementation and monitoring



Background

The Council for Trade in Goods is responsible for the workings of all WTO agreements dealing with trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The Goods Council has 13 committees dealing with specific subjects (such as agriculture, market access and subsidies). These also include all WTO members.

Trade in goods

During its five formal sessions in 2009, the Council for Trade in Goods made progress on the consideration of requests from WTO members for waivers, further discussed what role, if any, it should play in the textiles and clothing sector following the termination of the Agreement on Textiles and Clothing, and dealt with other routine tasks.

The Goods Council approved and recommended for adoption by the General Council a number of waiver requests from members. These included three waiver requests by the United States for three preferential trade programmes that are designed to promote economic development by offering broader access to the US market: the African Growth and Opportunity Act; the Andean Trade Preference Act; and the Caribbean Basin Economic Recovery Act.

The council approved a request by Brazil, China, India and the Republic of Korea for the extension of a waiver that would allow developing countries to provide preferential tariff treatment to least-developed countries. The waiver, first adopted on 15 June 1999 and due to expire in June 2009, was extended for another 10 years. Finally, the council approved a waiver for Cape Verde to delay implementation of the first stage of its concessions and commitments for one year, and extended waivers for Argentina and Panama related to the introduction of certain changes in their schedules under the Harmonized System (the global classification system for traded goods).

Turkey circulated its fourth proposal aimed at finding consensus on work concerning the textile sector. This submission contained a compilation of recent international studies which look at developments following termination of the Agreement on Textiles and Clothing on 1 January 2005. Several members remained opposed to singling out textiles and clothing for in-depth work and analysis. Nevertheless, a number of countries believe there is a role for the WTO in assisting those members who are finding it difficult to adjust to the new economic situation in the sector. The council remains open to continue this discussion in 2010.

The council took note of the reports of the Committee on Market Access, and approved procedures leading to the verification and certification of HS96 (Harmonized System 1996) changes related to the tariff schedules of 64 members. In accordance with China's protocol of accession, the council also carried out a review of its implementation of accession commitments in the area of trade in goods.

In 2009 the Goods Council agreed to extend further the time allowed for trading partners to rebalance their trade commitments with the European Union following the addition of 10 new EU member states in 2004 and two in 2007. WTO members are entitled to withdraw 'substantially equivalent trade concessions' to take account of trade losses stemming from adoption of the common external tariff by acceding EU countries. Ten such extensions have now been agreed by the council for the 2004 EU enlargement and four for the 2007 enlargement.



Market access

Much of the work of the Committee on Market Access is related to the updating of schedules of concessions to reflect changes in the Harmonized System (HS), which aims to ensure that all WTO members classify goods in the same way for tariff purposes. This work continued to be the main focus of the committee's activities in 2009, including the approval of waivers extending the time period for making the changes. The committee also discussed compliance with notification obligations and took steps to allow public access (with certain conditions) to the WTO's tariff databases.

The committee is undertaking three concurrent exercises to update the tariff classifications used in WTO members' schedules of concessions, based on HS 1996, HS 2002 and HS 2007. In respect of the HS 1996 exercise, to date only 36 schedules have been updated and their changes certified. In 2009, the committee approved a decision which is expected to expedite and conclude the HS 1996 transposition exercise on the remaining schedules.

Concerning HS 2002 changes, while the bulk of the work has been completed, with just three schedules remaining to be prepared by the WTO Secretariat, the situation remains unsatisfactory from a legal point of view. This is because only 32 schedules incorporating HS 2002 changes have been certified, which is the final legal step in this process. Regarding HS 2007 changes, partly because of concerns about how these might be affected by the results of the ongoing Doha Round negotiations, the committee decided to put this exercise on hold and review the situation in 2010.

The committee examined requests for extensions of the waivers allowing members to introduce the HS changes into their national tariffs and to undertake the WTO legal procedures at a later date. It approved two individual requests by Argentina and Panama for waiver extensions in respect of the HS 1996 changes and extended the 'collective' waivers for the HS 2002 and HS 2007 changes. Discussions were also held on the format to use for the new version of the Consolidated Tariff Schedule (CTS) in HS 2002 nomenclature.

In July the committee took steps to allow public access (with certain access conditions) to the Integrated Database (IDB) and the CTS database as of January 2010. Within the WTO, information from the IDB, which is compiled from member notifications on tariffs and trade, and the CTS, which consolidates members' schedules of concessions, is used for several purposes. These include calculation of *ad valorem* equivalents (duties expressed as a percentage of the value of an item) of tariffs based on quantity or weight; preparation of members' electronic schedules for goods; responding to requests arising out of the Doha negotiations; and compiling the *World Tariff Profiles* publication produced in cooperation with the International Trade Centre and the United Nations Conference on Trade and Development (see page 132).

During the year the committee discussed notifications and how to improve compliance with notification obligations. In July it adopted a framework intended to enhance compliance in respect of IDB notifications. The committee also agreed to send a letter reminding members that they can notify non-tariff barriers maintained by others if the measures are not covered by existing notification obligations. Resulting notifications would be reviewed six months thereafter. The committee also discussed notification procedures for quantitative restrictions on imports but will need to pursue these discussions further in 2010.

Among its other activities, the committee conducted the eighth transitional review of China in accordance with its protocol of accession. The committee also took note of two WTO Secretariat documents, one detailing the most recent information available in the tariff library and giving the web addresses where more up-to-date national tariffs can be found, and the other summarizing the current situation regarding members' schedules.

Implementation and monitoring



Background

Market access for goods refers to the tariff and non-tariff measures individual WTO members agree to be bound by. Maximum permitted tariffs (known as 'bound' rates) are set out in each member's 'schedule(s) of concessions' on goods. The Committee on Market Access supervises the implementation of concessions relating to tariffs and non-tariff measures and provides a forum for consultation on these issues. One of its tasks is to oversee the Harmonized System (HS), which allows countries to classify goods on a common basis.

Implementation and monitoring



Background

The Agreement on Agriculture aims to reform trade and to make WTO members' policies more market-oriented. The rules and commitments apply to the areas of market access, domestic support, export competition, as well as export restrictions and prohibitions.

Agriculture

At each of the four meetings held in 2009, the Committee on Agriculture reviewed progress in the implementation of WTO members' commitments, on the basis of their notifications and matters specifically raised under Article 18.6 of the Agreement on Agriculture.

Among the issues raised in the committee were:

- 'underfill' of certain tariff quotas (set import quantities allowed in at lower duty rates). If part of a tariff quota is unused, this may be due to supply and demand conditions or to alleged problems in administering the tariff quota
- recourse to special safeguard provisions (permitting a temporary increase in tariffs to deal with import surges or price falls) on certain products
- details of domestic support measures notified by various members
- details of certain programmes under the US Food, Conservation and Energy Act of 2008
- export subsidies and import measures on dairy products by Canada, the European Union and the United States
- clarifications concerning food aid operations by various members
- revised EU commitments due to enlargement with new EU member states.

The committee's eighth 'transitional review' of China's accession commitments in September 2009 focused on value-added tax exemptions, transparency in the administration of tariff quotas, domestic policies supporting the pork industry and increasing government involvement in wholesale agricultural markets. In addition, the committee undertook a multilateral review of the implementation of the Republic of Korea's commitments on minimum market access for rice, based on information covering the period 2005 to 2008.

In November 2009, the committee held its annual consultations on members' participation in the normal growth of world trade in agricultural products, which took place within the framework of the disciplines on export subsidies. It was noted that agricultural exports of some WTO members and observers had grown fast enough to warrant their inclusion in the list of top exporters of certain products in 2007 (for example, coarse grains, sugar, bovine meat, skimmed and whole milk powder, and fruit and vegetables). The committee decided to review and update the list of 'significant exporters' that had been established in 1995.

Throughout 2009 the committee maintained a focus on three implementation-related issues for which it has responsibility under the Doha Development Agenda. These are: developing disciplines on export credits and other export financing measures; improving the effectiveness of the decision taken at the 1994 Marrakesh Ministerial Conference; and ensuring transparency in the administration of tariff quotas. A *Compendium of Documents on Implementation-Related Issues*, consolidating relevant information pertaining to these three areas, was first circulated in March 2009 and updated in advance of each meeting of the committee.

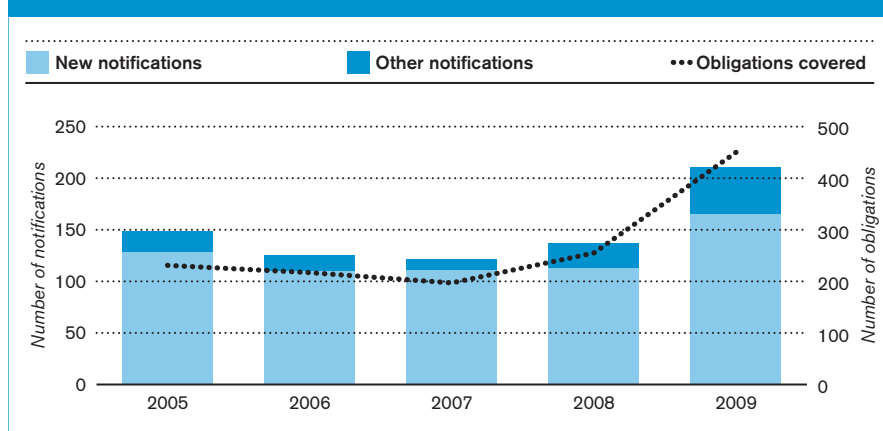
Timeliness and completeness of notifications

Since 1995, the committee has reviewed 2,615 notifications submitted by members. Of these, over 200 were submitted in 2009 but many notifications remain outstanding.

The question of overdue notifications has received increased attention in the past few years. There has been an overall deterioration of the situation over time, with adverse consequences on both transparency and the committee's core monitoring function. Individual members have started regularly to express concerns, raising a record number of specific concerns relating to outstanding notifications in 2009.

There was a significant increase in the number of *new* notifications issued in 2009, which rose to 165 from 111 in 2007. The number of obligations covered by these notifications more than doubled, from 197 to 450 (see Figure 1). Members have undoubtedly made an effort to 'catch up' with their outstanding notification obligations, in particular by forwarding submissions that often covered multiple implementation years.

Figure 1: Notifications 2005 to 2009



Note: 'Obligation' is defined as the fulfilling of a single notification requirement for any single implementation year.

The committee launched a number of initiatives in 2009 aimed at improving information flow and capacity building in preparing and reviewing notifications. These included:

- Improving user access, through non-restricted documents, to members' compliance status with their notification obligations, creating an electronic list of circulated notifications; and posting datasets on notified information (imports under tariff quotas, recourse to the special safeguard provisions, domestic support and export subsidies).
- Creating a Members' Transparency Toolkit on the WTO website to facilitate the preparation and review of notifications, as well as an electronic subscription facility for unrestricted documents and a specific e-mail contact at the WTO for notification-related queries.
- Organizing a workshop on agriculture notifications in Geneva in September 2009, back-to-back with the September regular session of the committee. The workshop focused on agriculture notification requirements and formats as well as related information needs. In view of the importance of technical and institutional capacity building, the organization of similar events has been included in the *Biennial Technical Assistance and Training Plan 2010–2011* (see page 17).

The committee will give priority in 2010 to: making public the compilations of written questions and written answers by members during the reviews of notifications; elaborating an *Agriculture Notifications Handbook*; and developing an e-learning module on agriculture notifications. It will also continue its discussion, begun in 2009, of 'best practices' with respect to the preparation and review of notifications and will undertake a review with a view to updating the list of 'significant exporters'.

There was a significant increase in the number of new notifications issued in 2009.

Implementation and monitoring



Background

The Agreement on Sanitary and Phytosanitary (SPS) Measures establishes the rights and obligations of WTO 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 on scientific principles.

Sanitary and phytosanitary measures

In 2009 the Committee on Sanitary and Phytosanitary (SPS) Measures adopted an important decision on 'special and differential treatment' for developing countries, and undertook its third review of the operation and implementation of the Agreement on the Application of Sanitary and Phytosanitary Measures. A workshop in October 2009 focused on strengthening the relationship between the SPS Committee and the relevant international standard-setting bodies. Members used the three meetings of the SPS Committee to seek to resolve a number of specific trade concerns, some concerning notifications of proposed new measures.

In October 2009 the SPS Committee adopted a revised procedure to enhance the transparency of special and differential treatment in favour of developing countries. The procedure clarifies the steps to be taken by developing countries in requesting special and differential treatment with respect to specific SPS measures, and the steps to be taken in response by the member maintaining the measures. The procedure suggests that such requests should normally be made during the comment period provided following notification of a proposed new SPS measure, although requests following the adoption or entry into force of a measure should also be considered.

The committee undertook its third periodic review of the operation and implementation of the SPS Agreement. The experiences of members with the implementation of all provisions of the Agreement were examined, and the work of the committee reviewed. The committee also discussed proposals for future work.

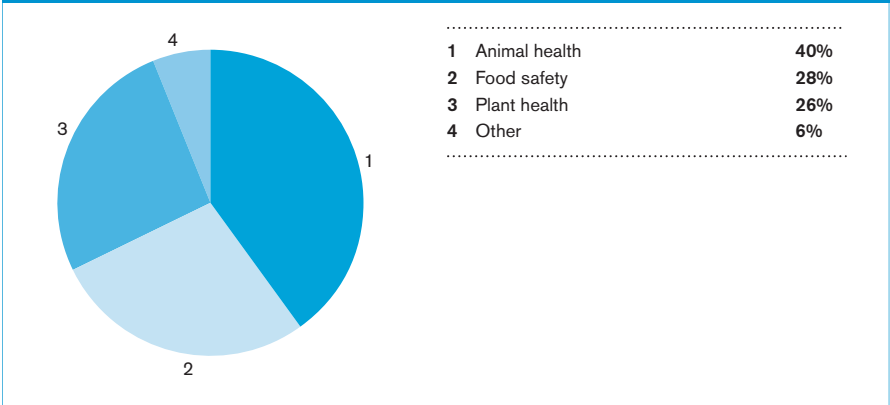
At a workshop in October, the committee considered its relationship with the various international standard-setting bodies – the Codex Alimentarius Commission of the United Nations Food and Agriculture Organization (FAO) and the World Health Organization, the FAO International Plant Protection Convention and the World Organization for Animal Health (OIE). The standard-setting procedures of each organization were reviewed, with a focus on how to enhance the participation of developing countries. The committee identified areas for future collaboration between the four bodies, and stressed the need for more effective coordination of positions at the national level.

The SPS Committee also considered a wide range of specific trade concerns, including some related to individual notifications. These included trade measures imposed in response to the outbreak of 'swine flu' (influenza A/H1N1), restrictions relating to avian influenza and 'mad cow' disease (bovine spongiform encephalopathy or BSE), maximum levels of pesticide residues in various products, the EU's regulation on novel foods, and restrictions related to plant health protection.

In 2009, 12 new specific trade concerns were raised, 18 previously raised concerns were again discussed, and three were reported to have been resolved. A total of 290 specific trade concerns were raised between 1995 and the end of 2009 (see Figure 2).



Figure 2: SPS trade concerns by subject 1995 to end 2009

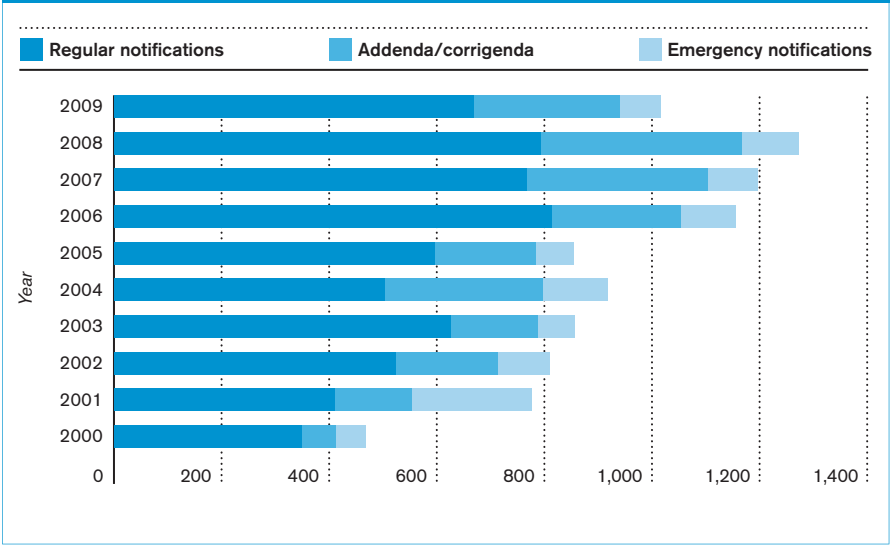


Source: G/SPS/GEN/204/Rev.10.

The committee continued to discuss the effects of commercial and private SPS standards on trade and the appropriate role of the SPS Committee. Members provided examples of specific products whose access into certain markets was affected by private standards, and considered possible actions that could be taken by the committee and/or members to address their concerns.

In accordance with the transparency provisions of the SPS Agreement, 1,016 notifications (including corrections and revisions) were submitted during 2009 (see Figure 3), bringing the total number of SPS notifications submitted since the entry into force of the Agreement in 1995 to 10,851.

Figure 3: Notifications submitted per year



Implementation and monitoring



Background

In recent years, the number of technical regulations and standards adopted by countries has grown significantly in response to consumers' demand for safe, high-quality products and the need to curb pollution and environmental degradation. The Agreement on Technical Barriers to Trade (TBT) tries to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade.

Technical barriers to trade

The Committee on Technical Barriers to Trade (TBT) held three meetings in 2009, at which experts on standards and regulations discussed ways of refining governments' implementation of the TBT Agreement. This is seen as increasingly important in view of the growing number of notifications provided by WTO members concerning draft TBT measures and the lengthening discussions of trade concerns in the committee. The subject of standards was addressed both at a workshop held in March and in the context of the committee's triennial review of the TBT Agreement.

Workshop on international standards

The TBT Committee has regularly discussed the importance of using international standards in trade and in 2000 it adopted a decision containing a set of principles for international standards development (see below). A two-day workshop on the role of international standards in economic development was held in March, attended by over 200 TBT experts. Of these, some 70 developing country capital-based officials were sponsored by the WTO through the Global Trust Fund of the Doha Development Agenda.

The workshop provided an opportunity for delegations to share experiences on the development and use of international standards, including the economic benefits derived from them. One key message was that standards are a crucial link between research, innovation and markets, and an efficient tool for the transfer of technology.

Triennial review – looking ahead

At its November 2009 meeting, the TBT Committee adopted its fifth triennial review report. The report sets out significant work in five areas:

- **Good regulatory practice:** The committee will study the various regulatory systems used by members, with a view to identifying possible avenues for achieving more convergence on regulatory practices. A first step will be the preparation of an illustrative list of mechanisms used to implement good regulatory practice.
- **Conformity assessment procedures:** The committee agreed to start developing practical guidelines on how to choose and design efficient and effective conformity assessment procedures that do not pose unnecessary obstacles to trade. Conformity assessment procedures are technical procedures, such as testing, verification, inspection and certification, which confirm that products fulfil the requirements laid down in regulations and standards. Members will exchange information on several aspects of conformity assessment, including the role of risk in the choice of conformity assessment procedure.
- **Standards:** Members stressed the importance of the full application of the six principles set out in the committee's 2000 decision on the development of international standards – transparency, openness, impartiality and consensus, relevance and effectiveness, coherence, and the development dimension. Future work will focus on the development and use of standards in general, including standards developed by non-governmental bodies.
- **Transparency:** The committee stressed that transparency is a fundamental pillar in the implementation of the TBT Agreement and emphasized the need for full implementation of the existing (and extensive) body of decisions and recommendations in this area. The committee agreed on a number of refinements to procedures aimed at implementing the Agreement's transparency provisions, particularly in the area of notifications.
- **Technical assistance:** The committee agreed that members and relevant bodies involved in the provision of TBT technical assistance should start to identify 'good practices' in its delivery and receipt. In addition, members were encouraged to prioritize capacity building activities in the areas of good regulatory practice, improving technical infrastructure (such as metrology, testing, certification and accreditation services), standards development and reinforcing the operation of enquiry points to improve transparency.
- **Operation of the committee:** The increasing number of notifications and specific trade concerns raised in the TBT Committee prompted consideration of a more streamlined and effective process for the handling of specific trade concerns. The agreed procedure is aimed at improving preparation and follow-up of discussions at the committee.

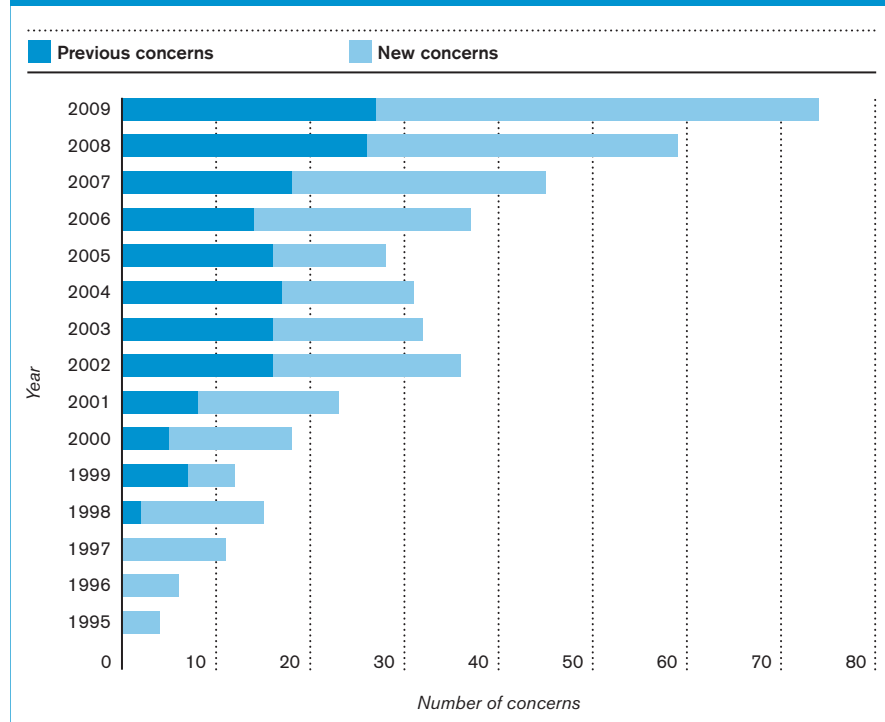


Implementation and monitoring

Trade concerns

In 2009 there was a further increase in the number of specific trade concerns brought to the attention of the TBT Committee (see Figure 4). These relate either to proposed measures notified to the TBT Committee or to measures currently in force. Committee meetings afforded members an opportunity to review trade concerns formally or informally in a bilateral or multilateral setting, and to seek further clarification.

Figure 4: Specific trade concerns raised in the TBT Committee



Subsidies and countervailing measures

In 2009 the SCM Committee reviewed WTO members' notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing duty investigations, measures and actions taken, and ad hoc notifications of preliminary and final countervailing actions taken. The committee also conducted the eighth transitional review of China's accession commitments in accordance with its protocol of accession. In October the committee extended for a further year the exemption of certain developing countries from the SCM Agreement's general prohibition on use of export subsidies.

Some developing countries have been granted an extension of the eight-year phase-out period for their export subsidy programmes. In October the SCM Committee conducted its annual review of compliance by these countries with the transparency and other requirements contained in the procedures for extending the transition period. On the basis of the review, the committee agreed to renew the transition period for a further year to the end of 2010.

Certain developing countries are listed in the SCM Agreement as exempt from the general requirement to eliminate export subsidies as long as they remain low-income countries. In 2009 the WTO Secretariat circulated updated information on these countries. To qualify for exemption, a listed member must have a per capita gross national product (GNP) of less than US\$ 1,000, as reported by the World Bank, and countries do not cross this threshold until GNP per capita reaches US\$ 1,000 in constant 1990 dollars for three consecutive years. Listed countries remaining below the threshold in 2009 were Bolivia, Cameroon, Congo, Côte d'Ivoire, Egypt, Ghana, Guyana, Honduras, India, Indonesia, Kenya, Nicaragua,



Background

The Subsidies and Countervailing Measures (SCM) Agreement regulates the use of subsidies by WTO members in areas other than agriculture, as well as the use of countervailing measures (usually in the form of increased duties) by members where subsidized imports of a product are causing or threatening to cause injury to the domestic industry. The SCM Committee provides WTO members with the opportunity to discuss any matters relating to the SCM Agreement.

Implementation and monitoring



Background

WTO members are allowed to apply 'anti-dumping' measures on imports of a product where the exporting company exports the product at a price lower than the price it normally charges in its own home market and the dumped imports cause or threaten to cause injury to the domestic industry. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement.



Background

For importers, the process of estimating the value of a product at customs can present problems that may be as much of a burden as the actual duty rate charged. The WTO Agreement on Customs Valuation aims to develop a fair, uniform and neutral system for the valuation of goods for customs purposes. Work on this issue in the WTO is carried out by the Committee on Customs Valuation.

Nigeria, Pakistan, the Philippines, Senegal, Sri Lanka and Zimbabwe. Least-developed countries are also exempt from the prohibition on export subsidies.

The SCM Agreement requires WTO members to notify their specific subsidies 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 updated notifications. In 2009 the committee continued its review of 2007 new and full subsidy notifications and began its review of notifications for 2009.

The SCM Committee continued its ongoing review of notifications related to countervailing duty legislation. It took further steps to improve transparency by revising the format for semi-annual reports of countervailing actions and specifying the minimum information to be provided in connection with ad hoc notifications of preliminary and final countervailing actions. In addition, the committee agreed on a one-time notification format for members that do not have an investigating authority, have not initiated a countervailing duty investigation before and do not intend to initiate one in the foreseeable future. The submission of a one-time notification would relieve these countries of the obligation to submit semi-annual reports of countervailing actions until such time as they decide to set up an investigating authority and conduct investigations.

At its May meeting the committee elected one new member to the permanent group of experts established by the SCM Agreement. The function of the group, composed of five independent persons who are highly qualified in the fields of subsidies and trade relations, is to provide expert assistance to dispute panels considering whether a challenged subsidy is prohibited, and to give advisory opinions at the request of the SCM Committee or a WTO member.

Anti-dumping practices

The Committee on Anti-Dumping Practices held two regular meetings in the spring and autumn of 2009 to review notifications of anti-dumping legislation, semi-annual reports of anti-dumping investigations, measures and actions and ad hoc notifications of preliminary and final anti-dumping actions taken. It also undertook the eighth transitional review of China's accession commitments under its protocol of accession. At its October meeting, the committee adopted three decisions to enhance transparency and streamline the reporting process.

The first was a new one-time notification format for WTO members that have not established investigating authorities, have never taken any anti-dumping actions, and do not intend to take such actions in the foreseeable future. This notification, once submitted, will remain valid until further notice, relieving the countries concerned of their obligation to submit semi-annual reports. Second, the committee agreed that all notifications should be submitted electronically. Third, it added a paragraph to the 'minimum information' format members use for ad hoc notifications of preliminary and final anti-dumping actions. The new paragraph will encourage members to attach, in an electronic form and in their original language, publicly available documents containing the relevant decisions made by the competent authorities.

Customs valuation

In 2009 the Committee on Customs Valuation continued to review notifications by WTO members of their legislation implementing the Customs Valuation Agreement. It also completed China's eighth transitional review in accordance with its protocol of accession. However, the committee made little progress in its discussions on preventing customs fraud.

By the end of 2009, 80 members (the 27 European Union member states counting as one) had notified their national implementing legislation on customs valuation to the committee. However, notifications by 46 members remained outstanding. The Customs Valuation Agreement stipulates that members must ensure that their laws, regulations and administrative procedures comply with its provisions, and must notify the committee of any changes. Such notifications are subject to examination in the committee.

Moreover, 56 members had not yet notified their responses to a 'checklist of issues' concerning administration of the Agreement and working procedures of the committee, even though this is a requirement under the Agreement. Only 36 members had notified the date from which they were applying two committee decisions, one on how interest charges should be treated in customs value and the other on the valuation of 'carrier media-bearing software', such as CD-ROMs, which can be based on the cost of the carrier medium (the CD-ROM) itself rather than on the value of the data or instructions contained in it. After a spurt in recent years, notifications have slowed during the last year and this is a source of concern to the committee.

The committee made little progress in its discussions on preventing customs fraud by strengthening cooperation between members' customs administrations, as mandated by ministers at the Doha Ministerial Conference in 2001. While India maintained its view that the WTO should elaborate a binding mechanism for the exchange of export values between customs administrations, most other members considered that the establishment of such a mechanism was impeded by significant concerns, such as the preservation of confidentiality, accuracy of data, and the existence of similar mechanisms and arrangements in this area. Furthermore, several members noted that this matter is also being addressed in the Negotiating Group on Trade Facilitation, which is a more appropriate forum.

The committee adopted its 2009 report to the Council for Trade in Goods. However, adoption of the fourth to the fifteenth annual reviews of the Agreement, from 1998 to 2009, remains blocked by an unresolved issue concerning India's interpretation of a paragraph relating to the valuation of goods based on officially established minimum values. The Chair will consult on this matter in 2010.

The WTO Technical Committee – established under the auspices of the World Customs Organization to promote, on a technical level, uniformity of interpretation and application of the Customs Valuation Agreement – presented reports on its sessions during 2009.

Rules of origin

The Committee on Rules of Origin met twice in 2009 with the aim of resolving all technical issues relating to harmonization as soon as possible. The harmonization programme was due to end in 1998 but has missed several deadlines since then because of the complexity of the issues involved. A major stumbling block has been the implications for other WTO agreements of implementing the harmonized rules of origin. Work on the 'implications for other WTO agreements' and on the machinery sector remained suspended in 2009 pending guidance from the General Council.

The main focus of the committee's work was the drafting of a general procedural rule according to which a primary rule first applies in the last country of production of a good. Subsequently, if the primary rule is not satisfied in that country, the primary rule or a residual rule applies in countries other than the last country in order to determine the origin of the good. In this way, sequential rules apply in a consistent manner to products that, in a globalized trading system, are often made up of components and materials from a number of different countries. WTO members were fully agreed on the basic concepts and approaches but differed on the wording of some provisions. The committee also streamlined a number of chapter rules and clarified a number of product-specific rules.

The committee further conducted the eighth transitional review of China in accordance with its Protocol of Accession, and reviewed notifications by members. To date, 80 members have made notifications of non-preferential rules of origin and 114 members have made notifications of preferential rules of origin. Members that had not yet notified were urged to do so as early as possible.

Implementation and monitoring



Background

Rules of origin are the criteria used to determine the country in which a product was made. They are an essential part of trade rules because a number of policies discriminate between different originating countries. Rules of origin are used for many commercial policy instruments, including customs duties, trade remedy measures, origin marking, tariff quotas, bilateral and regional trade agreements, trade preferences and so on. The main objective of the Agreement on Rules of Origin is to harmonize the non-preferential rules of origin used for all commercial policy instruments except when determining whether goods qualify for preferential treatment, and to provide more certainty in the conduct of world trade. This work is conducted by a Committee on Rules of Origin in the WTO and a Technical Committee under the auspices of the World Customs Organization in Brussels.

Implementation and monitoring



Background

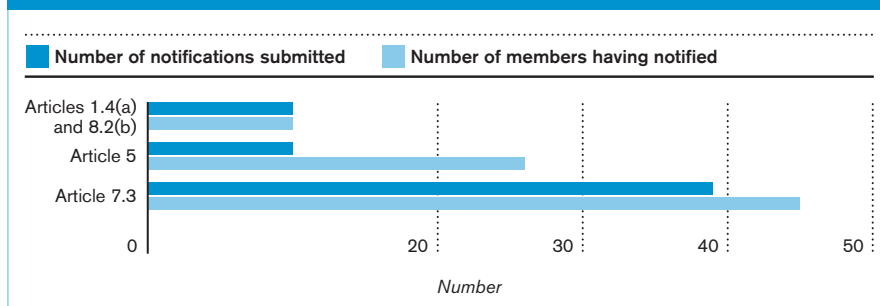
The Agreement on Import Licensing Procedures establishes disciplines on WTO members' import licensing systems, with the principal objective of ensuring that the procedures applied for granting import licences do not, themselves, restrict trade. By becoming members of the WTO, governments commit themselves to simplifying and bringing transparency to their import licensing procedures, and to administering them in a neutral and non-discriminatory manner.

Import licensing

In 2009 the Committee on Import Licensing reviewed over 80 notifications submitted by WTO members and dealt with an increased number of members' trade concerns on various aspects of import licensing. These included the fair and equitable application and administration of licensing regimes, the time limits for processing licence applications, the publication of information concerning licensing procedures and notification to the committee, as well as products subject to import licensing procedures.

At the two formal meetings held during 2009, the committee reviewed 81 notifications submitted by members: 10 of these notifications related to the publication of import licensing procedures (Articles 1.4(a) and 8.2(b)); 26 were on the institution of licensing procedures or changes in these procedures (Article 5); and 45 related to responses to the annual questionnaire on import licensing procedures (Article 7.3). Figure 5 shows members' compliance with transparency obligations, which has increased since last year, but the lack of notifications in some areas remains a source of concern for the committee.

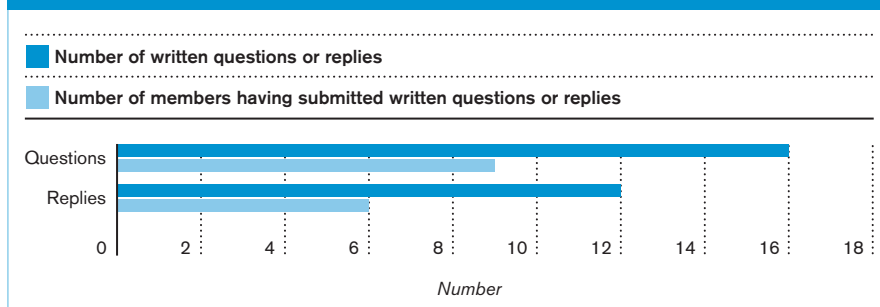
Figure 5: Number of members having notified and number of notifications submitted in 2009



Note: Articles 1.4(a) and 8.2(b) relate to the publication of import licensing procedures. Article 5 concerns the institution of licensing procedures or changes in these procedures. Article 7.3 concerns responses to the annual questionnaire on import licensing procedures.

The committee considered 16 written comments and questions from nine members on the notifications submitted and/or on import licensing procedures maintained by seven members, and 12 responses to these queries submitted by six members (see Figure 6). It also considered specific concerns and comments expressed orally regarding certain import licensing procedures applied by some members.

Figure 6: Written questions and replies submitted in 2009



The committee carried out its annual review of the implementation and operation of the Agreement and the eighth transitional review of China, in accordance with China's protocol of accession.



Implementation and monitoring



Background

WTO members may take 'safeguard' actions (temporarily restrict imports of a product) to protect a specific domestic industry from an increase in imports of any product which is causing, or threatening to cause, serious injury to the industry. In these circumstances, they have the right to restrict imports of the product from all sources (but not from a specific member or group of members). The Agreement on Safeguards provides detailed rules concerning the investigation that must be conducted and the application of safeguard measures.

Two technical assistance activities took place in 2009, with the aim of improving understanding of the aims, purposes and particularities of the Agreement. Training was also provided to help authorities in member countries to distinguish between import licences and other trade barriers whose legitimate objectives might be better served through less trade-restrictive or trade-distorting measures, such as technical regulations or sanitary and phytosanitary measures. These activities were attended by representatives of the various ministries and governmental institutions that deal with import licensing regimes, and enabled some participants to submit updated notifications to the committee.

Safeguards

The Safeguards Committee held two meetings in 2009, at which it reviewed notifications by WTO members of their safeguard rules and actions, and revised some notification formats to further improve transparency. The committee also conducted the eighth transitional review of China's accession commitments, in accordance with its protocol of accession.

In October 2009 the Safeguards Committee approved several new or improved notification formats. Members are now encouraged to notify the committee when they initiate a review to decide whether to extend an existing measure and when a measure has been terminated or has lapsed. They are also asked to attach to the notifications the original publicized documents containing the relevant decisions made by the competent authority. Existing formats have also been improved to ensure that certain information (such as the contact point for the investigation, the date of the hearing and other relevant procedures, the major exporters of the product, and so on) will be included in future notifications.

By October 2009, the committee had received and discussed notifications from 94 members regarding their domestic safeguards legislation and/or regulations. During the year, there were 25 notifications of new investigations, 12 notifications concerning the application of provisional measures, and 10 notifications concerning the application of final measures.

Table 2: Summary of safeguard investigations by year (for all members) for the period 1995 to 2009

Year	Initiation	Final measures (for the reported initiations)	No final measures (for the reported initiations)
1995	2	0	2
1996	5	3	2
1997	3	3	0
1998	10	5	5
1999	15	10	5
2000	25	9	16
2001	12	8	4
2002	34	19	15
2003	15	8	7
2004	14	6	8
2005	7	2	5
2006	13	9	4
2007	8	5	3
2008	10	6	4
2009	25	4	21
Totals	198	97	101

Note: 'For the reported initiations' means that the measures are indicated in the year when the initiation was initiated, and not in the year of the actual imposition etc.



Implementation and monitoring



Background

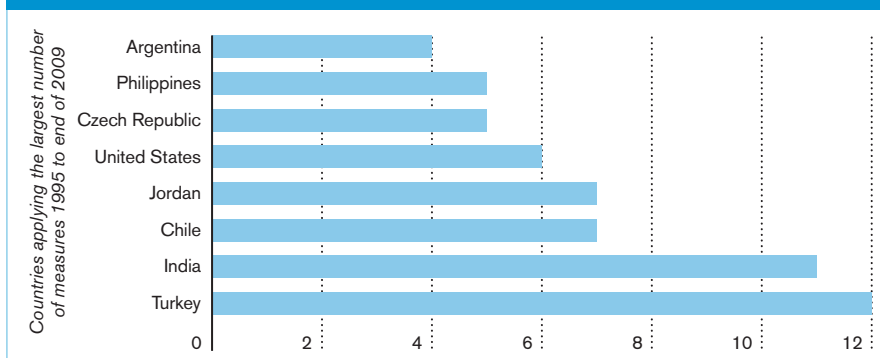
The Agreement on Trade-Related Investment Measures (TRIMs) recognizes that certain investment measures can restrict and distort trade. It states that WTO members may not apply any measure that discriminates against foreign products or that leads to quantitative restrictions, both of which violate basic WTO principles. A list of prohibited TRIMs, such as local content requirements, is part of the Agreement. The TRIMs Committee monitors the Agreement's operation and implementation and allows members the opportunity to consult on any matters relating to this.



Background

The aim of the Information Technology Agreement (ITA) is to eliminate tariffs on computers, telecommunication 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 committee on the ITA oversees issues concerning the Agreement.

Figure 7: Safeguard measures by importing WTO member 1995 to year end 2009



Note: A total of 97 safeguard measures have been applied by all WTO members since 1995.

Trade-related investment measures

The Committee on Trade-Related Investment Measures (TRIMs) held two meetings in 2009, at which it discussed two communications from WTO members relating to Indonesia's investment policies in the telecommunications and minerals and mining sectors, and considered ways of improving the timeliness and completeness of notifications and other information flows.

In 2009 the TRIMs Committee discussed two joint communications from the European Union and the United States relating to investment policy in Indonesia, one relating to investment in telecommunications and the other concerning the mineral and coal mining sector. These essentially asked for more information and clarification by Indonesia. The committee also conducted the eighth transitional review of China, in accordance with its protocol of accession.

Members were reminded of their obligation under Article 6.2 of the Agreement to notify the committee of all publications in which TRIMs may be found, including those applied by the regional and local governments and authorities within their territories, notwithstanding the consistency of such TRIMs with the Agreement. The Secretariat, at the committee's request, is circulating detailed explanatory semi-annual reminders to members asking them to submit the required notification under this Article without delay and to provide updated information where warranted.

Information technology

The Committee of Participants on the Expansion of Trade in Information Technology Products did not meet in 2009. By the end of 2009, the number of ITA participants had risen to 72.

State trading enterprises

The Working Party on State Trading Enterprises held informal consultations in early 2009 during which WTO members agreed a number of actions in an effort to improve the timeliness and completeness of notifications. These actions included a technical assistance session held in conjunction with the regular meeting of the Working Party in October 2009.

At the October meeting, the Working Party reviewed six updating notifications and 23 new and full notifications from 14 members, including the 27-member European Community.

Trade in civil aircraft

In 2009 the Trade in Civil Aircraft Committee held one meeting, where signatories reviewed and commented on a technical note prepared by the Secretariat related to the annex to the Agreement on product coverage. The note covered the revisions that may be necessary to bring the annex into conformity with the 2007 update of the Harmonized System, used for classifying goods for tariff purposes.

Currently, the Agreement has 31 signatories, 20 of which are member states of the European Union. Albania acceded to the Agreement in 2008, the most recent WTO member to do so.

Implementation and monitoring



Background

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



Background

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





Background

The function of the Council for Trade in Services, in its regular sessions, is to facilitate the operation of the General Agreement on Trade in Services (GATS) and to further its objectives. The Council consists of all WTO members and reports to the WTO's General Council.

The GATS defines trade in services as consisting of four types of transactions. These are: mode 1 – cross border supply (a supplier in one WTO member provides services to a consumer in another member's territory); mode 2 – consumption abroad (a consumer from one member consumes services in another member's territory); mode 3 – commercial presence (a foreign company establishes an operation in another member's territory); and mode 4 – presence of natural persons (individuals move to another member to supply services).

Trade in services

In 2009 the work in the Council for Trade in Services was reinvigorated by discussions of a number of services sectors and modes of supply, on the basis of new background notes produced by the WTO Secretariat. The notes are intended to capture the most relevant developments, from a trade perspective, that have occurred in key areas over the past decade. Seven such papers were discussed in 2009, and another 13 will offer a basis for continued deliberations in 2010.

The background notes circulated in 2009 covered tourism services, telecommunication services, computer and related services, construction and related engineering services, architectural services, presence of natural persons ('mode 4') and cross-border supply ('modes 1 and 2'). The following notes are scheduled for 2010: audiovisual services, energy services, financial services, accountancy services, commercial presence ('mode 3'), education services, maritime transport services, logistics services, legal services, distribution services, postal and courier services, environmental services, and road freight transport services.

The services sectors and modes of supply to be examined were selected based on the interests and priorities expressed by WTO members. The background notes are intended to stimulate the deliberations, but not necessarily be their sole focus. They represent research efforts by the Secretariat and aim to provide updated information and analysis of the main trade-related economic and regulatory developments in key areas. In light of the diversity of the topics under discussion, the notes follow slightly different structures. They do not claim to provide a comprehensive account of the different sectors and modes examined, but rather attempt to focus on those issues that are most relevant from a trade perspective. Given that the notes are produced for the Council for Trade in Services in its regular sessions, they do not seek to address issues related to the Doha Development Agenda negotiations.

In total, the Council for Trade in Services held four formal meetings during 2009. Its agenda for the year also included discussions on how to improve compliance with notification requirements under the General Agreement on Trade in Services (GATS) and the eighth transitional review under China's protocol of accession.



Trade-related aspects of intellectual property rights (TRIPS)

During 2009 the Council for TRIPS reviewed intellectual property legislation in individual countries and discussed the relationship between the TRIPS Agreement and the Convention on Biological Diversity, TRIPS and public health, technical cooperation and capacity building and a number of other matters, in addition to the issues reported in the section on negotiations (see page 21).

Promoting transparency

Transparency of national intellectual property systems is a key principle of TRIPS. This is important for reducing trade tensions, and building productive trading relations in knowledge products and technology.

The TRIPS Council has developed a unique body of information about diverse approaches to protecting intellectual property, based on the notifications of WTO members. This material is also emerging as an important resource for policymakers, as many seek a broader base of factual information about how intellectual property systems are designed and implemented so as to promote their important public policy goals.

In 2009 the TRIPS Council considered ways to improve the timeliness and completeness of notifications under the TRIPS Agreement and other relevant information flows, based on a background note prepared by the WTO Secretariat. The emphasis lies on the transformation of a paper-based registration system to an online information system, reducing red tape for members and making this useful information more readily accessible for policymakers and for the general public. It also reviewed the legislation of Tonga and Ukraine, both recently joined members, completed its review of the legislation of Saint Vincent and the Grenadines, and took note of the material still required to complete the pending reviews of five other members.

In October the council undertook the eighth annual transitional review of how China has implemented its intellectual property commitments, in accordance with its protocol of accession.

Plants, animals, biodiversity and traditional knowledge

In parallel with the Director-General's consultations on outstanding implementation issues (see page 22), the TRIPS Council continued to address a cluster of subjects related to biotechnology, biodiversity, genetic resources and traditional knowledge, as instructed by the 2005 Hong Kong Ministerial Declaration. These cover:

- the review of the TRIPS provisions dealing with the question of 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 concentrated on the relationship between the TRIPS Agreement and the CBD.

Implementation and monitoring



Background

Intellectual property rights have become an important element in international trade in recent years, with increasing concern as to how to ensure that the protection of intellectual property advances shared economic and social goals. The Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement is the most comprehensive international treaty governing the protection and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members, administers the TRIPS Agreement and reviews the intellectual property legislation of individual members.

Implementation and monitoring



The 'Paragraph 6' system gives poor countries additional flexibility under the TRIPS Agreement to gain access to affordable medicines.

TRIPS and public health

In October 2009 the TRIPS Council carried out its annual review of the functioning of the so-called 'Paragraph 6' system, which gives poor countries additional flexibility under the TRIPS Agreement to gain access to affordable medicines.

Agreed in August 2003, the 'Paragraph 6' system allows generic versions of patented medicines to be made under compulsory licence (that is, without the consent of the patent holder) for export to countries that cannot manufacture the medicines themselves. The TRIPS Agreement originally only permitted compulsory licensing predominantly to serve the domestic market, and not to be directed at such exports. The new system changes this, first through a waiver and then through an agreed amendment to the treaty, creating a new kind of compulsory licence for the export of medicines.

The system was first used in 2008 by Canada for the export of medicines to Rwanda, with a second shipment proceeding in 2009. This has been the only use of the system so far. The TRIPS Council undertakes an annual review of the system, but this relatively limited use led to calls for consultations on national experiences with the system, so as to identify any obstacles or impediments to its use. The council therefore requested that the Chair hold consultations on the operation of the system, supplementing the existing formal review process.

At the recommendation of the TRIPS Council, the General Council agreed at its meeting in December to extend for a second time, to the end of 2011, the deadline for members to accept conversion of the 'Paragraph 6' waiver into a permanent amendment to the TRIPS Agreement, as agreed in December 2005.

By the end of 2009, the number of members notifying acceptance of the amendment continued to grow, but still remained far from the required two-thirds of the membership. Those accepting the amendment were, in chronological order: the United States; Switzerland; El Salvador; Republic of Korea; Norway; India; the Philippines; Israel; Japan; Australia; Singapore; Hong Kong, China; the European Union; Mauritius; Egypt; Mexico; Jordan; Brazil; Morocco; Albania; Macao, China; Canada; Bahrain; Colombia; and Zambia.

Outside the 'Paragraph 6' annual review, the TRIPS Council considered other issues relating to the public health dimension of the TRIPS Agreement, including detentions of generic drug consignments transiting EU ports.



Technical cooperation and capacity building

At its October 2009 meeting, developed countries updated the council on their technical and financial cooperation under the TRIPS Agreement. Updated information was also received from the WTO Secretariat and a number of intergovernmental organizations that are observers to the council. The council continued its discussion of a communication from Brazil, entitled *Technical Cooperation and Capacity Building: 'Cluster' A of the Development Agenda*. Brazil provided additional information in relation to this paper, which was originally submitted in 2008.

The Council discussed the priority needs of least-developed countries (LDCs) for technical and financial cooperation to help them implement the TRIPS Agreement. Under a 2005 decision, extending to 2013 the transition period for LDCs to apply their TRIPS obligations, they were also requested to identify their priority assistance needs so that these could be effectively addressed.

By the end of 2009, Uganda and Sierra Leone had reported in detail on their needs assessment processes. At the request of the LDC Group, the Secretariat organized a workshop that brought together officials from LDCs and donor countries to promote practical dialogue and coordination on assessing priority needs.

Inter-agency cooperation

The TRIPS Council Secretariat continued to work closely with other relevant international agencies, such as the World Intellectual Property Organization (WIPO), the World Health Organization (WHO), the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD), the International Telecommunication Union (ITU) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Other issues

The TRIPS Council also had on its agenda the reviews, mandated under the TRIPS Agreement, of the Agreement as a whole (the '71.1 review') and of the application of the provisions on geographical indications (the '24.2 review') but no new proposals emerged. The council's work on the incentives for technology transfer to least-developed countries and on 'non-violation and situation complaints' is described on page 22.

Implementation and monitoring



Background

Sustainable development and protection and preservation of the environment are fundamental goals of the WTO. They are enshrined in the Marrakesh Agreement, which established the WTO. The Committee on Trade and Environment is responsible for studying the relationship between trade and the environment and making recommendations on changes that might be needed in WTO trade agreements.

Trade and environment

In 2009 the Committee on Trade and Environment – meeting in regular session – focused on the impact of environmental measures on market access, especially for developing countries. The committee paid particular attention to win-win-win situations where the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development. In June 2009 the Secretariats of the WTO and the United Nations Environment Programme (UNEP) issued a joint report entitled Trade and Climate Change. During the year the WTO Secretariat organized three regional workshops on trade and environment.

Committee on Trade and Environment

Private standards and carbon footprint labelling schemes were the main focus of discussion in the Committee on Trade and Environment in 2009. A number of developing countries reiterated their concerns about difficulties their exporters are facing due to the rapid proliferation of private environmental standards. They argued that these standards should conform to the Code of Good Practice for the Preparation, Adoption and Application of Standards under the WTO Agreement on Technical Barriers to Trade. A workshop on environment-related private standards, certification and labelling requirements was organized to inform WTO members about developments in this area.

On carbon footprint labelling schemes, a number of members raised concerns on their effectiveness, challenges and possible trade impacts. They suggested that the committee should look at recent initiatives at national and international levels, and invite relevant organizations and WTO members developing such schemes to share their experiences with the committee.

On environmental labelling, the European Union proposed that further discussions on environmental labelling should focus on assisting developing country producers to meet labelling requirements. This proposal attracted interest from a number of members, which requested the European Union to elaborate a work programme for the committee's consideration.

On trade and climate change, a representative from the Secretariat of the United Nations Framework Convention on Climate Change briefed the committee on the state of play in the climate negotiations ahead of the summit meeting in Copenhagen in December 2009. Many members, both developed and developing, were in favour of discussing trade and climate change at future meetings of the committee. Consultations were held on how the committee should deal with this subject.

On environmental provisions in regional trade agreements and on national policy coherence, members shared national experiences, including policies on climate change.

The WTO Secretariat presented the 2006 Environmental Database, which aims to improve the transparency of trade measures used for environmental purposes. The database lists the environment-related measures or provisions notified in 2006 under all WTO agreements, as well as the environment-related measures, provisions or programmes mentioned in the various 2006 trade policy reviews.

The committee was briefed on the outcome of the fifth World Water Forum, as well as on recent activities of the Convention on International Trade in Endangered Species and the International Conference on Chemicals Management.



Trade and environment workshops

In 2009 the WTO Secretariat organized three regional workshops on trade and environment, in Singapore for Asia and the Pacific (9–13 February), in Gaborone, Botswana, for English-speaking African Countries (24–26 March), and in Amman, Jordan, for Middle East and Arab Countries (20–22 October). Participants at the workshops were introduced to the relevant WTO rules on trade and the environment. They were also informed about the work of the committee and the status of the trade and environment negotiations in the Doha Round. The workshops provided WTO members with an opportunity to share experiences on trade and environment matters, and promoted greater dialogue between trade and environment officials.

WTO-UNEP Report on Trade and Climate Change

In June 2009 the Secretariats of the WTO and the United Nations Environment Programme (UNEP) issued a joint report entitled *Trade and Climate Change*. The report examines the intersections between trade and climate change from the four perspectives of science, economics, multilateral efforts to tackle climate change, and national climate change policies and their effect on trade. It shows that trade intersects with climate change in a multitude of ways. For example, governments may introduce a variety of policies, such as regulatory measures and economic incentives, to address climate change. This complex web of measures may have an impact on international trade and the multilateral trading system.

Implementation and monitoring



Launch of the WTO/UNEP Report on Trade and Climate Change in June 2009.

Implementation and monitoring



Background

The Committee on Regional Trade Agreements (CRTA) is responsible for monitoring regional trade agreements (RTAs) notified to the WTO. Its two principal duties are to examine individual RTAs and to consider their systemic implications for the multilateral trading system and the relationship between them. Since 2007 the CRTA has considered RTAs under new procedures established by the Transparency Mechanism for RTAs. The overall number of RTAs in force has been increasing steadily, and all WTO members except Mongolia are members of one or more (some belonging to as many as 20), creating what has been described as a tangled 'spaghetti bowl' of overlapping trade regulations.

Regional trade agreements

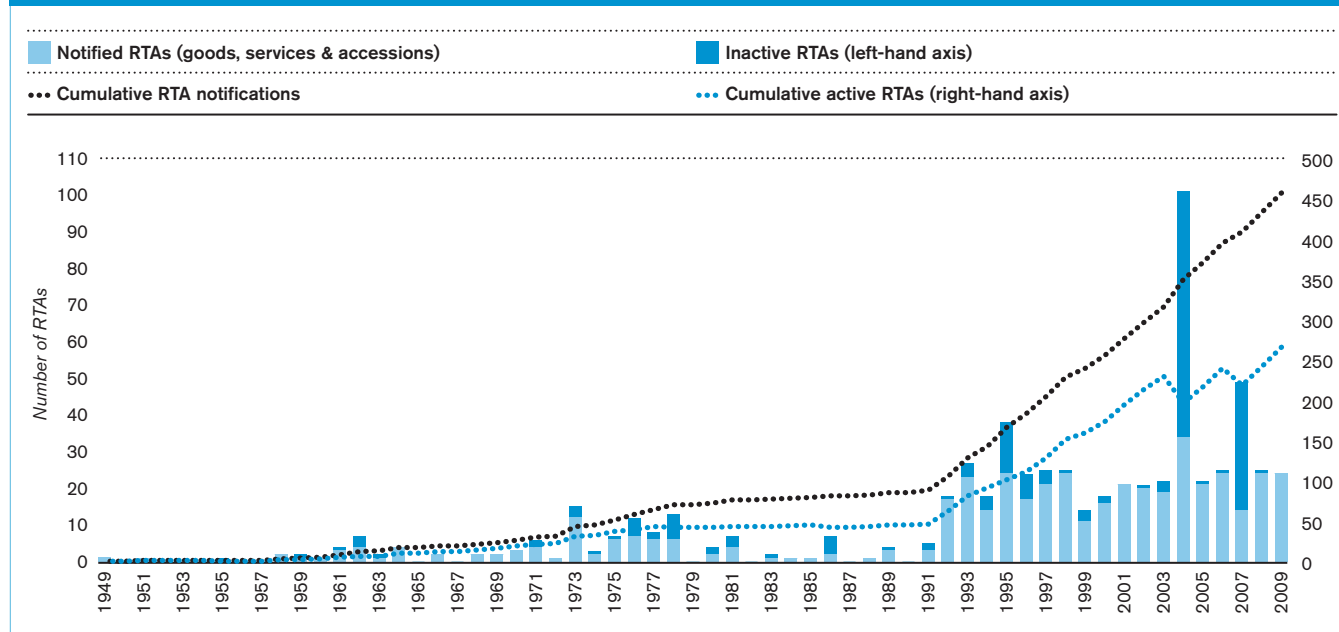
In 2009, 37 new notifications on regional trade agreements (RTAs) (which include bilateral and inter-regional free trade agreements) were received by the WTO. This is the largest number of RTA notifications in any single year since the WTO's establishment in 1995. Of the 457 RTAs notified to the WTO as of 31 December 2009, 266 were in force (see Figure 8).

Under WTO rules, the goods and services aspects of RTAs have to be notified separately, so they are counted separately. However, putting the two together, the 457 notifications to end-December 2009 involved 364 individual RTAs, of which 186 are currently in force.

The scope of RTAs varies considerably, ranging from agreements limited to reducing barriers to trade in goods to comprehensive agreements covering market opening in services and containing provisions in areas such as investment, competition policy, trade facilitation, government procurement, intellectual property, electronic commerce and, in some cases, labour and the environment. Critics argue that these overlapping regional trade regimes make international trade more complex and may undermine WTO non-discrimination principles. However, proponents of RTAs say they can lay the groundwork for future multilateral trade rules.

Certainly, the trend in recent years has been to negotiate more comprehensive RTAs. Of the 23 individual RTAs (counting goods and services components as one), 17 included both components. There has also been a discernable trend towards agreements between developing and developed trading partners. Just under half the RTAs notified in 2009 belong to the Asia-Pacific region, and the rest involved countries in Europe, the Commonwealth of Independent States, the Americas and Africa.

Figure 8: All RTAs notified to the GATT/WTO (1949 to 2009) by year of entry into force



Note: Since the goods and services aspects of RTAs are notified separately to the WTO, they are counted separately. Of the 266 RTAs in force at the end of 2009, 164 were notified under GATT Article XXIV and 27 under the Enabling Clause (between developing countries) dealing with trade in goods, and 75 were notified under GATS Article V dealing with trade in services.



Monitoring RTAs

In 2009 the CRTA held four meetings and considered 27 RTAs, counting goods and services separately, compared with 21 in 2008 (see Table 3). The committee's activities are guided by a December 2006 decision of the General Council on a Transparency Mechanism for RTAs, which has been applied provisionally since 2007. This mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat, and the related information and data to be provided.

All RTAs, regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, the Enabling Clause between developing countries (for trade in goods), or the General Agreement on Trade in Services (GATS) Article V (for trade in services), are subject to the provisions and procedures of the Transparency Mechanism.

Agreements notified under Article XXIV of the GATT 1994 and Article V of the GATS are considered by the CRTA, while agreements notified under the Enabling Clause are considered by a dedicated session of the Committee on Trade and Development. The General Council decision requires WTO members to inform the Secretariat in the event of any subsequent changes to a notified agreement. In the interests of transparency, WTO members are also encouraged to inform the Secretariat of any agreements currently being negotiated or that have been signed but are not yet in force.

Notified agreements already in force are considered by the CRTA, normally within a year of the date of notification. The consideration is based on a 'factual presentation' prepared by the WTO Secretariat, on the basis of information and data provided – as specified in the Annex to the Transparency Mechanism – by the parties to the agreement. The factual presentation describes the main provisions of the agreement and the degree of trade liberalization to be achieved between the parties during its implementation period.

Table 3: Regional trade agreements considered in 2009

Southern African Customs Union (goods)	Republic of Korea – Singapore (goods and services)
Enlargement of the EU to 25 member states (services)	Turkey – Albania (goods)
EFTA (European Free Trade Association) states – Republic of Korea (goods and services)	Brunei Darussalam – Japan (goods and services)
Japan – Malaysia (goods and services)	Japan – Indonesia (goods and services)
Pakistan – China (goods)	Armenia – Ukraine (goods)
Turkey – Tunisia (goods)	Georgia – Ukraine (goods)
Pakistan – Malaysia (services)	Kyrgyz Republic – Ukraine (goods)
Chile – Panama (goods and services)	Mexico – El Salvador (goods and services)
Mexico – Honduras (goods and services)	Mexico – Guatemala (goods and services)

Note: The table refers to 18 individual agreements, nine of which covered both goods and services, and the others only goods or only services.

Implementation and monitoring

37 regional trade agreements were notified to the WTO in 2009.

Implementation and monitoring

The Transparency Mechanism also requires the Secretariat to prepare 'factual abstracts' on RTAs examined by the CRTA prior to the 2006 General Council decision. By the end of 2009, 47 factual abstracts of RTAs had been prepared, in consultation with the relevant RTA parties, and posted on the RTA database.

In addition, a total of 11 'early announcements' were received from members in 2009, seven for RTAs under negotiation and four for newly signed RTAs not yet in force. As of December 2009, the CRTA had received 51 'early announcements', 15 involving RTAs that had been signed but were not yet in force and 36 involving RTAs under negotiation. Seventeen of these 'early announcements' have subsequently been notified following entry into force.

As called for by the General Council decision on transparency, all the information on RTAs notified to the WTO is contained in a publicly accessible RTA database, which can be consulted at <http://rtais.wto.org>. The database, which became available to the public in January 2009, contains textual information on all RTAs notified to the WTO, including links to the official texts and annexes of each agreement, as well as information on the examination or consideration process in the WTO. For those RTAs that have already been the subject of a factual presentation, the database also contains the relevant trade and tariff data.

In order for the Transparency Mechanism to be adopted on a permanent basis, WTO members need to review, and if necessary modify, it as part of the overall results of the Doha Round. Members are also required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. These two tasks remain to be completed.



Trade policy reviews

During 2009 the Trade Policy Review Body (TPRB) reviewed 21 WTO members: Guatemala, Japan, Brazil, Fiji, the 27-member European Union, Mozambique, Solomon Islands, New Zealand, Morocco, Guyana, Zambia, Chile, the Maldives, the members of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa and Swaziland), Niger and Senegal (joint review), and Georgia. The Chair's concluding remarks for these reviews are reproduced below.

Under the Trade Policy Review Mechanism (TPRM), the four largest trading entities (at present, the European Union, the United States, China and Japan) are reviewed every two years. The next 16 largest trading partners undergo reviews every four years, and the remaining WTO members every six years, with a longer interval envisaged for least-developed countries (LDCs). These intervals may, if necessary, be extended by up to six months. 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.

By the end of 2009, 305 Trade Policy Reviews had been conducted, covering 136 of the 153 WTO members. Japan, the European Union and the United States had been reviewed nine times; Canada eight times; nine members (Australia; Brazil; Hong Kong, China; Indonesia; Republic of Korea; Norway; Singapore; Switzerland and Thailand) five times; eight members (Chile, India, Malaysia, Mexico, Morocco, New Zealand, South Africa and Turkey) four times; 28 members three times; and 38 members twice.

The programme for 2010 includes 17 review meetings of 19 members, including four LDCs, and the United States for the tenth time. Over the past few years, greater focus has been placed on reviews of LDCs. By the end of 2009, reviews had covered 27 of the 32 LDCs that are WTO members, with six LDCs undergoing a second or third review in 2009.

Transparency

Documents distributed for reviews are made available in electronic format to all WTO members. The summary observations of the Secretariat report, the WTO press release, the concluding remarks by the Chair, and the Trade Policy Review (TPR) reports (by the member under review and the Secretariat) are available immediately on the WTO website. TPR reports are published on behalf of the WTO by Bernan Associates, a commercial arrangement that aims to ensure a wide and efficient distribution. Press briefings are occasionally held by the Chair, senior Secretariat staff and/or the member under review.

Implementation and monitoring



Background

The objective of the Trade Policy Review Mechanism (TPRM) is to encourage all WTO members to adhere to the WTO's rules, disciplines and commitments, and thus to contribute to the smoother functioning of the multilateral trading system. Through its regular Trade Policy Reviews (TPRs), the mechanism enables WTO members to examine collectively the trade policies and practices of individual members in all areas covered by the WTO agreements. Reviews are carried out by the Trade Policy Review Body (TPRB), a full-membership body of equal ranking to the General Council and the Dispute Settlement Body.

The Trade Policy Review Body reviewed the trade policies and practices of 21 WTO members in 2009.

The TPRB reviewed the trade policies and practices of 21 members (counting the European Union as one) in 2009. The concluding remarks by the Chair are provided below.

Guatemala

'The second Trade Policy Review of Guatemala has allowed this Body to appraise in detail the evolution of its trade policies since 2002. I thank Vice-Minister Morales, Ambassador Sperisen-Yurt and their team for engaging so constructively in this Trade Policy Review exercise. I would also like to thank the discussant, Ambassador Matus, and members who participated in the discussion as part of this exercise.

This has been a very positive review. We have heard widespread acknowledgement by members of Guatemala's macroeconomic stability, its sustained growth during the period of the Review, and its commitment to trade liberalization at multiple levels. Guatemala has also received well-deserved commendation for the reforms it has undertaken in customs procedures and for its advances in the protection of intellectual property rights. Through these and other reforms to liberalize and facilitate trade, Guatemala has advanced its significance as a trading partner and its attractiveness as a destination for investors.

Our discussion has also highlighted the fact that a country's trade policies, like the multilateral trading system itself, cannot be seen in isolation from the broader economic environment. Noting that the global financial crisis poses serious challenges for all countries, several members welcomed Guatemala's sustained commitment to open markets. Members also observed that the liberalization of trade policy in Guatemala has been one component in a broader reform effort leading to the strengthening of both Guatemala's market economy and its institutional framework. Although some improvements have been made, it was, nevertheless, observed that poverty and inequality remain high.

Members commended Guatemala for its support for and active participation in the multilateral trading system and the Doha Development Agenda. They also pointed out that Guatemala has not used anti-dumping, countervailing duties, or safeguard measures.

On the other hand, members expressed concerns in relation to transparency and to the ability of some agencies to carry out their functions effectively in several areas. In response, Guatemala provided updated information on the status of institutions that have been established or are in the process of formation, including their composition and procedures. Guatemala also clarified numerous aspects of the government procurement process, including the terms under which foreign providers may participate, and provided additional information on the country's SPS [sanitary and phytosanitary] and TBT [technical barriers to trade] procedures. Members also pointed to the wide gap between Guatemala's bound and applied tariff rates, noting that reducing this gap would improve the predictability of Guatemala's regime.

In response to questions regarding the export subsidies included in its free-zones regimes, Guatemala reiterated its commitment to meet the 2015 deadline for the elimination of these measures. Some members welcomed and acknowledged the importance of the ongoing efforts to adopt competition policy legislation to help address anti-competitive practices in the domestic market. Guatemala also explained several aspects of the procedures by which rights are granted and enforced, in response to requests by some members for additional information regarding its protection of intellectual property rights.

Members also raised questions about the regulatory framework in the electricity, telecommunications, and insurance sectors. In this context, Guatemala provided updated information on the status of service sector reforms that have been enacted recently or are still pending action in the legislature. Observing that Guatemala has already undertaken, on an autonomous basis, significant liberalization in its services sector in the years since the conclusion of the Uruguay Round, members invited it to bind these reforms in the GATS [General Agreement on Trade in Services] to enhance legal certainty.

In conclusion, we have, through this Review, gained a first-hand appreciation of Guatemala's significant progress since its first Review, and the challenges that lie ahead. Members very much appreciated Guatemala's trade liberalization and other modernization efforts, which

have gone hand-in-hand with economic growth. Members thus encouraged Guatemala to continue down this road, in order to help its economy face the current world financial crisis, and further its prospects for sustainable economic growth and social development.

I would like to close this meeting by thanking, once again, the discussant and the members for contributing to an informative review. I should also thank the interpreters for their usual hard work. I would also like to thank the delegation of Guatemala for addressing the various issues that members have raised both in writing and orally. We look forward to receiving responses to the follow-up questions within the next month.'

Japan

'This ninth Trade Policy Review of Japan has greatly enhanced members' understanding of its trade and related policies as well as the challenges Japan faces owing to the present global financial crisis. Our discussions have benefited from the active participation of the Japanese delegation led by Ambassador Yokota, from the insightful and thought-provoking contributions by the discussant, Ambassador Gero of Canada, and from the many interventions by members. Japan's response to the large number of questions, made available at the beginning of this meeting, was much appreciated.

Members looked forward to a quick and complete recovery of Japan's economy. In this context, members considered that such a recovery, led by domestic demand, was important for the prosperity of the world economy and the expansion of international trade. Members were encouraged that Japan had refrained from introducing new protective trade-policy measures since the onset of the financial crisis in September 2008. Members also recognized that the multilateral trading system, by keeping markets open to Japan's exports, had contributed positively to its economy in the recent years; this openness should be maintained notwithstanding the current difficult economic environment. Members encouraged Japan to continue its reform process and improve its market access, particularly in agriculture and services, whose productivity, and thus competitiveness, is relatively low.

Members welcomed Japan's active role in the multilateral trading system, particularly its strong support for the early conclusion of the Doha Development Agenda. Members commended Japan for its financial and technical assistance, including Official Development Aid, as well as various development initiatives related to trade and investment, particularly its contribution to Aid for Trade. Members also commended Japan's support for the process of accession by future members. Furthermore, members expressed their appreciation of the improved preferential market access provided by Japan to developing and least-developed countries, and its decision to expand the duty-free and quota-free market access accorded to LDCs [least-developed countries]; they encouraged Japan to open further its market to these countries' exports. Members also noted Japan's increasing involvement in bilateral/regional trading arrangements; they urged Japan to ensure that these arrangements are compatible with the multilateral system (by, for example, covering "substantially all trade").

Members expressed their appreciation of Japan's steps to liberalize further its trade regime. Most applied MFN [most-favoured nation] rates coincide with the bound rates, imparting a high degree of predictability to the tariff. However, Japan's tariff remains complex. Applied MFN rates for industrial products are generally low. Nonetheless, products of export interest to developing members, such as agricultural products, textiles and clothing, leather products and footwear, encounter significant tariff peaks (somewhat concealed by non-*ad valorem* rates), tariff escalation, tariff quotas (and their intricacies) and/or state trading. Members expressed their concern about the recent drop in foreign suppliers' share of Japan's government procurement and encouraged Japan to facilitate greater foreign participation.

While generally appreciating Japan's moves to harmonize its standards and technical regulations with international norms, many members expressed concern over the complexity, and thus lack of transparency, of Japan's sanitary and phytosanitary (SPS) measures, technical regulations and standards. Some members questioned the appropriateness of risk assessment regarding SPS measures, which they encouraged Japan to employ in the least trade-restrictive manner.

Implementation and monitoring



Members expressed their appreciation of Japan's steps to liberalize further its trade regime.

Members noted Japan's continued enhancement of transparency and progress in regulatory reforms; members hoped for further reforms to enhance competition and thereby improve productivity. Members looked forward to measures to facilitate inward foreign direct investment (FDI), which remains relatively low; in this context, members looked to measures (e.g. those related to mergers and acquisitions and to corporate governance) to improve Japan's business environment. Members appreciated the progress in privatizing public corporations, particularly the establishment of the new Japan Post companies; they encouraged Japan to ensure a level playing field in the markets concerned (e.g. banking, insurance, and express delivery services).

On agriculture, members welcomed Japan's move away from price to income support; nonetheless, they expressed concern about border measures and the relatively high level of overall domestic support for agriculture. Many members were concerned about Japan's use of import quotas for fish and marine products. On manufacturing, members were interested in plans to promote particular sectors. Members encouraged Japan to continue reforms to enhance competition in services.

In closing, I would like to thank the Japanese delegation for its active participation in this Review, including its written responses provided before and during the meeting; we all look forward to receiving answers on outstanding questions. The keen interest shown by members in this Review, as reflected in the large number of advance written questions, numerous interventions and high attendance, indicates the importance they attach to Japan's role in the multilateral trading system. This Review has clearly indicated that the TPRM [Trade Policy Review Mechanism] is an important element in ensuring a transparent multilateral trading system.

I am encouraged by the statement by Japan that, despite current difficulties, it has maintained the openness of its economy and continued to adhere strictly to WTO rules. Nevertheless, I do hope that Japan will take to heart the concerns expressed by members, particularly with regard to its policies regarding agriculture, tariff and non-tariff measures, SPS measures, government procurement, and FDI.'

Brazil

'The fifth Trade Policy Review of Brazil has allowed this Body to appraise in detail the evolution of its trade policies since 2004. I thank His Excellency Ambassador Roberto Azevedo, Mr Carlos Cozende and their team for engaging so constructively in this Trade Policy Review exercise. I would also like to thank the discussant, Ambassador Noor, and the numerous members who participated in the discussion as part of this exercise.

This has been a very constructive review. We have heard widespread praise of Brazil's sound macroeconomic policies. Brazil's good economic performance has been linked to the expansion and diversification of trade, and thus to Brazil's liberalization efforts. Moreover, Brazil's economic growth had become more socially inclusive. While growth was slowing down amidst the global economic turmoil, it was the members' sense that Brazil would weather the crisis better than most. However, members also noted that Brazil continued to face important economic and social challenges and that, hence, further efforts were needed to meet these challenges.

Brazil has received well-deserved commendation for its support of the multilateral trading system and its leadership role in all areas of the Doha Development Agenda. Members acknowledged Brazil's active participation in the development of the Aid for Trade process, and its twofold role both as recipient and as donor. Brazil was encouraged to grant duty-free quota-free access to LDCs [least-developed countries].

Widespread appreciation was also expressed for Brazil's decision to resist protectionist pressures seeking to expand the scope of non-automatic import licensing. Nevertheless, some members expressed concern with respect to Brazil's existing non-automatic licensing regime, noting that it affected just over one-third of all tariff lines. Brazil indicated that it was taking steps to minimize the impact of licences on imports, and that it did not intend to impose new licensing requirements on a broader list of goods. Concerns were also raised on the use of import prohibitions, with Brazil indicating that prohibition on used consumer goods was in place mainly for environmental and safety reasons. Some members urged Brazil to enhance the transparency of its technical regulations, and sanitary and phytosanitary measures.

Implementation and monitoring

In response to questions regarding the increase in the average applied tariff during the review period, Brazil explained that the tariff increases did not reflect its general trade policy, and that they had been concentrated in sectors that were particularly sensitive due to their labour-intensive nature. In this respect, members encouraged Brazil to reduce bound tariff rates to give its import regime greater predictability. Replying to questions on the complexity of its taxation system, Brazil informed that a tax reform bill that seeks to reduce the number of taxes, improve tax neutrality and eliminate distortions was under discussion in Congress.

Brazil was invited to consider joining the GPA [Agreement on Government Procurement], as this would reduce procurement costs and give domestic producers improved access to GPA member markets. Brazil responded that it was not currently considering joining or becoming an observer to the GPA.

Some members noted with satisfaction that Brazil had passed new IPR [intellectual property rights] legislation and enhanced the effectiveness of enforcement but encouraged Brazil to further strengthen IPR protection.

Some members noted the use Brazil makes of preferential credit and other support schemes in sectors like agriculture and manufacturing, and expressed concern about domestic content and other requirements for accessing some of them. In this respect, Brazil considered that the management of its rural credit support did not cause major market distortions.

Members encouraged Brazil to close the gap between its relatively liberal services regime and its GATS [General Agreement on Trade in Services] commitments. Brazil noted that although the ratification process of the Fifth Protocol on financial services was ongoing, it could not specify a timeframe for its completion. With regards to telecommunication services, Brazil indicated that it was not considering adopting the Fourth Protocol, nor relaxing commercial presence requirements, but that its revised conditional GATS offer included commitments in the telecom sector. Certain members invited Brazil to remove foreign ownership restrictions in maritime and air transport services. Brazil noted that draft legislation changing investment restrictions in air transport was under examination in Congress.

In conclusion, this Review has highlighted the key roles that sound economic policies, continued reform efforts and a growing integration in the global economy have played in Brazil's economic success in recent years. As a result, Brazil finds itself relatively well prepared to face the current global financial crisis, in which it has set an example by resisting protectionist pressures. Additional domestic reforms would further help Brazil overcome the crisis, and enable it to continue reaping the benefits of trade. Binding these and earlier reforms in the WTO would enhance the predictability of Brazil's trade and investment regime, as well as contribute to its efforts to achieve a successful completion of the DDA [Doha Development Agenda].

I would like to close this meeting by thanking, once again, the discussant and the members who took part in this meeting for contributing to an informative review. I would also like to thank the delegation of Brazil for addressing the large number of questions posed by members both in writing and orally.'

Fiji

'This second Trade Policy Review of Fiji has provided us with a much better understanding of Fiji's trade and trade-related policies and of the challenges it faces. Our dialogue has been thorough and comprehensive, stimulated by the full and open engagement of the high-level Fijian delegation, as well as the insightful comments made by the discussant, and the thoughtful interventions by many members. Fiji's response to the large number of questions is very much appreciated.

Members commended Fiji for its efforts to improve its customs procedures and to liberalize its foreign investment regime, as well as for other measures taken to create a business-friendly environment, notably the establishment of the Financial Intelligence Unit and the creation of an independent regulatory authority in the telecommunications sector. They welcomed the Government's commitment to the continuation of these and other trade and trade-related reforms as well as to a return to Parliamentary democracy.



Members emphasized the importance of trade as a tool of development and underlined the importance of Aid for Trade and other technical cooperation initiatives.

Implementation and monitoring



Members encouraged the EC to consider the benefits of a more open agriculture sector for consumers and food processors, as well as for exporters.

Members expressed concern, however, about the upward trend in the average applied MFN [most-favoured nation] tariff rate, contrary to the Government's stated intention of reducing tariffs, one of the main instruments of Fiji's trade policy. They were concerned about the fact that only half of all tariff lines are bound and the large gap between bound and applied MFN tariff rates, both of which impart a degree of unpredictability to the tariff. Members urged Fiji to make improvements in these and other areas (including its GATS [General Agreement on Trade in Services] commitments, for example) so as to render its trade regime more transparent and predictable. Although, members noted the absence of notifications in several areas, they took note of Fiji's commitment to provide the necessary notifications before the end of this year. At the same time, some members urged Fiji to ensure that its regional trade agreements were complementary to the multilateral trading system.

Certain members sought clarification on some aspects of Fiji's SPS [sanitary and phytosanitary] practices; at the same time, reference was made to non-tariff barriers faced by Fiji's products (including fish) in export markets. Some members encouraged Fiji to strengthen further its protection of intellectual property rights and expressed interest in related developments in this regard.

Certain members acknowledged the common problems faced by small and vulnerable economies, such as their relatively heavy reliance on tariffs as a source of tax revenue and the erosion of their trade preferences, including tariffs. Members emphasized the importance of trade as a tool of development and underlined the importance of Aid for Trade and other technical cooperation initiatives. Some members felt that Fiji does not benefit fully from its WTO membership as its own institutional capacity constraints (including lack of representation in Geneva) do not always allow it to identify and/or exploit trade opportunities. Many members underlined their commitment to continuing to provide trade-related assistance to Fiji.

To conclude, I would again like to thank Fiji's delegation for enabling us to understand better its trade and trade-related policies as well as its technical assistance needs. I would also like to thank the discussant, for his insightful observations and questions, and members for contributing to what has been a very fruitful two days of discussions. We look forward to receiving Fiji's responses to the remaining questions within the next month.'

European Communities

'The ninth Trade Policy Review of the European Communities has given us all a better understanding of its trade and related policies and their developments since its previous Review in 2007. Our dialogue has been thorough and comprehensive, stimulated by the full and open participation of Deputy Director-General for Trade, Dr Peter Balas, and his delegation. We have also greatly benefited from the perceptive remarks by our discussant, Ambassador Peter Grey, and the active engagement of many members.

Members commended the EC on its positive economic performance in recent years supported by the continuation of its trade reform. Members appreciated the EC's strong commitment to the multilateral trading system, including the DDA [Doha Development Agenda] negotiations where the EC was recognized as having played a leadership role in pressing for an ambitious conclusion. The EC was also praised for its technical assistance efforts and for its non-reciprocal preferences to developing countries.

The EC's tariff structure has remained largely unchanged since its last Review, with the average applied MFN [most-favoured nation] tariff rate having decreased slightly from 6.9 per cent in 2006 to 6.7 per cent in 2008. Members commended the EC for maintaining generally low tariff protection for non-agricultural products. With regard to agriculture, members welcomed the fact that the EC was implementing the 2003 Common Agricultural Policy centred on the move towards the Single Payment Scheme. However, members observed that agriculture remains protected by a complex tariff structure, with high rates and tariff quotas, and benefits from high levels of domestic support and export subsidies, including the recent reintroduction of export refunds on dairy products which some members said had sent out a discouraging signal at a time of economic crisis and contraction of world trade. They encouraged the EC to consider the benefits of a more open agriculture sector for consumers and food processors, as well as for exporters, especially from developing countries. The EC referred to its agricultural offer under the DDA, the implementation of which would provide solution to these concerns.



Some delegations raised concerns about the EC's regime on technical barriers to trade in products such as chemicals (REACH [registration, evaluation, authorisation and restriction of chemicals]), and SPS [sanitary and phytosanitary] measures; its state aid and export incentive programmes; and about the lack of harmonization within the EC in areas such as customs procedures and internal tax rates. It was noted that the EC remains an important user of contingency trade remedies. Other issues of interest to members included economic prospects and planned reforms in the light of the global economic crisis; competition regime; protection of intellectual property rights; the dismantling of the remaining trade barriers in services at the intra-EC level and further liberalization vis-à-vis third countries; and the EC regime on, *inter alia*, fisheries, energy, financial services, telecommunications and postal services, and transport.

Some delegations noted that the EC has continued to build upon its wide network of preferential trade agreements (PTAs); the EC was exhorted to ensure that its PTAs were complementary to the multilateral trading system.

Members appreciated the comprehensive responses provided by the EC delegation, and looked forward to receiving written replies to any unanswered questions within one month.

In conclusion, the wide interest shown by members, through the depth of the interventions and the large number of advance written questions, are commensurate with the role played by the EC in the multilateral trading system. Members recognized the EC's liberal trade regime for non-agricultural products, and stressed that further reforms, in particular greater liberalization of agriculture, would help it to better allocate resources. Furthermore, members urged the EC to continue to resist protectionist pressures in this context of the global economic downturn. I invite all members to abide by this principle.'

Mozambique

'This second Trade Policy Review of Mozambique has provided us with a much better understanding of its trade and trade-related policies and of the challenges it faces. Our dialogue has been thorough and comprehensive, stimulated by the full and open engagement of his Excellency António Fernando, Minister of Industry and Trade, and his delegation, as well as the insightful comments made by the discussant, and the pertinent interventions by many members.

Members congratulated Mozambique on its positive economic performance since its last Review in 2001, which has been supported by its reforms. Nevertheless, members noted that despite its continuous economic growth and potential, Mozambique remained among the poorest least-developed countries (LDCs), due mainly to supply-side constraints including poor access and high costs of utilities. In this regard, members highlighted the measures taken by Mozambique to simplify its investment regime, but noted that the existing administrative hurdles still inhibit the business environment and competitiveness. The same members urged Mozambique to continue its reform process with a view to enhancing the development of the private sector and improving the functioning of the public sector.

While noting that Mozambique had made some progress on the implementation of its WTO commitments, some delegations raised concerns about the absence of notifications in several areas.

Members commended Mozambique for its efforts to improve its customs procedures and for the unilateral reduction of its tariff. They were concerned about the low level of bindings, especially in regard to non-agricultural goods and the gap between bound and applied MFN [most-favoured nation] tariff rates, both of which impart a degree of unpredictability to the tariff. Members urged Mozambique to make improvements in this area, and to ensure that its regional trade agreements were complementary to the multilateral trading system.

Some members acknowledged the common problems faced by LDCs, such as institutional capacity constraints, which do not always allow them to exploit trade opportunities. They noted that, although trade had become more important in Mozambique, it remained concentrated both in terms of its composition and direction, with a high percentage of exports under preferential agreements. Members enquired about the prospects of trade

Implementation and monitoring



Members urged Solomon Islands to strengthen natural resource governance, particularly in the forestry sector.

diversification by Mozambique, and underlined the importance of Aid for Trade and other technical cooperation initiatives. Some members reiterated their commitment to continuing to provide trade-related assistance to Mozambique. Other issues of interest to members include PSI [pre-shipment inspection], SPS [sanitary and phytosanitary], customs valuation, and sustainable development.

Members appreciated the comprehensive responses by the delegation of Mozambique, and looked forward to receiving written replies to any unanswered question within one month.

In conclusion, members congratulated Mozambique on the positive economic results it had achieved during the last years. They encouraged Mozambique to pursue the planned reforms, including of its trade regime, and to improve its multilateral commitments and meet its notification obligations, with a view to enhancing the transparency and predictability of its regime, and adherence to WTO principles. Members could help by keeping their markets open for products and services of interest to Mozambique.'

Solomon Islands

'This second Trade Policy Review of Solomon Islands has shed light on Solomon Islands' trade and investment policies, and the context in which these policies have been formulated and implemented since its previous Review in 1998. We owe this to the constructive participation of the Solomon Islands delegation, led by Minister Haomae and Ambassador Ma'ahanua, our discussant Mr Ho, and members who took part in the discussion.

This has been an enlightening Review. At the outset, allow me to underline members' unqualified support for Solomon Islands' ongoing reform efforts. Members have particularly commended efforts to liberalize the investment regime, reduce tariffs, and undertake customs reform. These were considered key steps towards decreasing Solomon Islands' heavy dependence on the forestry sector as the principal engine of growth. However, members urged Solomon Islands to accelerate the pace of macroeconomic and structural reforms to achieve fiscal sustainability, diversify its economy, and improve living standards. In this regard, Solomon Islands noted that, although it did not have the institutional capacity to implement broad economic reform, it was committed to targeted liberalization programmes to reap economic benefits in areas of comparative advantage.

Members highlighted the need to strengthen institutional capacity, especially for trade policy formulation and implementation. Solomon Islands noted that, as a result of earlier civil unrest, rebuilding institutional capacity would be a lengthy process and would require continued and concerted support from members. Solomon Islands was encouraged to enhance its participation in the multilateral trading system, including by making regular notifications to the WTO. Solomon Islands reaffirmed its commitment to the multilateral trading system, and stated that it would make every possible effort to submit outstanding notifications.

Members congratulated Solomon Islands for the unilateral reduction of the level and dispersion of MFN [most-favoured nation] applied tariffs, and the binding of its entire tariff schedule. However, some members stressed the need to comply fully with WTO binding commitments. Some members underscored the need to address the discriminatory application of certain internal taxes. Solomon Islands reiterated that it is working to bring several aspects of its tariff and tax regimes in line with WTO disciplines. Members expressed appreciation for the recent improvements in the administration of customs procedures. Replying to members' enquiries, Solomon Islands noted that it would need additional technical and financial assistance to comply with its multilateral commitments on customs valuation, SPS [sanitary and phytosanitary] and TBTs [technical barriers to trade].

Members welcomed the liberalization and simplification of Solomon Islands' investment regime, but highlighted the need to continue efforts to improve the business environment, including through the reform of business licensing and registration requirements. Solomon Islands noted that the recent adoption of the Company Act and other legislation was an important step in this direction.



Members urged Solomon Islands to strengthen natural resource governance, particularly in the forestry sector, where harvesting rates were well above sustainable levels. Solomon Islands indicated that it was fully committed to reforming forestry legislation and strengthening institutional capacity to promote sustainable practices. Members commended Solomon Islands for adopting new legislation on civil aviation, a key step to foster tourism and other sectors. In response to queries about progress in liberalizing telecommunications services, Solomon Islands noted that it was engaged in active negotiations to end the incumbent's exclusive licence. We thank the delegation of Solomon Islands for their timely responses to written questions.

I would like to close this meeting by thanking the delegation of Solomon Islands for their constructive participation in this Review. The personal engagement of Minister Haomae in this exercise reflects Solomon Islands' commitment to the multilateral trading system and is highly appreciated by us all. We now have a much clearer picture of your trade policies and practices, and the challenges before you to advance trade and investment liberalization. I encourage members to assist Solomon Islands in every way they can. I also hope that the widespread appreciation and support voiced by members during your second Trade Policy Review will provide added impetus to consolidate and deepen the reform process launched in 2003.'

New Zealand

'The fourth Trade Policy Review of New Zealand has given us a much clearer understanding of New Zealand's trade policies and practices and of the challenges that it faces. I thank Dr David Walker, New Zealand's Permanent Representative to the WTO, and his delegation, as well as the discussant, Mr Martin Glass of Hong Kong, China, and members of the TPRB [Trade Policy Review Board] for contributing to our informative and constructive exchange of views during these two days. New Zealand's responses to the large number of questions are also very much appreciated.

Members praised New Zealand for being amongst the most open economies in the world and commended it for its prudent macroeconomic policies, liberalization and restructuring. These have contributed to its becoming an economy which enjoys stable growth, declining unemployment, higher living standards and contained inflation. In the midst of the present financial upheaval, several members praised New Zealand's policy initiatives, particularly the fact that it has not resorted to any trade protectionist measures. At the same time, other members sought further information on the government's response to the crisis.

Some members noted the relatively low level of productivity growth in the economy and inquired about steps New Zealand was taking to improve it. Several members inquired about changes made to New Zealand's Overseas Investment Act and hoped that this would further promote and encourage inward FDI [foreign direct investment]. Some members raised concerns about investment restrictions in the telecommunications sector. Certain members also enquired about the rationale behind renationalization.

Members noted New Zealand's priority of developing a free trade agreement network to complement the multilateral trading system's regime overseen by the WTO. Members also praised New Zealand's active and constructive participation and leadership role in the Doha Round of trade negotiations mainly in the areas of agriculture and fisheries subsidies. Members also acknowledged New Zealand's support for the WTO's technical assistance activities and its Aid for Trade initiatives. Certain members noted New Zealand's interest in promoting the TPRM [Trade Policy Review Mechanism] to highlight the relationship between trade and development.

New Zealand was commended for unilaterally lowering its applied MFN [most-favoured nation] tariffs and the low average rates on agricultural as well as industrial products. However, members expressed concern about the gap between applied MFN rates and bound rates and the relatively high tariffs on textile, clothing and leather products. Members also expressed concerns about New Zealand's relatively strict SPS [sanitary and phytosanitary] regime and urged New Zealand to align these with international benchmarks. Members appreciated the particularly low level of domestic support provided to agriculture; however, aspects of state trading activities of two major enterprises dealing with dairy and kiwi fruit exports were questioned.

Members welcomed New Zealand becoming an observer to the WTO Plurilateral Agreement on Government Procurement and urged New Zealand to become a member as soon as possible. Intellectual property rights protection issues, including GI protection, were also of concern to certain members.

To conclude, I would again like to thank New Zealand's delegation for enabling us to understand better its trade and trade-related policies and the domestic and international contexts in which they are formulated and implemented. I would also like to thank the discussant for his insightful comments, and members for contributing to what has been a very enlightening two days of discussions. We look forward to receiving responses to the remaining outstanding questions within the next month.'

Morocco

'This fourth Trade Policy Review of Morocco has given us an opportunity to considerably improve our understanding of its trade and related policies, and of the challenges it faces. Our discussions have greatly benefited from the active and open engagement of Morocco's high level delegation, led by H.E. Mr Abdellatif Mazouz, Minister of External Trade, the insightful and thought-provoking contributions by the discussant, H.E. Dr Luzius Wasescha, and the active involvement of many members. I would like to thank all of you.

Members praised Morocco for its macroeconomic and structural reforms, including trade reforms, which have contributed to the overall positive performance of its economy, with GDP [gross domestic product] growth of nearly 5 per cent per year and a considerable increase in its per capita GDP since 2002. Morocco has taken steps to liberalize its economic sectors, in particular key services, and has reduced the level of its average tariff protection by 13.2 percentage points to 20.2 per cent. The reforms have helped to turn its public deficit into a surplus, reduce its external debt, and keep inflation under control. The strong inflow of FDI [foreign direct investment] that resulted from the enhancement of the business climate reflects the confidence of foreign companies in the economy.

Members commended Morocco on its commitment to the multilateral trading system, and recalled that the WTO Agreement was concluded in Morocco. They encouraged Morocco to keep up its liberalization efforts, and to further improve the transparency of its trade regime by making key notifications. Members mentioned that Morocco could further improve its business environment by strengthening its commitments under the GATS [General Agreement on Trade in Services], especially in the areas of tourism and telecommunications where its commitments fall short of the liberalization efforts already achieved.

Members noted that Morocco's MFN [most-favoured nation] tariff remains complex, with applied rates exceeding bound levels on some 1,300 lines. They urged Morocco to simplify its MFN tariff structure by eliminating non-*ad valorem* duties and reducing rates, notably with a view to bringing its applied tariff into line with its WTO commitments. Its trade regime would also further gain in predictability if the gaps between applied and bound rates on the other products were reduced. Members also noted with concern that Morocco had two different VAT [value-added tax] regimes – one for locally produced goods and the other for imports; this does not guarantee respect for the national treatment principle.

Clarification was sought on Morocco's incentive schemes, including its regime on subsidies. Other issues of interest to members included customs procedures; technical regulations and SPS [sanitary and phytosanitary] measures; trade remedies; import and export controls and licensing; government procurement; protection of intellectual property; high tariff protection of agriculture; and certain services.

Some members noted Morocco's participation in overlapping preferential trade agreements and encouraged it to ensure that its preferential and MFN regimes were complementary. Members appreciated the role played by Morocco in the promotion of South-South trade and its initiative for active participation by African and Latin American countries in the DDA [Doha Development Agenda] negotiations.

Members appreciated the responses provided by the delegation of Morocco, and looked forward to further written replies.

In conclusion, this meeting has confirmed Morocco's progress towards the liberalization of its economy, including its trade and investment regimes. Members were appreciative of Morocco's efforts and encouraged it to pursue the reforms, notably of its taxation system, with a view to enhancing the transparency and predictability of its trade regime. The extension and improvement of its multilateral binding commitments on services would also help. I advocate that members support Morocco in its continued efforts by providing further market access for its goods and services, and by being attentive to its requests for technical assistance.'

Guyana

'I should like to sincerely thank Minister Nadir and his team for their constructive engagement in this second Trade Policy Review of Guyana. The discussions on Wednesday and today have been most informative and interesting. We now have a much better understanding of Guyana's trade policies and practices, its future priorities and key economic challenges. I should also like to thank the discussant, Ambassador Norman Harris, for his perceptive observations and reflections and members of the TPRB for their valuable contributions during these two days.

The efforts of Guyana to maintain economic growth and attract investment have been widely commended by members, as have the numerous reforms that Guyana has undertaken in areas such as fiscal policy, government procurement, investment and competition policy. It has been highlighted, however, that important challenges remain, among them the development of the country's infrastructure to trade as well as improvements to the regulatory environment. Members encouraged Guyana to continue along the path of further liberalization and trade-related reforms.

Members acknowledged the financial and institutional constraints that Guyana faces, its vulnerability to external shocks and its reliance on the export of a narrow range of commodities. Members applauded Guyana's efforts to diversify production and exports into non-traditional areas and to reform its sugar sector to cope with changing market access conditions. However, they also pointed out that there were areas where improvements were still needed. In this respect, Guyana noted that a review of customs and trade facilitation measures was already in progress, and that resources were being dedicated to establishing an agency that would upgrade SPS [sanitary and phytosanitary] regulations.

Members recognized that Guyana's non-resident status made its participation in the WTO challenging, but urged Guyana to give greater priority to fully implementing its WTO commitments. Notifications were outstanding in a large number of areas and the resulting lack of transparency was neither in the interest of Guyana nor of its trading partners. Some members underscored the need to address any discriminatory elements in the application of the value-added and environmental taxes. Concern was also expressed about Guyana's licensing system, and broken tariff bindings. In addition, members indicated their strong desire for Guyana to implement its commitments under the TRIPS [Trade-related Intellectual Property Rights] Agreement. Guyana engaged to review the application of internal taxes in light of its WTO obligations, and to correct the tariff discrepancies and complete all outstanding notifications in 2010.

In response to questions regarding the telecommunication sector, Guyana explained that it intended to enhance competition in the sector, including by granting multiple licences for international traffic, and introducing new legislation that would conform to the WTO Reference Paper on telecommunications. Replying to questions on professional services, Guyana informed that CARICOM [Caribbean Community] is currently developing model legislations to harmonize the provision of professional services in the region.

Minister Nadir, both in his opening statement and this morning, highlighted Guyana's firm commitment to a rules-based and fair multilateral trading system, as well as to an early conclusion to the Doha Development Agenda. Minister Nadir, WTO members very much appreciate this firm expression of support. I hope that you will convey to your Government the equally strong messages of encouragement and support, including offers of technical assistance, to Guyana that have been repeated by members during the course of this meeting.

Implementation and monitoring



Members applauded Guyana's efforts to diversify production and exports into non-traditional areas and to reform its sugar sector.

Implementation and monitoring



Members noted that Zambia's renewed emphasis on developing its agriculture could contribute significantly to economic diversification and poverty reduction.

This morning Minister Nadir recalled two of the cornerstones of this institution, firstly the principle of non-discrimination, and secondly the fact that trade has been, is, and will continue to be an essential element of development and growth.

I would like to close this meeting by thanking, once again, the discussant and the members who took part in this meeting for contributing to an informative review. I would also like to thank the Guyanese delegation for addressing all the written questions posed by members.

We hope Guyana will continue to improve in the struggle for development to fulfil its motto: "one people, one nation, one destiny".

Zambia

'Zambia's third Trade Policy Review has been thorough and informative; it has given us a much better understanding of the trade and related policies and practices of Zambia, together with the challenges it faces. I thank Minister Mutati and his delegation as well as the discussant, Ambassador Feyder of Luxembourg, and members of the TPRB [Trade Policy Review Body] for contributing to our useful exchange of views. The reports by the Zambian authorities and the Secretariat, as well as the detailed responses of the delegation of Zambia to the many questions posed, have provided a valuable resource for transparency both within Zambia and as far as the WTO membership is concerned.

Members commended Zambia's commitment to openness in trade and foreign investment as well as to further economic liberalization. Since its last TPR [Trade Policy Review] and up to mid-2008, the economy of Zambia has grown rapidly as a result of sound economic policies, including ongoing structural reforms, debt reduction, and a favourable external environment. However, members also noted that, as the current global economic crisis was demonstrating, Zambia needed to reduce its dependence on copper mining and develop a more diversified economy in which trade and trade policies play a significant role.

Members noted that Zambia's renewed emphasis on developing its agriculture, where labour productivity and thus incomes are relatively low, could contribute significantly to economic diversification and poverty reduction. Members also observed that there were positive signs that diversification was taking place. These signs included impressive growth in non-traditional exports together with essential reforms – including in the fields of customs procedures, business licensing, financial regulation, and private sector development – to stabilize the economy, reduce the cost of doing business and improve the investment climate. Members noted that these efforts have helped somewhat to reduce Zambia's dependence on mining for growth and exports. However, high-cost and inefficient services in transport, electricity and fixed-line telecommunications, still constitute obstacles to improved productivity, international competitiveness and, therefore, Zambia's growth.

Members stressed that Zambia, like many other developing countries, is struggling with how best to integrate into the world economy. They recognized the importance of Zambia's leadership role in the Doha Development Agenda negotiations, particularly with respect to duty-free and quota-free access to LDCs [least-developed countries]. Zambia, like other LDCs that are dependent on foreign trade, had a lot to gain from duty- and quota-free market access and the accompanying provision of financial and technical assistance to address supply-side constraints, notably SPS [sanitary and phytosanitary] and TBT [technical barriers to trade]-related requirements. In addition to commending Zambia's overall commitment to the WTO and the multilateral trading system, members underlined that Zambia remained steadfast in its support for trade liberalization and expansion of markets, at the bilateral and regional levels. Although members recognized the importance of regional integration in expanding trade, they also expressed concern about Zambia's membership in several overlapping trade agreements, including the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

Members encouraged Zambia to improve its binding commitments in tariffs by increasing their coverage and reducing the gap between bound and applied rates. Members welcomed reforms and regulatory changes in areas such as government procurement, standards and business procedures. They expressed keen interest in the announced review of intellectual property legislation to establish a TRIPS [trade-related intellectual



Implementation and monitoring

property rights]-compliant regime, noting that protection of intellectual property rights could help to attract foreign investment.

Members noted that Aid for Trade features prominently in Zambia's Trade Policy Review and several underlined the need for donors to continue to provide such aid and other assistance, notwithstanding their current difficult fiscal circumstances. They noted that Zambia's Trade Policy Review was a very instructive example of one of the many countries that, aided by donors, have undertaken major economic reforms aimed, *inter alia*, at opening up their economies and at facilitating trade in the context of being a land-locked country.

This successfully concludes our Review of Zambia and demonstrates the strong interest shown by members in Zambia's trade and related policies and its participation in the WTO. In this context, I encourage Zambia to take to heart members' concerns and I hope that it will continue with its reform process. At the same time, I invite members to assist Zambia by providing adequate technical assistance, including in trade capacity building, and by further opening their markets to Zambia's exports.'

Chile

'This fourth Trade Policy Review of Chile has been highly informative, and has afforded this Body the opportunity to appraise in detail the evolution of the country's trade policies since 2003. This was made possible largely by the constructive engagement of Ms Ana Novik, Ambassador Mario Matus, and the rest of the Chilean team. I would also like to acknowledge the valuable contribution of the discussant, Ambassador Eckart Guth, and thank members for their participation in this exercise.

At the outset, I would like to highlight that this has been a particularly positive Review. Members praised Chile for its solid economic performance during most of the review period, which was largely due to sound macroeconomic policies and an open trade regime. Members noted that an effective administration of fiscal surpluses has allowed Chile to apply aggressive counter-cyclical policies to respond to the current global economic crisis. This makes Chile a good example of how outward-oriented policies, economic specialization and prudent macroeconomic management can result in rapid growth and offer the means to face external shocks. Members also commended Chile on its significant progress in reducing poverty levels, but encouraged it to continue its efforts to improve income distribution.

Chile has continued to use multiple avenues to enhance its integration into the global economy. During the review period, Chile eliminated unilaterally the tariffs on a range of capital goods and information technology products. Chile has also continued to play a leadership role in the multilateral trading system, where it is one of the most active participants in the DDA [Doha Development Agenda] negotiations. RTAs [regional trade agreements] are also an important component of Chile's trade policy agenda. In this respect, members exhorted Chile to multilateralize the trade liberalization resulting from the numerous agreements it maintains.

Members commended Chile's open, transparent and predictable trade regime. Noting that it maintains an almost uniform MFN [most-favoured nation] tariff rate of 6 per cent, members urged Chile to reduce its bound rates to increase the certainty of its import regime. Chile was also asked to reconsider the tariff surcharge on used goods, and the import prohibition on used motor vehicles. A number of members questioned Chile's price band system, and sought clarification on the steps being taken to bring it into compliance with WTO obligations. Chile stated that a draft law that would replace the system with fixed specific tariffs for wheat and wheat flour was awaiting Senate approval.

Members acknowledged the measures taken by Chile to facilitate trade and modernize customs, including the creation of customs tribunals. However, some concerns were expressed regarding customs appeal procedures. Chile's safeguards regime gave rise to a number of questions, with concerns expressed about recent safeguard measures affecting certain dairy products.

Members welcomed Chile's strengthening of its legal and institutional frameworks in the areas of competition policy, government procurement and intellectual property rights. Several members exhorted Chile to join the GPA [Agreement on Government Procurement];

Chile stated that, for the time being, it was not seeking accession although its procurement system met GPA standards. Chile replied to several queries regarding intellectual property, including on undisclosed test data protection and copyright enforcement.

In addition, Chile replied to numerous questions posed by members concerning specific aspects of its services regime. Noting that Chile's services regime is generally open, members encouraged Chile to expand its GATS [General Agreement on Trade in Services] commitments, and to reflect in its services offer the depth of commitments it has made under preferential agreements.

In conclusion, members widely commended Chile's trade regime, referring to it as a model for others to follow. I cannot think of higher praise than this. Using trade as a key component of its development strategy, Chile has attained one of the highest income and social development indicators in Latin America. These achievements constitute solid foundations for Chile to continue raising the living standards of its population. This will require not only further attention to border measures, but also the often more complex task of streamlining behind the border regulations. Chile's past success bodes well for its ability to face this challenge.

I would like to close this Review by thanking once again Ms Ana Novik, Ambassador Mario Matus and their delegation, as well as the discussant and the members that took part in this meeting. I would also like to express my appreciation to the delegation of Chile for the many responses provided and look forward to receiving responses to outstanding questions within one month.'

Maldives

'The second Trade Policy Review of the Maldives has given us a much clearer understanding of the Maldives' trade policies and practices and of the formidable challenges that it faces. I thank Mr Ahmed Inaz, Deputy Minister for Economic Development, and his delegation as well as the discussant, Mr Dennis Francis of Trinidad and Tobago, and members of the TPRB [Trade Policy Review Board] for contributing to our informative and constructive exchange of views during these two days. The Maldives' response to the large number of questions is also very much appreciated.

Members praised the Maldives for its robust economic growth and resilience, especially in light of the devastation caused by the 2004 tsunami. Members highlighted the risks to the Maldives posed by global warming and rising sea levels. They welcomed the plan to make the Maldives carbon neutral by 2019. However, members also emphasized that international cooperation and multilateral commitments would be needed to address the environmental risks of global warming.

Members commended the Maldives for its political and economic reforms, its impending graduation from LDC [least-developed country] status as well as the formation of the 'Working Group on Smooth Transition from LDC Status'. In addition, some members emphasized the need for international help to mitigate any adverse effects of the graduation. While welcoming economic reforms, some members sought further details on certain aspects, such as privatization and economic diversification plans.

Some members raised concerns about the large fiscal deficit and high inflation and urged the Maldives to implement tax reforms aimed at broadening its tax base and reducing reliance on tariffs for revenue. Members also encouraged the Maldives to make its tariff simpler and reduce, if not eliminate, the gap between applied and bound MFN [most-favoured nation] rates.

Certain members raised concerns about the lack of competition policy, IPR [intellectual property rights] legislation and non-implementation of the WTO's Customs Valuation Agreement; they encouraged the Maldives to implement these in a timely manner. At the same time, members welcomed the introduction of competitive tendering as regards government procurement. Members also encouraged the Maldives to implement an effective national standardization system. Additionally, members also called for further consolidation of economic integration in the SAARC [South Asian Association for Regional Cooperation] region so as to create regional markets and achieve economies of scale.

To conclude, I would again like to thank the Maldives delegation for enabling us to understand better its trade and trade-related policies and the domestic and international contexts in which they are formulated and implemented. I would also like to thank the discussant for his insightful comments, and members for contributing to what has been a very enlightening two days of discussions. We look forward to receiving responses to the remaining outstanding questions within the next month.'

Southern African Customs Union

'This third Trade Policy Review of the Southern African Customs Union (SACU) has given us the opportunity to appraise the evolution of SACU's trade policies since 2003. This was made possible largely by the constructive engagement of the high-level delegations of Botswana, Lesotho, Namibia, South Africa and Swaziland. I would also like to acknowledge the valuable contribution of the discussant, Ambassador Yonov Agah, and thank members for their participation in this exercise.

Members praised the SACU countries for their positive economic performance during the review period, which was largely due to their reform efforts. Nonetheless, SACU countries' GDP [gross domestic product] growth has been somewhat erratic, mainly reflecting infrastructure and other constraints, and has recently been affected by the global economic crisis. In this regard, SACU countries were encouraged to move ahead in implementing structural reforms to address these constraints and reduce unemployment, income inequality, and poverty.

Members commended the SACU countries on their commitment to the multilateral trading system, and their strong support for the DDA [Doha Development Agenda]. However, several members highlighted the complicated nature of SACU countries trade policies arising from overlapping preferential arrangements. Negotiation and implementation of such arrangements were not only difficult to manage, given the limited resources of the countries, but could also detract from multilateral efforts. Members encouraged SACU countries to take steps to fully implement their 2002 SACU Agreement with a view to enlarging the scope of their common regime away from customs-related issues. The revenue-sharing formula established under the 2002 SACU Agreement has contributed to an increase of public revenues in Botswana, Lesotho, Namibia, and Swaziland, with South Africa continuing to manage the Common Revenue Pool.

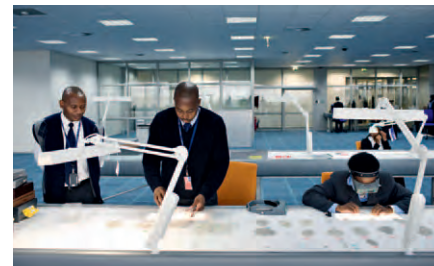
Members congratulated the SACU countries on their trade liberalization efforts. The structure of the common external tariff has been simplified and its simple average rate reduced from 11.4 per cent in 2002 to 8.1 per cent in 2009. Members indicated that the imposition of non-*ad valorem* rates on some tariff lines creates a risk of non-compliance by SACU members with their individual tariff binding commitments on *ad valorem* rates. Concerns were also expressed about the tariff lines on which the MFN [most-favoured nation] applied rates exceed the bound levels, and about the relatively large use of anti-dumping and other contingency trade remedies by South Africa on behalf of the customs union. Some members urged SACU countries to enhance compliance with WTO notification obligations.

SACU countries were encouraged to move ahead in terms of market and product diversification given that, with the exception of South Africa, they have a narrow export base; key exports are diamonds and other minerals in Botswana and Namibia, textiles in Lesotho, and sugar in Swaziland. On request, SACU countries provided clarifications on various issues, including export and investment incentives; standards, technical regulations, and SPS [sanitary and phytosanitary] measures; public procurement regimes; protection of intellectual property rights; agriculture, including food security; mining and energy; manufacturing, particularly the motor, textiles, and clothing industries; and services.

Members appreciated the replies provided by the delegations of SACU countries, and looked forward to further responses.

In conclusion, the numerous questions and active discussion indicate the importance members attach to this Review. I encourage SACU countries to improve their multilateral commitments, both in goods and services, and to pursue the implementation of their reform programmes, with a view to enhancing the transparency, predictability, and credibility of their trade regimes, and adherence to the WTO principles. Trading partners

Implementation and monitoring



SACU countries were encouraged to move ahead in terms of market and product diversification and beyond key exports such as diamonds.

Implementation and monitoring



Supported by investment in mining in Niger, the country's reforms have contributed to Niger's overall positive performance.

can help by ensuring that their markets are fully open, and by providing appropriate technical assistance to SACU countries.'

Niger and Senegal

'This joint Trade Policy Review of Niger and Senegal has given us an opportunity to improve our understanding of the interaction between regional trade initiatives in West Africa and the WTO system. Our discussions have greatly benefited from the active and open engagement of the high-level delegations of Senegal and Niger, respectively led by H.E. Mr Amadou Niang, Minister of Trade of Senegal, and Mr Amadou Soumana Gouro, Secretary General of the Ministry of Trade, Industry and Standardization of Niger. I would also like to thank the discussant, H.E. Mr Abdelwaheb Jemal, for his insightful contributions, and members for their active involvement.

Members congratulated Niger and Senegal for their macroeconomic and structural, including trade, reform efforts. Supported by investment in mining in Niger, and in telecommunication and transport services in Senegal, the reforms have contributed to the overall positive performance of both economies, with average GDP growth of about 5 per cent per year. Members noted that the potential of Niger and Senegal to attract investment remains largely untapped, and urged them to pursue their reforms and improve their business environment by, *inter alia*, addressing governance issues, including corruption, facilitating trade, and strengthening commitments under the GATS [General Agreement on Trade in Services] to close the gap with liberalization already achieved. This would help to further attract the foreign investment needed to diversify their economies and further reduce poverty. Full operationalization of the Aid for Trade programme and the Enhanced Integrated Framework would help.

Members commended Niger and Senegal on their commitment to the WTO system. They acknowledged their severe resource constraints, and their need for technical assistance to support their participation in the WTO and to improve the transparency of their trade regimes, including through notifications. They praised Niger and Senegal for their progress in the reform of their government procurement regimes, and noted that further advance is needed to reach international best practices. Niger was urged to bring its domestic law on copyright and related rights into conformity with the TRIPS [trade-related intellectual property rights] Agreement, and both Niger and Senegal were encouraged to further protect intellectual property rights. Concerns were expressed about the use by Niger and Senegal of reference values for customs valuation of certain products.

Members welcomed the harmonization of elements of the common trade regimes of the West African Economic and Monetary Union (WAEMU) with those of the Economic Community of West African States (ECOWAS), of which all WAEMU countries, including Niger and Senegal, are also members. Referring to ECOWAS' plan to implement a fifth tariff band of 35 per cent on the top of WAEMU's maximum rate of 20 per cent, members invited both Niger and Senegal to reconsider this plan on competitiveness and effectiveness grounds; they stressed that, on five lines, WAEMU tariff rates already exceed the corresponding binding commitments by Senegal. Further clarification was sought on, *inter alia*, import bans on poultry products by Niger and Senegal; their incentive schemes; their other duties and taxes on imports; their regimes on trade in services; their utilization of non-reciprocal preferences; and the impact of the financial and economic crisis on their economies.

Members appreciated the responses provided by the delegations of Niger and Senegal, and looked forward to further written replies.

In conclusion, this meeting has confirmed the progress made by Niger and Senegal in achieving development goals through further trade reforms, including at the regional level. Niger and Senegal are encouraged to pursue their reforms, and to further adhere to WTO rules and improve their multilateral commitments on services. This would enhance the transparency and predictability of their trade regimes and contribute to attracting foreign investment. I advocate that members support Niger and Senegal in their continued efforts by providing further market access to their goods and services, and by being attentive to their requests for technical assistance.'



Implementation and monitoring

Georgia

'This first Trade Policy Review of Georgia has given us a much clearer understanding of the evolution of Georgia's trade policies since its accession to the WTO, together with the challenges it faces. I thank Ms Kovziridze and her delegation, and I would also like to acknowledge the valuable contribution of the discussant, Mr Krzysztof Januszek of Poland, and of members for their active and insightful participation in this exercise. The reports by the Georgian authorities and the Secretariat, as well as the detailed responses of the delegation of Georgia to the many questions posed, have contributed to transparency both within Georgia and as far as the WTO membership is concerned.

Members commended Georgia's commitment to openness in trade and foreign investment as well as recent progress in economic liberalization. Members praised Georgia for its impressive economic performance during most of the review period, with an average annual GDP growth rate of 9–10 per cent, in considerable part due to reforms, which have been widely recognized. In particular, important trade reforms have taken place in the areas of tariffs, improvement of Customs, business licensing and the adoption of trade legislation compatible with international standards. Nonetheless, Georgia has only partially succeeded in improving the external competitiveness of the private sector and, in this regard, Georgia was encouraged to continue its structural reforms to make its markets more flexible, attract investment into export activities, improve productivity and competitiveness, and thereby help sustain growth.

Members congratulated Georgia on its liberal trade regime with its simple tariff structure and one of the lowest average applied MFN [most-favoured nation] tariff rates in the world, whilst almost 85 per cent of imports enter Georgia duty free. It was also noted that Georgia had not resorted to any restrictive measures since the onset of the economic crisis. Georgia's commitment to the WTO system was emphasized and Georgia was urged to follow through on its readiness to join the Government Procurement Agreement. Georgia was also encouraged to enhance WTO notifications in a number of areas. Regarding alignment with international standards and practices, members noted that there is room for improvement in a number of areas such as SPS [sanitary and phytosanitary], technical regulations, competition policy and intellectual property rights enforcement, which point to the broader, more long-term problem of capacity building in general.

Members noted that exports, which account for about one-fifth of Georgia's GDP [gross domestic product], have not matched the strong overall economic growth rate in the review period. Georgia's main exports remain concentrated in a few low-value-added products, reflecting limited success in efforts to diversify exports. Members were interested to know from Georgia the policies and measures it proposes to take to enhance its exports in the coming years.

Members appreciated the replies provided by the delegation of Georgia and looked forward to further responses. In conclusion, the numerous questions and active discussion indicate the importance members attach to this Review. I encourage Georgia to take to heart members' concerns and I hope it will continue with its reform process which has resulted in strong economic performance and has helped the country to become a significant regional trade corridor. At the same time I invite members to assist Georgia by providing appropriate technical assistance, including trade capacity building, and by further opening their markets to Georgia's exports.'

Implementation and monitoring



Background

In 2009 the WTO began regular monitoring of global trade developments, covering all trade and trade-related measures implemented by WTO members and observers in the context of the global financial and economic crisis. The monitoring exercise further strengthens the transparency aims of the Trade Policy Review Mechanism by providing information on recent policy changes. It is overseen by the Trade Policy Review Body (TPRB), which also conducts detailed reviews of members individually (see page 57).

Four comprehensive reports were presented by the Director-General on global trade developments in 2009.

Trade monitoring reports

Four comprehensive reports were presented by the Director-General on global trade developments, in January, April, July and November 2009. These were discussed at various meetings of the Trade Policy Review Body (TPRB). The reports showed that, despite the depth of the crisis and rising unemployment, WTO members had, by and large, resisted domestic protectionist pressures and kept markets open. Nor was there any significant instance of trade retaliation. Nevertheless, there were aspects of countries' stimulus packages that threatened to distort trade, notably 'buy national' policies attached to some public spending programmes and the substantial help given by some governments to the banking and auto industries.

A consolidated report for the year was presented in the Director-General's Annual Overview of Developments in the International Trading Environment, which was submitted to ministers ahead of the Seventh Ministerial Conference in Geneva and discussed at the TPRB meeting in January 2010. In that report the Director-General called on members 'to devise and announce exit strategies to remove trade restrictions and production subsidies that they have introduced temporarily to counteract the effects of the crisis, and start implementing those strategies as soon as domestic economic recovery takes hold.'

Transparency and surveillance

Transparency and surveillance of national trade policies are one of the pillars of the multilateral trading system, in addition to trade negotiations and dispute settlement. The strengthened surveillance provided by regular monitoring of trade and trade-related measures during the crisis not only enhanced transparency but helped governments, faced with scrutiny by their peers, to resist domestic protectionist pressures. It thereby increased trust in the multilateral trading system.

The monitoring exercise during 2009 showed that no WTO member retreated into widespread trade restriction, nor was there any significant instance of trade retaliation. Governments appear to have learned lessons from the past, with political leaders firmly rejecting a return to the 'beggar-thy-neighbour' protectionism that had such disastrous consequences in the 1930s. Their response this time is a clear demonstration of the value and resilience of the rules-based multilateral trading system.

The role played by the WTO in helping to mitigate the impact of the crisis was recognized by WTO members and observers at the 2009 WTO Ministerial Conference in Geneva (see page 12) and welcomed by world leaders at their various summit meetings addressing the crisis. To aid their deliberations, the WTO Director-General and the respective heads of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD) also submitted joint reports on trade and investment developments to the G-20, which brings together leading industrialized and developing countries.



Monitoring summary

The size, suddenness and impact of the global financial and economic crisis could have sparked a severe protectionist response around the world. Many economies went into recession and the volume of world trade flows in 2009 fell at an unprecedented rate of more than 12 per cent. During difficult times, governments are frequently tempted to give way to protectionist demands and shield domestic industries from international competition by raising barriers to trade.

Trade protectionism during the crisis in the 1930s contributed to the severity of what became known as the Great Depression, and it was feared that a similar reaction would aggravate the impact of the current global crisis. But, overall, this did not happen in 2009. Despite a number of 'slippages', in general terms the world economy is about as open to trade today as it was before the crisis started.

The WTO, with its set of multilaterally agreed trade rules and its legal enforcement mechanism, served as an 'insurance policy' against a resurgence of protectionism. In addition, the enhanced transparency generated by the newly instituted regular trade monitoring exercise provided an opportunity to exert peer pressure on governments and gave them arguments to resist protectionist demands at home. It also helped assess the extent to which governments of the major world economies respected the pledges by their leaders to keep markets open.

Indeed, many governments implemented measures to further open up their economies and encourage the expansion of trade and investment flows. Some did this as a deliberate policy response to help deal with the negative effects of the crisis, and others as a continuation of their national or regional trade liberalization programmes.

Nevertheless, there were instances of new trade-restricting measures. In some cases, import tariffs were increased and agriculture export subsidies reintroduced. In other cases, governments initiated trade remedy actions, such as anti-dumping and 'safeguard' measures, and put in place new non-tariff barriers to trade.

The numerous state aid and economic stimulus programmes constituted another important area of potential trade distortion. The fiscal stimulus packages were vital to stop the economic haemorrhage but they also gave rise to serious concerns about their 'unintended' impact on open and fair competition. The most frequently mentioned issue related to 'buy national' requirements attached to some programmes, such as spending on public infrastructure, but the bailouts of relatively large financial institutions and subsidies to aid the auto and other industries also prompted concern about the potential effect on global competition in these sectors.

Although a widespread and systemic escalation of protectionism has been prevented so far, the international community must remain vigilant. The longer-term impact of the global crisis will continue to be felt in 2010 and beyond, especially in labour markets. At times of rising unemployment, governments face increased pressure to protect domestic industries and domestic jobs. Thus the risk of protectionism will remain as long as the world economy is unable to generate job-led growth. The recent global economic recovery, in particular in emerging economies, may seem to be faster and stronger than expected but there are still significant risks for its sustainability.

Implementation and monitoring

The volume of world trade flows fell by more than 12 per cent in 2009.

Implementation and monitoring



Background

WTO ministers decided in Doha in 2001 to establish a Working Group on Trade, Debt and Finance to look at how trade-related measures could contribute to finding a durable solution to the external debt problems faced by many developing countries. Since then the Working Group has turned its attention to a range of financial issues with an impact on trade, including the provision of trade finance.

The Expert Group on Trade Finance met twice in 2009.

Trade, debt and finance

In 2009 the Working Group on Trade, Debt and Finance made a significant contribution towards mobilizing international efforts to remedy the dramatic shortage of trade finance, which resulted in the adoption by the G-20 Summit in London of a US\$ 250 billion support package. The Working Group improved members' understanding of the causes and location of the shortfalls, discussed national plans aimed at boosting the availability of trade credit and guarantees, and acted as a forum for discussion of – and providing support to – WTO Secretariat initiatives. In particular, it provided a forum for interaction between WTO members and the Expert Group on Trade Finance convened by the Director-General.

Expert Group on Trade Finance

Some 80–90 per cent of world trade relies on trade finance (trade credit and insurance/guarantees) and during the worst of the financial and economic crisis in late 2008 and early 2009 many companies, especially smaller enterprises in developing countries, found it impossible or prohibitively expensive to obtain the credit they needed to trade.

Against this backdrop, the Expert Group on Trade Finance met twice in 2009, once in March before the Group of 20 Summit in London and again in September before the G-20 Summit in Pittsburgh. Established in the wake of the Asian financial crisis in the late 1990s, the Expert Group brings together representatives of the main players in trade finance, including the World Bank's International Finance Corporation (IFC), regional development banks, export credit agencies and big commercial banks, as well as the International Chamber of Commerce (ICC) commercial banks and other international organizations.

Proposed measures to bridge the shortfall in financing – then estimated to be between US\$ 100 billion and US\$ 300 billion – and free up frozen credit lines were the focus of discussion by the Expert Group in March. At the London Summit, G-20 leaders endorsed measures aimed at supporting finance for some US\$ 250 billion of trade, largely aimed at developing countries and backed by the IFC and regional development banks.

In September the Expert Group met again, ahead of the Pittsburgh G-20 meeting, to review implementation of the support package. Although the availability of trade finance had undoubtedly improved significantly since the early part of 2009, the Expert Group noted that some countries were still experiencing difficulties, trade finance remained expensive, and rules governing short-term credit under the Basle II framework (widely followed recommendations on banking laws and regulations issued by the Bank of International Settlements in Basle) continued to pose a serious constraint on new lending despite the secure character of trade finance.



Working Group on Trade, Debt and Finance

In tandem with the Expert Group meetings, the WTO Working Group on Trade, Debt and Finance also met twice in 2009. In March, WTO members discussed the findings of surveys conducted by the ICC and the Bankers' Association for Finance and Trade on the adverse impact of the financial crisis on the supply of trade finance, especially for developing countries. They also looked at regulatory obstacles under Basle II, and considered the national and international initiatives aimed at boosting the supply of short-term finance that were on the agenda of the G-20 Summit in London. Members were briefed on the outcome of the earlier Expert Group meeting.

At its second meeting in September, the Working Group took stock of the implementation of the trade finance support package agreed at the G-20 Summit in London, and discussed the trade finance market situation, based on information provided by members and the Secretariat. The Working Group was again briefed on the initiatives of the Director-General and the Expert Group on Trade Finance, and on the work on the 'implementation group' that had assisted the G-20 leaders in implementing the trade finance measures decided in London. The Working Group continued to support these initiatives and recommended to the General Council that it confirm the focus on trade finance issues, at least for as long as these continue to be of major concern to WTO members.

Implementation and monitoring

WTO members discussed the impact of the financial crisis on the supply of trade finance.



Background

The procurement of goods and services by government agencies typically accounts for at least 15 per cent of gross domestic product (GDP) and is of growing importance in world trade, especially latterly through its key role in economic stimulus packages to combat recession. The WTO Agreement on Government Procurement (GPA) is designed to ensure that signatories do not protect domestic products, services or suppliers, or discriminate against foreign products, services or suppliers, in the sectors covered. The GPA is a plurilateral agreement, which means it only applies to WTO members that have separately agreed to be bound by it.

Agreement on Government Procurement

The GPA is administered by the Committee on Government Procurement. In 2009, it held three formal meetings and a series of informal meetings, focusing on negotiations and accession issues. These meetings also afforded the 14 parties to the Agreement (comprising a total of 41 WTO members) an opportunity to exchange information and perspectives on national procurement measures in relation to the economic crisis, reflecting the role of the GPA as a safeguard against protectionism.

The main features of 2009 were the completed accession of Chinese Taipei and a new application for accession by Armenia. Eight other WTO members continued the process of acceding to the GPA: Albania, China, Georgia, Jordan, the Kyrgyz Republic, Moldova, Oman and Panama. A further five WTO members have provisions on accession to the GPA in their Protocols of Accession: Croatia, the Former Yugoslav Republic of Macedonia, Mongolia, Saudi Arabia and Ukraine.

At the end of 2009, the parties to the GPA were: Canada; the European Union (including its 27 member states); Hong Kong, China; Iceland; Israel; Japan; Republic of Korea; Liechtenstein; the Netherlands with respect to Aruba; Norway; Singapore; Switzerland; Chinese Taipei; and the United States. The GPA therefore already covers a significant proportion of the global procurement market. In 2007 the US government procurement market fully open to international competition under GPA rules was valued at more than US\$ 1.3 trillion. The accession of Chinese Taipei has been estimated to create new market access opportunities worth up to US\$ 20 billion annually for GPA parties.

In 2009 the GPA Committee also considered modifications to the Appendices to the Agreement, statistical reports, notifications of changes in domestic legislation and notifications of the thresholds in national currencies of procurements covered by the Agreement.



Negotiations

The GPA contains a built-in commitment to further negotiations, with the following objectives: to improve and update the Agreement in the light of developments in information technology and in procurement methods; to extend the coverage of the Agreement; and to eliminate remaining discriminatory measures. A key related objective is to facilitate accession to the Agreement by other WTO members, and in particular developing countries. In 2009, GPA parties pursued negotiations on both coverage and text-related issues in informal sessions of the committee.

Technical cooperation and training

Demand from members for technical cooperation and capacity building, including in the context of the GPA accession process, has been rising, reflecting growing interest in this area of trade policy. In 2009 the WTO Secretariat organized four regional workshops (for English-speaking African countries, Arab and Middle East countries, Asia and Pacific economies, and countries in Central and Eastern Europe and Central Asia); and four national seminars (in Armenia; China; Macao, China; and Viet Nam).

Cooperation with other international organizations

In 2009 the WTO cooperated in the area of government procurement with the United Nations Commission on International Law (UNCITRAL), the Organisation for Economic Co-operation and Development (OECD), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the World Bank and the African Development Bank.

Implementation and monitoring

Dispute settlement

In 2009 the total number of disputes brought to the Dispute Settlement Body (DSB) since the WTO's creation in 1995 topped 400. During the year, the DSB received 14 notifications from WTO members formally requesting consultations under the Dispute Settlement Understanding. In December the EU concluded agreements with the US and Latin American banana-producing nations intended to bring to an end the longest-running dispute in the WTO.

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Background

The General Council convenes as the Dispute Settlement Body (DSB) to deal with disputes arising from any WTO agreement that is covered by the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). The DSB has sole authority to establish dispute settlement panels, adopt panel and Appellate Body reports, maintain surveillance of the implementation of recommendations and rulings, and authorize suspension of concessions (trade sanctions) in the event of non-compliance.

Dispute settlement activity in 2009

In 2009 the total number of disputes brought to the Dispute Settlement Body (DSB) since the WTO's creation in 1995 topped 400. During the year, the DSB received 14 notifications from WTO members formally requesting consultations under the Dispute Settlement Understanding (DSU). It met 16 times in 2009, establishing 10 panels to adjudicate 13 new cases. (Where more than one complaint deals with the same matter, they are adjudicated by a single panel.)

During 2009 the DSB also adopted four panel and/or Appellate Body reports in six cases, concerning four distinct matters, and two panel and/or Appellate Body reports relating to compliance, concerning a single matter. (Where more than one complaint is adjudicated by a single panel, it issues a separate report for each complaint.) Mutually agreed solutions, settlements or withdrawals were notified in three cases.

Since 1995, WTO members have initiated, on average, about 27 disputes each year under the provisions of the DSU. Of the 402 cases filed up to the end of 2009, roughly half were eventually settled directly between the parties following the consultations mandated by the DSU, without going into litigation. The vast majority of the remaining cases were settled satisfactorily through litigation. Director-General Pascal Lamy noted that "this is surely a vote of confidence in a system which many consider to be a role model for the peaceful resolution of disputes in other areas of international political or economic relations".

On 15 December 2009 the European Union concluded agreements with the United States and Latin American banana-producing nations intended to bring to an end the longest-running dispute in the WTO. The dispute concerned the preferential treatment that the European Union gave to the import of bananas from African, Caribbean and Pacific countries.

As of 31 December 2009, 402 disputes had been brought to the WTO (see Table 1), of which:

- 84 appear to have been resolved bilaterally (no outcome notified to the WTO)
- 95 were resolved bilaterally (outcome notified to the WTO)
- 23 were resolved bilaterally after a panel was established but before the panel was composed
- 14 are currently the subject of active consultations between the parties
- 186 went into litigation.

Table 1: WTO members involved in disputes, 1995 to 2009

Member	Complainant	Respondent
Antigua and Barbuda	1	0
Argentina	15	16
Australia	7	10
Bangladesh	1	0
Belgium	0	3
Brazil	24	14
Canada	33	15
Chile	10	13
China	6	17
Colombia	5	3
Costa Rica	4	0



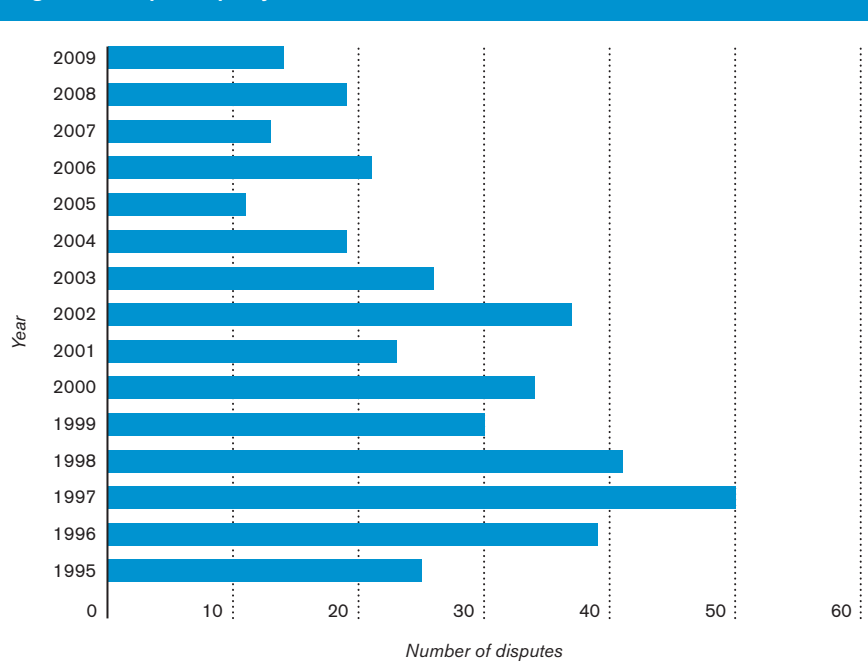
Table 1: WTO members involved in disputes, 1995 to 2009 (continued)

Member	Complainant	Respondent
Croatia	0	1
Czech Republic	1	2
Denmark	0	1
Dominican Republic	0	3
Ecuador	3	3
Egypt	0	4
European Union (formerly EC)	81	67
France	0	3
Germany	0	1
Greece	0	2
Guatemala	7	2
Honduras	6	0
Hong Kong, China	1	0
Hungary	5	2
India	18	20
Indonesia	4	4
Ireland	0	3
Japan	13	15
Korea, Republic of	14	14
Malaysia	1	1
Mexico	21	14
Netherlands	0	1
New Zealand	7	0
Nicaragua	1	2
Norway	4	0
Pakistan	3	2
Panama	5	1
Peru	2	4
Philippines	5	5
Poland	3	1
Portugal	0	1
Romania	0	2
Singapore	1	0
Slovak Republic	0	3
South Africa	0	3
Spain	0	1
Sri Lanka	1	0
Sweden	0	1
Switzerland	4	0
Chinese Taipei	3	0
Thailand	13	3
Trinidad and Tobago	0	2
Turkey	2	8
United Kingdom	0	2
United States	93	108
Uruguay	1	1
Venezuela	1	2

Dispute settlement

As of end-2009, 402 disputes had been brought to the WTO.

Figure 1: Disputes per year



The following section provides an update on developments in 2009 in cases which are currently active within the dispute settlement system. The cases are listed in order of their dispute settlement (DS) number, which is created when the case is opened. Cases opened in 2009 and still at the consultation stage are listed at the end of this section.

Trade dispute:

WT/DS26

European Communities – Measures Concerning Meat and Meat Products (Hormones)

Complainant: **United States**

Respondent: **European Communities**

On 25 September 2009 the European Communities and the United States notified the DSB that they had signed a Memorandum of Understanding regarding the importation of beef from animals not treated with certain growth-promoting hormones and increased duties applied by the United States to certain products of the European Communities.

Trade dispute:

WT/DS27

European Communities – Regime for the Importation, Sale and Distribution of Bananas

Complainants*: **Ecuador, Guatemala, Honduras, Mexico, United States**

Respondent: **European Communities**

* The agreement concluded involved a number of Latin American members who were not complainants in the dispute.

On 15 December 2009, an agreement was concluded between the European Union and certain Latin American banana-producing nations regarding the structure and operation of the EU trading regime for fresh bananas. At the DSB meeting of 21 December 2009, the United States said it had initialled an agreement at the same time intended to lead to a settlement of the dispute.



United States – Subsidies on Upland Cotton – Recourse to Arbitration by the United States under Article 22.6 (Compensation and the Suspension of Concessions) of the DSU and Article 4.11 (Remedies) of the Subsidies and Countervailing Measures (SCM) Agreement;
United States – Subsidies on Upland Cotton – Recourse to Arbitration by the United States under Article 22.6 of the DSU and Article 7.10 (Remedies) of the SCM Agreement

Complainant: **Brazil**
 Respondent: **United States**

Decisions by the Arbitrator circulated: 31 August 2009

Upon the expiry of the respective implementation periods for the prohibited and actionable subsidies in this case, Brazil requested authorizations to apply countermeasures against the United States. The United States challenged these requests and the matter was referred to arbitration in accordance with Article 22.6 (Compensation and the Suspension of Concessions) of the DSU. These proceedings were resumed after the completion of the compliance proceedings.

There are two decisions in this arbitral proceeding because Brazil made separate requests relating to the prohibited export subsidies (Step 2 and GSM 102) and to the actionable subsidies (marketing loans and countercyclical payments) at issue, and the United States challenged both requests.

With respect to the prohibited subsidies, Brazil was seeking an authorization in a total amount of US\$ 1.644 billion, consisting of a 'one-time' countermeasure for the Step 2 programme (which compensated cotton millers and exporters for buying higher-priced US-grown cotton) and an annual amount based on the 'interest rate subsidy' and additional sales arising for US exporters as a result of the subsidies for the GSM 102 Export Credit Guarantee programme.

The arbitrator determined that Brazil was not entitled to 'one-time' countermeasures with respect to a past period of non-compliance in relation to Step 2 payments. With respect to the GSM 102 subsidies, the arbitrator determined that the amount of US\$ 1.122 billion proposed by Brazil would not result in appropriate countermeasures and that the amount of countermeasures that could be authorized as being appropriate, based on the amount of GSM 102 transactions in fiscal year 2006, is US\$ 147.4 million. The arbitrator also determined that this level would be variable on an annual basis depending on, among other things, the total amount of GSM 102 transactions in the most recent concluded fiscal year.

With respect to the actionable subsidies (constituting 'serious prejudice' to the interests of Brazil), Brazil was seeking an authorization in a total amount of US\$ 1.037 billion, representing the effect of price suppression on the world market for upland cotton resulting from the marketing loans and countercyclical payments. The arbitrator determined that the amount of countermeasures commensurate with the degree and nature of the adverse effects determined to exist was US\$ 147.3 million annually.

Brazil had also requested, with respect to both the prohibited and the actionable subsidies, to be allowed to retaliate under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the General Agreement on Trade in Services (GATS), in addition to trade in goods.

The arbitrator found that, at current levels of permissible retaliation, Brazil had not satisfied the conditions under the DSU to allow it to cross-retaliate. However, because part of the amount of permissible retaliation is variable on an annual basis, the arbitrator also determined that if the permissible amount of retaliation increased above a certain threshold (variable on an annual basis), then Brazil would be entitled to retaliate under the TRIPS Agreement and the GATS for any amount of retaliation applied above that threshold.

Further trade disputes involving these countries can be seen on the following pages:

Brazil
8, 93, 98

European Communities
87, 88, 89, 90, 91, 92, 93, 97, 98, 99, 100

United States
86, 88, 90, 91, 93, 94, 97, 98, 99, 100

Trade dispute:	WT/DS292
European Communities – Measures Affecting the Approval and Marketing of Biotech Products	
Complainant: Canada Respondent: European Communities	
Panel Report adopted: 21 November 2006	
<p>On 17 July 2009, Canada and the European Communities informed the DSB of a mutually agreed solution under Article 3.6 (General Provisions) of the DSU. Under this agreement, Canada and the European Communities agreed to establish bilateral dialogue on agricultural biotech market access issues of mutual interest.</p>	
Trade dispute:	WT/DS294
United States – Laws, Regulations and Methodology for Calculating Dumping Margins ('Zeroing') – Recourse to Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) of the DSU by the European Communities	
Complainant: European Communities Respondent: United States	
Circulation of Panel Compliance Report: 17 December 2008 Circulation of Appellate Body Compliance Report: 14 May 2009 Reports adopted: 11 June 2009	
<p>This dispute concerned the implementation by the United States of the DSB's recommendations and rulings in <i>US – Zeroing (EC)</i>. In that dispute, the original panel and the Appellate Body found that the application of the so-called 'zeroing' methodology in original anti-dumping investigations was inconsistent with Article 2.4.2 (Determination of Dumping) of the Anti Dumping Agreement.</p> <p>Under that methodology, when calculating a margin of dumping for a product on the basis of comparisons of normal value and export prices, the results of comparisons for which the export price exceeds normal value are treated as zero.</p> <p>The Appellate Body also found that the application of 'zeroing' in the periodic reviews at issue was inconsistent with Article 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the General Agreement on Tariffs and Trade (GATT) 1994.</p> <p>On 13 February 2009 the European Communities notified its intention to appeal to the Appellate Body on certain issues of law covered in the Panel report and certain legal interpretations developed by the Panel. On 25 February 2009 the United States filed another appeal.</p> <p>The Appellate Body reversed the Panel's finding that the subsequent reviews to the original determination that pre-dated the adoption of the recommendations and rulings of the DSB did not fall within the Panel's terms of reference.</p> <p>The Appellate Body found, instead, that five specific 'sunset reviews' had a sufficiently close nexus with the declared measures taken to comply, and with the recommendations and rulings of the DSB, so as to fall within the Panel's terms of reference under Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) of the DSU.</p> <p>Addressing the United States' appeal, the Appellate Body upheld the Panel's finding that two specific periodic reviews fell within the Panel's terms of reference. The Appellate Body reasoned that, insofar as those periodic reviews established assessment rates calculated with zeroing after the end of the reasonable period of time, they had a sufficiently close nexus, in terms of nature, effects, and timing, with the declared</p>	

measures taken to comply and with the recommendations and rulings of the DSB, so as to fall within the Panel's terms of reference.

Writing separately, one of the three members of the Appellate Body Division hearing the appeal opined that these two periodic reviews should not fall within the Panel's terms of reference under Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) of the DSU.

The Appellate Body also reversed the Panel's interpretation that the United States' implementation obligations did not cover actions to assess and collect anti-dumping duties when the corresponding assessment review had been concluded before the expiry of the reasonable period of time. The Appellate Body reasoned that the recommendations and rulings of the DSB required the United States to cease using zeroing in the assessment of duties by the end of the reasonable period of time.

Thus, the United States' implementation obligations also extended to connected and consequent measures that are mechanically derived from the results of an assessment review, and applied in the ordinary course of the imposition of anti-dumping duties.

On this basis, the Appellate Body upheld the Panel's findings that the United States had acted inconsistently with Article 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the GATT 1994 by assessing and collecting anti-dumping duties calculated with zeroing in two specific periodic reviews issued after the end of the reasonable period of time. However, it reversed the Panel's finding that the United States had not acted inconsistently with those provisions by assessing and collecting anti-dumping duties calculated with zeroing after the end of the reasonable period of time in two cases where the determinations had been made before that date.

The Appellate Body was unable to complete the legal analysis and therefore declined to make findings in relation to 11 specific cases subject to the appeal. In addition, the Appellate Body reversed the Panel's findings that the United States had not acted inconsistently with Article 11.3 (Duration and Review of Anti-Dumping Duties and Price Undertakings) of the Anti-Dumping Agreement in five sunset reviews in which zeroing was relied upon and led to the extension of the relevant anti-dumping duty orders beyond the expiry of the reasonable period of time.

The Appellate Body further reversed the Panel's finding that the European Communities could not raise claims before the Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) Panel in relation to an alleged arithmetical error in the calculation of margins of dumping because it could have raised them in the original proceedings, but failed to do so.

However, the Appellate Body was unable to complete the analysis and therefore did not rule on whether the United States had failed to comply by not correcting such alleged error in one of its implementing measures.

In addition, the Appellate Body did not consider it necessary to make findings in relation to the European Communities' claim that in three specific cases the United States had acted inconsistently with Article 9.4 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement in the calculation of the 'all others' rate that applies to exporters and foreign producers that have not been individually investigated.

However, the Appellate Body disagreed with the Panel's interpretation that Article 9.4 imposes no obligation in respect of the calculation of the 'all others' rate when all margins for all exporters individually investigated are either zero, *de minimis*, or based on facts available.

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

Canada

90, 98, 99

European Communities

84, 88, 89, 90, 91, 92, 93, 97, 98, 99, 100

United States

85, 88, 90, 91, 93, 94, 97, 98, 99, 100

Trade dispute:	WT/DS297
Croatia – Measure Affecting Imports of Live Animals and Meat Products Consultations	
Complainant: Hungary Respondent: Croatia	
On 30 January 2009, Croatia and Hungary notified the DSB that they had reached a mutually agreed solution to this case in 2003.	
Trade dispute:	WT/DS316
European Communities – Measures Affecting Trade in Large Civil Aircraft	
Complainant: United States Respondent: European Communities	
Panel established: 20 July 2005	
On 3 December 2009 the Chair of the Panel informed the DSB that the Panel had issued its interim report to the parties in September 2009, and was now in the process of finalizing its report. The Panel expects to complete its work before the end of April 2010.	
Trade dispute:	WT/DS322
United States – Measures Relating to Zeroing and Sunset Reviews – Recourse to Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) of the DSU by Japan	
Complainant: Japan Respondent: United States	
Circulation of Panel Compliance Report: 24 April 2009 Circulation of Appellate Body Compliance Report: 18 August 2009 Reports adopted: 31 August 2009	
<p>In the original proceedings, the DSB made recommendations and rulings regarding: (a) importer-specific assessment rates calculated in certain periodic reviews, which were found to be WTO-inconsistent due to the use of zeroing; (b) a 1999 'sunset review', which was found to be WTO-inconsistent due to reliance on margins of dumping calculated using zeroing; and (c) the maintenance of zeroing procedures, which was found to be 'as such' inconsistent with WTO obligations.</p> <p>In the present case, the Panel found that the United States had failed to comply with the DSB's recommendations and rulings regarding the importer-specific assessment rates determined in five of the periodic reviews at issue in the original proceedings, applying to entries of imports covered by those periodic reviews that were, or will be, liquidated after the expiry of the reasonable period of time.</p> <p>Consequently, the Panel found the United States to be in continued violation of its obligations under Articles 2.4 (Determination of Dumping) and 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the General Agreement on Tariffs and Trade (GATT) 1994.</p> <p>The Panel also concluded that four subsequent periodic reviews were measures taken to comply, and that the United States had acted inconsistently with Articles 2.4 and 9.3 of the Anti-Dumping Agreement and Article VI:2 of the GATT 1994 by applying zeroing in the context of those periodic reviews.</p> <p>Further, the Panel found that certain liquidation actions taken by the United States after the end of the reasonable period of time are measures taken to comply and are</p>	



inconsistent with Articles II:1(a) and II:1(b) (Schedules of Concessions) of the (GATT) 1994. The Panel exercised judicial economy as to whether the failure to comply with the DSB's recommendations and rulings also violated provisions of the DSU.

On 20 May 2009 the United States notified its intention to appeal to the Appellate Body on certain issues of law covered in the Panel report and certain legal interpretations developed by the Panel.

On 18 August 2009 the Appellate Body circulated its report to WTO members. In its report, the Appellate Body upheld all of the Panel's findings that had been appealed by the United States.

The Appellate Body first upheld the Panel's finding that a periodic review that had been initiated at the time the matter was referred to the Panel and was completed during the Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) proceedings was properly within the scope of the Panel's terms of reference.

Turning to the question of whether the United States had complied with the DSB's recommendations and rulings, the Appellate Body explained *inter alia* that WTO-inconsistent conduct must cease by the end of the reasonable period of time.

In the case of the nine periodic reviews of anti-dumping duty orders at issue, the obligation to comply with the DSB's recommendations and rulings covers actions or omissions subsequent to the reasonable period of time, even if they relate to imports that entered the territory of the United States at an earlier date.

The Appellate Body further found that the fact that the periodic reviews had been challenged in domestic judicial proceedings did not excuse the United States from complying with the DSB's recommendations and rulings by the end of the reasonable period of time.

The Appellate Body therefore upheld the Panel's finding that the United States had failed to comply with the DSB's recommendations and rulings regarding the importer-specific assessment rates determined in the five periodic reviews, and had acted inconsistently with Articles 2.4 (Determination of Dumping) and 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the GATT 1994 by applying zeroing in the context of the four subsequent periodic reviews.

Finally, the Appellate Body upheld the Panel's consequential finding that certain liquidation actions taken by the United States after the end of the reasonable period of time, in connection with certain periodic reviews at issue, violated Articles II:1(a) and II:1(b) (Schedules of Concessions) of the GATT 1994 because this aspect of the United States' appeal had been premised on arguments that the Appellate Body had rejected in making findings concerning these periodic reviews.

At its meeting of 31 August 2009 the DSB adopted the Appellate Body report and the compliance panel report, as upheld by the Appellate Body report.

Trade dispute: WT/DS332

Brazil – Measures Affecting the Imports of Retreaded Tyres

Complainant: **European Communities**
Respondent: **Brazil**

Panel and Appellate Body Reports adopted: 17 December 2007

At the DSB meeting of 25 September 2009, Brazil stated that it was now in full compliance with the DSB recommendations and rulings in this dispute. The European Communities, at the same meeting, said that it was in the process of reviewing Brazil's claim.

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

Brazil
93, 98

European Communities
84, 87, 90, 91, 92, 93, 97, 98, 99, 100

Japan
97

United States
85, 86, 90, 91, 93, 94, 97, 98, 99, 100

Trade dispute:	WT/DS339, WT/DS340, WT/DS342
China – Measures Affecting Imports of Automobile Parts	
Complainants: European Communities (DS339), United States (DS340), Canada (DS342)	
Respondent: China	
Panel and Appellate Body Reports adopted: 12 January 2009	
<p>At the DSB meeting on 11 February 2009, China informed the DSB that it intended to implement the DSB recommendations and rulings and that it would require a reasonable period of time to do so. On 27 February 2009, China and the European Communities, China and the United States, and China and Canada notified the DSB that they had agreed that the reasonable period of time would be seven months and 20 days. Accordingly, the reasonable period of time expired on 1 September 2009.</p> <p>At the DSB meeting of 31 August 2009, China said that on 15 August 2009 the Ministry of Industry and Information Technology and the National Development and Reform Commission had issued a joint decree to halt implementation of relevant provisions in the Automobile Industry Development Policy concerning the importation of auto parts.</p> <p>On 28 August 2009 the General Administration on Customs and relevant agencies had promulgated a joint decree to repeal Decree 125. As all these new decrees would come into effect on 1 September 2009, China declared that it had brought its measures into conformity with the DSB recommendations and rulings.</p>	
Trade dispute:	WT/DS343
United States – Measures Relating to Shrimp from Thailand	
Complainant: Thailand	
Respondent: United States	
Panel and Appellate Body Reports adopted: 1 August 2008	
<p>At the DSB meeting on 20 April 2009 the United States informed the DSB that it had taken steps to implement the recommendations and rulings and stated that it was now in compliance with those recommendations and rulings. Thailand, while appreciative of the United States' efforts, said it was still considering whether the steps taken would be sufficient to bring the United States into compliance.</p>	
Trade dispute:	WT/DS345
United States – Customs Bond Directive for Merchandise Subject to Anti-Dumping/Countervailing Duties	
Complainant: India	
Respondent: United States	
Panel and Appellate Body Reports: 1 August 2008	
<p>At the DSB meeting on 20 April 2009 the United States stated that it had notified the documents related to the additional bond requirement to the Committee on Anti-Dumping Practices and the Committee on Subsidies and Countervailing Measures, in accordance with the finding of the Panel.</p> <p>The United States therefore was pleased to inform the DSB that it had complied with the DSB recommendations and rulings. India said that it looked forward to seeing how steps taken by the United States would be implemented in practice.</p>	

United States – Continued Existence and Application of Zeroing MethodologyComplainant: **European Communities**Respondent: **United States**

Circulation of Panel Report: 1 October 2008
 Circulation of Appellate Body Report: 4 February 2009
 Reports adopted: 19 February 2009

On 6 November 2008 the European Communities notified the DSB of its decision to appeal to the Appellate Body on certain issues of law covered in the Panel report and certain legal interpretations developed by the Panel. On 18 November 2008 the United States likewise notified the DSB of its decision to appeal on certain aspects of the Panel report.

The Panel found that the United States acted inconsistently with Article 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the General Agreement on Tariffs and Trade (GATT) 1994 by applying zeroing in 29 periodic reviews.

The Appellate Body upheld the Panel's findings on appeal. In so doing, the Appellate Body examined Article 17.6(ii) (Consultation and Dispute Settlement), which addresses the question of 'permissible interpretations' under the Anti-Dumping Agreement.

The Appellate Body noted that Article 17.6(ii) of the Anti-Dumping Agreement contemplates a sequential analysis, whereby a panel must first apply the customary rules of interpretation codified in the Vienna Convention in an integrated and holistic fashion to the relevant treaty provisions in accordance with the first sentence of Article 17.6(ii), before engaging the question of whether there exists more than one permissible interpretation in accordance with the second sentence of that Article.

Where the application of the customary rules of interpretation give rise to an interpretative range under the first sentence of Article 17.6(ii), the function of the second sentence is to give effect to the interpretative range, rather than to require the interpreter to pursue further the interpretative exercise to the point where only one interpretation within that range may prevail.

The Appellate Body's interpretation of Article VI:2 (Anti-Dumping and Countervailing Duties) of the GATT 1994 and Article 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement confirmed that the term 'margin of dumping', as used in those provisions, relates to the 'product' under consideration and not to individual 'export transactions', and that the definitions of 'dumping' and 'dumping margin' apply in the same manner throughout the Anti-Dumping Agreement.

The Appellate Body upheld the Panel's finding that the United States acted inconsistently with Article 9.3 of the Anti-Dumping Agreement and Article VI:2 of the GATT 1994 by applying zeroing in 29 periodic reviews.

Regarding the European Communities' claims concerning the continued application of the 18 anti-dumping duties, the Appellate Body reversed the Panel's finding that the European Communities failed to identify the specific measures at issue in its panel request, as required under Article 6.2 (Establishment of Panels) of the DSU.

The Appellate Body found, instead, that the panel request identified the specific measures at issue as the use of the zeroing methodology, in each of the 18 cases listed in the annex to the panel request, whereby the anti-dumping duties in these cases are maintained.

Further trade disputes involving these countries can be seen on the following pages:

Canada

86, 98, 99

China

93, 94, 97, 99, 100

European Communities

84, 87, 88, 89, 92, 93, 97, 98, 99, 100

Thailand

97, 98

United States

85, 86, 88, 93, 94, 97, 98, 99, 100

The Appellate Body further found that the measures at issue are neither rules or norms of general application, nor specific instances of application of the zeroing methodology. Rather, they constitute ongoing conduct, involving the continued use of the zeroing methodology in each of the 18 specific cases, whereby the anti-dumping duties are maintained. The Appellate Body found that the European Communities was not precluded from challenging such ongoing conduct in WTO dispute settlement.

With regard to four of the 18 anti-dumping cases challenged by the European Communities, the Appellate Body further found that the Panel's factual findings sufficiently established the continued use of the zeroing methodology in successive proceedings whereby duties in these cases are maintained.

The Appellate Body concluded that the continued application of anti-dumping duties in these four cases is inconsistent with Article 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the GATT 1994 to the extent that the duties are maintained at a level calculated through the use of the zeroing methodology in periodic reviews, and is inconsistent with Article 11.3 (Duration and Review of Anti-Dumping Duties and Price Undertakings) of the Anti-Dumping Agreement to the extent that reliance is placed upon a margin of dumping calculated with zeroing in making sunset review determinations.

The Appellate Body also reversed the Panel's finding that four preliminary determinations challenged by the European Communities fell outside its terms of reference, but declined to complete the analysis because these measures were pending before the United States authorities at the time of the panel request.

In addition, the Appellate Body found that the Panel acted inconsistently with Article 11 (Function of Panels) of the DSU in finding that the European Communities had failed to demonstrate that zeroing was used in seven of the periodic reviews at issue and, consequently, reversed this finding of the Panel.

Observing that the Panel's reasoning indicated that it had evaluated individual pieces of evidence in order to determine whether any of the pieces, by itself, proved that zeroing had been applied, the Appellate Body considered that the Panel had disregarded the significance of all the submitted evidence by failing to give consideration to that evidence in its totality.

Due to these errors, the Appellate Body remarked that the Panel could not properly have reached a conclusion as to whether the European Communities had established a *prima facie* case.

The Appellate Body completed the analysis for five of these seven reviews, and found that the United States acted inconsistently with Article 9.3 (Imposition and Collection of Anti-Dumping Duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-Dumping and Countervailing Duties) of the GATT 1994 by applying zeroing in these five reviews; however, the Appellate Body was unable to complete the analysis in respect of the two remaining periodic reviews.

The Appellate Body upheld the Panel's finding that the United States acted inconsistently with Article 11.3 (Duration and Review of Anti-Dumping Duties and Price Undertakings) of the Anti-Dumping Agreement in eight sunset reviews by relying on margins of dumping calculated in previous proceedings with the use of zeroing.

At the DSB meeting on 20 March 2009 the United States informed the DSB that it intended to bring its measures into conformity with its WTO obligations and would need a reasonable period of time to do so. On 2 June 2009 the United States and the European Communities informed the DSB that they had agreed that the reasonable period of time for the United States to implement the DSB recommendations and rulings would be 10 months. Consequently, the reasonable period of time expired on 19 December 2009.

Dispute settlement

Trade dispute: WT/DS353**United States – Measures Affecting Trade in Large Civil Aircraft –
Second Complaint**Complainant: **European Communities**
Respondent: **United States**

Panel established: 17 February 2006

On 16 December 2009 the Chair of the Panel informed the DSB that it expected to issue its interim report to the parties in June 2010.

Trade dispute: WT/DS355**Brazil – Anti-dumping Measures on Imports of Certain Resins from Argentina**Complainant: **Argentina**
Respondent: **Brazil**

Panel established: 24 July 2007

During 2008, Argentina had asked the Panel to suspend its work pursuant to Article 12.12 (Panel Procedures) of the DSU. The Panel agreed to this request and suspended its work until further notice. Since the Panel had not been requested to resume its work, pursuant to Article 12.12 of the DSU, the authority for the establishment of the Panel lapsed as of 5 February 2009.

Trade dispute: WT/DS362**China – Measures Affecting the Protection and Enforcement of Intellectual
Property Rights**Complainant: **United States**
Respondent: **China**Circulation of Panel Report: 26 January 2009
Report adopted: 20 March 2009

This dispute concerned three specific aspects of China's intellectual property system.

The first was the Copyright Law, which contained a provision that 'prohibited' works shall not receive copyright protection. The Panel concluded that this provision violated the Berne Convention, as incorporated in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). This does not affect China's right to prohibit the publication and distribution of works by means of censorship.

The second aspect of the dispute related to China's measures for the disposal of infringing goods seized by Customs. The Panel concluded that the TRIPS obligations on border measures do not apply to exports (which in China constitute almost all infringing goods seized by Customs). The Panel found no problem with the sequence of options available to China Customs for disposal of infringing imports but concluded that the details of the procedure for auction of counterfeit trademark goods were inconsistent with the TRIPS Agreement.

The third aspect of China's intellectual property system to be considered by the Panel concerned China's definitions of the crimes of trademark and copyright infringement. China excluded from criminal enforcement lower level infringement, which is defined in terms of turnover, profit and sales volume thresholds, and a minimum number of pirated copies. The Panel found that the TRIPS Agreement does not oblige WTO members to criminalize all trademark and copyright infringement and concluded that the evidence was inadequate to show whether the cases excluded by China's criminal thresholds were covered by the TRIPS obligation.

Further trade disputes involving these countries can be seen on the following pages:

Brazil
89**China**
90, 94, 97, 99, 100**European Communities**
84, 87, 88, 90, 91, 97, 98, 99, 100**United States**
85, 86, 88, 90, 91, 94, 97, 98, 99, 100

On 15 April 2009, China informed the DSB that it intended to implement the DSB recommendations and rulings and that it would need a reasonable period of time to do so. On 29 June 2009, China and the United States informed the DSB that they had agreed that the reasonable period of time for China to implement the DSB recommendations and rulings would be 12 months from the adoption of the report and would expire on 20 March 2010.

Trade dispute:

WT/DS363

China – Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products

Complainant: **United States**

Respondent: **China**

Circulation of Panel Report: 12 August 2009

Circulation of Appellate Report: 21 December 2009

Reports adopted: 19 January 2010

This dispute concerned various Chinese measures relating to the importation into and distribution within China of reading materials (e.g. books, newspapers, periodicals, electronic publications), audiovisual home entertainment (AVHE) products (e.g. videocassettes, video compact discs, digital video discs), sound recordings (in both physical and electronic form) and films for release in movie theatres.

The Panel found that the Chinese measures at issue were inconsistent with China's commitment under its Accession Protocol to grant a 'right to trade' to foreign and Chinese enterprises and foreign individuals.

Specifically, the Chinese measures were found to restrict the right to import films, reading materials, AVHE products and sound recordings. The Panel did not accept China's defence that these measures were 'necessary to protect public morals' under Article XX(a) (General Exceptions) of the General Agreement on Tariffs and Trade (GATT) 1994, even assuming that Article XX(a) was available as a defence to claims based on the Accession Protocol.

With respect to the United States' claims under the General Agreement on Trade in Services (GATS), the Panel concluded that Chinese measures regarding distribution services for reading materials and AVHE products, as well as electronic sound recordings, were inconsistent with China's market access or national treatment commitments under the GATS.

The Panel also found that certain Chinese measures affecting the distribution of imported reading materials were inconsistent with Article III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994.

However, the Panel determined that the United States had not demonstrated a breach in respect of a number of Chinese measures, including the challenge based on the national treatment obligation under the GATT 1994 as regards films for theatrical release and sound recordings intended for electronic distribution.

On 22 September 2009, China notified the DSB of its decision to appeal on certain issues of law and legal interpretations in the Panel report, and on 5 October 2009 the United States notified the DSB of its decision to appeal on certain aspects of the Panel report.

The Appellate Body upheld Panel findings that China's restrictions on who may import films for release in movie theatres and audiovisual products imported for publication were inconsistent with commitments assumed by China under paragraphs 1.2 and 5.1 of its Accession Protocol and paragraphs 83(d) and 84(a) and (b) of its Accession Working Party Report, namely: (i) to grant the right to import and export all goods to all enterprises and foreign individuals; and (ii) to grant such right in a non-discretionary manner.

Dispute settlement

Although China argued that its measures, which regulate content and services, were not subject to these commitments, which concern goods, the Appellate Body found that the Panel had properly determined that the measures necessarily affect who may engage in trade in goods and were, therefore, subject to, and inconsistent with, China's trading rights commitments.

China sought to defend the measures found to be inconsistent with its trading rights commitments as 'necessary' to protect public morals, within the meaning of Article XX(a) (General Exceptions) of the GATT 1994.

China contended that its measures aimed to prevent the dissemination of materials containing prohibited content. Although the Panel assumed *arguendo* that Article XX(a) was available to China as a defence, the Appellate Body made an affirmative finding that, by virtue of the language used in paragraph 5.1 of China's Accession Protocol, China could invoke Article XX(a) in this dispute. The Appellate Body upheld the Panel's ultimate finding that China had not made out such a defence.

With respect to China's asserted defence, the dispute focused on the 'necessity' of China's measures to the achievement of China's declared policy objectives, namely the protection of public morals in China.

Specifically, the issues raised on appeal concerned the question of whether China's measures made a contribution to the achievement of its objective of protecting public morals, as weighed against the restrictive effect on imports on those wishing to engage in importing, and on whether alternative measures proposed by the United States were reasonably available to China.

The Appellate Body upheld two intermediate findings made by the Panel regarding the contribution to China's objectives made by two measures, namely: (i) the requirement that entities approved to import publications be wholly state-owned enterprises; and (ii) the provisions excluding foreign-invested enterprises from engaging in the importation of the relevant products.

With respect to a third intermediate finding that was the subject of the appeal brought by the United States, the Appellate Body found that the Panel had erred in finding that a measure was apt to make a material contribution to the protection of public morals.

The Appellate Body also found that the Panel had not erred in its analysis in taking into account the restrictive effect that the relevant measures have on those wishing to engage in importing, in addition to the restrictive effect of such measures on imports, nor in finding that an alternative measure proposed by the United States (namely, that the Chinese Government be given sole responsibility for carrying out content review of the relevant imported products) was 'reasonably available' to China. The Appellate Body emphasized, however, that China may select its preferred method of implementing the DSB's recommendations and rulings.

Finally, the Appellate Body upheld the Panel's finding that China's measures prohibiting foreign-invested entities from engaging in the distribution of sound recordings in electronic form were inconsistent with the national treatment obligation in Article XVII (National Treatment) of the GATS.

The Appellate Body found that the Panel had not erred in interpreting the entry 'Sound recording distribution services' in sector 2.D of China's GATS schedule as extending to the distribution of sound recordings in electronic form (such as over the Internet or mobile telephone networks), and not, as contended by China, as being limited to the distribution of sound recordings in physical form (such as CDs).

The Panel findings that certain Chinese measures relating to the distribution of reading materials and audiovisual home entertainment products were inconsistent with Article III:4 (National Treatment on Internal Taxation and Regulation) of the GATT 1994 and Articles XVI (Market Access) and XVII (National Treatment) of the GATS were not appealed.

Further trade disputes involving these countries can be seen on the following pages:

China

90, 93, 97, 99, 100

United States

85, 86, 88, 90, 91, 93, 97, 98, 99, 100

Trade dispute:	WT/DS366
Colombia – Indicative Prices and Restrictions on Ports of Entry	
Complainant: Panama Respondent: Colombia	
Circulation of Panel Report: 27 April 2009 Report adopted: 20 May 2009	
<p>The Panel upheld Panama's claims that Articles 128.5(e) of Decree No. 2685 and 172.7 of Resolution No. 4240, as well as the various resolutions establishing indicative prices, were inconsistent 'as such' with the obligation established in the Customs Valuation Agreement to apply, in a sequential manner, the methods of valuation provided in Articles 1, 2, 3, 5 and 6 of the Customs Valuation Agreement, and with Article 7.2(b) and (f) of the Customs Valuation Agreement.</p> <p>The Panel declined to rule separately on Panama's claims that these measures were 'as such' inconsistent with Article 7.2(g) of the Customs Valuation Agreement and Article III:2 (National Treatment on Internal Taxation and Regulation), first sentence, and Article III:4 of the General Agreement on Tariffs and Trade (GATT) 1994, and on Panama's 'as applied' claims pertaining to the consistency of Colombia's indicative prices regime with the Customs Valuation Agreement as well as Article III:2, first sentence, and Article III:4 of the GATT 1994.</p> <p>The Panel upheld Panama's claims that the ports of entry measure was inconsistent with Article I:1 (General Most-Favoured-Nation Treatment), the first and second sentences of Article V:2 (Freedom of Transit), the first sentence of Article V:6, and Article XI:1 (General Elimination of Quantitative Restrictions) of the GATT 1994. It declined to rule separately on Panama's claims that this measure is inconsistent with Article I:1 (General Most-Favoured-Nation Treatment) and Article XIII:1 (Non-discriminatory Administration of Quantitative Restrictions) of the GATT 1994. The Panel further rejected Colombia's defence that the ports of entry measure is justified under Article XX(d) (General Exceptions) of the GATT 1994.</p> <p>The Panel concluded that, to the extent that Colombia had acted inconsistently with the provisions of the Customs Valuation Agreement and the GATT 1994, it has nullified or impaired benefits accruing to Panama. The Panel recommended that Colombia bring its measures into conformity with its obligations under the Customs Valuation Agreement and the GATT 1994.</p> <p>On 7 July 2009, Panama requested binding arbitration under Article 21.3(c) (Surveillance of Implementation of Recommendations and Rulings) of the DSU. On 30 July 2009 the Director-General appointed Mr Giorgio Sacerdoti to act as arbitrator.</p> <p>On 2 October 2009 the award of the Arbitrator was circulated. The Arbitrator determined that the reasonable period of time for Colombia to implement the recommendations and rulings of the DSB was eight months and 15 days from the date of adoption of the Panel report. The reasonable period expired on 4 February 2010.</p>	
Trade dispute:	DS367
Australia – Measures Affecting the Importation of Apples from New Zealand	
Complainant: New Zealand Respondent: Australia	
Panel established: 21 January 2008	
<p>On 29 January 2010 the Panel informed the DSB that it expected to issue its final report to the parties by May 2010, as envisaged in the revised timetable adopted after consultation with the parties.</p>	



Dispute settlement

Trade dispute: WT/DS371**Thailand – Customs and Fiscal Measures on Cigarettes from the Philippines**Complainant: **Philippines**Respondent: **Thailand**

Panel established: 17 November 2008

On 16 February 2009 the panel was composed. On 3 September 2009 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 would not be able to complete its work in six months. The Panel expects to issue its final report to the parties in the course of March 2010.

Trade dispute: WT/DS375, WT/DS376, WT/DS377**European Communities and its Member States – Tariff Treatment of Certain Information Technology Products**Complainants: **United States (DS375), Japan (DS376), Chinese Taipei (DS377)**Respondent: **European Communities and its member states**

Panel established: 23 September 2008

On 12 January 2009 the parties requested the Director-General to compose the panel, which he did on 22 January 2009. On 21 December 2009 the Chair of the Panel informed the DSB that the Panel expected to issue its final report to the parties by the end of April 2010.

Trade dispute: WT/DS379**United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China**Complainant: **China**Respondent: **United States**

At its meeting on 20 January 2009 the DSB established a panel to examine the definitive anti-dumping and countervailing duties imposed by the United States on a range of products from China, including steel pipe, off-road tyres and laminated woven sacks. Argentina, Australia, Bahrain, Brazil, Canada, the European Communities, India, Japan, Kuwait, Mexico, Norway, Saudi Arabia, Chinese Taipei and Turkey reserved their third-party rights.

On 23 February 2009, China requested that the Director-General determine the composition of the panel, which he did on 4 March 2009. On 17 November 2009 the Chair of the Panel informed the DSB that the Panel expected to complete its work by May 2010.

Trade dispute: WT/DS381**United States – Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products**Complainant: **Mexico**Respondent: **United States**

At its meeting of 20 April 2009 the DSB established a panel to examine certain measures taken by the United States concerning the importation, marketing and sale of tuna and tuna products. Argentina, Australia, Brazil, Canada, China, Ecuador, the European Communities, Guatemala, Japan, Korea, New Zealand, Chinese Taipei, Thailand, Turkey and Venezuela reserved their third-party rights.

Further trade disputes involving these countries can be seen on the following pages:**China**

90, 93, 94, 99, 100

European Communities

84, 87, 88, 89, 90, 91, 93, 94, 97, 98, 99, 100

Japan

89

Mexico

99, 100

Thailand

91, 98

United States

85, 86, 88, 90, 91, 93, 94, 97, 98, 99, 100

On 2 December 2009, Mexico requested the Director-General to determine the composition of the panel, which he did on 14 December 2009.

Trade dispute: WT/DS382

United States – Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil

Complainant: **Brazil**
Respondent: **United States**

At its meeting of 25 September 2009 the DSB established a panel to examine United States laws, regulations, administrative procedures, practices and methodologies for calculating dumping margins in administrative reviews, involving the use of 'zeroing', and their application in anti-dumping duty administrative reviews regarding imports of certain orange juice from Brazil. Argentina, the European Communities, Japan, Korea, Mexico, Chinese Taipei and Thailand reserved their third-party rights.

Trade dispute: WT/DS383

United States – Anti-Dumping Measures on Polyethylene Retail Carrier Bags from Thailand

Complainant: **Thailand**
Respondent: **United States**

Circulation of Panel Report: 22 January 2010

At its meeting on 20 March 2009 the DSB established a panel to examine the application by the United States of the practice known as 'zeroing' in the United States' determination of the margins of dumping in its anti-dumping investigation of polyethylene retail carrier bags from Thailand. Argentina, the European Communities, Japan, Korea and Chinese Taipei reserved their third-party rights. On 20 August 2009 the panel was composed.

The Panel found that the United States acted inconsistently with Article 2.4.2 (Determination of Dumping), first sentence, of the Anti-Dumping Agreement by using 'zeroing' in the Final Determination, as amended, and the Order to determine the dumping margins for individually investigated Thai exporters whose margins of dumping were not based on total facts available. The Panel recommended that the DSB request the United States to bring its measures into conformity with its obligations under the Anti-Dumping Agreement.

Trade dispute: WT/DS384

United States – Certain Country of Origin Labelling (COOL) Requirements

Complainant: **Canada (see also WT/DS386)**
Respondent: **United States**

At its meeting on 19 November 2009 the DSB established a single panel, pursuant to Article 9.1 (Procedures for Multiple Complainants) of the DSU, to examine this dispute and dispute DS386 concerning the United States measure requiring country of origin labelling (COOL) in respect of certain agricultural products including beef and pork. Argentina, Australia, Brazil, China, Colombia, the European Communities, Guatemala, India, Japan, Korea, Mexico, Peru, New Zealand and Chinese Taipei reserved their third-party rights.

Trade dispute: WT/DS386**United States – Certain Country of Origin Labelling Requirements**Complainant: **Mexico (see also WT/DS384)**Respondent: **United States**

At its meeting on 19 November 2009 the DSB established a single panel, pursuant to Article 9.1 (Procedures for Multiple Complainants) of the DSU, to examine this dispute and dispute DS384 concerning the country of origin labelling (COOL) provisions adopted by the United States in respect of certain agricultural products including beef and pork. Argentina, Australia, Brazil, Canada, China, Colombia, the European Communities, Guatemala, India, Japan, Korea, Peru, New Zealand and Chinese Taipei reserved their third-party rights.

Trade dispute: WT/DS389**European Communities – Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States**Complainant: **United States**Respondent: **European Communities**

At its meeting on 19 November 2009 the DSB established a panel to examine certain European Communities measures affecting poultry meat and poultry meat products from the United States. Australia, China, Guatemala, Korea, New Zealand, Norway and Chinese Taipei reserved their third-party rights.

Trade dispute: WT/DS391**Korea – Measures Affecting the Importation of Bovine Meat and Meat Products from Canada**Complainant: **Canada**Respondent: **Korea**

At its meeting on 31 August 2009 the DSB established a panel to examine measures affecting the importation of bovine meat and meat products from Canada. Argentina, Brazil, China, the European Communities, India, Japan, Chinese Taipei and the United States reserved their third-party rights.

On 4 November 2009, Canada requested the Director-General to compose the panel, which he did on 13 November 2009.

Trade dispute: DS392**United States – Certain Measures Affecting Imports of Poultry from China**Complainant: **China**Respondent: **United States**

Circulation of Panel Report: 27 April 2009

Report adopted: 20 May 2009

At its meeting on 31 July 2009 the DSB established a panel to examine certain measures taken by the United States relating to the importation of poultry products from China. Brazil, the European Communities, Guatemala, Republic of Korea, Chinese Taipei and Turkey reserved their third-party rights.

On 16 September 2009, China requested the Director-General to compose the panel, which he did on 23 September 2009.

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

Brazil

89, 93

Canada

86, 90

China

90, 93, 94, 97, 100

European Communities

84, 87, 88, 89, 90, 91, 92, 93, 97, 100

Mexico

97, 100

Thailand

91, 97

United States

85, 86, 88, 90, 91, 93, 94, 97, 100

Trade dispute: WT/DS394

China – Measures Related to the Exportation of Various Raw Materials (see also WT/DS395 and WT/DS398)

Complainant: **United States**
Respondent: **China**

At its meeting on 21 December 2009 the DSB established a single panel to examine this dispute as well as DS395 and DS398 regarding China's alleged restraints on the export from China of various raw materials, pursuant to Article 9.1 (Procedures for Multiple Complainants) of the DSU. Argentina, Brazil, Canada, Chile, Colombia, Ecuador, the European Union, India, Japan, Korea, Mexico, Norway, Chinese Taipei and Turkey reserved their third-party rights.

Trade dispute: WT/DS395

China – Measures Related to the Exportation of Various Raw Materials

Complainant: **European Communities (See also WT/DS394 and WT/DS398)**
Respondent: **China**

At its meeting on 21 December 2009 the DSB established a single panel to examine this dispute as well as DS394 and DS398 regarding China's alleged restraints on the export from China of various raw materials, pursuant to Article 9.1 (Procedures for Multiple Complainants) of the DSU. Argentina, Brazil, Canada, Chile, Colombia, Ecuador, India, Japan, Korea, Mexico, Norway, Chinese Taipei, Turkey and the United States reserved their third-party rights.

Trade dispute: WT/DS397

European Communities – Definitive Anti-Dumping Measures on Certain Iron or Steel Fasteners from China

Complainant: **China**
Respondent: **European Communities**

At its meeting on 23 October 2009 the DSB established a panel to examine this dispute. Brazil, Canada, Chile, Colombia, India, Japan, Norway, Chinese Taipei, Thailand, Turkey and the United States reserved their third-party rights.

On 30 November 2009 the European Communities requested the Director-General to determine the composition of the panel, which he did on 9 December 2009.

Trade dispute: WT/DS398

China – Measures Related to the Exportation of Various Raw Materials

Complainant: **Mexico (see also WT/DS394 and WT/DS395)**
Respondent: **China**

At its meeting on 21 December 2009 the DSB established a single panel, pursuant to Article 9.1 (Procedures for Multiple Complainants) of the DSU, to examine this dispute and DS395 and DS394. Argentina, Brazil, Canada, Chile, Colombia, Ecuador, the European Union, India, Japan, Korea, Norway, Chinese Taipei, Turkey and the United States reserved their third-party rights.

Requests for consultations

Dispute	Complainant	Date of request
China – Grants, Loans and Other Incentives (WT/DS390)	Guatemala	19 January 2009
Chile – Anti-Dumping Measures on Imports of Wheat Flour from Argentina (WT/DS393)	Argentina	14 May 2009
Philippines – Taxes on Distilled Spirits (WT/DS396)	European Communities	29 July 2009
United States – Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China (WT/DS399)	China	14 September 2009
European Communities – Measures Prohibiting the Importation and Marketing of Seal Products (WT/DS400)	Canada	2 November 2009
European Communities – Measures Prohibiting the Importation and Marketing of Seal Products (WT/DS401)	Norway	5 November 2009
United States – Use of Zeroing in Anti-Dumping Measures involving Products from Korea (WT/DS402)	Korea	24 November 2009

Dispute settlement

Further trade disputes involving these countries can be seen on the following pages:

China

90, 93, 94, 97, 99

European Communities

84, 87, 88, 89, 90, 91, 92, 93, 97, 98, 99

Mexico

97, 99

United States

85, 86, 88, 90, 91, 93, 94, 97, 98, 99

Dispute settlement



Background

The Appellate Body consists of seven members appointed by the Dispute Settlement Body (DSB). Each member is appointed for a term of four years, with the possibility of being reappointed for one further four-year term. An appeal of a panel's ruling is heard by three members of the Appellate Body.

Appellate Body

Three appeals of panel reports were filed with the Appellate Body in 2009, out of a total of five reports that could have been appealed. One of these appeals related to original panel proceedings. Two appeals related to panel proceedings under Article 21.5 (Surveillance of Implementation of Recommendations and Rulings) of the Dispute Settlement Understanding (DSU), involving cases where the parties disagreed whether the panel's original ruling had been properly implemented.

A full list of appeals filed in 2009 is provided in Table 2.

Table 2: Appeals filed in 2009

Panel reports appealed	Date of appeal	Appellant ^a	Other appellant ^b	Date of circulation of Appellate Body report	Date adopted by the DSB
<i>US – Zeroing (EC)</i> (Article 21.5 – EC), DS294	13 Feb 2009	European Communities	United States	14 May 2009	11 Jun 2009
<i>US – Zeroing (Japan)</i> (Article 21.5 – Japan), DS322	20 May 2009	United States	–	18 Aug 2009	31 Aug 2009
<i>China – Publications and Audiovisual Products</i> , DS363	22 Sept 2009	China	United States	21 Dec 2009	19 Jan 2010

^a Pursuant to Rule 20 of the Working Procedures for Appellate Review.

^b Pursuant to Rule 23(1) of the Working Procedures for Appellate Review.

Appellate Body members

At the end of 2009, the seven Appellate Body members were:

- Lilia Bautista (Philippines)
- Jennifer Hillman (United States)
- Shotaro Oshima (Japan)
- Ricardo Ramírez-Hernández (Mexico)
- David Unterhalter (South Africa)
- Peter Van den Bossche (Belgium)
- Yuejiao Zhang (China).

The terms of office of three members of the Appellate Body were due to expire on 11 December 2009, when Luiz Olavo Baptista and Giorgio Sacerdoti would complete their second terms of office and David Unterhalter would complete his first term of office. However, on 12 November 2008, Mr Baptista informed the Chair of the Dispute Settlement Body (DSB) that he was compelled to resign for health reasons. His resignation took effect on 11 February 2009.

On 19 June 2009 the DSB decided to appoint Ricardo Ramírez-Hernández (Mexico), whose term began on 1 July 2009, and Peter Van den Bossche (Belgium), whose term began on 12 December 2009. The DSB also decided to appoint David Unterhalter to a second term beginning on 12 December 2009. Mr Ramírez was sworn in on 20 July 2009 and Mr Van den Bossche on 19 November 2009.

David Unterhalter served as Chair of the Appellate Body from 18 December 2008 to 11 December 2009. In November 2009, Appellate Body members re-elected Mr Unterhalter to serve a second term as Chair from 12 December 2009 to 11 December 2010.



Mr Peter Van den Bossche (Belgium) was sworn in on 19 November 2009 as a member of the Appellate Body at a ceremony at the WTO.



New members

Ricardo Ramírez-Hernández holds the Chair of International Trade Law at the Mexican National University in Mexico City. He was Head of the International Trade Practice for Latin America at a major law firm in Mexico City. His practice has focused on issues related to the North American Free Trade Agreement (NAFTA) and trade across Latin America, including international trade dispute resolution.

Before entering private practice, Mr Ramírez was Deputy General Counsel for Trade Negotiations of the Ministry of Economy in Mexico for more than a decade. In this capacity, he provided advice on trade and competition policy matters related to 11 free trade agreements signed by Mexico as well as multilateral agreements, including those related to the WTO, the Free Trade Area of the Americas and the Latin American Integration Association.

Mr Ramírez has represented Mexico in international trade litigation and investment arbitration proceedings, and has also served on NAFTA panels. He holds an LL.M. degree in International Business Law from the Washington College of Law of the American University and a law degree from the Universidad Autónoma Metropolitana in Mexico City.

Peter Van den Bossche is Professor of International Economic Law at Maastricht University where he serves as Director of the Advanced Master Programme in International and European Economic Law. He also serves on the faculty of the World Trade Institute in Berne, the China-EU School of Law in Beijing, the International Economic Law and Policy programme of the University of Barcelona, the Trade Policy Training Centre in Africa in Arusha, United Republic of Tanzania, and the Academy of International Trade and Investment Law in Macao, China. He is a member of the editorial board of the *Journal of International Economic Law*.

Mr Van den Bossche holds a Doctorate in Law from the European University Institute in Florence, an LL.M. degree from the University of Michigan Law School, and a licence en droit *magna cum laude* from the University of Antwerp. From 1990 to 1992, he served as a Référendaire of Advocate General Walter van Gerven at the European Court of Justice in Luxembourg. From 1997 to 2001, Mr Van den Bossche was Counsellor and subsequently Acting Director of the WTO Appellate Body Secretariat. In 2001 he returned to academia and from 2002 to 2009 frequently acted as a consultant to international organizations and developing countries on issues of international economic law.

Mr Van den Bossche has published extensively in the field of international economic law. The second edition of his textbook, *The Law and Policy of the World Trade Organization*, was published in 2008.

Dispute settlement



Mr Ricardo Ramírez-Hernández was sworn in on 20 July 2009.

Building trade capacity

The Second Global Review of Aid for Trade, which took place in July 2009, signalled continued determination to help developing countries use trade as a vehicle for economic growth and poverty reduction. Capacity-building initiatives and the Aid for Trade initiative were some of the major issues discussed by the Committee on Trade and Development. The WTO provided some 460 trade-related technical assistance activities during the year.

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Standards and Trade Development Facility	110
Aid for Trade	112
Second Global Review of Aid for Trade	114
Technical cooperation and training	116



Background

The Committee on Trade and Development (CTD) serves as the focal point for the coordination of all work on trade and development issues in the WTO. The committee deals with a variety of development-related issues such as technical cooperation and training and notifications under the Enabling Clause, which allows developed members to give more favourable treatment to developing countries.

Trade and development

Capacity-building initiatives, market access for least-developed countries (LDCs) and the Aid for Trade initiative were some of the important issues discussed by the Committee on Trade and Development and its sub-committee on LDCs in 2009.

The Committee on Trade and Development (CTD) held five formal regular sessions in 2009. It also held two dedicated sessions to consider notifications of regional trade agreements (RTAs) under the Enabling Clause. The regular sessions considered notifications regarding market access for developing and least-developed countries, transparency for preferential trade arrangements, duty-free and quota-free market access for LDCs, and the participation of developing countries in the multilateral trading system. The committee also discussed the WTO's technical assistance activities.

The report of the 42nd session of the Joint Advisory Group on the International Trade Centre (ITC) was presented to the committee. The Joint Advisory Group is the policy-making body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development.

Notifications under the Enabling Clause

In 2009, the committee considered notifications under the Enabling Clause by Norway, the European Union (EU), Switzerland and the United States relating to their Generalized System of Preferences (GSP) schemes. These are unilateral programmes by developed countries which grant preferential tariffs to imports from developing countries.

In its dedicated sessions, the committee considered the Free Trade Agreement between Pakistan and Sri Lanka covering trade in goods and the Closer Economic Partnership Agreement between Pakistan and Malaysia, also relating to goods trade. A notification was made concerning the Preferential Trade Agreement between Chile and India, which will be considered in a dedicated session in 2010.

The committee also discussed issues concerning the change in the notification status of the Gulf Cooperation Council Customs Union, from Article 24 of the GATT to the Enabling Clause. The committee further agreed that RTAs notified under the Enabling Clause involving non-WTO members would be looked at using the same procedures as those for RTAs involving WTO members only. Three such agreements have been notified to the CTD – the South Asian Free Trade Agreement (SAFTA), the India-Bhutan Agreement and the Pacific Island Countries Trade Agreement (PICTA).

Preferential trade arrangements

The proponents of a transparency mechanism for preferential trade arrangements – Brazil, China, India and the United States – circulated a revised draft proposal in November 2009, which was further discussed in the committee. When reporting to the General Council in December 2009, the Chair said more consultations were needed and requested a further extension until July 2010 for the CTD to consider the matter and report back for appropriate action.

Duty-free and quota-free market access for LDCs

Duty-free and quota-free market access for LDCs remains a standing item on the CTD's agenda. Under this item, India provided an update on the implementation of its Duty Free Tariff Preference (DFTP) Scheme for LDCs. Switzerland introduced a new GSP notification and the EU informed the Committee that its Everything but Arms (EBA) arrangement now provided full duty-free quota-free market access for all products (except arms and ammunition) from all LDCs. The CTD also conducted its fourth annual review of the implementation of the Decision at the Hong Kong Ministerial Conference in 2005, committing developed WTO members and developing countries 'declaring themselves in a position to do so' to grant duty-free quota-free access for almost all imports from LDCs.

Technical cooperation and training

The WTO's technical assistance and training activities (see page 116) were discussed by the committee, which took note of the 2008 Annual Report on Technical Assistance and Training and the Technical Cooperation Audit Report for 2008. The former provides an overview of the WTO's technical assistance and training activities in 2008, while the latter evaluates these activities. The CTD adopted the Biennial Technical Assistance and Training Plan for 2010 and 2011.

Small economies

In 2009 the CTD held two formal dedicated sessions on small economies, under the work programme originally agreed at the Doha Ministerial Conference in 2001 'to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system'. SVEs, mostly but not exclusively small island states, do not constitute a defined group in the WTO, but associate on specific issues.

The WTO Secretariat prepared an updated paper to assist the CTD in monitoring the progress of proposals by small vulnerable economies in the relevant WTO bodies and Doha Round negotiating groups. These proposals range across the Doha negotiations, covering agriculture, non-agricultural market access, services, rules (including fisheries subsidies) and trade facilitation, as well as the Aid for Trade initiative.

The CTD also discussed a report on its activities since 2005, which was then forwarded to the General Council and in turn transmitted to the WTO's Seventh Ministerial Conference. The CTD will continue to hold dedicated sessions on SVEs to monitor the situation in the Doha negotiations and, where possible, to make recommendations to the General Council.

Least-developed countries

The Sub-Committee on Least-Developed Countries held three formal meetings in 2009. The main subjects considered were market access for LDCs, trade-related technical assistance and capacity building, and accession of LDCs to the WTO.

Market access for LDCs

Market access for LDCs was discussed at all three meetings of the sub-committee. As background for the sub-committee's annual review of market access for products originating from LDCs, the WTO Secretariat provided updated information on the latest trends in LDC trade and market access conditions, including a section detailing the impact on LDC trade of the global economic crisis.

The sub-committee also continued to look at LDC market access issues in the area of trade in services, including a detailed presentation by the International Trade Centre (ITC) on its work in relation to LDC trade in services. The sub-committee will continue to make efforts to enhance LDCs' understanding of the various aspects of services trade with a view to assisting their effective participation in the negotiations on trade in services.



Background

The Committee on Trade and Development – in dedicated session – oversees the work programme on small economies and monitors the progress of proposals from small vulnerable economies (SVEs) in the various WTO bodies and Doha Round negotiating groups.

Building trade capacity



Background

The Sub-Committee on Least-Developed Countries (LDCs) addresses issues of specific concern and interest to LDCs in the WTO. Of the 49 LDCs designated by the United Nations, 32 are WTO members and 12 are in various stages of their accession process. The work programme on LDCs, adopted following the Doha Ministerial Conference in 2001, covers market access, trade-related technical assistance and capacity building, accession of LDCs to the WTO, and LDC participation in the multilateral trading system. The sub-committee also monitors the work of the Enhanced Integrated Framework for LDCs.

Technical assistance and capacity building

The sub-committee regularly monitors the progress of the WTO's trade-related technical assistance (TRTA) and other capacity-building initiatives for LDCs, such as the Enhanced Integrated Framework (EIF) (see page 109) and the Standards and Trade Development Facility (STDF) (see page 110). An overview of the WTO's technical assistance and training activities for LDCs, provided by the Secretariat, shows that these activities represented 42 per cent of all technical assistance to developing countries in 2008, reflecting the continuing priority given to LDCs. The sub-committee will continue its efforts to assess the specific needs of TRTA beneficiaries for trade capacity building.

The sub-committee also heard presentations from the Executive Director of the EIF Secretariat, which became fully operational in July 2009 (see page 109), and from the Secretariat of the STDF. As of May 2009, 21 STDF project preparation grants had been approved for LDCs, two-thirds of the total, and LDCs were beneficiaries of 14 projects or nearly 40 per cent of all the projects being funded by the STDF.

Accession of LDCs to the WTO

As of December 2009, 12 LDCs (Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Lao PDR, Liberia, Samoa, São Tomé and Príncipe, Sudan, Vanuatu and Yemen), representing more than a third of those negotiating to join the WTO, were at various stages of their accession process.

The accession of LDCs continues to receive priority on the sub-committee's agenda. In 2009 the Secretariat prepared a detailed note on LDC accession, discussion of which prompted organization in May 2009 of the first-ever 'dialogue' between acceding LDCs as a group and key WTO members. The sub-committee considered a report on that dialogue and also took note of the outcome of a round table on LDC accessions hosted by Cambodia in September 2009. The dialogue will be continued within the framework of the sub-committee in 2010.

Other matters

The United Nations Industrial Development Organization (UNIDO) reported on the outcome of the LDC Ministerial Conference held in Siem Reap, Cambodia, in November 2008. The subsequent LDC Ministerial Conference, focusing on the impact of the global financial crisis, took place in Vienna in December 2009.

The LDC Coordinator reported on the meeting of LDC trade ministers in Dar es Salaam, Tanzania, in October 2009. The Dar es Salaam Declaration adopted at that meeting sets out the position of LDCs in different areas of the Doha Development Agenda, and forms the basis for LDC participation in the ongoing negotiations.

The Chair informed the sub-committee that the Fourth United Nations Conference on the Least-Developed Countries would be held in Turkey in 2011, for which the preparatory process had been launched. The WTO will be making a substantive contribution to this conference in line with its areas of expertise.



Enhanced Integrated Framework for LDCs

The Enhanced Integrated Framework (EIF) for trade-related assistance to LDCs became effectively operational in 2009. By the end of the year, 47 LDCs were involved in the EIF process, and the EIF Trust Fund had risen to US\$ 90 million. The breadth of support enjoyed by the EIF was manifest at the EIF Ministerial event hosted by the Director-General on the margins of the Seventh WTO Ministerial Conference in December 2009.

The EIF is not a new mechanism but an enhanced version of the Integrated Framework (IF) established in 1997. The EIF became effectively operational in 2009, taking over implementation for the 45 LDCs already involved with the IF at the end of 2008. As of December 2009, 47 LDCs (including Cape Verde, which joined the IF when still an LDC) were at different stages in the EIF process. Thirty-five had completed Diagnostic Trade Integration Studies (DTIS) aimed at identifying bottlenecks and other problems handicapping trade expansion, and some were updating their studies. Another 12 LDCs were in the midst of preparing their first DTIS.

During 2009, work continued on transforming the EIF Interim Board, the principal decision-making body, into a full Board focusing more on strategic issues and less on day-to-day management of the EIF, which will be the responsibility of the EIF Secretariat. By the end of the year, the EIF Trust Fund had grown to around US\$ 90 million. In this context, ministers at the Seventh WTO Ministerial Conference underlined the importance of ensuring continued predictable funding from donors, needed more than ever at a time of economic crisis, so as to maintain the EIF's capacity to meet the high expectations of LDCs and their development partners.

EIF financing has two separate 'windows', Tier 1 and Tier 2. Tier 1 projects (institutional capacity building) are intended to improve the capacity of the national EIF managers to manage the EIF process in their countries and thereby help make trade a core element of national development strategies. Tier 2 projects (designed to promote broader trade capacity building and poverty reduction) aim to provide bridging money to jump-start activities identified by the DTIS as priorities in the EIF 'diagnostic' phase. The DTIS studies evaluate internal and external constraints on a country's integration into the world economy, and recommend areas where trade-related assistance (including productive capacity building and trade-related infrastructure) and policy actions can help the country overcome potential barriers.

At the end of 2009, Tier 1 projects had been approved for 10 LDCs (Cambodia, The Gambia, Lao PDR, Lesotho, Liberia, Malawi, Rwanda, Sierra Leone, Uganda and Yemen) for funding out of the EIF Trust Fund, while more were in the pipeline (additional Tier 1 projects for Burundi and Zambia were approved in early 2010). Additionally, DTIS-related projects for Afghanistan, Bhutan, Democratic Republic of Congo, Timor Leste and Togo had been approved, bringing the total number of projects to 15 by the end of 2009. Also in 2009, the EIF Interim Board drew up detailed technical and fiduciary guidelines for the formulation of Tier 2 projects, which are expected to become operational in 2010. Tier 2 projects may be funded by bilateral, regional or multilateral donors active in the country, or by the EIF Trust Fund.

Building trade capacity



Background

The Enhanced Integrated Framework (EIF) is the flagship of trade-related assistance programmes specifically dedicated to least-developed countries (LDCs). It is an international partnership combining the efforts of the LDCs with those of the six core EIF agencies (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), donors and other development partners (such as the United Nations Industrial Development Organization). The EIF sets out to respond to the trade capacity building needs of LDCs and enable them to become full and active players and beneficiaries of the multilateral trading system. Supported by the overarching principle of country ownership, the EIF is the principal mechanism LDCs can call upon to assist them in mapping out their trade priorities, mainstreaming trade into their national development strategies and presenting these to donor partners for funding and implementation.



Dorothy Tembo, Executive Director of the EIF Secretariat, speaking at the Ministerial Working Breakfast on the Enhanced Integrated Framework on 1 December 2009.



Background

The Standards and Trade Development Facility (STDF) is a joint initiative in capacity building and technical cooperation aimed at assisting developing countries to implement international sanitary and phytosanitary (SPS) standards and thereby gain and/or maintain market access. Established by the Food and Agriculture Organization of the United Nations (FAO), the World Organization for Animal Health (OIE), the World Bank, the World Health Organization (WHO) and the WTO in August 2002, the STDF is a partnership financed by voluntary contributions to a trust fund. The WTO provides the secretariat.

Standards and Trade Development Facility

Since 2002 the Standards and Trade Development Facility (STDF) has expanded both in terms of participation and funding. A number of organizations, including the International Trade Centre (ITC), the Organisation for Economic Co-operation and Development (OECD), the United Nations Industrial Development Organization (UNIDO) and the United Nations Conference on Trade and Development (UNCTAD), as well as donors and developing countries, participate in the STDF. Funding has expanded from US\$ 300,000 of seed finance from the World Bank and the WTO in 2003 to US\$ 5 million in 2009, with 16 additional donors contributing to the trust fund since the STDF's creation.

In 2009 the STDF adopted a new operating plan for 2010–11 that focuses on coordination and information dissemination, project development and project implementation. The plan places particular emphasis on assisting developing countries to transform their sanitary and phytosanitary (SPS)-related needs into concrete and fully budgeted proposals. It also focuses on the STDF's role as a forum for coordination and as a reference point for good practice in the supply and receipt of SPS-related technical cooperation.

In the context of its work on coordination and dissemination of information, the STDF conducted two global events in 2009:

- A joint STDF/World Bank expert seminar on 'Climate Change and Agriculture Trade: Risks and Responses', held in Washington, D.C., on 22–23 September, raised awareness among donors and developing countries of the importance of integrating the climate change dimension into their SPS-related technical assistance programmes.
- An STDF workshop on the use of economic analysis to inform SPS-related decision-making, organized on the margins of the SPS Committee meeting in Geneva on 30 October, discussed the costs and benefits of investing in SPS capacity building and the role and use of different economic analysis methodologies.

The STDF initiated work on SPS performance indicators, in collaboration with the OECD, in the context of more rigorous monitoring and evaluation of Official Development Assistance (ODA).

Contacts were established with the newly-created Trade Facilitation Facility (TFF) at the World Bank to further explore the linkages between SPS and trade facilitation, as well as with various other organizations and initiatives working on capacity building in the areas of food safety, and animal and plant health.

A film produced by the STDF, 'Trading Safely: Protecting Health, Promoting Development', illustrates the difficulties faced by developing countries in ensuring the safety of their products, the benefits to be gained from doing so, and available assistance in this regard.



At the regional level, the STDF organized two 'training-of-trainers' workshops for SPS officials of seven African regional economic communities in Nairobi (13–16 July) and Bamako (20–23 July). The STDF also commissioned a scoping study and analysis of existing SPS coordination mechanisms in Africa at regional and national levels, including recommendations on how to improve SPS coordination on the ground among the wide range of actors involved.

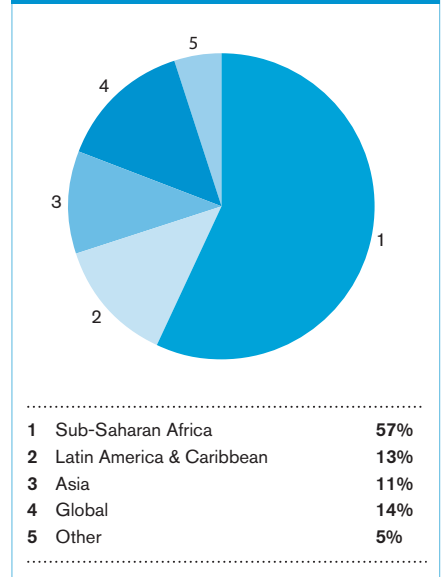
In addition, the STDF and the Economic Community of West African States (ECOWAS) organized a meeting in Bamako on 29–30 September where participants agreed on a coordinated multi-stakeholder approach to fruit fly control in West Africa and endorsed a Regional Action Plan. Efforts to mobilize funds for fruit fly control in West Africa will continue in 2010.

Collaboration with the Enhanced Integrated Framework

STDF's involvement in project development and implementation has improved coordination within countries. Collaboration with the Enhanced Integrated Framework (EIF) was strengthened (see page 109). Out of six STDF project preparation grants (PPGs) implemented in 2009, five followed up on SPS issues identified in EIF Diagnostic Trade Integration Studies.

The STDF met its target level of funding of US\$ 5 million in 2009. It funded seven project preparation grants and eight project grants, bringing the total number of PPGs and projects funded through the STDF to 38 and 41, respectively, by the end of 2009. Overall, the STDF has devoted 54 per cent of project resources to least-developed countries and other low-income countries. Fifty-seven per cent of STDF projects and PPGs have been awarded to sub-Saharan Africa, 13 per cent to Latin America and the Caribbean and 11 per cent to Asia. In addition, 14 per cent of projects and PPGs can be classified as global (see Figure 1).

Figure 1: STDF projects and project preparation grants (number)



Aid for Trade

The Second Global Review of Aid for Trade, which was held on 6 and 7 July 2009, highlighted substantial and measurable progress in implementing the Aid for Trade initiative. Since its inception, the initiative has succeeded in raising awareness of the needs of developing countries, in particular least-developed countries (LDCs), and the support they require to benefit from trade expansion and reduce poverty. Using the increasing resources provided by donors, the Aid for Trade programme has focused more recently on effective implementation of projects, especially at the regional level. The worsening global economic outlook during 2009 further increased the relevance of the Aid for Trade initiative for developing countries.



UN Secretary-General Ban Ki-moon and Pascal Lamy in conversation at the Second Global Review of Aid for Trade in July 2009.

Activities in 2009

In 2009 the Committee on Trade and Development (CTD) held four formal sessions on Aid for Trade. The CTD meetings focused on: the monitoring and evaluation framework for the initiative; preparations for the Second Global Review of Aid for Trade; the outcome and priorities emanating from the Second Global Review; the subsequent General Council debate on Aid for Trade where the Director-General outlined the 2009 Aid for Trade roadmap (see below); and the development of the Aid for Trade Work Programme for 2010–11.

The CTD meetings benefited from active participation of the regional development banks, which provided information on Aid-for-Trade events held outside Geneva. These included two national reviews, held in Lima, Peru, on 3 March 2009 and San Pedro Sula, Honduras, on 4 May 2009; the Latin America and Caribbean Regional Review held in Montego Bay, Jamaica, on 7 and 8 May 2009; and the Regional Meeting for members of the Association of Southeast Asian Nations (ASEAN) held in Siem Reap, Cambodia, on 28 and 29 May 2009.

The North-South Corridor Review held in Lusaka, Zambia, on 6 and 7 April 2009, which brought together COMESA (Common Market for Eastern and Southern Africa), EAC (East African Community) and SADC (Southern African Development Community), generated over US\$ 1 billion of funding committed by development partners for upgrading road, rail and ports infrastructure and supporting other measures to facilitate cross-border trade. Other international organizations, notably the Organisation for Economic Co-operation and Development (OECD), the World Bank, the UN Economic Commission for Europe, the UN Industrial Development Organisation and the UN Development Programme, also presented their respective activities relating to Aid for Trade.

The Second Global Review of Aid for Trade on 6 and 7 July 2009 evaluated progress made since the First Global Review held in November 2007, putting the emphasis on how Aid for Trade was being implemented on the ground (see page 114). The success of the initiative was outlined in a new publication jointly prepared with the OECD. *Aid for Trade at a Glance: Maintaining Momentum* examines recent trends and presents a comprehensive analysis of the providers and recipients of donor funding. It also addresses the regional dimension of Aid for Trade, showcasing three cross-border examples of Aid for Trade in practice.



At the subsequent General Council debate on Aid for Trade on 28 July 2009, the Director-General identified the following issues as priorities for future work: reinforcing the regional dimension of Aid for Trade; maintaining momentum on commitments post-2010; enhancing the role of the private sector; and evaluating the impact of Aid for Trade interventions in developing countries. The Director-General also highlighted the need to mainstream trade into national development strategies.

Accordingly, in the second half of the year, the CTD developed an Aid for Trade Work Programme for 2010–11 designed to support these objectives and keep Aid for Trade in the international spotlight. Issued in November 2009 under the responsibility of the Chair of the CTD, the Work Programme stresses the importance of Aid for Trade in helping to promote recovery from the global economic downturn and ensure that developing countries reap full benefit from a successful conclusion to the Doha Round.

A series of activities, leading up to a Third Global Review of Aid for Trade in 2012, will focus on: continued mobilization of resources; mainstreaming trade priorities into national and regional economic and development plans; strengthening the regional dimension, specifically by reinforcing the role of development banks, regional economic communities and bilateral donors in developing focused regional projects; giving greater emphasis to the effective implementation of Aid for Trade projects, including through South-South and triangular forms of cooperation whereby two countries form a partnership to lend technical assistance to a third country; further refining evaluation and monitoring mechanisms to focus on the impact of Aid for Trade; and enhancing dialogue with the private sector.

Building trade capacity

The Second Global Review of Aid for Trade highlighted substantial progress in implementing the initiative.

Aid for Trade

Second Global Review

The Second Global Review of Aid for Trade held on 6 and 7 July 2009 provided an opportunity to give added impetus to the ambitious mandate on Aid for Trade agreed at the WTO's Hong Kong Ministerial Conference in 2005. Held in the midst of the financial crisis, the event signalled continued determination to honour commitments to help developing countries, especially least-developed countries (LDCs), in using trade as a vehicle for economic growth and poverty reduction. This determination was underlined by new Aid for Trade pledges from France, Japan, the Netherlands and the United Kingdom.

Opening the two-day meeting, which was attended by heads of international financial institutions, international organizations, ministers and other dignitaries, the United Nations Secretary General emphasized the important role that Aid for Trade could play in helping to stimulate recovery from the financial and economic crisis. Pascal Lamy, WTO Director-General, said Aid for Trade 'was living up to its promise of moving from making trade possible, to making it happen'.

The centrepiece of the Review was a joint WTO/OECD publication, *Aid for Trade at a Glance 2009: Maintaining Momentum*, documenting the success of the initiative to date. The report noted that more and more developing countries were prioritizing trade in their development strategies. Donors were responding by increasing the resources they provided to build trade capacity in areas such as policy, institutions and infrastructure, and developing countries were also becoming more active in cooperating with each other in region-wide projects. The monitoring exercise carried out for the report received replies from 88 developing countries, indicating growing ownership of the Aid for Trade initiative by its intended beneficiaries.

Aid for Trade grew by 10 per cent a year between 2005 and 2007 and, if non-concessional aid from international financial institutions is added, the total nearly doubled. This, Mr Lamy pointed out, had been achieved without taking resources away from other development priorities such as health, education or the environment. During the meeting, and despite the challenging global economic environment, donors reaffirmed their Aid

for Trade commitments, or even increased them. New commitments were announced by France (€850 million from 2010), Japan (US\$ 12 billion in total for 2009-11), the Netherlands (€550 million) and the UK (£1 billion per year for 2010-12).

The vigorous debate among representatives from all corners of the trade and development communities promoted a deeper appreciation of the challenges faced by developing countries, especially LDCs, as well as the opportunities to use the Aid for Trade platform to promote growth. Separate sessions on the COMESA-EAC-SADC North-South Corridor (a joint project of the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community), the Greater Mekong Delta Sub-Region and Infrastructure and Integration Corridors in Latin America showcased practical examples of what Aid for Trade could achieve.

Despite these success stories, the Second Global Review also highlighted the scope for improving implementation of the initiative. The meeting reaffirmed the need to increase resources for Aid for Trade and ensure trade was mainstreamed in development plans. Monitoring and evaluation needed refinement, and there should be more involvement of the private sector. Participants also stressed the importance of the regional dimension and the emergent role of South-South cooperation. In his closing remarks, Mr Lamy said Aid for Trade was "coherence in global economic policymaking in action". A global Aid for Trade partnership has been forged.

A global Aid for Trade partnership has been forged.





Background

The main aim of the WTO's trade capacity building programme is to help beneficiary countries deal effectively with the many challenges of the multilateral trading system. The WTO's trade-related technical assistance (TRTA) programme contributes to multilateral efforts to enhance the delivery of Aid for Trade to developing countries and to improve the impact of this initiative (see page 112). Within the WTO Secretariat, TRTA is coordinated by the Institute for Training and Technical Cooperation. Its activities ('products') include eTraining, global and regional training courses, academic programmes, and seminars and workshops at regional and national levels.

Technical cooperation and training

The design and delivery of technical assistance and training underwent a period of transition in 2009. A new strategy and vision were developed, reflected partly in the implementation of activities in 2009 but spelled out in more detail in the Technical Assistance Plan for 2010–11 prepared during the year. In line with the demand-driven nature of the WTO's trade-related technical assistance programmes, this plan builds on lessons learned from implementing the first biennial plan (2008–09), and introduces changes designed to improve content and delivery.

First, the WTO Secretariat's Institute for Training and Technical Cooperation (ITTC) has been restructured to strengthen its capacity to design and deliver an effective trade assistance programme. This restructuring has reinforced the ITTC's ability to interact with beneficiaries in all regions. It has also enhanced the WTO's coordinating role in relation to trade-related capacity-building activities within its field of competence and responsibility – helping WTO members to gain a better understanding of their rights and obligations within the multilateral trading system and strengthening their institutional capacities to deal with the challenges emerging from it. These capacity-building efforts are part of a larger objective and broader initiatives in the context of Aid for Trade (see page 112).

Second, a new vision for the delivery of trade-related technical assistance was developed, which aims to achieve sustainable capacity building and to enhance the programme's efficiency and impact. A new approach has been adopted to build on the notion of gradual and progressive learning. In addition, eTraining (online training) will be used as a means of delivering training across all products. These changes will contribute to sustainable capacity building at both the individual and institutional level, strengthening linkages between programmes and assuring coherence and cost effectiveness in the delivery of technical assistance.

Enhanced cooperation and relationships with regional partner institutions continue to be a priority for the WTO Secretariat. This regional approach is in line with the approach of the Aid for Trade initiative, which is supported by the technical assistance programme. Since the programme aims to complement the work of bilateral donors as well as other agencies active in trade-related technical assistance, the coordination of technical assistance programmes has become increasingly important.

The Secretariat continues to pursue its outreach programmes, including its work with parliamentarians, the private sector, academics and universities. Continued efforts to improve coordination and promote efficiencies resulted in the launching in 2009 of a new WTO Chairs Programme, which provides dedicated support to teaching, research and outreach activities by universities and research institutions in developing countries (see page 129).

Overview of activities

In 2009, a total of some 460 technical assistance activities were provided by the WTO (see Table 1). These included Geneva-based activities as well as those held in WTO member countries and regions. The majority were organized in partnership with other international organizations. Three-month regional trade policy courses were held in Benin for French-speaking Africa, in Swaziland for English-speaking Africa, in Singapore for the Asia-Pacific region, and in Jamaica for the Caribbean.

A range of 'global' technical assistance activities were undertaken in Geneva, including the regular 'Geneva weeks'. These are week-long events – organized twice annually – for representatives of 30 or so WTO members and observers without missions in Geneva. Officials are briefed about recent developments in the ongoing Doha negotiations and other WTO activities, and have the opportunity to attend meetings of WTO councils and committees and to liaise with the WTO Secretariat and regional groupings of WTO members. Other Geneva events included a workshop on agriculture notifications in September 2009 to help build capacity in preparing and reviewing notifications required by the WTO's Agreement on Agriculture.



Activities by region

The technical assistance programme places particular emphasis on providing assistance to Africa and to least-developed countries (LDCs), whose integration into the multilateral trading system remains a WTO priority. Thus, the majority of activities during 2009 were held in Africa – 67 national activities representing 36 per cent of all national activities, and 36 regional activities, representing 32 per cent of all regional activities.

Fifty-eight national and 28 regional activities were held in Asia and the Pacific; 23 national and 13 regional activities in the Latin American region; 27 national and regional activities in Central and Eastern Europe, Central Asia and the Caucasus; 26 national and regional activities and conferences in Arab and Middle Eastern countries; and 21 national and regional activities in the Caribbean. For a full breakdown of activities by region, see Table 1.

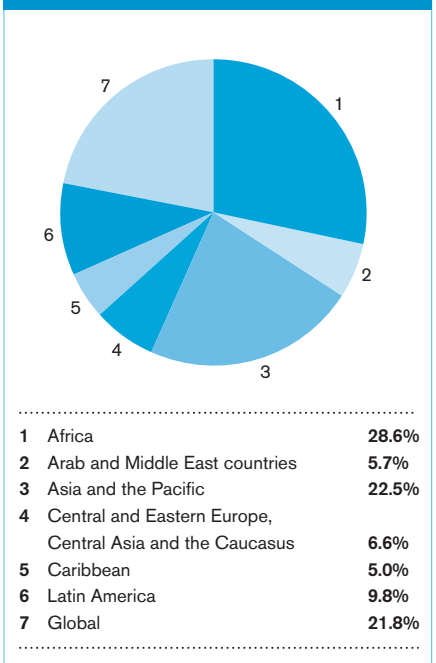
LDCs benefited from nearly 45 per cent of all technical assistance activities in 2009. These included national activities as well as regional activities in which LDCs participated. In addition, other products have been specifically created for LDCs, or have LDCs as a priority, such as the Enhanced Integrated Framework (see page 109), the three-week introduction courses for LDCs, the Reference Centres Programme (a network of centres where any relevant information on the WTO can be accessed), the Netherlands Trainee Programme (a programme aimed at junior public officials who spend a period of up to ten months within the WTO) and the Mission Internship Programme (a ten-month internship programme for Geneva-based missions).

In total, 111 activities were regional activities and 66 were 'global' events, while a total of 185 activities were held at the national level to respond to the continued demand for national training activities. The majority of national activities addressed aspects of specific WTO agreements.

Financing the trade-related technical assistance programme

While there have been improvements in the provision of donor funding to the Global Trust Fund of the Doha Development Agenda, ensuring timely, adequate and predictable receipt of funds remains a challenge. For example, the technical assistance programme was obliged to defer the costly regional seminars to spring 2009 from the beginning of the year, pending funding availability. The programme continues to be financed mainly from voluntary contributions by WTO members to the Global Trust Fund.

Figure 2: Trade-related technical assistance by region in 2009



Note: Global activities are not targeted at a specific region. They include Geneva-based courses and topic-specific workshops.

Table 1: Trade-related technical assistance by region in 2009

By region	National		Regional		Global ¹		Other (conferences, meetings, 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	Number of activities	As a % of total activities
Africa	67	36	36	32	1	2	27	28	131	29
Arab and Middle East countries	10	5	13	12	0	0	3	3	26	6
Asia and the Pacific	58	31	28	25	0	0	17	18	103	22
Central and Eastern Europe, Central Asia and the Caucasus	18	10	9	8	0	0	3	3	30	6
Caribbean	9	5	12	11	0	0	2	2	23	5
Latin America	23	13	13	12	0	0	9	9	45	10
Sub-total	185	100	111	100	1	2	61	63	358	78
Global	0	0	0	0	64	98	36	37	100	22
Total	185	100	111	100	65	100	97	100	458	100

¹ Activities under the 'global' region include those that are not targeted at a specific region, such as the Geneva-based courses and topic-specific workshops and symposia, distance learning, internship programmes and the advisory role on legal issues – Dispute Settlement Understanding (DSU).

Outreach

On 6 September 2009 the WTO opened its doors to the public for the first time. About 5,000 people came to learn more about the WTO, its work and its historic building. The 2009 Public Forum, held in Geneva in late September, provided nearly 1,300 participants with the opportunity to express their views on the WTO and the multilateral trading system. Throughout the year, the WTO hosted nearly 160 information briefings involving almost 4,800 participants.

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Background

The WTO maintains regular dialogue with civil society organizations on various aspects of the WTO and the ongoing Doha Round negotiations, with the aim of enhancing cooperation and increasing public awareness of WTO activities.

Relations with non-governmental organizations

In 2009, relations with non-governmental organizations (NGOs) were further developed through a variety of initiatives. These included the annual WTO Public Forum, regular NGO briefings organized by the WTO Secretariat, NGO activities during the Seventh Ministerial Conference and the extension of the 2008 pilot project granting local NGOs permanent access to the WTO building.

Regional and national workshops

In 2009 the WTO continued to promote dialogue with civil society organizations through regional and national workshops for NGO representatives in developing countries. NGOs play a crucial role in shaping the image and public perception of the WTO, and outreach activities are instrumental in enhancing their understanding of the WTO and of how the rules-based multilateral trading system helps support growth and development.

Regional outreach workshops are organized in collaboration with WTO partner institutions that have a good network of contacts in the region, enabling the WTO to open new channels of communication with NGOs around the globe.

In 2009, two regional outreach workshops were held for civil society:

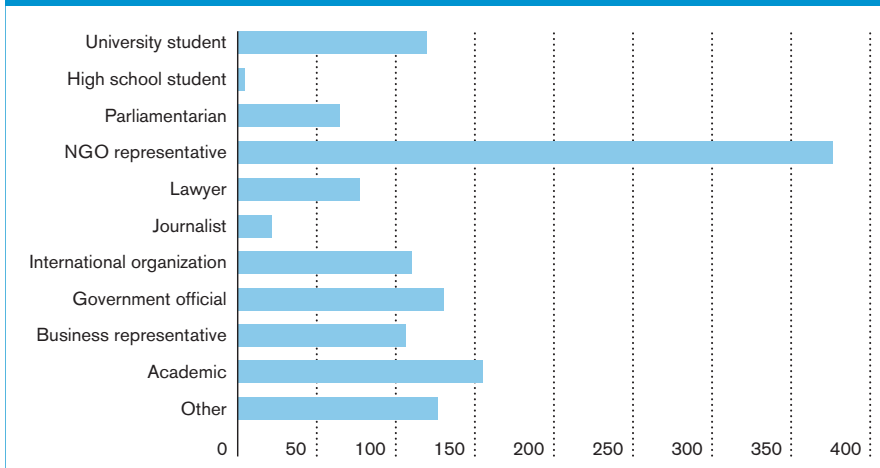
- In Nairobi, Kenya, the WTO partnered with CUTS (Consumer Unity and Trust Society, an India-based international NGO) to organize a workshop on 'The Multilateral Trading System: Opportunities and Challenges for the East African Community (EAC) Countries'. The event was attended by 42 civil society representatives, including trade unionists, academics, journalists and representatives of business organizations from Burundi, Ethiopia, Kenya, Rwanda, Sudan, United Republic of Tanzania and Uganda, as well as a number of government officials.
- In Cairo, Egypt, the WTO and FES (Friedrich Ebert Stiftung, a Berlin-based international NGO) organized a regional dialogue on 'Current and Future Challenges for the Multilateral Trading System – Development Perspectives from the MENA (Middle East and North Africa) Region'. The dialogue was attended by 56 representatives of civil society from labour unions, academia, journalism, business and NGOs, as well as several government representatives from Egypt.

WTO Public Forum

The 2009 Public Forum, held in Geneva from 28 to 30 September, attracted nearly 1,300 participants (see Figure 1). Each year, the Forum provides participants with the opportunity to express their views and voice their concerns on all aspects of the multilateral trading system.



Figure 1: Summary of participation in the 2009 Public Forum



The theme of the Forum in 2009, 'Global Problems, Global Solutions: Towards Better Global Governance', was designed to assess the role of the WTO and the multilateral trading system in the midst of the global economic crisis. The debates focused on the relevance of the Doha Round negotiations, the challenges facing the multilateral trading system and the impact of the crisis on developing countries. NGO representatives, government officials, academics, business executives, students and other stakeholders also discussed how the multilateral trading system could best reflect the future needs and aspirations of the global community.

Some 43 sessions were held over the three-day period, with most sessions organized by NGOs and other participants. The Director-General took part in two high-level sessions focusing on global governance and trade financing. During the event, a number of NGO representatives were invited by the Secretariat to participate in a series of video interviews on the Forum's themes. The interviews are on the WTO's website and summaries of the discussions in each session will be published in *WTO Public Forum 2009*.

WTO Ministerial Conference

A total of 435 civil society organizations from 61 countries were accredited to attend the Seventh Ministerial Conference, which was held in Geneva from 30 November to 2 December 2009. Of the 61 countries, about half were developing or least-developed countries, indicating a growing public interest in trade matters in the developing world. NGOs accounted for almost half the participating civil society groups. Figure 2 provides a breakdown by category of organizations accredited to attend WTO Ministerial Conferences to date.

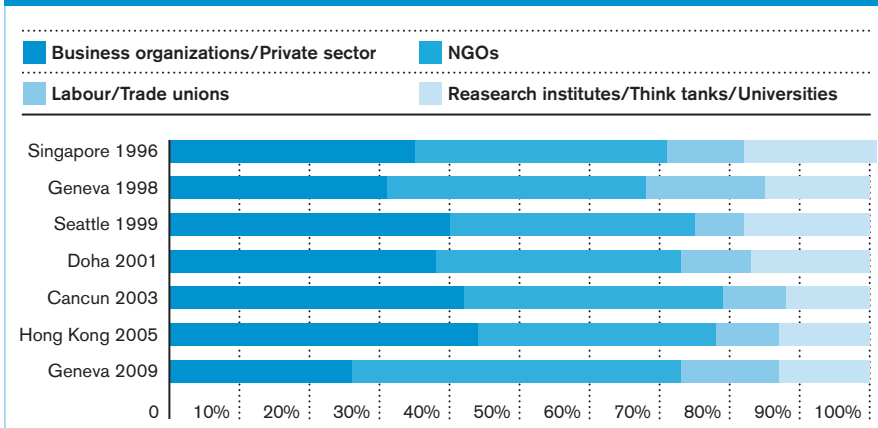
Outreach

The 2009 Public Forum attracted nearly 1,300 participants.



The Opening Session of the WTO Public Forum 2009.

Figure 2: Civil society participation at Ministerial Conferences by year



Participating NGOs had access to all public areas during the Conference and a special space was reserved for them to attend the official opening, plenary and closing sessions. To allow all NGO representatives to follow the proceedings, an NGO centre was set up adjacent to the premises of the Ministerial Conference. This provided working space, Internet and audiovisual facilities, and five meeting rooms where civil society representatives could hold private or public gatherings, or WTO members could brief their national NGOs. In total, 36 meetings were organized in the NGO centre, on issues ranging from technical talks about the dispute settlement mechanism, export dumping, intellectual property rights and reform of the WTO to discussions of the impact of the Doha Round on developing countries, food security, competition, investment, global governance and climate change.

NGO briefings

In 2009 the WTO Secretariat undertook 21 NGO briefings, including a dinner meeting with the Director-General. In addition, the Director-General briefed civil society representatives during the Seventh Ministerial Conference. Feedback from participants concerning Secretariat briefings continues to be very positive.

Figure 3 shows the subjects covered by NGO briefings in 2009, and Figure 4 shows the number of briefings held each year since 2000. Overall, a total of 133 NGO briefings have been organized since 2000, 76 of them in the past four years.



The Director-General briefs civil society representatives during the Seventh Ministerial Conference.

Figure 3: NGO briefings by subject 2009

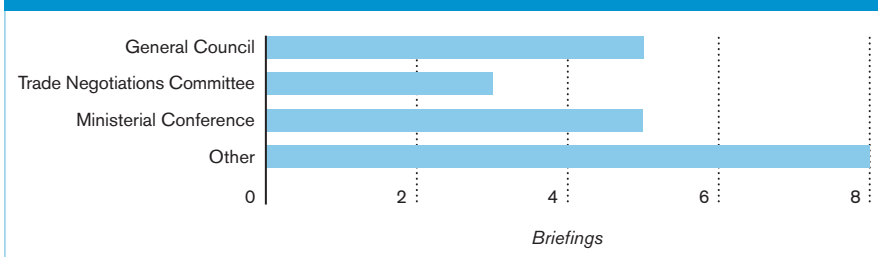
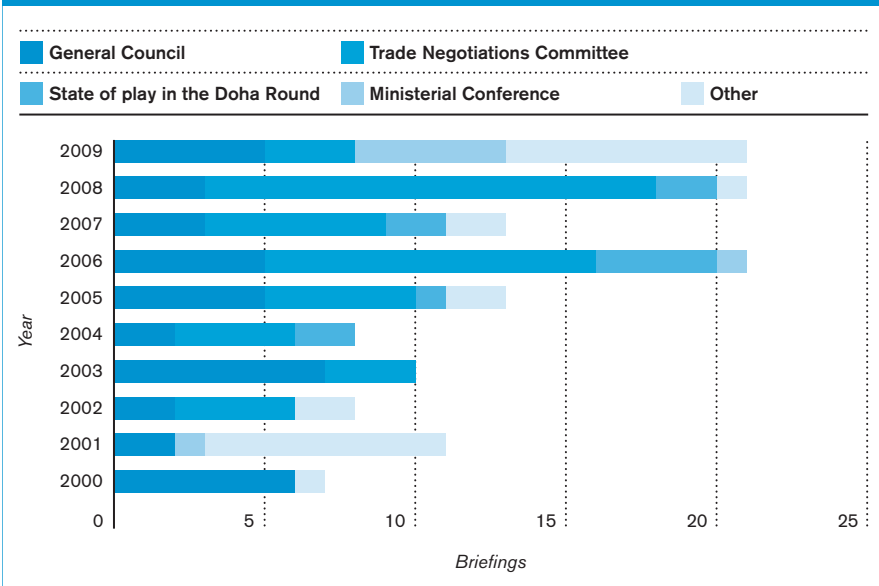


Figure 4: NGO briefings per year from 2000 to 2009



The WTO Secretariat undertook 21 NGO briefings in 2009.

NGO access to the WTO

In 2008 the Director-General launched a pilot project to give the NGO community in Geneva more permanent access to the WTO building for meetings and activities. The pilot proved successful and in 2009 the project was extended and consolidated. It constitutes recognition of the growing interest and important role of the NGO community in the day-to-day activities of the WTO. Geneva-based NGOs have responded very positively to the initiative that attests to the WTO's commitment to transparency.

NGO papers

NGOs can submit their position papers and studies to the WTO Secretariat and have them posted on the WTO website. A monthly list of available NGO papers is sent to WTO members. In 2009, six contributions were submitted by NGOs.

WTO Open Day

WTO opens its doors to the public

On Sunday, 6 September 2009 the WTO opened its doors to the public for the first time. About 5,000 people came to find out more about who we are and what we do.

Under a late summer sun, about 5,000 people came to learn more about the WTO, its work, staff, artistic treasures and its historic lakeside building. Organized by WTO staff, this family-oriented event gave the local Geneva community and others the opportunity not only to find out about WTO activities and meet staff and member representatives but also to sample the specialities on offer at the international buffet and see the human side of the WTO.

The WTO opened its doors to the public at 10.00 am and welcoming remarks were made by Director-General Pascal Lamy, Sandrine Salerno, Vice-President of the Administrative Council of the City of Geneva, Mark Muller, State Councillor, and Mario Matus, Chair of the WTO's General Council.

A short film about the WTO and how it affects the lives of people around the world was shown at regular intervals in the Council Room, the main meeting place for the WTO's 153 members. This was followed by a question and answer session with WTO experts and the Deputy Directors General.

Guided tours of the WTO's lakeside headquarters revealed the many works of art donated by countries over the years, including gifts to the International Labour Organization, which occupied the Centre William Rappard from its inauguration in 1926 until 1975. The tour also included exhibits on the history of the WTO and the international Geneva community, and on international trade and the role of the WTO. Visitors were able to see the Director-General's office and the library, and meet representatives of WTO member countries who explained the benefits of WTO membership.

WTO interpreters offered an insight into their profession. During a live debate, members of the public had the chance to enter the interpretation booths and see the interpreters at work. Meanwhile, the WTO health service focused on hygiene issues and the benefits of a healthy lifestyle (measuring visitors' blood pressure, weight, height and body mass and making nutritional recommendations).

An international buffet on the terrace overlooking the lake gave a flavour of the worldwide membership of the WTO, with specialities from member countries. All proceeds from the buffet and sale of lottery tickets – CHF 17,279 – were donated to the Geneva-based association 'Païdos', a centre which helps children and adolescents from a disadvantaged background or with behavioural problems.

Throughout the day, children were able to participate in face painting workshops, enter a drawing contest on the theme 'Draw me globalization' and/or 'Draw me the WTO', and play in an inflatable castle. WTO graphic designers held a workshop where children transformed photographs of themselves into works of pop art. The pictures were printed and given to the children in the afternoon.

The WTO Secretariat plans to make the open day an annual event. "Our volunteers, our members and all WTO staff would like to thank everyone who visited us and made this day a great success," said Director-General Pascal Lamy. "I hope to see you all again next year."

We would like to thank everyone who visited us and made this day a great success.



Outreach



Background

Parliamentarians have constitutional responsibilities to consider and ratify WTO agreements negotiated by their governments. The WTO seeks to maintain an open dialogue with parliamentarians and help them gain a deeper understanding of the organization and its work. The WTO participates in the meetings of ad hoc parliamentary bodies and organizes workshops for parliamentarians at national and regional levels.



First issue of the WTO Newsletter for Parliamentarians, published in May 2009.



Participants in the Caribbean regional workshop for parliamentarians in St John's, Antigua and Barbuda, in February 2009.

Reaching out to parliamentarians

In 2009 the WTO Secretariat launched a monthly newsletter to inform parliamentarians of the latest developments at the WTO. The WTO also organized three regional workshops for parliamentarians in cooperation with regional parliamentary associations.

Monthly newsletter

In May 2009 the WTO issued the first monthly WTO Newsletter for parliamentarians, part of a broader effort to boost outreach for this important constituency. The newsletter is published on the WTO webpage for parliamentarians and distributed electronically.

Formal meetings of parliamentary bodies

The Steering Committee of the Inter-Parliamentary Union (IPU) on WTO matters met twice in 2009, including on the sidelines of the Seventh WTO Ministerial Conference. It was briefed by Deputy Director-General Valentine Rugwabiza on the Conference and the state of play in the Doha Round.

The Steering Committee is made up of around 30 parliamentarians representing members of the IPU, which is the international association of parliaments around the world. The WTO Director-General, senior staff of the WTO, the Chair of the WTO General Council and Geneva-based ambassadors regularly participate in its meetings to brief legislators on the latest developments in the Doha negotiations and on other important issues facing the multilateral trading system.

During this year's Public Forum, the IPU and the European Parliament organized a session entitled 'Can Protectionism Protect Trade? The Legislator's Perspective'.

Regional workshops

In 2009 the WTO held three regional workshops for parliamentarians:

- in St John's, Antigua and Barbuda, for Caribbean parliamentarians
- in Abu Dhabi, United Arab Emirates, for Arab members of parliament, organized in collaboration with the Arab Monetary Fund
- in Singapore for parliamentarians of the ASEAN-plus countries (the 10 member countries of the Association of Southeast Asian Nations plus China, Japan and the Republic of Korea), organized in collaboration with the Temasek Foundation.

The WTO regularly cooperates with regional parliamentary associations, such as the Commonwealth Parliamentary Association and the Assemblée Parlementaire de la Francophonie, to organize outreach activities at the regional level in other parts of the world. Regional initiatives complement the national workshops for parliamentarians, which are carried out as part of the WTO's regular technical assistance work. Through these initiatives, the WTO has been able to enhance working relations with national parliaments as well as with parliamentary organizations.



Building international cooperation

In 2009 the WTO continued to cooperate with a variety of intergovernmental organizations, such as the United Nations, the Organisation for Economic Co-operation and Development, the International Monetary Fund and the World Bank.

United Nations

In 2009 the WTO Director-General participated in the two regular meetings of the United Nations Chief Executives Board (CEB) – a high-level body composed of heads of UN agencies, funds and programmes as well as the Bretton Woods institutions and the WTO. The CEB is chaired by the UN Secretary General.

The role of the CEB is to enhance international cooperation on global issues. WTO Secretariat officials participate in meetings of the Board's subsidiary bodies dealing with programme and management issues. This year's deliberations were devoted mainly to the international response to the global economic crisis. The WTO took the lead on trade, jointly with the United Nations Conference on Trade and Development, in the framework of the 'Joint Crisis Initiatives'. The WTO Secretariat is also represented at the high-level United Nations Coordination Committee, which monitors progress in achieving the United Nations Millennium Development Goals, as well as at meetings of the UN Economic and Social Council, which deals with development issues.

The WTO participated in the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development, which was held in New York in June 2009.

United Nations Conference on Trade and Development

In September 2009 the WTO linked with the United Nations Conference on Trade and Development (UNCTAD) and the Organisation for Economic Co-operation and Development (OECD) to publish a joint report on trade and investment developments in the G-20 countries ahead of their summit in Pittsburgh, United States (see page 74). This partnership has continued into 2010 with the issuing of another joint report in March 2010.

The WTO also continued its close cooperation with UNCTAD on training and technical assistance to developing and least-developed countries. UNCTAD is a major partner of the WTO in programmes such as the Enhanced Integrated Framework (see page 109) and the Joint Integrated Technical Assistance Programme. The two organizations jointly sponsor the International Trade Centre, the trade promotion body for developing countries.

The WTO and UNCTAD organize 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. The WTO also cooperates with UNCTAD within the framework of the UN interagency 'cluster' on Trade and Productive Capacity, which aims to coordinate trade and development operations throughout the UN system.

International Trade Centre

The WTO works closely with the International Trade Centre (ITC) to build supply-side capacity and trade-related infrastructure that developing countries need to implement and benefit from WTO agreements. Some of the joint initiatives include the Joint Integrated Technical Assistance Programme, the Enhanced Integrated Framework (EIF) and the Business for Development initiative.

Together with UNCTAD, the WTO and ITC have made important commitments to strengthening their inter-agency cooperation. One area of successful collaboration is within the UN CEB Inter Agency Cluster on Trade and Productive Capacity, which designs complementary programmes and activities based on the agencies' respective expertise.

Outreach



Background

The WTO works closely with other intergovernmental organizations and regional bodies, especially those involved in trade-related issues. This cooperation helps to ensure coordinated action and a coherent approach to international trade policies.



The WTO participated in the UN Roundtable Conference on the World Financial Crisis held in New York in June 2009.



Patricia Francis, Executive Director of the International Trade Centre, speaking at the 2009 WTO Ministerial Conference.

In 2009, the WTO, ITC and the EIF developed a programme for providing assistance to least-developed countries (LDCs) in the process of acceding to the WTO, responding to governments' calls for increased technical assistance during this process. More energy is also being directed towards a joint WTO-ITC programme for businesses in acceding LDCs that aims to enhance the private sector's role in the accession process. Commitments for 2010 envisage an expanded scope for the Trade Policy for Business Managers' Modular Learning Programme which will feed into the WTO/ITC regional trade policy courses.

Organisation for Economic Co-operation and Development

As mentioned above, in September 2009 the WTO, UNCTAD and the OECD published a joint report on trade and investment developments in the G-20 countries in the context of the economic and financial crisis. The Director-General also participated in the annual OECD Ministerial Meeting. The WTO and the OECD have a long-standing and close working relation at all levels, with WTO Secretariat officials participating in many OECD meetings.

Other intergovernmental organizations

During 2009 the WTO cooperated on trade issues and the needs of developing countries with a number of other intergovernmental organizations, such as the United Nations Development Programme, the International Monetary Fund and the World Bank.

The WTO also has long-standing working relationships with organizations such as the UN 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).



WTO Chairs Programme

In March 2009 the WTO launched a new WTO Chairs Programme (WCP) that provides dedicated support to teaching, research and outreach activities by 14 universities and research institutions in developing countries.

Through the WCP, the WTO aims to assist national academic institutions in providing students with a deeper understanding of trade policy issues and enhance their contribution to the analysis, formulation and implementation of national trade policies. This will in turn help strengthen the participation of beneficiary countries in the multilateral trading system. The WCP is managed jointly by the WTO's Institute for Training and Technical Cooperation and its Economic Research and Statistics Division.

From a total of 70 proposals received, 14 projects were chosen in the first year through a competitive selection process involving the WCP Advisory Board. The board comprises 22 scholars and experts from around the world who contribute to all substantive decisions in respect of the programme. In making their selections, the board takes into account a number of criteria, including networking, new versus established programmes, development of young scholars, capacity building and sustainability, joint implementation with other institutions, and utilization of resources. Particular consideration is given to quality proposals from institutions which have already partnered the WTO for the delivery of regional trade policy courses, as well as regional balance.

The WCP will provide up to CHF 50,000 per annum per school for up to four years to finance a professorial chair in the fields of trade policy, international trade, international relations and international economic law. The intention is to extend the programme to other institutions over time.

The 14 selected universities and research institutions were formally announced by the Director-General on 26 January 2010:

- Latin American Faculty of Social Sciences, Argentina
- Centre for Trade Policy Studies, Institute of International Studies, University of Chile
- Shanghai Institute of Foreign Trade, School of WTO Research and Education, China
- Center for World Trade Studies at Universitas Gadjah Mada, Indonesia
- Department of Government, University of the West Indies, Mona Campus, Jamaica
- University of Jordan
- School of Economics, University of Nairobi, Kenya
- University of Mauritius
- Instituto Tecnológico Autónomo de México
- Université Mohammed V-Souissi, Faculté des Sciences Juridiques, Economiques et Sociales, Morocco
- University of Namibia
- St Petersburg State University, Faculty of Economics, Russia
- Cheikh Anta Diop University, Dakar, Faculty of Economics and Management, Senegal
- College of Economics, Viet Nam National University.

'Through this programme, the WTO and its university partners are reaching out to the leaders of tomorrow, helping them to better understand the complex mechanism that is the global trading system. By enhancing the trade policy skills of these young people, the WTO Chairs Programme will help foster the capacity of developing countries to participate fully in the trading environment of the 21st century,' said the Director-General.

Outreach



The WTO Chairs Programme for developing-country universities was launched in 2009.

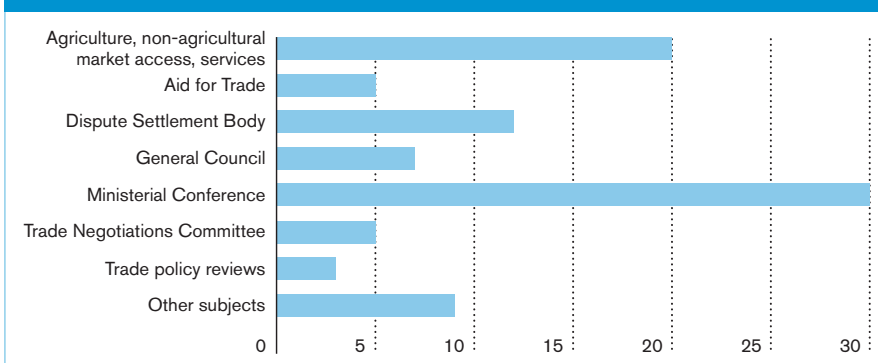
Public information activities

Contact with the media and the public

In 2009 the Information and External Relations Division continued to have regular contact with journalists, in Geneva and around the world, and hosted nearly 160 information briefings at the WTO involving almost 4,800 participants.

In 2009 the Information and External Relations Division organized 91 press conferences and press briefings for journalists in Geneva. Some of the main subjects covered were trade negotiations, meetings of the General Council and dispute settlement (see Figure 5). In November and December the WTO hosted roughly 200 journalists during the three days of the Ministerial Conference (see page 12) and organized 30 press conferences, including 13 by ministers.

Figure 5: WTO press conferences/briefings in 2009 by subject



Some 30 press conferences were organized during the Ministerial Conference.

The WTO also maintained regular contact with over 2,100 journalists in many other countries who have registered to use the media newsroom on the WTO website. They all received regular email bulletins on developments at the WTO.

In 2009 the WTO held one training seminar for journalists. Organized in conjunction with the Friedrich Ebert Stiftung Institute, the seminar was primarily designed for journalists from developing countries. The aim was to help journalists gain a better understanding of the WTO and trade issues and to allow them to meet informally with WTO experts. The seminar was held at the WTO and lasted for three days. It was conducted in French and was attended by 11 journalists from Benin, Cameroon, Cape Verde, Côte d'Ivoire, Lebanon, Madagascar, Mali, Mauritius, Morocco, Senegal and Tunisia.

There was a sustained level of contact with the public in 2009 through 159 information briefings at the WTO involving almost 4,800 participants from around the world. Most groups travelled specifically to Geneva to learn more about the WTO and the international community. The majority consisted of postgraduate students and the rest were made up of undergraduate students, journalists, non-governmental organizations, government and business groups. Around 80 per cent of the presentations were given in English, 9 per cent in French and 1 per cent in Spanish while the remaining 10 per cent were given in other languages, including Chinese, Dutch, Finnish, German, Italian and Thai.

Approximately 40,000 public email enquiries and comments were received by the WTO in 2009.



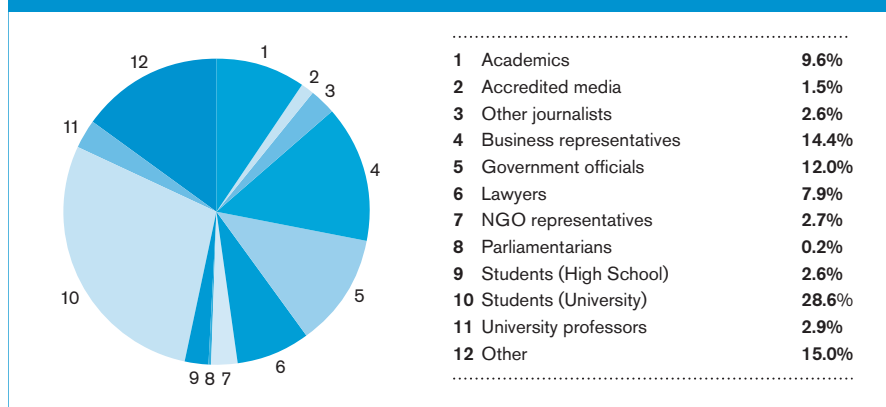
WTO website

The website attracted an average of nearly 1 million visits per month during 2009. Total page views were over 82 million, a 2 per cent increase on 2008. Total data downloaded grew by 13 per cent over the same period. Some of the most downloaded files included *International Trade Statistics* (over 113,000 downloads), *Understanding the WTO* (over 113,000) and the *World Trade Report* (over 56,000).

In 2009, podcasting was expanded to bring greater transparency to WTO activities, such as informal negotiating meetings. Statements by the Chairs of the negotiating groups are posted on the website on a regular basis. Users can subscribe to be automatically updated each time a new audio file is published.

By the end of the year, almost 140,000 individuals had registered with the contacts database to receive regular email bulletins on WTO developments (see Figure 6). This list consists largely of academics, consultants, government officials and students with a specific interest in trade issues.

Figure 6: Individuals registered with the WTO's contacts database, as of end 2009



Outreach

The website attracted an average of nearly 1 million visits per month during 2009.

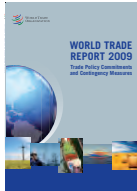
WTO publications

In 2009 the WTO produced over 100 publications in the WTO's three working languages: English, French and Spanish. 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

Annual publications

World Trade Report 2009

English ISBN 978-92-870-3513-4 | CHF 60



The theme of the 2009 World Trade Report is 'Trade policy commitments and contingency measures'. The report focuses on how trade can remain open in times of crisis. In particular, it looks at how countries make use of escape clauses in trade agreements and the role that these measures play. One of the main objectives of the Report is to analyze whether WTO provisions provide a balance between supplying governments with the necessary flexibility to face difficult economic situations and adequately defining them in a way that limits their use for protectionist purposes.

Annual Report 2009

English ISBN 978-92-870-3680-3 | CHF 50



The WTO's new-look *Annual Report 2009* is divided into two main sections. The first is a brief summary of the organization and a review of 2008. The second section provides more in-depth information illustrated with charts, tables and photos. The report also includes a personal message from the Director-General, who reflects on 2008 and looks towards the challenges that lie ahead.

International Trade Statistics 2009

English ISBN 978-92-870-3697-1 | CHF 50



International Trade Statistics provides comprehensive statistics on the world's leading exporters and importers, with information broken down by region and by country. Trade statistics are also provided by product and by commercial services. Some 250 tables and charts depict trade developments from various perspectives and provide a number of long-term time series. Major trade developments are discussed in highlights sections at the start of each chapter.

Trade Profiles 2009

English ISBN 978-92-870-3694-0 | CHF 30



Trade Profiles provides a country-by-country breakdown of trade flows and trade policy measures for WTO members and those seeking to join the WTO. The data provided for each country include basic economic indicators (such as GDP), trade policy indicators (such as tariffs and import duties), merchandise trade flows (broken down by broad product categories and major origins and destinations), commercial trade flows (with a breakdown by major components) and intellectual property indicators (such as annual number of patents granted).

World Tariff Profiles 2009

English ISBN 978-92-870-3683-4 | CHF 50



World Tariff Profiles 2009 provides extensive information on market access. The listing of the tariffs imposed by each WTO member on its imports is complemented with an analysis of the market access conditions it faces in its major export markets. *World Tariff Profiles* is a joint publication of the WTO, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC).



WTO Public Forum 2008

English ISBN 978-92-870-3499-1 | CHF 30
Trilingual DVD ISBN 978-92-870-3516-5 | CHF 30



The WTO Public Forum 2008 offers an overview of the debates at the 2008 Forum, whose title was 'Trading into the Future'. The Forum provided a unique opportunity for governments, representatives of non-governmental organizations, parliamentarians, academics, members of the business community, journalists, lawyers and students to discuss how the trading system may best reflect the future needs and aspirations of the international community. An accompanying double DVD set contains the Public Forum 2008 website, including audio recordings, and a video debate.

WTO Dispute Settlement: One-Page Case Summaries (1995 – 2008) 2009 edition

English ISBN 978-92-870-3469-4 | CHF 30



This publication brings together summaries of disputes, each one encapsulating in a single page the core facts and substantive findings contained in the adopted dispute panel as well as Appellate Body reports, where applicable, for each case decided. In addition, the publication summarizes key findings on significant procedural matters where this is deemed relevant. The index allows readers to search the disputes by articles and by WTO agreement.

New publications

The Doha Round Texts and Related Documents

English ISBN 978-92-870-3509-7 | Free



This publication brings together the principal documents agreed by WTO member governments at important stages before and during the trade negotiations that were launched by the Doha Ministerial Conference in November 2001. It replaces an earlier publication, *Doha Declarations*.

WTO.ORG DVD

English ISBN 978-92-870-3676-6 | CHF 20



This DVD provides a 'snapshot' of the WTO website as of August 2009, including legal texts, trade policy reviews and trade statistics. It is particularly useful for those who do not have access to an Internet connection. Contents include most WTO website materials, making it an ideal training tool for seminars.

Globalization and informal jobs in developing countries

English ISBN 978-92-870-3691-9 | CHF 35



This joint study by the International Labour Office and the Secretariat of the World Trade Organization focuses on the relationship between trade and the growth of the informal economy in developing countries. The study discusses how trade reform affects different aspects of the informal economy. It also examines how high rates of informal employment diminish the scope for developing countries to translate trade openness into sustainable long-term growth. Co-published with the International Labour Organization.

Multilateralizing Regionalism: Challenges for the Global Trading System (Edited by Richard Baldwin, Patrick Low)

English PB: ISBN 978-0-521-73810-1 | CHF 60



'Multilateralizing Regionalism' was the title of a major conference, held in September 2007 at the WTO in Geneva, focusing on regional trade agreements (RTAs). RTAs have proliferated around the world in the past two decades, and nearly all the members of the WTO are party to at least one of them. The conference papers marshal detailed new empirical work and creative thinking on dealing with the complexities of RTAs and the problems they pose for the multilateral trade system. Co-published with Cambridge University Press.

Globalization and informal jobs in developing countries was co-published with the International Labour Organization.

Trade and Climate Change was co-published with the United Nations Environment Programme.

Regional Rules in the Global Trading System (Edited by Antoni Esteveordal, Kati Suominen, Robert Teh) English PB: ISBN 978-0-521-75934-2 | CHF 60



The proliferation of regional trade agreements (RTAs) over the past two decades has complicated the relationships between regional and WTO rules or disciplines. A major obstacle to understanding RTAs is the absence of detailed information about their contents, as this limits policy debate and empirical analysis of their economic effects. This book provides analytical mappings of the main RTAs in six key areas: market access, technical barriers to trade, contingent protection, investment, services and competition policy. Co-published with Cambridge University Press.

Trade and Poverty Reduction in the Asia-Pacific Region: Case Studies and Lessons from Low-income Communities (Edited by Andrew L. Stoler, Jim Redden, Lee Ann Jackson) English PB: ISBN 978-0-521-74530-7 | CHF 90



This book explores the complex relationship between international trade and poverty reduction through a combination of research papers and contemporary case studies. In consultation with local businesses and groups in developing countries, the authors explore how low-income communities are dealing with trade as a practical challenge, especially in the Asia-Pacific region, where about two-thirds of the world's poor live. Co-published with Cambridge University Press.

Aid for Trade at a Glance 2009: Maintaining Momentum English ISBN 978-92-870-3525-7 | CHF 90



This joint OECD/WTO report documents the success of the Aid for Trade initiative to date. It examines trends and developments and presents a comprehensive analysis of donor and partner country engagement. It also addresses the regional dimension of Aid for Trade and showcases three cross-border infrastructure projects. In addition, the report provides fact sheets that help in assessing the outcomes and impacts of Aid for Trade.

Trade and Climate Change English ISBN 978-92-870-3522-6 | CHF 60



This publication aims to improve understanding about the linkages between trade and climate change. The report begins with a summary of the current state of scientific knowledge on climate change and on the options available for responding to the challenge it poses. The scientific review is followed by an analysis of the economic link between trade and climate change. The rest of the report looks at the policies introduced at the international and national level to address climate change. Co-published with the United Nations Environment Programme.

A Handbook on Reading WTO Goods and Services Schedules English PB: ISBN 978-0-521-70682-7 | CHF 45



This publication acts as a detailed guide to reading WTO schedules of commitments for goods and services. These schedules are part of the legal texts of the WTO Uruguay Round Agreements and comprise about 27,000 pages of specific commitments by the 153 members of the WTO on market access conditions. Understanding how to read the schedules is essential for anyone wishing to glean information for academic, official, or business purposes. Co-published with Cambridge University Press.

Opening Markets for Trade in Services: Countries and Sectors in Bilateral and WTO Negotiations English PB: ISBN 978-0-521-73591-9 | CHF 85
(Edited by Juan A. Marchetti, Martin Roy)



Trade in services is an increasingly important part of global trade and figures prominently in multilateral, regional and bilateral trade negotiations. In these essays, academics, negotiators and experts from various international organizations explore the challenges, opportunities, achievements and motivations of such negotiations. Contributions and case studies highlight issues in important services sectors and specific countries, shedding light on services liberalization and the regulation of international trade in services. Co-published with Cambridge University Press.

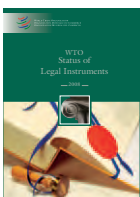
Trade Policy Reviews | CHF 100 each



Trade Policy Reviews provide detailed coverage of the latest trade developments in the WTO's 153 members. Each review provides a detailed account of the member's trade policies and practices, describing trade policy-making institutions and the latest economic situation. About 15 Trade Policy Reviews are produced each year. Co-published with Bernan Press.

2009 Trade Policy Reviews: Brazil, Chile, El Salvador, European Communities, Fiji, Georgia, Guatemala, Guyana, Japan, Maldives, Morocco, Mozambique, New Zealand, Niger/Senegal, Solomon Islands, Southern African Customs Union (Botswana, Lesotho, South Africa, Swaziland), Zambia.

WTO Status of Legal Instruments 2008 English ISBN 978-92-870-3487-8 | CHF 20



This publication covers the instruments drawn up by the members of the WTO or drawn up under their auspices since the inception of the organization. It offers a consolidated compilation of these data for each instrument. The instruments are generally numbered in the chronological order in which they were concluded.

Dispute Settlement Reports 2007 | CHF 200 per volume



The Dispute Settlement Reports of the WTO include dispute 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 resolved. These are the only WTO authorized and paginated reports, available solely in English. Co-published with Cambridge University Press.

WTO Essay Award for Young Economists

In April 2009 the WTO established the annual WTO Essay Award for Young Economists. The award, which carries a prize of CHF 5,000, aims to promote high-quality economic research on the WTO and WTO-related issues and to reinforce the relationship between the WTO and the academic community.



Patrick Low, Director of the Economic Research and Statistics Division, congratulates Ralph Ossa, the first winner of the WTO Essay Award for Young Economists.

In September 2009 the WTO announced the first winner of the WTO Essay Award for Young Economists. Ralph Ossa of the University of Chicago was ranked first among 35 applicants by an academic selection panel for his paper entitled *A 'New Trade' Theory of GATT/WTO Negotiations*. The article presents a new examination of trade cooperation within the WTO and makes an important contribution to the literature on trade agreements that will generate considerable interest and research in the future by other economists in this area.

The panel also decided to extend special mention to the 'runner up', Mostafa Beshkar of Yale University, for his paper entitled *Trade Skirmishes and Safeguards: A Theory of the WTO Dispute Settlement Process*. The panel agreed that the paper offered a distinctive and interesting interpretation of the evolution of safeguard provisions from GATT to the WTO.

Up to 2011, the academic selection panel comprises Professor Jagdish Bhagwati of Columbia University, Professor Robert Staiger of Stanford University, Professor Alberto Trejos of INCAE Business School, Patrick Low, WTO Chief Economist, and Hakim Ben Hammouda, Director of the WTO's Institute for Training and Technical Cooperation.

To be eligible for the award, papers must address issues related to the economics of the WTO, such as the design and effects of trade agreements, measures to combat dumping and subsidies or temporary 'safeguard' protection against import surges, trade facilitation, Aid for Trade, or the economics of dispute settlement. Authors must be aged 30 or under, or be no more than two years past their doctorate. While most submissions in 2009 came from US and European universities, half the applicants were nationals of countries outside Europe and North America.

WTO Data Day

The first edition of WTO 'Data Day' took place on 18–19 May 2009. This inter-agency initiative aimed to raise awareness on the use and interpretation of trade-related statistical data, familiarize users with data applications, draw attention to continuing needs for data, and promote coherence and cooperation among international agencies that manage data.

Data Day, promoted by the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the World Bank and the WTO, was organized primarily for the benefit of policy makers, trade analysts and negotiators who are users of trade-related data. However, it also provided an opportunity for technical specialists in the four agencies to get together to identify existing data gaps and to analyse users' needs for available statistical tools.

On the first day of the seminar, participants reviewed the availability and use of data in relation to services, tariffs and trade, non-tariff measures, agriculture and trade facilitation. They also discussed the use and misuse of statistical indicators and models. The second day provided more technical information on databases, indicators and other statistical tools maintained by the four agencies that could be called upon to respond to specific demands.

Both data users and statisticians found Data Day useful. Trade officials were able to tell statisticians what they needed and expected by way of trade-related data, while statisticians were able to present their products and put forward solutions to some of the issues raised. They also received fruitful feedback from users that helped to identify data gaps and areas needing enhanced data coverage, timeliness and dissemination.

As a result of the interest and support received for this initiative, the four participating agencies plan to arrange similar events at regular intervals so as to keep WTO members and trade analysts informed of the most relevant developments in trade and market access statistics.

The Data Day brochure is available on the WTO website (see: http://www.wto.org/english/res_e/statis_e/broch_dataday_feb10_e.pdf). It presents the various statistical subjects tackled during the seminar, with references to the main datasets and tools available for trade policy analysis and decision-making.

Outreach



Background

Statistics play a major role in trade analysis, negotiations and policy making, but they can be difficult to access and interpret. The first 'Data Day', an inter-agency initiative hosted by the WTO, provided an opportunity for the four agencies involved to intensify cooperation on trade-related data, guard against duplication and work towards better services for data users.

Secretariat and budget

The WTO Secretariat has 621 staff on the regular budget, including individuals from 70 of the WTO's members. The WTO mainly derives its income from annual contributions from its 153 members. These contributions are based on a formula that takes into account each member's share of international trade. The WTO's total budget for 2010 is CHF 193,989,500.

WTO Secretariat

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WTO Secretariat organizational chart – May 2010

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Allocation of staff by division as of 31 December 2009

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WTO staff on regular budget by gender and nationality as of 31 December 2009

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WTO staff on regular budget by grade and gender as of 31 December 2009

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Budget, finance and administration

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Consolidated expenditure 2009

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Members' contributions to the WTO budget and the budget of the Appellate Body 2010

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Internal audit

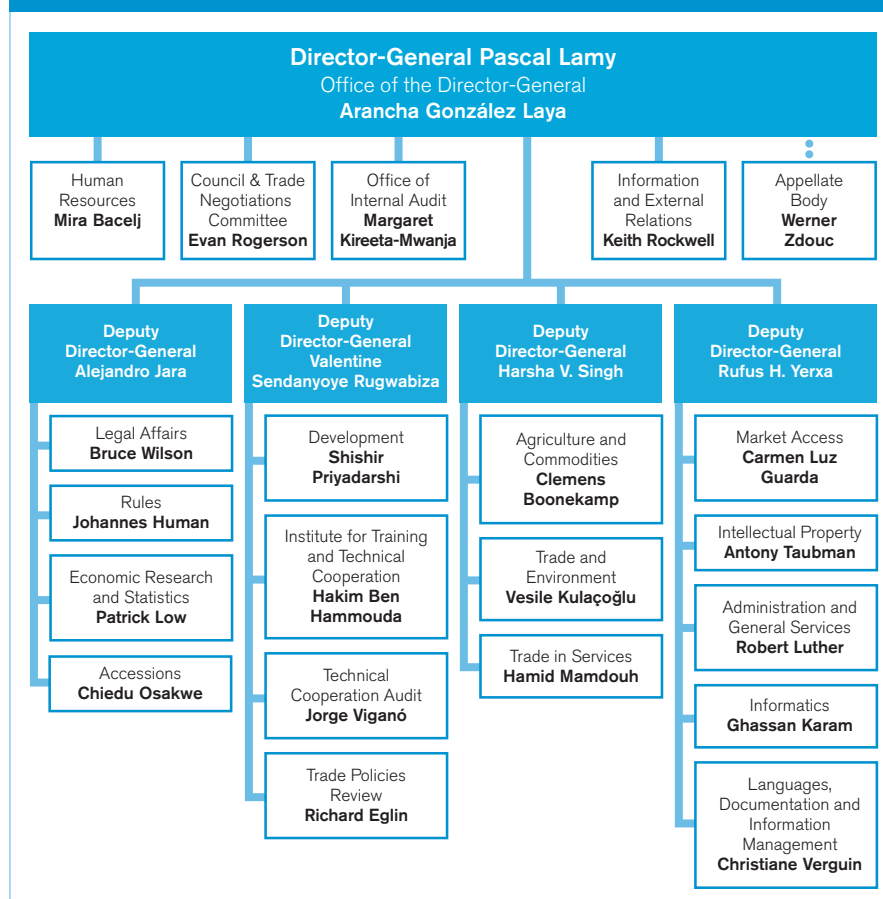
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WTO Secretariat

The WTO Secretariat, with offices in Geneva, has 621 staff on the regular budget and is headed by Director-General Pascal Lamy. Since decisions are taken by WTO 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 analyse 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 on the regular budget includes individuals from 70 of the WTO's members (see Table 2). 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.

Figure 1: WTO Secretariat organization chart – May 2010



The WTO's recruitment policy is based on the principle of equal opportunity for all, with the objective of ensuring the broadest possible diversification of the WTO Secretariat. The fullest regard is given to merit, qualifications and experience.

The Appellate Body, which has its own Secretariat, was established by the Understanding on Rules and Procedures Governing the Settlement of Disputes to consider appeals to decisions by dispute settlement panels (see page 102). The seven Appellate Body members are 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.

Table 1: Allocation of staff by division as of 31 December 2009

Division	Regular staff*	Senior management and directors**	Total
Director-General	0	1	1
Office of the Director-General	12	1	13
Offices of the Deputy Directors-General	8	4	12
Accessions Division	7.8	1	8.8
Administration and General Services Division	78.5	1	79.5
Agriculture & Commodities Division	14.6	1	15.6
Council and TNC Division	17.8	1	18.8
Development Division	13	1	14
Economic Research and Statistics Division	41.8	2	43.8
Human Resources Division	22.4	1	23.4
Informatics Division	38.3	1	39.3
Information & External Relations Division	25.6	1	26.6
Institute for Training and Technical Co-operation	32.5	1	33.5
Intellectual Property Division	12.1	1	13.1
Languages, Documentation and Information Management Division	157.2	1	158.2
Legal Affairs Division	13	2	15
Market Access Division	10.6	1	11.6
Office of Internal Audit	1	1	2
Rules Division	20	1	21
Technical Cooperation Audit	2.8	0	2.8
Trade & Environment Division	7.8	1	8.8
Trade in Services Division	15.8	1	16.8
Trade Policies Review Division	41.9	2	43.9
Appellate Body	14	1	15
Grand Total	608.5	29	637.5

* Regular Budget Posts, including posts not yet filled. Figures in decimals indicate members of staff who work a percentage of the working week (e.g. 80 per cent). Some posts are also split between two divisions.

** Two director posts not funded in 2009.

Secretariat and budget

Staff on regular budget include individuals from 70 of the WTO's members.

Table 2: WTO staff on regular budget by gender and nationality as of 31 December 2009

Member	Women	Men	Total
Argentina	3	5	8
Australia	4	6	10
Austria	2	3	5
Belgium	4	1	5
Benin	–	1	1
Bolivia	1	2	3
Brazil	3	6	9
Bulgaria	–	3	3
Canada	9	15	24
Chile	3	2	5
China	4	2	6
Colombia	3	6	9
Congo, the Democratic Republic of the	–	1	1
Costa Rica	1	1	2
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	100	75	175
Germany	5	13	18
Ghana	–	1	1
Greece	3	2	5
Guatemala	1	–	1
Honduras	1	–	1
Hong Kong, China	1	–	1
Hungary	–	1	1
India	3	11	14
Ireland	9	2	11
Italy	7	8	15
Japan	1	2	3
Korea, Republic of	3	1	4
Lesotho	–	1	1



Table 2: WTO staff on regular budget by gender and nationality as of 31 December 2009 (continued)

Member	Women	Men	Total
Malawi	–	1	1
Malaysia	1	2	3
Mauritius	–	2	2
Mexico	1	4	5
Morocco	1	1	2
Netherlands	2	4	6
New Zealand	2	3	5
Nigeria	–	1	1
Norway	–	2	2
Pakistan	–	1	1
Paraguay	1	–	1
Peru	3	4	7
Philippines	4	5	9
Poland	2	2	4
Portugal	–	1	1
Romania	2	–	2
Rwanda	1	1	2
Saint Lucia	1	–	1
Senegal	–	1	1
South Africa	–	1	1
Spain	31	15	46
Sri Lanka	1	2	3
Sweden	2	2	4
Switzerland	19	15	34
Tanzania	1	–	1
Thailand	–	1	1
Trinidad and Tobago	1	–	1
Tunisia	2	4	6
Turkey	2	1	3
Uganda	2	–	2
United Kingdom	48	17	65
United States of America	20	9	29
Uruguay	1	5	6
Venezuela (Bolivarian Republic of)	1	3	4
Zimbabwe	1	–	1
Total	331	290	621

Secretariat and budget

Our objective is to attract the best talent and ensure the broadest diversity of staff.

Table 3: WTO staff on regular budget by grade and gender as of 31 December 2009

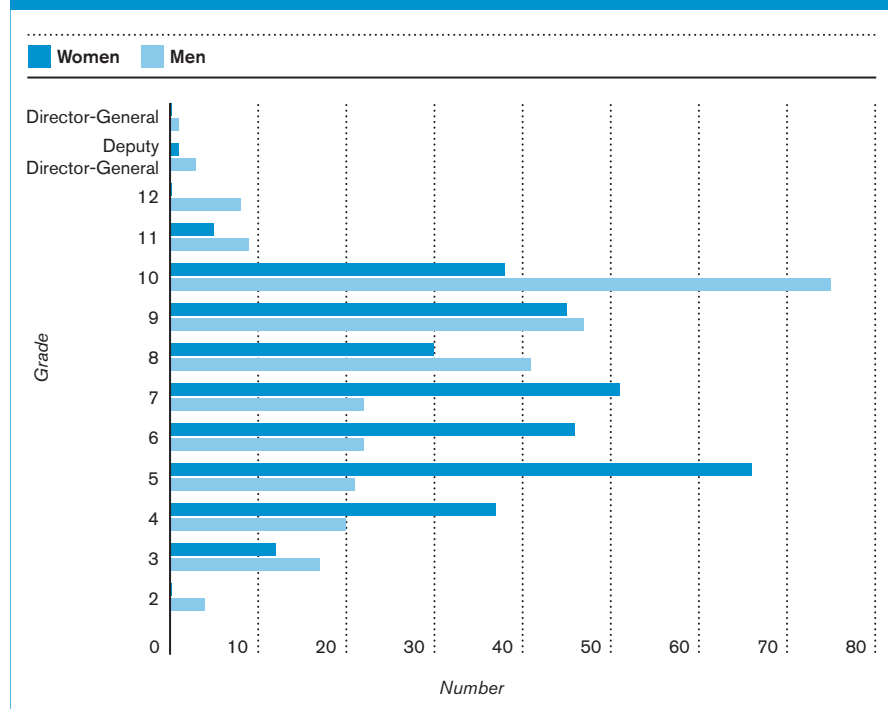
Division	Gender	Grades												DDG	DG	Total	
		2	3	4	5	6	7	8	9	10	11	12					
Director-General																	
Director-General	Men	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Office of the Director-General	Women	-	-	-	2	2	2	-	-	2	1	-	-	-	-	-	9
	Men	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	4
Appellate Body	Women	-	-	-	1	1	2	1	-	1	-	-	-	-	-	-	6
	Men	-	-	-	-	-	1	2	1	3	1	-	-	-	-	-	8
Council and Trade Negotiations Committee Division	Women	-	1	1	2	2	-	3	1	2	-	-	-	-	-	-	12
	Men	-	2	-	1	-	-	-	-	3	-	1	-	-	-	-	7
Human Resources Division	Women	-	1	5	3	2	5	1	1	1	-	-	-	-	-	-	19
	Men	-	-	-	-	-	-	1	2	-	-	-	-	-	-	-	3
Information and External Relations Division	Women	-	2	-	3	2	3	2	1	-	-	-	-	-	-	-	13
	Men	-	-	1	1	1	1	1	3	4	-	1	-	-	-	-	13
Office of Internal Audit	Women	-	-	-	1	-	-	-	-	1	-	-	-	-	-	-	2
Deputy Director-General 1																	
Office of Deputy Director-General 1	Women	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	2
	Men	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Accessions Division	Women	-	-	2	-	-	-	-	1	-	-	-	-	-	-	-	3
	Men	-	-	-	-	-	2	-	1	2	1	-	-	-	-	-	6
Economic Research and Statistics Division	Women	-	1	-	4	3	1	2	4	2	-	-	-	-	-	-	17
	Men	-	-	-	-	2	4	8	4	8	1	1	-	-	-	-	28
Legal Affairs Division	Women	-	-	1	-	1	2	2	1	1	-	-	-	-	-	-	8
	Men	-	-	-	-	1	-	-	2	3	-	1	-	-	-	-	7
Rules Division	Women	-	1	1	-	1	2	2	1	2	-	-	-	-	-	-	10
	Men	-	-	-	-	-	-	2	3	3	1	-	-	-	-	-	9
Deputy Director-General 2																	
Office of Deputy Director-General 2	Women	-	-	-	-	1	-	-	-	-	-	-	-	-	1	-	2
Development Division	Women	-	-	1	1	1	2	-	-	2	-	-	-	-	-	-	7
	Men	-	-	-	-	-	-	-	3	1	1	-	-	-	-	-	5
Institute for Training and Technical Cooperation	Women	-	-	1	5	3	3	1	2	1	-	-	-	-	-	-	16
	Men	-	-	-	1	-	-	2	7	6	1	-	-	-	-	-	17
Technical Cooperation Audit Division	Women	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
	Men	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	2
Trade Policies Review Division	Women	-	1	5	4	-	3	3	4	4	-	-	-	-	-	-	24
	Men	-	-	-	1	1	3	2	1	11	1	1	-	-	-	-	21



Table 3: WTO staff on regular budget by grade and gender as of 31 December 2009 (continued)

Division	Gender	Grades												DDG	DG	Total
		2	3	4	5	6	7	8	9	10	11	12				
Deputy Director-General 3																
Office of Deputy Director-General 3	Women	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1
	Men	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Agriculture and Commodities Division	Women	-	-	1	-	2	1	1	5	1	1	-	-	-	-	12
	Men	-	-	-	-	-	-	2	-	-	-	1	-	-	-	3
Trade and Environment Division	Women	-	-	-	1	1	-	-	2	1	1	-	-	-	-	6
	Men	-	-	-	-	-	1	-	1	1	-	-	-	-	-	3
Trade in Services Division	Women	-	-	2	2	-	1	1	1	2	-	-	-	-	-	9
	Men	-	-	-	-	-	-	-	2	6	-	1	-	-	-	9
Deputy Director-General 4																
Office of Deputy Director-General 4	Women	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1
	Men	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Administration and General Services Division	Women	-	-	4	10	3	4	2	3	2	-	-	-	-	-	28
	Men	4	14	10	7	6	2	2	1	4	1	-	-	-	-	51
Informatics Division	Women	-	-	-	-	2	1	2	1	-	-	-	-	-	-	6
	Men	-	-	-	3	5	3	10	3	5	-	1	-	-	-	30
Intellectual Property Division	Women	-	-	-	1	2	2	-	1	2	-	-	-	-	-	8
	Men	-	-	-	-	-	-	1	-	3	1	-	-	-	-	5
Languages, Documentation and Information Management Division	Women	-	5	12	23	15	14	7	16	9	1	-	-	-	-	102
	Men	-	1	9	7	6	4	8	11	5	-	-	-	-	-	51
Market Access Division	Women	-	-	1	1	1	1	-	-	2	1	-	-	-	-	7
	Men	-	-	-	-	-	1	-	1	2	-	-	-	-	-	4
Subtotal	Women	0	12	37	66	46	51	30	45	38	5	0	1	0	331	
	Men	4	17	20	21	22	22	41	47	75	9	8	3	1	290	
Total		4	29	57	87	68	73	71	92	113	14	8	4	1	621	

Figure 2: WTO staff on regular budget by grade and gender as of 31 December 2009





Background

The Committee on Budget, Finance and Administration monitors the WTO's budgetary and financial situation, including matters relating to the receipt of contributions, and undertakes any function assigned to it by WTO members. It considers issues concerning human resources management, hears progress reports on the WTO Pension Plan and deals with financial and administrative matters concerning the WTO Secretariat. The committee reports to the General Council.

Budget, finance and administration

In 2009 the Committee on Budget, Finance and Administration recommended approval of the proposed budget for the biennium 2010–11 and discussed issues relating to the renovation of the WTO headquarters building and the construction of a new adjoining building.

The committee examined the Director-General's budget proposals for the biennium 2010–11, which envisaged reinforcing the WTO's work on trade monitoring, surveillance and the collection of trade information, strengthening WTO outreach for the Asia and Middle East regions and undertaking internal redeployment in order to increase efficiency. The biennial budget was approved with a 2.5 per cent increase for 2010 and a 2.2 per cent increase for 2011.

In February 2009, a jury – composed of the committee Chair and representatives of the host country Switzerland, the Secretariat and independent architects – awarded the first prize for the design of the planned new building to Wittfoht Architekten of Stuttgart, Germany. The cost of the project amounts to CHF 40 million, financed by a loan from the host country which will also contribute CHF 10 million to construct the underground car park. In a referendum in September, citizens of the City of Geneva supported the construction of the new building.

The renovation of the first sector of the Centre William Rappard, which began in August 2008, was completed on time, and work on the second sector is under way. The project to create a single WTO site, which will bring all WTO staff together in one location for the first time, is scheduled for completion in 2012.

The committee recommended the adoption of the International Public Sector Accounting Standards (IPSAS) as the WTO accounting standard, with the objective of issuing IPSAS-compliant financial statements for the 2012 reporting period.

The committee, after extensive discussion on the actuarial deficit, endorsed the recommendation of the Management Board of the WTO Pension Plan to raise the overall contribution rate and to increase the normal retirement age from 62 to 65.

WTO budget 2010

The WTO derives its income from annual contributions from its 153 members (see Table 6) and miscellaneous income. These contributions are based on a formula that takes into account each member's share of international trade. Miscellaneous income mainly consists of contributions from observer countries and income from the sale of publications.

The WTO's budget for 2010 is as follows:

- WTO Secretariat: CHF 188,483,400
- Appellate Body and its Secretariat: CHF 5,506,100.

The total WTO budget is CHF 193,989,500.

Table 4: Consolidated expenditure 2009

Section	Budget 2009 CHF	Expenditure 2009 CHF*
Work years (including salary and pension)	121,437,200	120,409,401
Temporary assistance	14,975,500	15,569,078
Communications (including telecommunications and postal charges)	1,811,500	1,550,604
Building facilities (including rental, utilities, maintenance and insurance)	3,696,000	3,919,837
Permanent equipment	2,198,000	3,699,231
Expendable	1,305,000	1,232,438
Contractual services (including reproduction, office automation and security)	9,250,000	8,793,037
Staff overheads (including training and insurance)	4,633,500	4,801,308
Missions	2,939,000	2,780,845
Trade policy courses	3,823,600	2,289,553
Various (including dispute settlement panels, publications, library and public information activities)	6,228,400	6,022,192
Unforeseen	100,000	0
International Trade Centre	16,859,900	16,477,900
Total	189,257,600	187,545,424

* Unaudited accounts.

Table 5: Consolidated¹ budget 2010–11

Section	Budget 2010 CHF	Budget 2011 CHF
Work years (including salary and pension)	125,599,300	128,507,500
Temporary assistance	15,875,300	15,992,700
Communications (including telecommunications and postal charges)	1,786,500	1,786,500
Building facilities (including rental, utilities, maintenance and insurance)	3,843,000	3,866,000
Permanent equipment	1,130,000	1,089,000
Expendable	1,191,000	1,281,000
Contractual services (including reproduction, office automation and security)	9,298,000	9,236,600
Staff overheads (including training and insurance)	4,624,000	4,827,000
Missions	2,939,000	2,939,000
Trade policy courses	3,315,000	3,315,000
Various (including dispute settlement panels, publications, library and public information activities)	6,349,500	6,453,300
Unforeseen	0	0
International Trade Centre	18,038,900	18,911,000
Total	193,989,500	198,204,600

¹ Consolidated statements refer to the WTO and the Appellate Body Secretariats.

Table 6: Members' contributions to the WTO budget and the budget of the Appellate Body 2010

Member	2010 contribution after redistribution of surplus 2008	2010 contribution %
Albania	41,668	0.022
Angola	303,040	0.160
Antigua and Barbuda	28,410	0.015
Argentina	634,490	0.335
Armenia	28,410	0.015
Australia	2,193,252	1.158
Austria	2,428,108	1.282
Bahrain	172,354	0.091
Bangladesh	191,294	0.101
Barbados	28,410	0.015
Belgium	4,797,502	2.533
Belize	28,410	0.015
Benin	28,410	0.015
Bolivia	47,350	0.025
Botswana	64,396	0.034
Brazil	1,787,936	0.944
Brunei Darussalam	62,502	0.033
Bulgaria	297,358	0.157
Burkina Faso	28,410	0.015
Burundi	28,410	0.015
Cambodia	66,290	0.035
Cameroon	64,396	0.034
Canada	6,085,422	3.213
Cape Verde	28,410	0.015
Central African Republic	28,410	0.015
Chad	41,668	0.022
Chile	678,052	0.358
China, People's Republic of	12,223,876	6.454
Chinese Taipei	3,305,030	1.745
Colombia	382,588	0.202
Congo	62,502	0.033
Costa Rica	160,990	0.085
Côte d'Ivoire	113,640	0.060
Croatia	320,086	0.169
Cuba	128,792	0.068
Cyprus	125,004	0.066
Czech Republic	1,412,924	0.746
Democratic Republic of the Congo	28,410	0.015
Denmark	1,856,120	0.980
Djibouti	28,410	0.015
Dominica	28,410	0.015
Dominican Republic	166,672	0.088
Ecuador	176,142	0.093
Egypt	498,122	0.263
El Salvador	96,594	0.051
Estonia	178,036	0.094
European Union*	0	0.000
Fiji	28,410	0.015
Finland	1,223,524	0.646
Former Yugoslav Republic of Macedonia	49,244	0.026
France	8,761,644	4.626
Gabon	43,562	0.023

* Contributions from the member states of the European Union are made individually by its 27 member states.

Table 6: Members' contributions to the WTO budget and the budget of the Appellate Body 2010 (continued)

Member	2010 contribution after redistribution of surplus 2008	2010 contribution %
Gambia	28,410	0.015
Georgia	43,562	0.023
Germany	16,919,102	8.933
Ghana	83,336	0.044
Greece	939,424	0.496
Grenada	28,410	0.015
Guatemala	134,474	0.071
Guinea	28,410	0.015
Guinea-Bissau	28,410	0.015
Guyana	28,410	0.015
Haiti	28,410	0.015
Honduras	98,488	0.052
Hong Kong, China	5,212,288	2.752
Hungary	1,197,008	0.632
Iceland	90,912	0.048
India	2,036,050	1.075
Indonesia	1,399,666	0.739
Ireland	2,320,150	1.225
Israel	876,922	0.463
Italy	7,276,748	3.842
Jamaica	79,548	0.042
Japan	9,680,234	5.111
Jordan	138,262	0.073
Kenya	87,124	0.046
Korea, Republic of	4,998,266	2.639
Kuwait	537,896	0.284
Kyrgyz Republic	28,410	0.015
Latvia	142,050	0.075
Lesotho	28,410	0.015
Liechtenstein	45,456	0.024
Lithuania	248,114	0.131
Luxembourg	780,328	0.412
Macao, China	147,732	0.078
Madagascar	28,410	0.015
Malawi	28,410	0.015
Malaysia	2,233,026	1.179
Maldives	28,410	0.015
Mali	28,410	0.015
Malta	77,654	0.041
Mauritania	28,410	0.015
Mauritius	60,608	0.032
Mexico	3,645,950	1.925
Moldova	32,198	0.017
Mongolia	28,410	0.015
Morocco	321,980	0.170
Mozambique	37,880	0.020
Myanmar, Union of	45,456	0.024
Namibia	41,668	0.022
Nepal	28,410	0.015
Netherlands	6,200,956	3.274
New Zealand	460,242	0.243

Table 6: Members' contributions to the WTO budget and the budget of the Appellate Body 2010 (continued)

Member	2010 contribution after redistribution of surplus 2008	2010 contribution %
Nicaragua	41,668	0.022
Niger	28,410	0.015
Nigeria	500,016	0.264
Norway	1,662,932	0.878
Oman	240,538	0.127
Pakistan	339,026	0.179
Panama	162,884	0.086
Papua New Guinea	35,986	0.019
Paraguay	66,290	0.035
Peru	278,418	0.147
Philippines	782,222	0.413
Poland	1,844,756	0.974
Portugal	975,410	0.515
Qatar	342,814	0.181
Romania	607,974	0.321
Rwanda	28,410	0.015
Saint Kitts and Nevis	28,410	0.015
Saint Lucia	28,410	0.015
Saint Vincent and the Grenadines	28,410	0.015
Saudi Arabia, Kingdom of	1,884,530	0.995
Senegal	45,456	0.024
Sierra Leone	28,410	0.015
Singapore	4,111,874	2.171
Slovak Republic	632,596	0.334
Slovenia	356,072	0.188
Solomon Islands	28,410	0.015
South Africa	1,045,488	0.552
Spain	5,017,206	2.649
Sri Lanka	138,262	0.073
Suriname	28,410	0.015
Swaziland	32,198	0.017
Sweden	2,528,490	1.335
Switzerland	2,590,992	1.368
Tanzania	54,926	0.029
Thailand	1,984,912	1.048
Togo	28,410	0.015
Tonga	28,410	0.015
Trinidad and Tobago	126,898	0.067
Tunisia	231,068	0.122
Turkey	1,708,388	0.902
Uganda	32,198	0.017
Ukraine	695,098	0.367
United Arab Emirates	1,695,130	0.895
United Kingdom	9,668,870	5.105
United States	24,550,028	12.962
Uruguay	73,866	0.039
Venezuela	636,384	0.336
Viet Nam	613,656	0.324
Zambia	43,562	0.023
Zimbabwe	28,410	0.015
Total	189,400,000	100.000

Internal audit

During 2009 the Office of Internal Audit (OIA) issued a report on the WTO's travel policies, conducted two follow-up audits on procurement, reviewed current practices on delegating authority, and drafted an internal audit policy and procedure manual for staff.

Follow-up audits

In February and July 2009 the OIA undertook two follow-up audits on procurement to check on the implementation of recommendations that had been made in a November 2008 audit report. The July follow-up audit showed that a quarter of the recommendations had been implemented and half were in the process of being implemented. Of those remaining, some were longer-term recommendations awaiting documentation of detailed operational policies and procedures, completion of the WTO renovation and construction project, or completion of the International Public Sector Accounting Standards (IPSAS) project.

Mission travel audit

In October the OIA issued an audit report on mission travel, which made a number of recommendations aimed at improving organizational efficiency and effectiveness in the use of financial resources. These covered improvement in the mission travel policy guidelines, the benchmarking of WTO travel activities against those of related international organizations to emulate best practices, and the strengthening of internal controls and accountability mechanisms. Follow-up audits to check implementation of the agreed recommendations will be carried out in 2010.

Delegation of authority

The OIA carried out a desk review of current practices in delegating authority, especially where there is a significant financial impact on the organization. The review also tried to identify the various sources granting such authority and any specific instructions on limiting or delegating that authority. The desk review was the first step in an ongoing exercise aimed at documenting all the significant authority and approval levels within the WTO. This will be compiled into a comprehensive document to be completed by mid-2010, which, when approved, will be distributed to all staff for their information and guidance in fulfilling their financial obligations.

Policy and procedure manual

The OIA has drafted an internal audit policy and procedure manual, which will include the Office's terms of reference. The manual sets forth the guidelines by which the internal audit function will be carried out and outlines the policies, standards, procedures and practices that will govern its work. Once approved by the Director-General, it will be made available to all staff via the intranet.

Looking ahead

During November and December 2009 the OIA discussed with senior management what its priorities should be for the 2010–11 audit plan. In November it began an audit of payroll activities, which is planned for completion in the first half of 2010. The main objectives of this audit are to ensure that proper payroll controls, policies and procedures are in place for promoting efficient and effective use of financial resources, and to assess accountability and compliance with the various payroll rules and regulations. The OIA also plans to draw up a fraud policy encompassing the whole organization.

Secretariat and budget



Background

The Office of Internal Audit (OIA) was created in March 2008 to undertake the independent examination and evaluation of the WTO's financial and budgetary control systems and processes. The OIA makes recommendations for strengthening accountability and risk and financial management, with the aim of ensuring that the financial resources made available to the organization by its members are used efficiently and effectively to obtain the best value for money.

Abbreviations

CBD	Convention on Biological Diversity
CEB	United Nations Chief Executives Board
CRTA	Committee on Regional Trade Agreements
CTD	Committee on Trade and Development
DDA	Doha Development Agenda
DSB	Dispute Settlement Body
DSU	Dispute Settlement Understanding
EC	European Communities
EFTA	European Free Trade Association
EIF	Enhanced Integrated Framework
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign direct investment
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GIs	Geographical indications
GNP	Gross national product
GSP	Generalized System of Preferences
HS	Harmonized System
ICC	International Chamber of Commerce
IDB	Integrated Database
IFC	International Finance Corporation
IPR	Intellectual property rights
IPU	Inter-Parliamentary Union
ITA	Information Technology Agreement
ITC	International Trade Centre
ITTC	Institute for Training and Technical Cooperation
LDCs	Least-developed countries
MEAs	Multilateral environmental agreements
MFN	Most-favoured nation
NAMA	Non-agricultural market access
NGO	Non-governmental organization
NTBs	Non-tariff barriers
OECD	Organisation for Economic Co-operation and Development
PTAs	Preferential trade agreements
RTAs	Regional trade agreements
SCM	Subsidies and Countervailing Measures
SPS	Sanitary and phytosanitary measures
SSM	Special safeguard mechanism
STDF	Standards and Trade Development Facility
SVEs	Small, vulnerable economies
TBT	Technical barriers to trade
TNC	Trade Negotiations Committee
TPR	Trade Policy Review
TPRM	Trade Policy Review Mechanism
TRIMs	Trade-related investment measures
TRIPS	Trade-related aspects of intellectual property rights
TRTA	Trade-related technical assistance
UNCITRAL	United Nations Commission on International Trade
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
VAT	Value-added tax
WCO	World Customs Organization
WCP	WTO Chairs Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization

0 is zero or became zero due to rounding. 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 2009. 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.



Further information

The WTO website contains a wealth of information about the organization and its activities: www.wto.org

General information about the WTO is available in the following publications, which may all be downloaded free of charge from the website:

WTO in Brief

WTO in Brief provides a starting point for essential information about the WTO. Concise and practical, this short brochure is an ideal introduction to the WTO.

Understanding the WTO

An introduction to the WTO, what it is, why it was created, how it works, and what it does, *Understanding the WTO* has been written specifically for non-specialists. More comprehensive than *WTO in Brief*, this publication details WTO agreements, the dispute settlement process, the Doha Round of negotiations and many other issues.

10 Benefits of the WTO Trading System

From the money in our pockets and the goods and services that we use, to a more peaceful world – the WTO and the trading system offer a range of benefits, some well known, others not so obvious. *Ten Benefits of the WTO Trading System* tries to reflect the complex and dynamic nature of trade.

10 Common Misunderstandings about the WTO

Is it a dictatorial tool of the rich and powerful? Does it destroy jobs? Does it ignore the concerns of health, the environment and development? Emphatically no. Criticisms of the WTO are often based on fundamental misunderstandings of the way the WTO works. This booklet attempts to clear up 10 common misunderstandings.

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