

Contents

| | |
|------------------|-------|
| Preface | iii |
| Acknowledgements | v |
| Boxes | xx |
| Note | xxiii |

| | |
|---------------------------------------|----------|
| Introduction | 1 |
| The Guide | 1 |
| References and up-to-date information | 2 |

| | |
|--|----------|
| Overview | 3 |
| The WTO system and the evolving global economy | 3 |
| The evolving multilateral trading system | 3 |
| Establishment of GATT | 4 |
| The Uruguay Round of Trade Negotiations | 4 |
| The WTO system | 4 |
| WTO and the global economy | 5 |
| Main features of the WTO Agreements | 7 |
| Multilateral Agreements on Trade in Goods | 7 |
| Objective and principles | 7 |
| Four basic rules | 7 |
| Protection to domestic industry through tariffs | 7 |
| Binding of tariffs | 7 |
| Most-favoured-nation treatment | 7 |
| National treatment rule | 8 |
| Rules of general application | 8 |
| Other rules | 8 |
| Rules governing the use of subsidies | 8 |
| Measures which governments of importing countries can take if requested by domestic industry | 9 |
| Safeguard actions | 10 |
| Anti-dumping and countervailing duties | 10 |
| Trade-related investment measures | 11 |
| General Agreement on Trade in Services | 11 |
| Four modes of international trade in services | 11 |
| Main provisions of GATS | 11 |
| MFN and national treatment | 12 |
| Transparency requirements | 12 |
| Increasing participation of developing countries | 12 |
| Liberalization commitments | 12 |
| Agreement on Trade-Related Aspects of Intellectual Property Rights | 13 |

| | |
|--|----|
| The nature of intellectual property | 13 |
| Background to the negotiations on TRIPS | 13 |
| Main provisions of the Agreement | 13 |
| Categorization of WTO member countries | 13 |
| Single undertaking rule | 14 |
| Provisions for the special and differential treatment of developing and least developed countries | 14 |
| Procedures for dispute settlement | 14 |
| Mechanism for trade policy review | 14 |
| Liberalization measures taken by countries as a result of commitments assumed in the Uruguay Round | 15 |
| Improvements in market access | 15 |
| The industrial sector | 15 |
| Reductions in tariffs | 15 |
| Agreement on Textiles and Clothing | 15 |
| Agreement on Agriculture | 16 |
| Estimates of income and trade gains | 16 |
| Need for caution in interpreting macroeconomic studies | 16 |
| Developments since the establishment of WTO | 17 |
| Trade problems of least developed countries | 18 |
| Negotiations for the further liberalization of trade | 18 |
| Built-in agenda for the commencement of new negotiations | 19 |
| Decisions at the Ministerial Conference | 19 |
| Launching new negotiations | 19 |
| Benefits to the business community of the WTO system | 20 |
| Benefits conferred on the business community | 20 |
| Benefits to exporters of goods and services | 20 |
| Security of access | 20 |
| Stability of access | 21 |
| Benefits to importers of raw materials and other inputs | 21 |
| Rights conferred on the business community | 21 |
| Rights of domestic producers and importers | 21 |
| Rights of exporting enterprises | 22 |
| Illustrative list of rights | 22 |
| Effective utilization of WTO dispute settlement procedures | 22 |
| Influencing the future course of negotiations | 22 |
| Taking advantage of liberalization measures | 23 |
| Summing up | 23 |
| Annex I: Illustrative list of benefits arising from the WTO system | 25 |
| Annex II: WTO Agreements: provisions on special and differential treatment of developing countries – An analytical summary | 28 |

PART ONE

THE WORLD TRADE ORGANIZATION: ITS ROLE AND FUNCTIONS 35

CHAPTER 1

WTO: Forum for negotiations, dispute settlement and trade policy reviews 37

| | |
|--|----|
| Summary | 37 |
| WTO: Its objectives, functions and structure | 37 |
| Objectives and mandate | 37 |

| | |
|---|----|
| Functions | 37 |
| Structure | 38 |
| Decision-making process | 39 |
| The WTO Secretariat | 39 |
| Membership | 40 |
| WTO as a forum for negotiations | 40 |
| Continuous negotiations | 40 |
| Built-in agenda for negotiations | 40 |
| Review of Agreements | 40 |
| Addition of new subjects to the WTO work programme | 40 |
| Possible launching of a new round of trade negotiations | 41 |
| WTO system for the settlement of disputes | 42 |
| Dispute Settlement Body | 42 |
| Importance of consultations and conciliation | 42 |
| Panels | 42 |
| Appellate Body | 43 |
| Consideration of reports by DSB | 43 |
| Implementation of the reports | 43 |
| Compliance | 43 |
| Provision of compensation | 43 |
| Authorization of retaliatory action | 43 |
| How the dispute settlement mechanism works in practice | 44 |
| Trade Policy Review Mechanism (TPRM) | 46 |
| Periodicity of reviews | 47 |
| WTO-related consultations | 47 |
| Mechanism for consultations between governments and the private sector | 47 |
| Influence of associations of industries | 47 |
| Effective utilization of the legal and trade information available in WTO | 49 |
| Summing up | 49 |
| Annex I WTO structure | 50 |
| Annex II WTO membership | 51 |

PART TWO

INTERNATIONAL RULES GOVERNING TRADE IN GOODS (GATT 1994 AND ITS ASSOCIATE AGREEMENTS)

53

CHAPTER 2

Four main rules of GATT

55

| | |
|--|----|
| Summary | 55 |
| First rule: protecting the domestic industry by tariffs only | 55 |
| Non-observation of the rule against quantitative restrictions | 56 |
| Agricultural sector | 56 |
| Trade in textiles and clothing | 56 |
| Developing countries | 56 |
| Reinforcement of the discipline against the use of quantitative restrictions | 57 |
| Tariffication in the agricultural sector | 57 |
| Phased removal of restrictions on textiles and clothing | 57 |
| Developing countries in balance-of-payments difficulties are urged to use price-based measures | 57 |
| Second rule: tariffs should be reduced and bound against further increases | 57 |
| Reductions in tariffs | 57 |

| | |
|--|----|
| Binding against further increases | 57 |
| Principle governing the exchange of concessions in negotiations | 58 |
| Greater contributions from developing countries in the Uruguay Round | 59 |
| Third rule: trade according to the most-favoured-nation clause | 59 |
| Exceptions to the MFN rule | 60 |
| Fourth rule: national treatment | 63 |
| Business implications | 63 |

CHAPTER 3

Valuation of goods for customs purposes 65

| | |
|---|----|
| Summary | 65 |
| Types of customs duties | 65 |
| Rules of the Agreement on Customs Valuation | 66 |
| The main standard: transaction value | 66 |
| Five other standards | 68 |
| The transaction value of identical goods | 68 |
| The transaction value of similar goods | 68 |
| Deductive value | 69 |
| Computed value | 69 |
| Fall-back method | 69 |
| Developing countries and the Agreement | 70 |
| Business implications | 70 |

CHAPTER 4

Preshipment inspection 72

| | |
|---|----|
| Summary | 72 |
| Objectives for using PSI services | 73 |
| Background to the negotiations on the PSI Agreement | 73 |
| Main provisions of the Agreement | 74 |
| Obligations of PSI-using countries | 75 |
| Guidelines for conducting price verification | 75 |
| Differing rules on the verification of prices in the Agreement on PSI and on the valuation of goods in the Agreement on Customs Valuation | 77 |
| The main differences in the provisions of the two Agreements | 77 |
| Practical implications of the differences | 77 |
| Obligations of exporting countries | 78 |
| Consideration of complaints and settlement of disputes | 79 |
| Review of the provisions of the Agreement | 79 |
| Recommendations adopted to clarify the rules of the Agreement | 79 |
| Future monitoring | 81 |
| Business implications | 81 |

CHAPTER 5

Mandatory and voluntary product standards, and sanitary and phytosanitary regulations 82

| | |
|-----------------------|----|
| Summary | 82 |
| The role of standards | 83 |
| In general | 83 |
| In promoting trade | 83 |

| | |
|---|-----|
| International rules governing standards | 84 |
| Agreement on Technical Barriers to Trade | 85 |
| Definitions | 85 |
| Technical regulations and standards | 85 |
| Conformity assessment | 85 |
| Testing of products | 86 |
| Certification of products after inspection | 86 |
| Quality management systems | 87 |
| Accreditation procedures | 87 |
| General principles and rules of the Agreement on TBT | 87 |
| Encouragement of the use of international standards, guidelines and recommendations | 87 |
| Circumstances permitting deviations from international standards and guidelines | 88 |
| Specific rules | 88 |
| Technical regulations and standards | 88 |
| Conformity assessment procedures | 89 |
| Arrangements for the mutual recognition of conformity assessment procedures | 90 |
| Code of Good Practice for voluntary standardization | 90 |
| Agreement on the Application of Sanitary and Phytosanitary Measures | 91 |
| Definition of sanitary and phytosanitary regulations | 91 |
| Difference between technical regulations and SPS measures | 91 |
| Approach of the SPS Agreement | 91 |
| Main differences between the SPS and the TBT Agreements | 93 |
| Other provisions common to the SPS and TBT Agreements | 95 |
| Level of obligations | 95 |
| Special and differential treatment of developing countries | 95 |
| Enquiry points | 96 |
| Business implications and experience of the operation of the Agreements | 96 |
| Reviews of the Agreements | 96 |
| Participation in international standardization activities | 96 |
| Making full use of rights to comment on draft standards and regulations | 97 |
| Quality management systems: ISO 9000 | 97 |
| Opportunities provided by the Agreements for settling differences through bilateral consultations | 98 |
| Mutual recognition agreements | 100 |
| Annex: National enquiry points | 102 |

CHAPTER 6

| | |
|------------------------------------|------------|
| Import licensing procedures | 121 |
| Summary | 121 |
| Common rules | 122 |
| Automatic import licensing | 122 |
| Non-automatic import licensing | 122 |
| Business implications | 123 |

CHAPTER 7

| | |
|---|------------|
| Rules applicable to exports | 124 |
| Summary | 124 |
| Export incentives providing for the reimbursement of indirect taxes | 124 |
| Rule governing export control measures | 125 |
| Export taxes | 125 |
| Export restrictions | 125 |
| Business implications | 126 |

CHAPTER 8

Rules governing subsidies on industrial products 127

| | |
|--|-----|
| Summary | 127 |
| Definition of subsidies; aim of the Agreement on SCM | 128 |
| Prohibited subsidies (red subsidies) | 128 |
| Permissible subsidies | 129 |
| Permissible subsidies that are actionable (amber subsidies) | 129 |
| Permissible subsidies that are non-actionable (green subsidies) | 131 |
| Remedies available to affected industries and to their governments | 132 |
| Business implications | 133 |

CHAPTER 9

Safeguard measures to restrict imports in emergency situations 134

| | |
|--|-----|
| Summary | 134 |
| Circumventing GATT rules through VERs | 135 |
| Agreement on Safeguards | 135 |
| Commitment to abolish VERs | 135 |
| Serious injury standard | 136 |
| Rules governing investigations | 136 |
| Application of safeguard measures | 136 |
| Compensation for the loss of trade | 137 |
| Special and differential treatment of developing countries | 137 |
| Duration of safeguard measures | 137 |
| Business implications | 138 |

CHAPTER 10

Safeguard actions for economic development purposes: special flexibility available to developing countries 140

| | |
|---|-----|
| Summary | 140 |
| Conditions for the invocation of safeguard provisions | 140 |
| Business implications | 141 |

CHAPTER 11

Response to unfair trade practices: rules on the use of countervailing and anti-dumping duties 142

| | |
|--|-----|
| Summary | 142 |
| Concept of dumping as embodied in GATT law | 143 |
| Rules and procedures for levying countervailing and anti-dumping duties | 144 |
| Main criteria for the levy of duties | 144 |
| Injury to domestic industry | 144 |
| Causal link between dumped, subsidized imports and injury to the domestic industry | 144 |
| Cumulation of imports | 145 |
| Standing of petitioners | 146 |
| Procedural rules | 146 |
| Information to be provided in the application | 146 |
| Notification to governments | 146 |
| Right to give evidence | 147 |
| Provision of information by exporters and the best information rule | 148 |
| On-the-spot investigations | 148 |

| | |
|---|-----|
| Methodological rules | 148 |
| Agreement on SCM | 148 |
| Agreement on ADP | 148 |
| Price comparison: general principles | 148 |
| Averaging prices | 149 |
| Currency conversion | 149 |
| Constructed value | 149 |
| <i>De minimis</i> rule | 150 |
| Lesser duty rule | 151 |
| Provisional measures | 151 |
| Price undertakings | 151 |
| Disclosure prior to final determination | 151 |
| Determination of the amounts of subsidy and dumping margins | 152 |
| Sunset clause | 152 |
| Business implications | 152 |

CHAPTER 12

Rules of origin 155

| | |
|---|-----|
| Summary | 155 |
| Purposes for which rules are applied to determine country of origin | 155 |
| Main principles on which current national rules are based | 156 |
| Problems posed by differences in the rules for determining origin | 156 |
| Agreement on Rules of Origin | 156 |
| Coverage and objectives | 156 |
| Rules applicable in the transition period | 157 |
| Rules applicable after the transition period | 157 |
| Present state of play in the technical work on harmonization | 157 |
| Preferential rules of origin | 158 |
| Business implications | 159 |

CHAPTER 13

Trade-related investment measures 160

| | |
|--|-----|
| Summary | 160 |
| What are TRIMs? | 160 |
| Agreement on Trade-Related Investment Measures | 162 |
| Business implications | 162 |

CHAPTER 14

Agreement on Textiles and Clothing 164

| | |
|---|-----|
| Summary | 164 |
| Integrating trade in textiles into GATT | 165 |
| Methodology for integration | 165 |
| Experience of implementation of the integration process | 165 |
| Accelerated enlargement of quotas | 166 |
| Implementation of the provisions | 166 |
| Integration of non-MFA restrictions | 166 |
| Transitional safeguard measures | 167 |
| Experience of the application of ATC provisions | 167 |
| Rules of origin | 168 |

| | |
|--|-----|
| Increasing use of anti-dumping actions | 169 |
| Business implications | 170 |
| Preparing for increased competition | 170 |

CHAPTER 15

Agreement on Agriculture 171

| | |
|---|-----|
| Summary | 171 |
| Overview | 171 |
| Border measures | 172 |
| Tariffication | 172 |
| Current and minimum access commitments | 173 |
| Special safeguards | 173 |
| Percentage reductions in tariffs | 174 |
| Binding of tariffs | 174 |
| Flexibility for developing countries: ceiling bindings | 174 |
| Export subsidies and governmental support measures | 174 |
| Export subsidies | 174 |
| Rules applicable to industrial products | 175 |
| Rules applicable to agricultural products | 175 |
| Domestic support subsidies | 175 |
| Green box subsidies | 175 |
| Blue box subsidies | 176 |
| Amber subsidies | 176 |
| Domestic support | 176 |
| Peace clause | 178 |
| Net food-importing countries | 178 |
| Business implications and future negotiations | 179 |
| Annex: Table 1: Export subsidy reduction commitments | 180 |
| Table 2: Reductions in domestic support to agricultural producers | 181 |

CHAPTER 16

Results of market access negotiations 182

| | |
|---|-----|
| Summary | 182 |
| Uruguay Round of trade negotiations | 183 |
| Industrial products | 183 |
| Reduction in tariffs | 183 |
| Binding of tariffs | 183 |
| Removal of quantitative restrictions | 183 |
| Agricultural products | 184 |
| Post-Uruguay Round negotiations | 184 |
| Assessment of liberalization gains from the Uruguay Round | 184 |
| Income and trade gains: estimates and reality | 185 |
| Estimates | 185 |
| The reality | 185 |
| Business implications | 186 |
| Varying impact on exports from different countries | 186 |
| Marginalization of developing and least developed countries | 186 |
| Potential for expanding trade with developing countries | 188 |

PART THREE

INTERNATIONAL RULES GOVERNING TRADE IN SERVICES

189

CHAPTER 17

General Agreement on Trade in Services

191

| | |
|---|-----|
| Summary | 191 |
| Modes in which the service trade takes place | 192 |
| Difference between goods and services | 192 |
| Four modes of international service transactions | 192 |
| Protection in the service sectors | 193 |
| The growing importance of international trade in services | 193 |
| General Agreement on Trade in Services | 194 |
| Objectives | 194 |
| Structure | 194 |
| Framework text | 194 |
| Scope and main obligation | 194 |
| General obligations | 195 |
| Transparency: establishment of enquiry and contact points | 195 |
| Mutual recognition of qualifications required for the supply of services | 195 |
| Rules governing monopolies, exclusive service suppliers and other business practices restraining competition | 196 |
| Other obligations of the framework text | 196 |
| Conditional obligations and other provisions | 196 |
| Other provisions | 196 |
| Annexes to the Agreement | 196 |
| Rules on liberalization of services | 197 |
| Principles governing the participation of developing countries | 197 |
| MFN treatment | 198 |
| National treatment principle | 198 |
| Type and nature of commitments | 199 |
| Nature of the obligations which commitments impose | 200 |
| Liberalization commitments under GATS | 201 |
| Schedules of commitments | 201 |
| Horizontal commitments | 201 |
| Sectoral commitments | 203 |
| Financial services | 204 |
| Telecommunications | 205 |
| Professional services: accountancy services | 206 |
| Construction and related engineering services | 207 |
| Health-related and social services | 208 |
| Management consultancy services | 208 |
| Business implications | 208 |
| Assessment of benefits | 208 |
| Benefits for service industries in developing countries | 209 |
| New opportunities for collaboration with foreign suppliers | 209 |
| Benefits of contact points | 209 |
| New export opportunities | 209 |
| The link of commitments with domestic legislation | 210 |
| Increased opportunities for natural persons to provide services | 210 |
| Importance of adopting a juridical personality | 210 |
| Opportunities for the expansion of trade among developing countries | 211 |
| Annex I: WTO classification of service sectors | 212 |
| Annex II: National enquiry and contact points | 217 |

PART FOUR**GOVERNMENT PROCUREMENT AND STATE TRADING**

223

CHAPTER 18**Government procurement**

225

| | |
|---|-----|
| Summary | 225 |
| Historical background to the evolution of rules | 226 |
| Agreement on Government Procurement | 226 |
| Aim | 226 |
| Coverage | 226 |
| Substantive provisions | 227 |
| Operational provisions | 227 |
| Greater public scrutiny of award decisions | 228 |
| Challenge procedures | 229 |
| Special provisions for developing countries | 229 |
| Negotiations for improvements in the Agreement | 230 |
| Interim agreement on government procurement | 230 |
| Work on government procurement under the provisions of GATS | 230 |
| Business implications | 231 |

CHAPTER 19**State trading**

232

| | |
|--|-----|
| Summary | 232 |
| Main obligations | 232 |
| To conduct business in accordance with commercial considerations | 232 |
| Transparency | 233 |
| Business implications | 233 |

PART FIVE**TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS**

235

CHAPTER 20**Agreement on Trade-Related Aspects of Intellectual Property Rights**

237

| | |
|---|-----|
| Summary | 237 |
| Intellectual property rights and their implications for international trade | 238 |
| Implications of IPRs for trade | 238 |
| WIPO conventions on IPRs | 239 |
| Background to the Uruguay Round negotiations on IPRs | 239 |
| Agreement on Trade-Related Aspects of Intellectual Property Rights | 240 |
| Structure | 240 |
| Basic principles and general obligations | 241 |
| Minimum standards, including duration of protection | 241 |
| Patents | 241 |
| Definition and coverage | 241 |
| Rights of patent holders | 242 |

| | |
|--|-----|
| Compulsory licensing | 243 |
| Disclosure of information | 243 |
| Copyright and related rights | 244 |
| Rights comprised in copyright | 244 |
| Related rights | 244 |
| Provisions of the TRIPS Agreement | 245 |
| Trademarks | 245 |
| Purpose served by trademarks | 246 |
| International rules on the use of trademarks | 246 |
| Definition of 'trademark' | 246 |
| Exclusive rights | 246 |
| Special requirements | 246 |
| Licensing and assignment of trademarks | 246 |
| Cancellation of trademarks | 246 |
| Industrial designs | 247 |
| Geographical indications | 247 |
| Other intellectual property rights | 248 |
| Duration of intellectual property rights | 248 |
| Restrictive practices | 249 |
| Enforcement provisions | 249 |
| Civil remedies | 250 |
| Criminal proceedings | 250 |
| Provisional measures | 250 |
| Prevention of release of infringing goods by customs authorities | 250 |
| Transitional periods | 250 |
| 'Mail-box' obligations | 251 |
| Stand-still provision | 251 |
| Business implications | 251 |
| Challenges | 252 |
| Obligations to change IPR systems | 252 |
| Difficulties in using reverse engineering | 252 |
| Issues relating to 'traditional knowledge' | 252 |
| The advantages | 253 |
| Encouraging creative and innovative work | 253 |
| Transfer of technology on commercial terms | 254 |
| Impact on the trade in counterfeit goods | 254 |
| Relevance to the export and import trade | 254 |
| Summing up | 255 |

PART SIX

SUBJECTS ADDED TO THE WTO WORK PROGRAMME FOR STUDY AND ANALYSIS

257

CHAPTER 21

Trade and environment

259

| | |
|---|-----|
| Evolving global trends | 259 |
| WTO provisions | 260 |
| Trade-related issues | 261 |
| Environmental measures with significant effects on trade, and the provisions of WTO law | 261 |
| Use of process and production methods in environmental regulations | 261 |

| | |
|--|-----|
| Packaging requirements | 263 |
| Objectives of packaging regulations | 263 |
| Types of requirements | 263 |
| Trade effects of packaging requirements | 263 |
| Legal provisions | 265 |
| Environmental labelling | 265 |
| Types of environmental labels | 265 |
| Eco-labelling systems | 265 |
| Trade effects of eco-labelling systems | 266 |
| GATT provisions on environmental labelling | 267 |
| Consumption and other taxes imposed for environmental purposes | 267 |
| GATT rules | 267 |
| The use of revenues raised by the application of internal taxes on imports | 268 |
| Trade provisions in multilateral environmental agreements | 269 |
| Environmental benefits of trade liberalization | 270 |
| Future work | 271 |
| Annex: Polluter-pays and user-pays principles | 272 |

CHAPTER 22

Trade and investment 273

| | |
|---|-----|
| Background: discussions in GATT/WTO on trade and investment | 273 |
| FDI: its importance and impact; existing agreements and WTO provisions | 274 |
| Growing importance of FDI | 274 |
| Origin and direction of FDI flows to developing countries | 274 |
| Origin | 274 |
| Direction | 275 |
| Forms of FDI | 275 |
| Beneficial impact of FDI on host countries: transfer of technology | 275 |
| FDI and anti-competitive practices | 276 |
| FDI and foreign portfolio equity investment | 276 |
| Government measures to promote investment | 277 |
| Relaxation of regulatory regimes | 277 |
| Grant of investment incentives | 277 |
| Imposition of performance requirements | 277 |
| Bilateral, regional and multilateral investment instruments | 278 |
| Bilateral investment treaties | 278 |
| Regional arrangements dealing with investment issues | 278 |
| Multilateral agreement on investment | 278 |
| WTO provisions | 280 |
| Agreement on Subsidies and Countervailing Measures | 280 |
| Agreement on Trade-Related Investment Measures | 280 |
| General Agreement on Trade in Services | 280 |
| Agreement on Trade-Related Aspects of Intellectual Property Rights | 281 |
| Description of the main issues and points raised in the discussions in the WTO Working Group | 281 |
| Main issues raised | 281 |
| Implications of the relationship between trade and investment for development and growth | 282 |
| Economic relationship between trade and investment | 282 |
| The degree of correlation between trade and investment | 282 |
| The impact of investment policies and measures on trade | 282 |
| Stocktaking and analysis of existing bilateral, regional and international agreements | 284 |
| Questions relevant to assessing the advantages of a possible initiative in WTO to establish a set of multilateral rules on investment | 285 |
| Definition of investment | 285 |
| Development implications of possible multilateral rules on investment | 285 |

CHAPTER 23

| | |
|--|------------|
| Trade and competition policy | 286 |
| Competition policy issues in international trade | 286 |
| Defining competition policy | 286 |
| Reasons for including trade and competition in the WTO work programme | 286 |
| Forms of anti-competitive business practices | 287 |
| Horizontal restraints | 287 |
| Import cartels and related arrangements | 287 |
| Export cartels and related arrangements | 288 |
| International cartels | 288 |
| Vertical market restraint arrangements | 288 |
| Abuses of dominant position | 289 |
| Mergers | 289 |
| Main elements of competition law | 289 |
| Overview of the main issues under discussion in the WTO Working Group | 290 |
| Main issues under discussion | 290 |
| Relationship of trade and competition policy to development and economic growth | 291 |
| Impact of the anti-competitive practices of enterprises and associations on international trade | 292 |
| Practices affecting market access for imports | 292 |
| Practices affecting international markets where different countries were affected in largely the same way | 292 |
| Practices with a differential impact on international markets | 293 |
| Factors facilitating anti-competitive practices that affect trade | 293 |
| State monopolies and regulations | 293 |
| State monopolies and exclusive rights | 293 |
| Regulatory policies | 294 |
| Relationship between investment and competition policy | 294 |
| Relationship between the trade-related aspects of intellectual property rights and competition policy | 295 |
| Impact of trade policy on competition | 295 |
| Bilateral, regional and international agreements dealing with competition policy issues | 296 |
| Issues relating to the development of cooperation at the international level among competition authorities | 297 |
| Focus of the Group's future work | 298 |

CHAPTER 24

| | |
|--|------------|
| Transparency in government procurement practices | 300 |
| Agreement on Government Procurement | 300 |
| Coverage and obligations | 300 |
| Reasons for the reluctance of developing countries to accede to the Agreement | 301 |
| Working Group on Transparency in Government Procurement | 301 |
| Possible main elements of an agreement on transparency in government procurement | 302 |
| Elements for ensuring transparency before a contract is awarded | 302 |
| Scope and coverage | 302 |
| Coverage of entities | 302 |
| Coverage of products | 302 |
| Threshold values | 302 |
| Coverage of transactions | 302 |
| Procurement methods | 302 |
| Decisions on qualifications of suppliers | 303 |
| Publication of laws and procedures | 303 |
| Notice of invitation to tender | 303 |

| | |
|---|-----|
| Information on tender opportunities | 303 |
| Publications | 303 |
| Information content | 303 |
| Information on preferences accorded to domestic suppliers | 304 |
| Language | 304 |
| Time limits | 304 |
| Elements for ensuring transparency after the procurement contract is awarded | 304 |
| Transparency of decisions on contract awards | 304 |
| Ex post information to be sent to unsuccessful bidders | 304 |
| Domestic review procedures | 305 |
| Application of WTO dispute settlement procedures | 305 |
| Technical cooperation, and special and differential treatment of developing countries | 305 |
| Ongoing work | 305 |

CHAPTER 25

Trade facilitation 307

| | |
|---|-----|
| Work by international organizations other than WTO | 307 |
| WTO law on trade facilitation | 307 |
| Defining trade facilitation | 307 |
| WTO Agreements: provisions on trade facilitation | 309 |
| Proposals calling for WTO involvement in trade facilitation | 309 |
| Reasons for the proposals | 309 |
| Improving the enforceability of the rules | 310 |
| Improving political willingness to abide by rules | 311 |
| Necessity for adopting international standards on electronic data transmission | 311 |
| Subject areas suggested for inclusion in a WTO work programme on trade facilitation | 311 |
| Work in progress | 312 |

CHAPTER 26

Electronic commerce 313

| | |
|---|-----|
| What is electronic commerce | 313 |
| Benefits of electronic commerce | 313 |
| Internet-based international trade | 314 |
| Internet commerce and developing countries | 314 |
| Problems and issues | 315 |
| Revenue implications of electronic commerce | 315 |
| Protection of intellectual property rights | 315 |
| Other legal issues | 316 |
| WTO work programme | 317 |
| Customs duties on electronic transactions | 317 |
| Summing up | 317 |

Index 319

Boxes

| | |
|---|----|
| 1. The main legal instruments negotiated in the Uruguay Round | 5 |
| 2. Summary of GATT rules applicable at the border | 9 |
| 3. Objectives of WTO | 38 |

| | | |
|-----|---|-----|
| 4. | Special voting requirements | 39 |
| 5. | WTO legal instruments: schedule of ongoing and future reviews | 41 |
| 6. | New subjects added to the WTO work programme as a result of decisions taken at WTO Ministerial Conferences | 41 |
| 7. | Summary of issues of fact and law in two cases settled under WTO dispute settlement procedures | 45 |
| 8. | Binding of tariffs | 58 |
| 9. | Regional trade groupings: recent developments | 61 |
| 10. | Determining customs value: permitted adjustments to the price paid for goods | 67 |
| 11. | Instances when customs can reject the transaction value declared by the importer | 67 |
| 12. | Rules for determining whether goods are identical or similar | 69 |
| 13. | Countries/areas using PSI services | 74 |
| 14. | Main obligations of PSI-using countries | 75 |
| 15. | Agreement on Preshipment Inspection: Provisions on price verification | 76 |
| 16. | Illustrative list of import products subject to technical, sanitary and phytosanitary regulations | 84 |
| 17. | Distinction between product standards and PPM standards | 85 |
| 18. | Guidelines for determining whether technical regulations have the effect of creating unnecessary obstacles to trade | 89 |
| 19. | Distinction between technical regulations and sanitary and phytosanitary measures: Some examples | 92 |
| 20. | Guidelines for assessing risks and determining an appropriate level of sanitary and phytosanitary protection | 94 |
| 21. | Examples of disputes settled under the WTO mechanism | 99 |
| 22. | Illustrative list of prohibited export subsidies | 129 |
| 23. | Flexibility available to developing countries in the use of subsidies | 130 |
| 24. | Criteria for determining serious prejudice to the interest of another country | 131 |
| 25. | Remedies available to importing countries under the Agreement on SCM | 132 |
| 26. | Factors to be taken into account in determining material injury to domestic industry | 145 |
| 27. | Information to be provided in applications for the levy of anti-dumping or countervailing duties | 147 |
| 28. | Guidelines for calculating constructed values | 150 |
| 29. | Anti-dumping and countervailing actions taken by WTO members in 1997 | 153 |
| 30. | Disciplines during the transition period | 158 |
| 31. | An illustrative list of TRIMs | 161 |
| 32. | United States: product groups to which special rules of origin apply | 168 |
| 33. | Anti-dumping duties on textiles and clothing | 169 |
| 34. | Agricultural products: current and minimum market access commitments | 173 |
| 35. | Export subsidies subject to reduction commitments | 176 |
| 36. | Illustrative list of green subsidies granted to producers that are exempt from reduction commitments | 177 |
| 37. | The impact of the removal of MFA restrictions on textile products | 187 |
| 38. | Other provisions in the GATS framework text | 197 |
| 39. | GATS: exceptions to the MFN rule | 199 |
| 40. | Type of conditions that countries may impose when assuming market access commitments | 200 |
| 41. | Nature of the commitments that can be assumed under each of the four modes of the international trade in services | 200 |
| 42. | Format and example of a schedule of horizontal and specific commitments | 202 |

| | | |
|-----|---|-----|
| 43. | Nature of limitations imposed by developing countries in their horizontal commitments permitting the establishment of a commercial presence | 203 |
| 44. | Rules on government tendering procedures | 228 |
| 45. | Products purchased by government agencies that can be supplied by enterprises in developing countries | 231 |
| 46. | Trade in counterfeit and pirated goods | 239 |
| 47. | Intellectual property rights: instruments, subject matter, fields of application and related WIPO and other international agreements | 240 |
| 48. | Convention for the Protection of New Varieties of Plants | 242 |
| 49. | Conditions prescribed in the Agreement on TRIPS for the compulsory licensing of patents | 243 |
| 50. | Copyright provisions in the Agreement on TRIPS | 245 |
| 51. | Other intellectual property rights | 248 |
| 52. | Minimum periods of protection for intellectual property rights | 249 |
| 53. | Importance of the enforcement of IPRs to production under licence: a cautionary tale | 255 |
| 54. | Examples of packaging requirements introduced for environmental reasons | 264 |
| 55. | Illustrative list of eco-labelling systems | 267 |
| 56. | Taxes levied for the attainment of environmental objectives | 268 |
| 57. | Existing multilateral foreign investment instruments | 279 |
| 58. | Regional arrangements: provisions on cooperation in the enforcement of competition law and the treatment of anti-dumping cases | 296 |
| 59. | Types of assistance that could be provided to developing countries under an agreement on transparency in government procurement | 306 |
| 60. | Organizations engaged in work on trade facilitation | 308 |
| 61. | WTO provisions to facilitate trade | 309 |
| 62. | Main instruments of electronic commerce | 314 |