Chapter XVII

World Trade Organization (WTO)

During 2003, the World Trade Organization (WTO), the legal and institutional foundation of the multilateral trading system, continued to oversee the rules set international trade, settle trade disputes and organize trade negotiations.

WTO’s Fifth Ministerial Conference (Cancun, Mexico, 10-14 September), WTO’s highest authority, failed to make any significant progress towards the implementation of the Doha Development Agenda, adopted by the Fourth (2001) Ministerial Conference [YUN 2001, p. 1432]. The Conference suggested that work continue to resolve outstanding issues. A General Council meeting was held in December, though no major breakthroughs were reported.

As at 31 December 2003, WTO membership (members and observers) totalled 146.

General activities

The three working groups set up by the First (1996) Ministerial Conference [YUN 1996, p. 1441] met during 2003. 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; investors’ and home governments’ obligations; and on the question of whether or not it was desirable to launch negotiations on investment in WTO. 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 issues, 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 policymaking.

During the year, the Trade Policy Review Body carried out reviews of Bulgaria, Burundi, Canada, Chile, El Salvador, Guyana, Haiti, Honduras, Indonesia, Maldives, Morocco, New Zealand, the Niger, Senegal, the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, Swaziland), Thailand and Turkey.

Trade in goods

During 2003, 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 carried out a transitional review under the Protocol of accession of China, and discussed a review of the operation of the trade-related investment measures agreement and the work programme on electronic commerce as set out in the Doha Ministerial Declaration.

The Committee on Agriculture continued to review the implementation of WTO commitments resulting from the Uruguay Round agricultural reform programme, or from accession to WTO.

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 2003, the Council for Trade in Services held five formal meetings, which addressed proposals
for a technical review of the General Agreement on Trade in Services (GATS) provisions; reviewed air transport under the Annex on Air Transport; conducted a transitional review under the Protocol of accession of China; and discussed Albania’s request for a waiver from specific commitments under GATS.

**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 2003, the Council for TRIPS continued to review national implementing legislation of developing countries and economies in transition.

**Regional trade agreements**

As at December 2003, WTO received notifications of 18 additional regional trade agreements, bringing the total number of notified agreements in force to 193.

**Trade and development**

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.

**International Trade Centre**

The International Trade Centre, operated jointly by WTO and the United Nations Conference on Trade and Development (see p. 974), continued to play a crucial role in trade-related technical cooperation and trade-related capacity-building. In 2003, it focused its technical assistance for developing and transition economies on helping businesses understand WTO rules, strengthening enterprises, competitiveness and developing new trade promotion strategies.

**Budget**

The WTO budget for 2003 totalled 155 million Swiss francs.

**Secretariat**

As at 31 December 2003, WTO staff numbered 601.

NOTE: For further information on WTO activities, see the organization’s Annual Report 2003.

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