



WTO OMC

F O C U S

*Newsletter*

### **Significant trade barriers remain after Uruguay Round, says new Secretariat study**

World trade has been liberalized considerably as a result of the Uruguay Round but significant trade barriers remain including in areas of interest to developing countries like textiles and agriculture, according to a new WTO Secretariat study *Market Access: Unfinished Business* published on 26 April.

“This new report makes clear that the WTO has plenty of unfinished business,” said Director-General Mike Moore. “The best way we can tackle the many remaining trade barriers that are preventing people and countries from realizing their full potential is in a wider set of negotiations.”

The new WTO Secretariat study profiles post-Uruguay Round market access conditions in three areas: industrial tariffs, agriculture and services, the latter two of which are already the subject of ongoing negotiations. The detailed study is intended as a comprehensive resource for negotiators and the interested public. A copy may be downloaded from the



The WTO Dispute Settlement Body (DSB), on 12 March, established the following new panels:

Brazil requested the establishment of a panel to examine the WTO compatibility of Canada's new aircraft financing system. This was Brazil's first request but only one request is necessary for a panel to be established in cases of claimed forbidden subsidies. The DSB agreed to establish a panel. The European Communities, India and the United States reserved third-party rights to participate in the Panel's proceeding.

The United States requested for the second time the establishment of a panel to examine the WTO compatibility of the United States' aircraft financing system. This was the United States' second request but only one request is necessary for a panel to be established in cases of claimed forbidden subsidies. The DSB agreed to establish a panel. The European Communities, India and the United States reserved third-party rights to participate in the Panel's proceeding.

### *WHO/WTO workshop on pricing and financing of essential drugs experts*

ØSBJØR, NORWAY — Making life-saving medicines more affordable for poor countries is vital for improving public health. More importantly, it is realistic, experts said in a three-day workshop that ended on 11 April.

In particular, “differential pricing”—companies charging different prices in different markets according to purchasing power—is a feasible means of achieving this, provided certain conditions are met.

That was a widely held view among a di Tw 7







## TRADE POLICIES

e have had a thorough and constructive discussion of the trade policies of Madagascar. Members were impressed by Madagascar's recent strong economic performance, which they attributed to the strengthening of its market-oriented reforms, including trade liberalization. Members commended Madagascar on its interim Poverty Reduction Strategy Paper (PRSP) and sought clarification on the mainstreaming of trade in the PRSP. They noted that Madagascar's debt relief under the HIPC initiative would further assist its macroeconomic situation. Some concern was expressed about the pace of the privatization process and about restrictions on land ownership, which were negatively affecting foreign direct investment, particularly in the tourism subsector. Members encouraged Madagascar to continue the reform process so as to allow it to fully benefit from its rich resource base and enormous potential.

### **Active member**

Members appreciated Madagascar's active participation in the multilateral trading system. Some Members urged Madagascar to join them in their support for the launch of a new round of multilateral trade negotiations. Members called upon Madagascar to



## TRADE POLICIES

were optimistic about its economic prospects. Members encouraged Madagascar to maintain both the pace and the direction of its reforms, and urged that its bilateral and regional arrangements be WTO-consistent. In my personal

capacity, I advocate that all Members support Madagascar in its ef

*Mike Moore*

Recent years have been full of promise for the world economy. The US economy has grown in leaps and bounds, surfing on the crest of a seemingly endless wave of technological innovation. The challenge for other countries has been to capture some of that zest for themselves. Though some people were afraid they would be left behind, the mood was generally optimistic.

This year is different. Share prices on the Nasdaq, the barometer of America's technology-fuelled optimism, have fallen back to earth. Its European counterparts, such as the DAX, have also fallen. The mood is generally pessimistic.

by Article 20 of the WTO's Agreement on Agriculture.  
The looming expiry of the Peace Clause in 2003 gives

Some of the findings presented in the new WTO Secretariat study are:

Among the 42 developed and developing countries surveyed the average level of bound tariffs for industrial products ranges from 1.8% to 59%.

Numerous countries have bound their industrial tariffs at levels significantly above the levels actually applied, with differences between the average bound and average applied rates reaching more than 30% in some countries. In such cases, bindings contribute little to the stability of the applied tariffs.

Forty-seven WTO Members and five Observers participate in the Information Technology Agreement which provides for the elimination of tariffs on IT products. These countries currently account for 93% of world trade in IT products.

Among the Asian countries in the sample, the share of agricultural tariff lines with bound duties above 100% ranges from zero to 69%, while among the Asian countries the share of agricultural tariff lines with bound duties above 100% ranges from zero to 69%.