

## Main contents

Principles of WTO

WTO Agreements

WTO Dispute Settlement System

## PRINCIPLES

### Non-discrimination

#### 1. Treating other countries equally.

'Most-favoured-nation' treatment (MFN)

• Fair and efficient (single set of rules, duty rates)

• Exceptions

• free trade agreements

• preference for developing countries

#### 2. Treating foreign, domestic equally

'National treatment'

## PRINCIPLES

### Non-discrimination

1. Treating other countries equally.  
'Most-favoured-nation' treatment (MFN)

2. Treating foreign, domestic equally  
'National treatment'

### Stability, predictability

1. Commitments are 'bound'

2. System builds confidence

## PRINCIPLES

### Non-discrimination

1. Treating other countries equally.  
'Most-favoured-nation' treatment (MFN)

2. Treating foreign, domestic equally  
'National treatment'

### Stability, predictability

1. Commitments are 'bound'

2. System builds confidence

### Transparency

1. National trade policies reviewed  
2. Specific measures and laws notified  
• 'Notification and review'

## Main contents

Principles of WTO

WTO Agreements

WTO Dispute Settlement System

## WTO Agreements

1. Marrakesh Agreement Establishing WTO
2. Multilateral Agreements on Trade in Goods
3. General Agreement on Trade in Services
4. Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
5. Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU)
6. Trade Policy Review Mechanism (TPRM)
7. Plurilateral Trade Agreements
  - Agreement on Trade in Civil Aircraft
  - Agreement on Government Procurement

## Multilateral Agreements on Trade in Goods

1. General Agreement on Tariffs and Trade 1994 (GATT 1994)
2. Agreement on Agriculture (AoA)
3. Agreement on the Application of Sanitary and Phytosanitary Measures (SPS)
4. Agreement on Textile and Clothing (ATC)
5. Agreement on Technical Barriers to Trade (TBT)
6. Agreement on Trade-related Investment Measures (TRIMS)

## Multilateral Agreements on Trade in Goods (continued)

7. Agreement on Anti-dumping measures (AD)
8. Agreement on Customs Valuation (CV)
9. Agreement on Preshipment Inspection (PSI)
10. Agreement on Rules of Origin (ROO)
11. Agreement on Import Licensing Procedures (IL)
12. Agreement on Subsidies and Countervailing Measures (SCM)
13. Agreement on Safeguards (SG)

## Vietnam's commitment in WTO

	Tariff rate at accession	Final tariff rate	Percentage change	WTO' commitments of China
Agriculture products	25,2	20,9	10,6	16,7
Manufactured products	16,1	12,6	23,9	9,6
Overall	17,2	13,4	23,0	10,1

## Trade Remedies

## What are Trade Remedies?

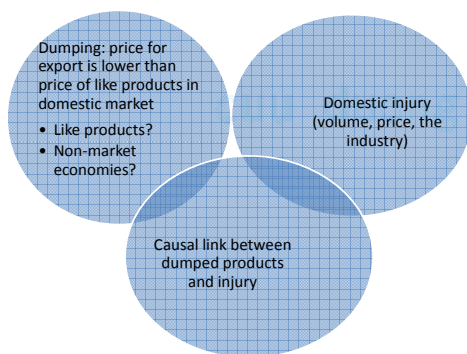
- [Anti-dumping](#)
- [Subsidies and countervailing measures](#)
- [Safeguards](#)

13

## Anti-dumping

14

## When Investigate?

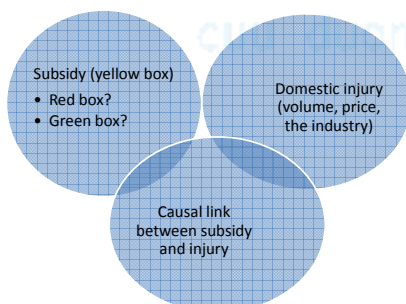


15

## Subsidies and countervailing measures

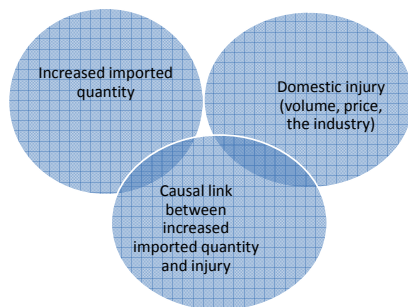
16

## When investigate?



## Safeguards

### When investigate?



### TBT and SPS

20

### Why do we need to regulate TBT & SPS Measures?

- Trade Policy Tools:
  - Tariff
  - Non-tariff measures

21

### The TBT Agreement

- Goals:
  - Development of international standards
  - Rights of Members to adopt technical measures
  - No unnecessary obstacles to international trade

22

### Scope of application:

- Products:
  - Both agricultural and industrial products
- Measures
  - Covered:
    - Technical regulations
    - Standards
    - Conformity assessment procedures
  - Excluded:
    - Measures on trade in services
    - Government procurement specifications: GPA
    - Sanitary and phytosanitary measures: SPS Agreement

23

### Technical regulations

- TBT Annex 1:
  - Document which lays down **product characteristics** or their related processes and production methods, including the applicable administrative provisions, with which compliance is **mandatory**.
  - It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

24

## Examples



## Standards

- TBT Annex 1:
  - Document approved by a **recognized body**, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is **not mandatory**.
  - It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

26

## Example

System	35	36	37	38	39	40	41	42	43	44	45	46	47	System
Europe	35	36	37	38	39	40	41	42	43	44	45	46	47	Europe
Mexico	21.5	22	22.5	23	23.5	24	24.5	25	25.5	26	26.5	27	27.5	Mexico
Japan	M 21.5	22	22.5	23	23.5	24	24.5	25	25.5	26	26.5	27	27.5	Japan
U.K.	M 3	3 1/4	4	4 1/4	5	5 1/4	6	6 1/4	7	7 1/4	8	8 1/4	9	U.K.
Australia	M 3	3 1/4	4	4 1/4	5	5 1/4	6	6 1/4	7	7 1/4	8	8 1/4	9	Australia
U.S. & Canada	M 3	4	4 1/4	5	5 1/4	6	6 1/4	7	7 1/4	8	8 1/4	9	10	U.S. & Canada
Russia & Ukraine	W 5	5 1/4	6	6 1/4	7	7 1/4	8	8 1/4	9	9 1/4	10	10 1/4	11	Russia & Ukraine
Korea (mm.)	228	231	235	238	241	245	248	251	254	257	260	263	267	Korea
Inches	9	9 1/8	9 1/4	9 5/8	9 3/4	9 7/8	10	10 1/8	10 1/4	10 3/8	10 1/2	10 5/8	11	Inches
Centimeters	22.8	23.1	23.5	23.8	24.1	24.5	24.8	25.1	25.4	25.7	26	26.3	26.7	Centimeters
Monopoint	228	231	235	238	241	245	248	251	254	257	260	263	267	Monopoint

27

## Conformity assessment procedures

- TBT Annex 1:
  - Any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled.
  - Include, inter alia, procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; registration, accreditation and approval as well as their combinations.

28

## Divergent regulations increase costs for firms

- Information costs
- Loss of economy of scale
- Surprise costs

29

## Overall Disciplines

- MFN & NT
- No unnecessary obstacles to international trade
- Harmonization by adopting international standards

30

## Miscellaneous issues

- Notification
- Enquiry point
- Technical assistance

31

## The SPS Agreement

- Coverage: any measures applied to protect

32

## Human or animal life from

risks arising from  
additives, contaminants,  
toxins or disease-  
causing organisms in  
their food, beverages,  
feedstuffs;



33

## Protect human life from

- plant- or animal-carried diseases;



34

## Protect animal or plant life from

- pests, diseases, or disease-causing organisms;



35

## Protect a country from

- damage caused by the entry, establishment or spread of pests



36

## Key provisions

- 1. Scientific Justification
- 2. Harmonization
- 3. Equivalence
- 4. Disease-free areas
- 5. Technical Assistance and Special and Differential Treatment

37

## Risk assessment

- Factors to consider:
  - scientific evidence
  - processes and production methods
  - inspection, sampling and testing methods
  - pest or disease prevalence
  - ecological and environmental conditions
  - quarantine and other treatment

38

## Which international organizations?



39

## Miscellaneous provisions

- Technical assistance
- S&D provisions

40

## Main contents

Principles of WTO

WTO Agreements

WTO Dispute Settlement System

## The Dispute Settlement System of the WTO

“is a central element in providing security and predictability to the multilateral trading system.”  
 (Article 3.2 of the DSU)

“Crown Jewel” of the WTO – Mike Moore, former DG

## Overview

- **An integrated system:**
  - Applies to all the multilateral agreements
  - A single set of rules for all disputes
    - Only a few specific rules in some agreements

43

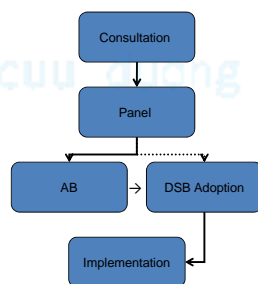
## The DSB



44

## Main stages

- Consultation
- Panel and Appellate Body review
- Adoption of report by the DSB
- Implementation



45

## Consultations

### • The request for consultations:

- Indicates the reasons for the request; identification of the measures; legal basis for complaint (Art 4.4)



- Notified to DSB and circulated to all Members in "WT/DS" document series

46

## Consultations: Deadlines

- Answer to request for consultations: 10 days
- beginning of consultations: 30 days (from receipt of request)

- If consultations fail to resolve the matter within 60 days from receipt of request.....
- Or if no response or no entering into consultations
- .... A request for establishment of a panel can be made

47

## Consultations

- **In many instances, disputes have been resolved at the consultation stage, without further proceedings:**

AS OF 10/27/2006:

- 351 Disputes (Consultation Requests)
- 145 Panels established, covering 178 of the 351 disputes formally initiated (about one-half).
- 123 panels have been composed, covering 159 disputes



48



### Establishment of panels

- The request for establishment of a panel:
  - “identify the specific measures at issue and provide a brief summary of the legal basis of the problem sufficient to present the problem clearly” (Art 6.2)
- Establishment at the latest at “DSB meeting following that at which the request first appears on the DSB’s agenda”, by reverse/negative consensus (Art. 6.1 DSU)



49

### Composition of Panels

- Panel Composition:
  - “well-qualified government and /or non-governmental individuals” (8.1)
- Indicative list of panellists (8.4)
- Secretariat proposals (8.6)
  - Not necessarily from the indicative list
- Nomination by DG if no agreement (8.7)
  - 1/3 in the first 5 years
  - 2/3 in the second 5 years

50

### Panel Procedures (2)

- Function of panels (Art. 11):
  - Objective assessment of the matter before it, including facts and the applicability of and conformity with the relevant agreements
- What should the report contain? (Art. 12.7)
  - Findings of fact,
  - applicability of relevant provisions and
  - basic rationale supporting any finding and recommendation.

51

### Adoption of Panel Reports (16)

- Panel reports not considered for adoption until 20 days after circulation
- Adoption **within 60 days of circulation**, by reverse • ... **Except if appealed** consensus....



52

### Standing Appellate Body (AB)

- Composition: 7 Members
- Appointed by the DSB
- Term of Office: 4 years (renewable once)
- Requirements:
  - demonstrated expertise in law, international trade
  - unaffiliated with Member government

53

### Procedure of Appellate Review

- Notice of Appeal
- Written submissions
  - Appellant
  - Appellee
  - Third participant
- Oral hearing
- Exchange of views
- Circulation of report

54

## Appellate Body Report

- **Report of the Appellate Body:**
  - “The Appellate Body may uphold, modify or reverse the legal findings and conclusions of the panel” (Art. 17.13)
- **Adoption of Appellate Body report:** by reverse consensus within 30 days of circulation to Members (Art. 17.14)

55

## Implementation

- **Recommendations:**
  - If violation: recommendation that the Member **bring the measures into conformity**
  - If No violation (but impairment): mutually satisfactory adjustment
- Within 30 days of adoption of report, Member concerned informs the DSB of its **intentions in respect of implementation** of the recommendations and rulings (Art. 21.3)

56

## Complied or not?

- If Member fails to bring measure into conformity within reasonable period of time, possibility of **temporary** measures: **compensation** or “**suspension of concessions**” (retaliation)

57

## No compliance?

- **Compensation:**
  - voluntary
  - negotiated
  - compatible with WTO obligations
- If no compensation agreed within 20 days after expiry of reasonable period of time....

58

## No compensation?

- **Suspension of concessions:**
  - same sector/other sector/other agreement
  - level of suspension: “equivalent to the level of nullification or impairment” (Art. 22.4 DSU)
  - authorization to suspend: within 30 days of expiry of reasonable period of time (reverse consensus)

59