
Trade Policy Review Body

TRADE POLICY REVIEW MECHANISM

Draft Report of the Trade Policy Review Body for 2000

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Revision

1. The Trade Policy Review Mechanism (TPRM) was established in 1989 on a provisional basis and confirmed by Annex 3 of the Marrakesh Agreement establishing the WTO. As required by the Marrakesh Agreement, the operation of the TPRM was appraised by the Trade Policy Review Body in 1999. The appraisal concluded that the TPRM functions effectively and that its mission and objectives remain important; the TPRM had also "demonstrated that it had a valuable public good aspect, particularly in its contribution to transparency".¹ Members have also kept the Mechanism under frequent review over the years, as a result of which a number of procedural improvements have been introduced since 1989.

2. This report by the Trade Policy Review Body seeks to provide its annual assessment of the TPRM and the extent to which it fulfils its objectives as stated in the Marrakesh Agreement. The Annual Report discusses the Trade Policy Reviews of Members conducted in the year 2000 and the main issues arising from them. Tables are annexed showing the Members reviewed to the end of 2000, the geographical coverage of the reviews conducted to date, as well as the proposed programme of reviews for the year 2001.

The Objectives of the TPRM

3. Annex 3 of the Marrakesh Agreement describes the objectives of the TPRM as being "to contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of the multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of Members".

4. In this regard, the TPRM is required to periodically review the trade policies and practices of all Member countries. By the end of 2000, the TPRM will have conducted 135 reviews since its formation (Annex I). The reviews have covered 74 out of a total of 124 Members, counting the European Union as one, and represent around 83% of the share of world trade (in 1998) and around 60% of the total WTO Membership (64% if the EU were counted as 15 members). Increased importance given to the reviews of least developed countries has led to 12 such reviews since 1989 (Bangladesh has been reviewed twice).²

¹ WTO document WT/MIN(99)/2, 8 October 1999.

² The least developed countries reviewed since the establishment of the Mechanism are: Bangladesh (twice), Benin, Burkina Faso, Guinea, Lesotho, Mali, the Solomon Islands, Tanzania, Togo, Uganda, and Zambia.

5. In 2000, the Trade Policy Review Body will have conducted 15 reviews, of which one was a grouped review (Annex II). The Secretariat report for Tanzania was prepared with the assistance of consultants under the supervision of Secretariat staff; Denmark provided funding for this consultancy. The Secretariat report on Ghana also had the partial involvement of a consultant, funded by the Secretariat's budget. The Federal Republic of Germany has made DM1 million available over a four-year period to undertake reviews of developing countries and to improve the Mechanism with the objective to better adapt it to the requirements of developing countries. The Secretariat's reports continue to be carefully supervised by Secretariat staff and written in close consultation with the authorities of the country under review.

6. Procedures for the reviews conducted in 2000 have generally run smoothly. Responses to requests for documentation and questionnaires have, with a few exceptions, been provided at or close to the requested dates. In line with practice introduced in the previous year, the Secretariat has attempted to reduce the burden of providing responses on Members under review by using, to the extent possible, alternative sources of documentation, including through the internet. Depending on the extent of information available through these alternative sources, it has not been possible to do this for all countries under review and requests for documentation continue to be followed up with a detailed questionnaire when sufficient information is not available from alternative sources. Secretariat follow-up visits to capitals have continued to be productive, and comments provided to Secretariat drafts have, in general, been pertinent. The result is that the quality, content and style of the reviews has been maintained.

7. As was noted in the TPRB's Annual Report of 1999, the Secretariat has been successful in eliminating the concentration of reviews towards the latter half of the year as had been experienced in previous years. The reviews conducted in 2000 were evenly spaced throughout the year, reducing pressure on the Membership of preparing for review meetings at close intervals; efforts were also made to avoid clashes with other meetings at the WTO. In addition, the cooperative publishing agreement reached with an international publishing company has considerably shortened the period between review meetings and the publication of reviews.

8. The Trade Policy Review programme for the year 2001 proposes to review 21 Members. These are:

- the United States on the two-year cycle;
- Malaysia on the four-year cycle;
- Brunei; Cameroon; Costa Rica; Czech Republic; Gabon; Ghana; Macau, China; Mauritius; the WTO Members of the OECS (a grouped review involving six Members)³; Pakistan; and Slovak Republic, on the six-year cycle; and
- three least developed countries: Madagascar, Mozambique and Uganda.

9. The Secretariat intends to continue to provide a more evenly spaced programme of reviews in 2001, thereby avoiding the concentration of reviews and delays that have occurred in the past.

Value of the TPRM

10. As envisaged in Annex 3, the TPRM continues to be a valuable forum for achieving transparency in, and understanding of, the trade policies and practices of Members, thus contributing to the smoother functioning of the multilateral trading system. It provides a forum in which Members may openly discuss and provide an objective analysis of each others' trade policies, and which remains separate from the compliance-related and legal work of the WTO. The Trade Policy reports provide an objective and independent review of the trade policies and practices of individual

³ The WTO Members of the Organization of East Caribbean States (OECS) are Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

Members under review and are, in general, appreciated by both the Member(s) under review and the overall Membership. By providing an overall picture of the institutional interaction in trade policy formulation and implementation and the effect of policies on different sectors, the reports have also served as an input to trade policy formulation in some cases. In addition, several developing and least developed country Members have found the reviews valuable in providing technical assistance.

11. In addition to trade policy formulation, the review process also discusses the economic impact of trade measures, and places individual Members' trade and economic regimes within the wider context of developments in their region. Given the growing importance of regional trade agreements and groupings, the analysis in the reports has proved useful in discussing the wider impact of recent economic developments in certain regions, as well as the more general question of the impact of regionalism on the multilateral trading system.

Points emerging from the 2000 Reviews

12. While each review highlights the specific issues and measures concerning individual countries, certain common themes emerged during the course of the reviews conducted in 2000. These included:

- transparency in policy-making and implementation, and governance issues;
- economic stability and trade liberalization;
- implementation of the WTO Agreements, in particular Customs Valuation, TRIPS and TRIMs;
- regional trade agreements and their relationship with the multilateral trading system;
- tariff reduction and rationalization;
- difference between applied and bound tariff rates;
- import and export restrictions and licensing procedures;
- the use of contingency measures such as anti-dumping and countervailing duties;
- technical and sanitary measures and market access;
- standards and their equivalence with international norms;
- intellectual property rights legislation and enforcement;
- government procurement procedures;
- the role of state trading enterprises and privatization programmes;
- competition policy issues;
- incentive measures such as subsidies and tax rebates;
- sectoral trade-policy issues, particularly liberalization in agriculture and in textiles and clothing;
- GATS commitments; and
- technical assistance in implementing the WTO Agreements.

Coverage of Least Developed Countries (LDCs)

13. The Trade Policy Review Body's Report to the Singapore Ministerial Meeting suggested that greater attention be paid to the coverage of least developed countries in the preparation of the TPRB timetable, and the 1999 appraisal of the operation of the TPRM suggested all Members, including LDCs, be reviewed at least once as soon as possible. The TPRB has continued to review a steady number of least developed members during 2000. Of the 29 least developed Members of the WTO,

11 would have been reviewed by the end of 2000; two of these were reviewed in 2000.⁴ Of the 21 Members proposed to be reviewed in the year 2001, three will be least developed countries.⁵

14. Trade Policy Reviews of LDCs have increasingly performed a technical assistance function and have been useful in increasing understanding of the trade policy structure in place and its relationship with the WTO Agreements. The reviews have also enhanced understanding in these countries of the WTO Agreements, enabling better compliance and integration in the multilateral trading system; in some cases, better interaction between government agencies has been facilitated by the reviews. The Reports' wide coverage of Members' policies also enables Members to identify any shortcomings in policy and specific areas where further technical assistance may be required.

15. The Trade Policy Reports of least developed countries have also responded more systematically, as of 2000, to technical assistance needs by including a separate section on technical assistance needs and priorities of the Member under review. The section is based on discussions with the Member concerned, in cooperation with the WTO's Technical Cooperation and Training Division.

Conclusion

16. The Trade Policy Review Mechanism provides a forum in which Members discuss each others' trade and related policies in a transparent and frank manner. The forum is unique in that the TPRM's separation from the compliance and dispute settlement aspects of WTO work related to the Agreements allows an open debate. The 15 reviews conducted during 2000 have, in general, been satisfactory, and have met deadlines agreed with the Members. The tendency towards concentration of the reviews towards the latter half of the year, in addition, has been eliminated with more evenly spaced reviews throughout the year, giving adequate time to Members to prepare for the meetings. The programme for 2001, similarly, aims to avoid delays and concentration of reviews.

17. Notwithstanding the fact that the TPRM continues to function effectively in meeting its transparency goals, as the Membership of the WTO increases, the pressures on the Secretariat to review more Members grows. This, and the limited resources available to the Secretariat to conduct the reviews, makes it important to keep the Mechanism functioning as effectively as possible within these constraints. In particular, continued cooperation between Members and the Secretariat in preparing the Reports is essential, as is the importance of respecting deadlines, in order to maintain the standard and quality of the reports.

⁴ At the end of 2000, the least developed countries still to be reviewed by the TPRM will be: Angola, Burundi, Central African Republic, Chad, Democratic Republic of Congo, Djibouti, the Gambia, Guinea-Bissau, Haiti, Madagascar, Malawi, Maldives, Mauritania, Mozambique, Myanmar, Niger, Rwanda and Sierra Leone.

⁵ They are Madagascar, Mozambique and Uganda.

Annex I

TRADE POLICY REVIEWS **WTO Members reviewed under GATT 1947 and WTO provisions, 1989-2000**

Europe/Middle East	Asia/Pacific	Africa	America
Austria ^{1,a}	Australia (3) ^b	Benin ^d	Argentina (2) ^b
Bahrain ^c	Bangladesh(2) ^{b, d}	Botswana	Bolivia(2) ^b
Cyprus	Fiji	Burkina Faso ^d	Brazil (3) ^b
Czech Republic	Hong Kong, China (3) ^b	Cameroon ^a	Canada (6) ^b
European Union (5) ^b	India (2) ^b	Côte d'Ivoire	Chile (2) ^b
Finland ^{1,a}	Indonesia (3) ^b	Egypt(2) ^b	Colombia (2) ^b
Hungary (2) ^b	Japan (5) ^b	Ghana ^a	Costa Rica
Iceland(2) ^b	Korea (3) ^b	Guinea ^d	Dominican Republic
Israel(2) ^b	Macau, China ^a	Kenya (2) ^b	El Salvador
Liechtenstein ²	Malaysia (2) ^b	Lesotho ^d	Jamaica
Norway (3) ^b	New Zealand (2) ^b	Mali ^d	Mexico (2) ^b
Poland(2) ^b	Pakistan ^a	Mauritius	Nicaragua
Romania(2) ^b	Papua New Guinea	Morocco (2) ^b	Paraguay
Slovak Republic	Philippines(2) ^b	Namibia	Peru (2) ^b
Sweden ¹ (2) ^a	Singapore (3) ^b	Nigeria (2) ^b	Trinidad and Tobago
Switzerland (3) ^b	Solomon Islands ^d	Senegal ^a	United States (5) ^b
Turkey (2) ^b	Sri Lanka	South Africa (2) ^b	Uruguay (2) ^b
	Thailand (3) ^b	Swaziland	Venezuela
		Tanzania ^{c, d}	
		Togo ^d	
		Tunisia ^a	
		Uganda ^d	
		Zambia ^d	
		Zimbabwe ^a	
28 Members (31 reviews)	18 Members (39 reviews)	24 Members (29 reviews)	18 Members (36 reviews)

- () Figures in brackets show the number of reviews where this is greater than 1.
¹ Included in EU from 1995.
² Joint review with Switzerland (counted as two Members but one review for statistical purposes).
^a Reviewed under GATT 1947.
^b Reviewed under the GATT 1947 and the WTO.
^c First review in 2000.
^d Least developed Member

Number of reviews conducted at end-2000 = 135
Number of WTO Members reviewed = 88 out of 138** (counting EU as 15)
Number of WTO Members reviewed = 74 out of 124** (counting EU as 1)
= 60 % of WTO Members** (of which, 28 in Europe, 18 in Asia/Pacific, 24 in Africa, and 18 in America)
Least-developed WTO Members reviewed = 11
Share of world trade of WTO Members reviewed (1998) (excluding significant double counting and intra-EU trade) = 83.1%

** WTO Members as at 27 September 2000.

Annex II**Trade Policy Reviews Conducted in 2000**

Member^a	Meeting Date (scheduled)	Review Cycle (years)
Kenya (2)	26.01.2000	6
Iceland (2)	02.02.2000	6
Tanzania (1)	01.03.2000	6 ^b
Singapore (3)	29.03.2000	4
Bangladesh (2)	02.05.2000	6 ^b
Peru (2)	05.06.2000	6
Norway (3)	21.06.2000	4
Poland (2)	03.07.2000	6
European Union (5)	12.07.2000	2
Korea, Rep. of (3)	26.09.2000	4
Bahrain (1)	11.10.2000	6
Brazil (3)	30.10.2000	4
Japan (5)	14.11.2000	2
Liechtenstein (1) and Switzerland (3)	04.12.2000	4
Canada (6)	13.12.2000	2

^a Figures in brackets indicate number of reviews completed

^b Least developed country

Annex III**Proposed programme of reviews for 2001**

Two-year cycle	United States
Four-year cycle	Malaysia
Six-year cycle	Brunei, Cameroon, Costa Rica, Czech Republic, Gabon, Ghana, Macau, Mauritius, OECS ^a , Pakistan, Slovak Republic
Least-developed countries (six-year cycle)	Madagascar, Mozambique, Uganda

^a WTO Members of the Organization of East Caribbean States (OECS), namely, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.