

Chapter XVII

World Trade Organization (WTO)

In 2002, the World Trade Organization (WTO), the legal and institutional foundation of the multilateral trading system, continued to oversee the rules of international trade, settle trade disputes and organize trade negotiations. Under the Doha Development Agenda, launched by the Fourth (2001) Ministerial Conference [YUN 2001, p. 1432], WTO pursued negotiations to liberalize further market access for services, agricultural products (both begun in 2000) and manufactured goods. The deadline for the successful conclusion of the Agenda was 1 January 2005.

The General Council, the body overseeing the organization's work between meetings of the Ministerial Conference, the organization's highest authority, continued to monitor the implementation and operation of the multilateral trading system embodied in the 1994 WTO Agreement [YUN 1994, p. 1474]. The Council followed up on matters arising from the 2001 Ministerial Conference, in particular the concerns raised by developing countries in their experience with the implementation and operation of current WTO agreements. It agreed that the Fifth Ministerial Conference would be held in September 2003.

As at 31 December 2002, WTO membership (members and observers) totalled 144.

General activities

The three working groups set up by the 1996 Ministerial Conference [YUN 1996, p. 1441] met during 2002. Pursuant to directions and guidelines provided by the Doha Development Agenda, the Working Group on the Relationship between Trade and Investment focused on the clarification of core issues related to a possible multilateral framework on investment; foreign direct investment; technology transfer; and investors and home government obligations. The Working Group on the Interaction between Trade and Competition Policy focused on the clarification of core principles of transparency, non-discrimination, procedural fairness and provisions on hard-core cartels; modalities for voluntary cooperation; and support for progressive reinforcement of competition institutions in developing countries through capacity-building. The Working Group on Transparency in Government Procurement discussed, among other is-

ues, the definition and scope of government procurement; publication of information on national legislation and procedures; information on procurement opportunities, tendering and qualification procedures; transparency of decisions on qualification and contract awards; domestic review procedures; information to other Governments; WTO dispute settlement procedures; and technical cooperation.

WTO continued to settle trade disputes between members covered by the Understanding on Rules and Procedures Governing the Settlement of Disputes; provided technical assistance and capacity-building to developing countries; and cooperated with the International Monetary Fund and the World Bank in promoting greater coherence in international economic policy-making.

During the year, the Trade Policy Review Body carried out reviews of Australia, Barbados, the Dominican Republic, Guatemala, Hong Kong (China), India, Japan, Malawi, Mauritania, Mexico, Pakistan, Slovenia, Venezuela, Zambia and the European Union.

Trade in goods

During 2002, the Council for Trade in Goods continued to monitor the implementation of multilateral trade agreements and examined and approved requests for waivers and waiver extensions from members in connection with the transposition of their schedules into the Harmonized System. It conducted its first review of China's implementation of its WTO commitments; reviewed the implementation of the Agreement on Textiles and Clothing; discussed oversight functions regarding certain restrictions on products; and addressed issues related to the implementation of the Trade-related Investment Measures Agreement. As mandated by the Doha Development Agenda, the Council also discussed trade facilitation in relation to the General Agreement on Tariffs and Trade; trade facilitation needs and priorities of member States, especially of the developing and least developed countries; and technical assistance and capacity-building.

The Committee on Agriculture continued to review progress in the implementation of commitments resulting from the Uruguay Round agricultural reform programme, or from accession to WTO. It also established an inter-agency panel

to explore improving access to short-term credit from international financial institutions to finance food imports of developing countries and to examine a proposal by net food-importing developing countries for the establishment of a food-importers revolving fund.

The Committee on Sanitary and Phytosanitary Measures continued to monitor the implementation of the Agreement on the Application of Sanitary and Phytosanitary Measures, which set out the rights and obligations of members to ensure food safety, protect humans from plant- or animal-spread diseases, or protect plants and animals from pests and diseases.

The Committee on Safeguards continued to review national safeguard legislation and/or regulations.

Trade in services

In 2002, the Council for Trade in Services held six formal meetings and one special meeting to review air transport under the Annex on Air Transport Services. Among other things, the Council addressed issues pertaining to emergency safeguard measures and accounting rates.

Intellectual property

The TRIPS Agreement provided for minimum international standards of protection in copyright, trademarks, geographic indications, industrial designs, patents, layout designs of integrated circuits and undisclosed information. In 2002, the Council for TRIPS continued to review national implementing legislation of developing countries and economies in transition.

Regional trade agreements

As at December 2002, WTO received notifications of 20 additional regional trade agreements, bringing the total number of notified agreements in force to 177.

Trade and development

In 2002, the Committee on Trade and Development continued to consider special and differential treatment of developing countries to facilitate their participation in world trade, technical cooperation and training, and market access for

least developed countries. It also considered implementation issues and identified and debated the developmental aspects of negotiations.

Plurilateral agreements

The Committee on Government Procurement continued negotiations on expanding the coverage of the Agreement on Government Procurement, its simplification and improvement, including adaptation to advances in information technology and the elimination of discriminatory measures and practices that distorted open procurement.

The Agreement on Trade in Civil Aircraft eliminated customs duties and other charges on imports of civil aircraft products and repairs, bound them at zero level and required the adoption or adaptation of end-use customs administration. Although part of the 1994 WTO Agreement, it remained outside the organization's framework. The Committee on Trade in Civil Aircraft continued to eliminate customs duties and other charges on imports of civil aircraft products and repairs, and adopted a decision on procedures for the circulation and derestriction of documents under the Agreement on Trade in Civil Aircraft.

International Trade Centre

The International Trade Centre (ITC), operated jointly by WTO and the United Nations Conference on Trade and Development (see p. 940), continued to play a crucial role in trade-related technical cooperation and trade-related capacity-building. In 2002, it focused its technical assistance on helping businesses understand WTO rules, strengthening enterprise competitiveness and developing new trade promotion strategies.

Budget

The WTO budget for 2002 totalled 143 million Swiss francs.

Secretariat

At the end of 2002, WTO staff numbered 560.

NOTE: For further information on WTO activities, see the organization's *Annual Report 2002*.

HEADQUARTERS

World Trade Organization
Centre William Rappard
154, rue de Lausanne
CH-1211 Geneva, 21, Switzerland
Telephone: (41) (22) 739-5111
Fax: (41) (22) 731-4206
Internet: www.wto.org
E-mail: enquiries@wto.org