

The WTO and the DDA

The World Trade Organization and the Doha Development Agenda

Serafino Marchese

Chief, Operations Section, WTO Technical Cooperation Division

WTO: What is it? (1)



- International organization embodied in the results of the Uruguay Round
- Established: 1 January 1995
- Membership: ca 140 ---> all countries
- The Secretariat: around 550 staff, headed by a Director-General, based in Geneva
- Budget (2002): 140 million Swiss francs

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WTO: What is it? (2)

- **Cornerstone of the multilateral trading system**
 - **Trade in goods: GATT**
 - **Trade in services: GATS**
 - **Protection of intellectual property rights: TRIPS**
- **The WTO contract**
 - **Rights and obligations**
 - **Dispute settlement**
- **Successor to GATT**

WTO vs GATT: Main differences

- **Nature**
 - **GATT: applied on a provisional basis with no institutional framework**
 - **WTO: permanent framework with a permanent organization**
- **Scope**
 - **GATT: trade in goods**
 - **WTO: trade in goods and services and TRIPS**
- **Approach**
 - **GATT: à la carte (many agreements selective)**
 - **WTO: single undertaking**

Dispute settlement

WTO: Objectives

Preamble
WTO Agr.

- to raise standards of living
- to ensure full employment
- growing volume of real income and effective demand
- expanding the production of and trade in goods and services
- seeking both to protect and preserve the environment
- to secure for developing countries, and especially for LDCs, a share in the growth in international trade commensurate with the needs of their economic development

WTO: Main functions

Art. III
WTO Agr.

- **Administering and implementing the multilateral and plurilateral trade agreements**
- **Forum for multilateral trade negotiations**
- **Dispute settlement**
- **Overseeing national trade policy**
- **Co-operation with the IMF and the World Bank (coherence in global economic policy-making)**

WTO: Structure

Art. IV
WTO Agr.

- **Ministerial Conference**
- **General Council**
 - **Dispute Settlement Body**
 - **Trade Policy Review Body**
- **Councils**
 - **Council for Trade in Goods**
 - **Council for Trade in Services**
 - **Council for TRIPS**
- **Committees and other subsidiary bodies**

WTO: How are decisions taken?

- As far as possible, by *consensus*
- Otherwise, decisions are taken by a *majority of the votes cast* and on the basis of “one Member, one vote”, but ...
- amendments to the provisions of the agreements only take effect for those Members who accept them.

Art. IX
WTO Agr.

WTO: Dispute Settlement

- Coverage: goods, services and intellectual property rights
- Procedures: strict time-limits
- Panel reports *automatically* adopted ...
unless consensus against adoption
- Parties can appeal to the Appellate Body
- In case of non application of recommendations
 - compensation negotiated
 - obligations suspended

WTO: Developing Countries

- **Part IV**
- **“Enabling” Clause**
- **Technical Cooperation and Training**
- **UNCTAD/WTO International Trade Center (ITC)**
- **Least Developed Countries (Ministerial Decision)**

WTO: Other provisions

- **Original Membership (Art. XI)**
- **Accession (Art. XII)**
- **Non-application (Art. XIII)**
- **Withdrawal (Art. XV)**
- **Miscellaneous Provisions (Art. XVI)**
 - **ensure conformity of national laws, regulations and administrative procedures**

WTO: Basic principles

- **Trade without discrimination**
- **Predictable and growing access to market**
- **Undistorted, “fair” competition**
- **Transparency**
- **Encourage development through efficient allocation of resources**

WTO: Trade without discrimination

- **MFN-clause (Most-Favoured-Nation): art. I**

Members are bound to grant to the products of other Members treatment not less favourable than that accorded to the products of any other country

- **National treatment: art. III**

Once goods have cleared customs, imported goods must be treated no less favourably than the equivalent domestically-produced goods.

WTO: Access to markets- predictable and growing

- **Prohibition of quantitative restrictions: art. XI**
- **Binding of tariffs: art. II**
- **Bound tariffs cannot be increased without compensation: art. XXVIII**
- **Successive negotiations ----> progressive reduction in protection**
- **Exceptions: safeguards, Balance of Payment (BOPs), etc.**

WTO: Undistorted competition

- **Dumping: art. VI and UR Agreement**
- **Subsidies: art. XVI and UR Agreement**
- **State trading: art. XVII and UR Understanding**

WTO: Uruguay Round Results

Final Act

- **WTO Agreement (Marrakesh Agreement Establishing the WTO)**
- **Annex 1A: Multilateral Agreements on Trade in Goods**
- **Annex 1B: General Agreement on Trade in Services and Annexes**
- **Annex 1C: Agreement on Trade Related Aspects of Intellectual Property Rights**
- **Annex 2: Understanding on Rules and Procedures Governing the Settlement of Disputes**
- **Annex 3: Trade Policy Review Mechanism**
- **Annex 4: Plurilateral Trade Agreements**

Ministerial Declarations and Decisions

WTO: Trade in Goods

- **GATT 1994**
- **Sector-specific agreements**
 - Agriculture
 - Textiles and Clothing
- **Rules**
 - **Technical Barriers to Trade (TBT), Application of Sanitary and Phytosanitary Measures (SPS)**
 - **Customs valuation, pre-shipment inspection, rules of origin, import licensing procedures**
 - **Anti-dumping procedures, Subsidies and countervailing measures, safeguards**
 - **Trade-Related Investment Measures**

WTO: Trade in Services

- **GATS: objectives**
- **Scope and coverage**
- **Structure**
- **Universal commitments**
- **Specific commitments**
- **Sectoral issues**
- **Negotiations after the entry into force of the WTO Agreement**

WTO: TRIPS

- **The TRIPs Agreement**
- **Structure**
- **Intellectual Property Rights**
- **Levels of protection**
- **Enforcement**
- **Transitional arrangements**

WTO: First years

- **Ministerial Conferences**
 - Singapore (1996)
 - Geneva (1998)
 - Seattle (1999)
 - Doha, Qatar (2001)
- **Other developments**
 - Post-Uruguay Round agreements: ITA, basic telecoms, financial services
 - Accessions
 - Dispute settlement

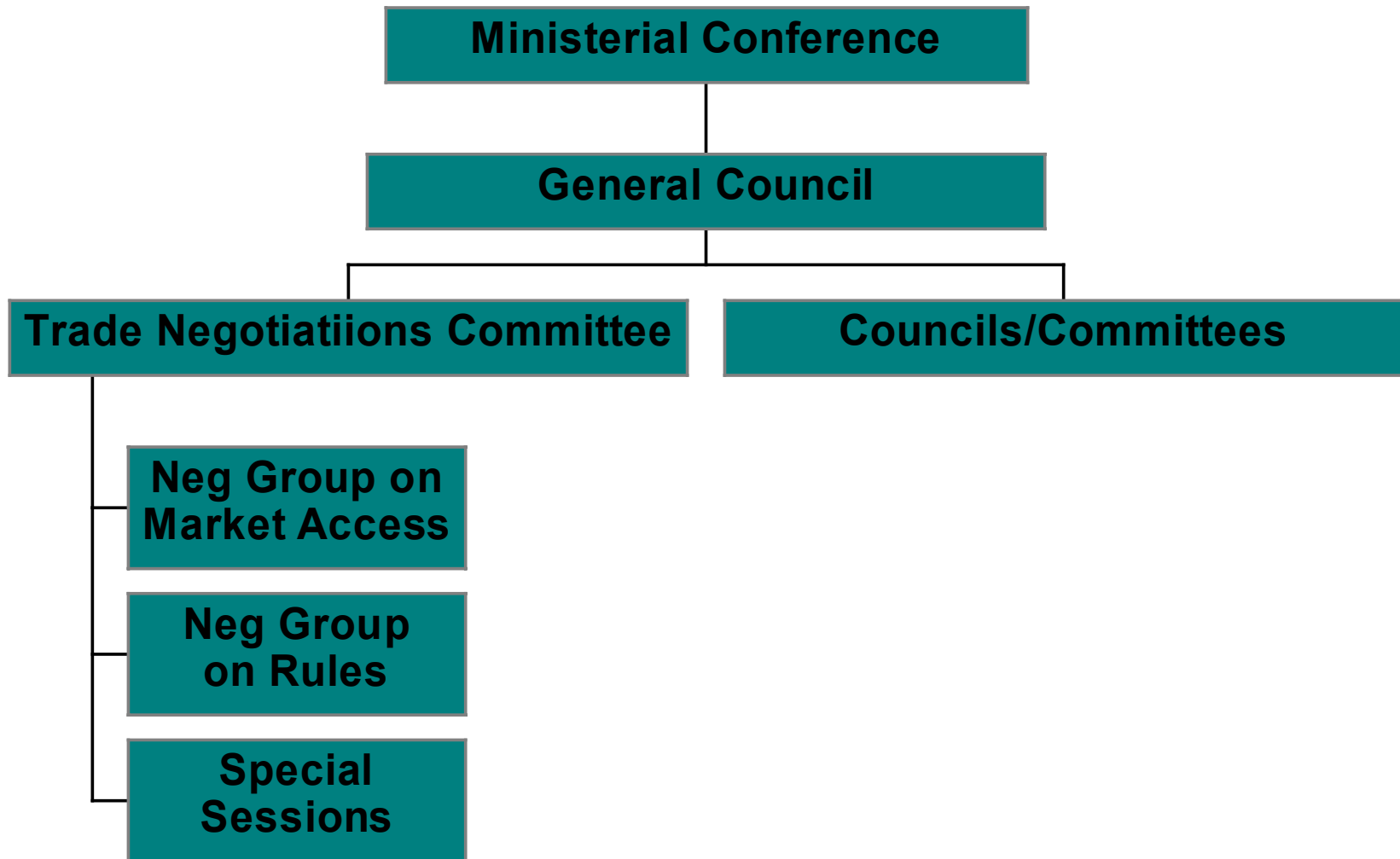
DDA: Doha Ministerial Declaration (1)

- **Adopted by *all* WTO Members**
- **Overview of the MTS (Preamble, paras 1 - 11)**
- **“Broad and balanced” Work Programme launched (paras 12 - 44)**
 - **Implementation issues and concerns**
 - **Negotiations**
 - **Singapore issues**
 - **Establishment of Working Groups**
- **Development dimension**

DDA: Doha Ministerial Declaration (2)

- **Organization and Management of Work Programme (paras 45 - 52)**
 - **Trade Negotiations Committee (TNC)**
 - **Mid Term Review - 5th Ministerial Conference**
 - **Single Undertaking (except DSU)**
 - **Target Date for Conclusion: 1 January 2005**
 - **Negotiations open to *all* WTO Members and Observers**

DDA: Negotiating Structure



Issue

Negotiating Body

- **Agriculture**
- **Services**
- **Market Access (non-Ag)**
- **TRIPS**

- **Rules (AD, SCM, RTAs)**
- **DSU**
- **Trade & Environment**
- **S&D**

- **Special Sessions of CoA**
- **Special Sessions of CTS**
- **Neg. Group on MA**
- **Special Sessions of TRIPS Council**
- **TRIPS Council**
- **Neg. Group on Rules**
- **Special Sessions of DSB**
- **Special Sessions of CTE**
- **Special Sessions of CTD**

WTO/DDA: A Summary

Multilateral Framework of Rules

- Rules negotiated and accepted by all Members under the consensus decision-making process
- Maintaining a basic balance/equilibrium, between
 - open and expanding markets; and
 - needs and requirements of domestic economic policy: making domestic industries more competitive; protecting environment and consumers; operating an efficient economy; contribute to economic development and growth

Doha Development Agenda (DDA)

- Mid-term review: Cancún, Mexico - Sept. 2003