



F O R E I G N

Newsletter

The General Council, at the first of a series of special sessions held on 22 June and 3 July, approved a work programme on dealing with problems encountered by developing countries in the implementation of various WTO Agreements. The Chairperson, Ambassador Kåre Byrn of Norway, stressed that the process launched by members is “definitely action and result-oriented”.

In welcoming the decision, Director-General Mike Moore said:

“For many of our Member Governments the problems related to implementing WTO agreements are the most important issues facing our organization today. By committing themselves to an action-oriented programme for addressing these concerns, WTO Member Governments have taken another important step in building confidence in the WTO and the global trading system. I look forward to assisting these governments in their consultations on implementation in the months to come.”

The holding of special implementation sessions was part of a series of measures, approved by the General Council in May, designed to raise confidence in the multilateral trading system by addressing the needs of developing countries, including the world’s poorest.

Under the arrangements agreed by the General Council on 3 and 8 May, Member Governments would begin in June a series of Special Sessions of the General Council dedicated to tackle the thorniest implementation issues and concerns. Those meetings will focus on finding mutually-acceptable solutions to address the issue of implementation which many Member Governments believe is the most pressing matter before the WTO. Member Governments have pledged to complete this process by the Fourth Ministerial Conference which will be held before year end 2001.

After the May meeting, Mr. Moore said: “Since the beginning of the year, we have sought to build confidence in the WTO and the trading system. In February, the General Council took decisions to facilitate negotiations on services and agriculture. Since then, General Council Chairman Kåre Byrn and my Deputy-Directors General have held intensive consultations with Member Governments in an effort to put the WTO on course to do the important work that is needed to raise living standards for working families everywhere. The decisions taken in re-



TO membership has risen to 137 governments with the recent entry of Jordan and Georgia. Both countries have been congratulated for the relatively rapid pace of their accession negotiations.

Jordan, on 11 April, became the 136th member of the WTO. The WTO’s General Council concluded negotiations with Jordan and approved the accession package on 17 December 1999.

“This is truly a historic moment for Jordan, as we have long aspired to become a member of the WTO,” said Dr. M. Halaiqah, Chief Negotiator and Secretary General of the Ministry of Industry and Trade of Jordan at the General Council meeting. “This is a turning-point in the continued development of the Jordanian economy.”

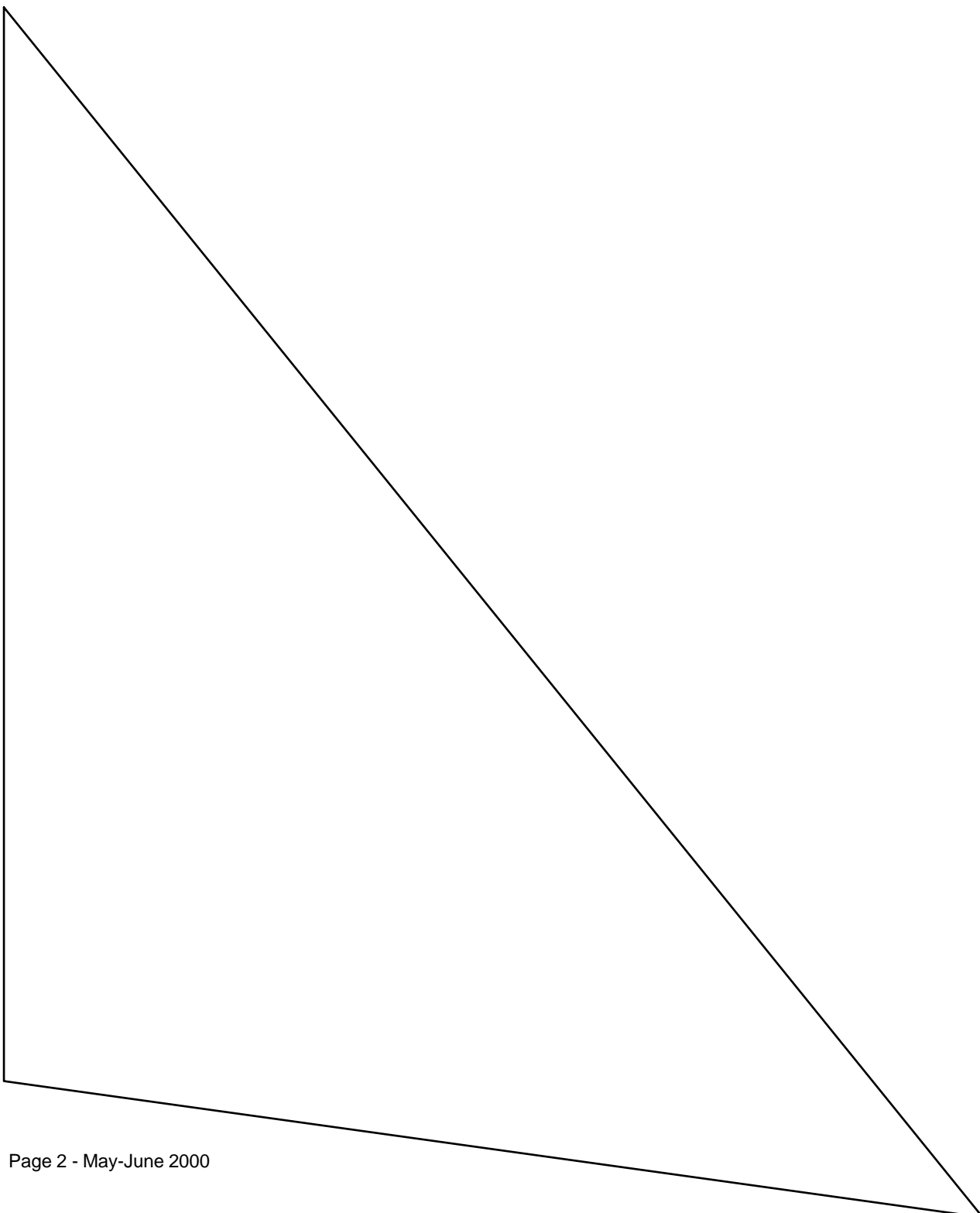
Mr. K. Kesavapany (Singapore), Chairman of the WTO’s working party on Jordan, noted that Jordan’s accession was testimony to the fact that the accession procedures under the WTO do work rapidly

cent days, and progress we have made in other areas, set us very much in the right direction," Mr Moore said.

The General Council also agreed in May on a method for addressing requests by several Member Governments for extending the transition period for implementation of the Agreement on Trade-Related Investment Measures (TRIMs). The General Council directed the Council for Trade in Goods "to give positive consideration to individual requests" to extend the transition period, which expired on 1 January 2000. In cases where Member Governments

have notified the WTO of any measures which may not be in conformity with the TRIMs Agreement, the General Council agreed that priority should be given to consultations, under the General Council's aegis, aimed at resolving differences between governments.

Mr Moore also praised 13 Member Governments (Canada, Chile, Czech Republic, European Communities, Hungary, Iceland, Japan, Korea, New Zealand, Norway, Slovenia, Switzerland and the United States) for taking "a significant step in a continuing process" of further opening their markets to products from the Least Developed Countries.



GENERAL COUNCIL

of course, more that can and should be done in improving LDCs' market access, but this is a good starting point," Mr Moore told the General Council.

"The measures taken in the last several days have been of great importance to the future of the global trading system. Governments have given high priority to the problems faced by the developing countries in their efforts to be come fully engaged partners in world trade. What the Council has done, sets the right tone for our work this year and next," Mr. Moore said.

Work by the General Council in recent days on addressing key problems affecting developing countries and on seeking procedural improvements to enhance participation by all member governments, marks a significant step in raising confidence among members that the WTO and the multilateral trading system can offer important contributions in promoting economic growth and development.

The Director-General noted that Member Governments were in agreement that technical cooperation work is a core activity of the WTO and must be funded in a stable manner. In line with growing support among Member Governments for funding technical cooperation activities through the

new WTO Secretariat study published on 19 June finds that trade liberalization helps poor countries to catch up with rich ones and that this faster economic growth helps to alleviate poverty. WTO Director-General Mike Moore said: "This report confirms that although trade alone may not be enough to eradicate poverty, it is essential if poor people are to have any hope of a brighter future. For example, 30 years ago, South Korea was as poor as Ghana. To day, thanks to trade led growth, it is as rich as Portugal."

The following is a selection of the highlights of the study, by Dan Ben-David of Tel Aviv University and L. Alan Winters of Sussex University (WTO Special Study No. 5, available in English, French and Spanish - ISBN 92-970-1215-6; June 2000; Price CHF 30).

Extreme poverty is a huge problem. 1.2 billion people survive on less than a dollar a day. A further 1.6 billion, more than a quarter of the world's population, make do with one to two dollars a day.

To alleviate poverty, developing economies need to grow faster, and the poor need to benefit from this

DISPUTE SETTLEMENT

The Dispute Settlement Body (DSB), on 19 June, established a panel to examine Pakistan's complaint that transitional safeguard measures by the United States on imports of combed cotton yarn from Pakistan violated provisions of the WTO Agreement on Textiles and Clothing.

In its complaint, Pakistan said that the WTO Textiles Monitoring Body had recommended that the US measure be rescinded but that the United States continued to maintain the trade restraint.

The United States accepted the establishment of the panel but expressed the hope that the on-going consultations with Pakistan would lead to a mutually satisfactory solution.

The United States requested the establishment of a panel to examine India's trade-related measures (TRIMs) in the motor vehicle sector. It claimed that under these measures, manufacturers could not obtain import licenses for automobile components unless they agreed to a series of local content, trade and foreign-exchange balancing requirements. uto regime

would join a consensus for the adoption of these reports.

The DSB adopted the Appellate Body report, and the panel report, as modified by the Appellate Body report.

The DSB heard the following status reports on implementation of its recommendations:

The EC said that with respect to its banana regime, it had held 57 meetings over the preceding 12 months with interested parties to find a solution but that it had not been able to bridge the divergent positions of the main parties.

Japan said that it expected to reach a solution soon in its consultations with the United States regarding its measures affecting agricultural products.

Canada said that regarding its measures affecting the importation of milk and the exportation of dairy products, it had agreed with the complainants (New Zealand and the United States) that that the implementation period should conclude by the end of 2000. It added that it was keeping the complainants informed of progress in its implementation of the DSB recommendations.

The DSB, on 7 June, considered the Appellate Body report and the panel report, as upheld by the Appellate Body, on the imposition by the United States of countervailing duties on certain hot-rolled lead and bismuth carbon steel products originating in the United Kingdom.

The EC welcomed the Appellate Body report, which it said had upheld the panel's findings the US measure was inconsistent with the provisions of the Agreement on Subsidies and Countervailing Measures. It said that in the light of the findings, the United States should now change its countervailing duty practice that presumed previous subsidies are passed through when companies are privatized, and review outstanding countervailing duty orders involving pre-privatization subsidies.

The United States expressed disappointment with the findings, and continued to believe that subsidies did not disappear simply because the ownership of a subsidized firm changed and the new owner paid a fair market value for the subsidized assets that it had acquired.

The United States, however, welcomed the Appellate Body's acceptance of the briefs (from the American Iron and Steel Institute and the Specialty Steel Industry of North America, respectively). It said that by allowing affected private parties to present their views in WTO appeals, the Appellate Body had taken a positive step towards making the WTO more open and enhancing public confidence in the dispute settlement process.

The EC said that the Appellate Body had not provided guidance under what circumstances it might find it pertinent to consider such briefs. Canada, Japan, Argentina, Hungary, India, the Philippines, Brazil, Malaysia, Pakistan, Ecuador, Thailand, and Hong Kong, China expressed concern over the procedure adopted by Appellate Body.

Canada, on 22 May, requested authorization from the DSB to take countermeasures in the amount of Can\$700 million per year against what it said was Brazil's failure to implement DSB recommendations to withdraw illegal aircraft subsidies. It added that it would continue to negotiate with Brazil to resolve the dispute.

Brazil objected to the amount requested by Canada as arbitrary, and requested arbitration. It expressed surprise at Canada's request as the reports on aircraft measures by both Canada and Brazil were still under appeal. Brazil added that these reports represented an imbalance between developed and developing-country members in the areas of subsidies.

The DSB agreed that as requested by Brazil, the matter be referred to arbitration to determine whether the countermeasures requested by Canada were appropriate; it being understood that no countermeasures would be sought pending the Appellate Body report and until after the arbitration report in the present case.

Ecuador, at the DSB meeting on 18 May, requested authorization to take countermeasures against the European Communities in the banana dispute to the amount of \$201.6 million per year as determined by arbitrators. It said it would continue to negotiate with the EC the terms for the application of a new banana regime, and reaffirmed that it would prefer compensation over retaliation.

The EC said it would not oppose the request but stressed that Ecuador, as per the arbitrators' report, should first take countermeasures in the area of consumer goods and then on services. It stressed that only if measures in these two areas should not be sufficient could Ecuador take action in the area of trade-related intellectual property rights. The EC reserved its right to challenge any excessive countermeasure.

The DSB agreed to grant authorization to Ecuador to suspend to the EC and its member states tariff concessions or other related obligations consistent with the arbitrators' decision.

Oppose

e have had a positive and open discussion on Norway's trade policies. Members of the TPRB were clearly impressed by Norway's solid economic performance and the high standard of living. This was achieved, due in good part to a liberal trade regime, disciplined macroeconomic policies and the deft management of its natural resources. In this respect, Members highlighted the creation of a special fund to help the inter-generational



he Trade Policy Review of Singapore, which generated enormous enthusiasm among the Member countries, was most useful to all participants in a variety of ways. To the Singapore delegation, so ably led by Permanent Secretary Khaw Boon Wan, it provided a helpful assessment of how their trade and investment policies are perceived by us; to all others it demonstrated how sound macroeconomic fundamentals, wise socioeconomic management, continued liberalization and bold regulatory reforms helped sustain growth for a couple of years after the last Review and thereafter assisted recovery in the aftermath of the economic crisis that hit the Asian region in 1997. The size of Singapore has come up; we all know that Singapore in low tide is larger than at high tide but Singapore has shown that small can be beautiful.

It was acknowledged by several that the example of Singapore merited emulation. Many others saw lessons to learn. Particularly noted was Singapore's swift and flexible response to the crisis, without taking protectionist measures, at the same time accelerating liberalization in key services as financial and telecommunications, as also planning the same in the energy sector. They observed that Singapore was one of the most open economies in the world with zero tariffs for most lines, a liberal foreign investment regime and on-going reform programmes in the services sector which went beyond its GATS commitments. Singapore's steadfast faith in the multilateral trading system was appreciated, as was its prompt implementation of WTO Agreements including those for which it has a transition period. Members also noted Singapore's active involvement in regional arrangements under a policy of open regionalism.

e have had open and positive discussion on Tanzania's trade policies and measures. Members of the TPRB have been clearly impressed by Tanzanian's progress on economic reform begun in 1985, and pursued with renewed focus and vigour since 1995. These policies have seen real growth of Tanzania's GDP in the past few years. However, it has been acknowledged by all Members that, as one of the poorest nations in the global economy, Tanzania still has difficult challenges ahead, in particular a

and smoothly given the determination of the acceding government to push ahead and the cooperation and flexibility of Members.

Six countries in the region are already members of the WTO: Bahrain, Egypt, Israel, Kuwait, Qatar and the United Arab Emirates. Three are in the process of acceding to the WTO: Lebanon, the Sultanate of Oman and Saudi Arabia.

Georgia became the 137th WTO member on 14 June. WTO Director-General Mike Moore welcomed the event by saying: "I congratulate Georgia on its swift accession and the comprehensive commitments it has taken on. This accession is particularly noteworthy given Georgia's remarkable transition to a market economy. Georgia is the fourth former Soviet republic to join the WTO and has done so in less than four years after applying for membership."

Georgia applied for WTO membership on 3 July 1996 to start negotiations with the WTO working party on its terms of accessions. The results of these negotiations were adopted by the WTO General Council on 6 October 1999 and formally accepted by the national legislature in Tbilisi in May this year.

At the General Council meeting of 6 October 1999, Mr. V. Lordkipanidze, State Minister of Georgia, said: "We believe that expansion of the multilateral trading system will help to stop economic nationalism and protectionism, give countries a fair foothold on the global trading market, thus contributing to a stable and continued economic growth world-wide." He added: "I am convinced that by assuming their rightful place in the global trading system, Georgia and other countries in transition will soon see prosperity and stability increase along with their new, expanded activity in the world economic arena."

At the same meeting, Mrs. Anne Anderson (Ireland), chairperson of Georgia's working party, remarked on Georgia's speedy accession. She said that the rapid pace of this accession process testified to the determination shown by the Georgian authorities to carry through an impressive reform process sustained by a high degree of trade liberalisation and full conformity with WTO rules and disciplines. She pointed out that the fact that Georgia had been able to conclude accession negotiations so rapidly and efficiently proved that when supported by constructive dialogue, intensive preparatory work and good will, the WTO accession procedures had worked well.

WTO FOCUS

News letter published by the Information and Media Relations Division of the WTO.

7395111 7395458
<http://www.wto.org>

ISSN 0256-0119

	Textiles Monitoring Body
	Committee on Balance-of-Payments: Slovak Republic and Romania
	Working Party on State Trading Enterprises
	Council for TRIPS
	Committee on Trade and Development
	BOP Committee: Pakistan
	Dispute Settlement Body
	Committee on Agriculture; Working Party on GATS Rules
	Committee on Agriculture - Special Session; Council for Trade in Services

