World Trade Organization (WTO)

During 2004, the World Trade Organization (WTO), the legal and institutional foundation of the multilateral trading system, continued to oversee the rules of international trade, settle trade disputes and organize trade negotiations.

Significant progress was made in advancing the Doha Development Agenda, adopted by WTO’s Fourth (2001) Ministerial Conference [YUN 2001, p. 1432], following resolution, in July, of the deadlock in negotiations, which arose among WTO members during the Fifth (2003) Ministerial Conference [YUN 2003, p. 1535]. That enabled the adoption by WTO’s General Council of framework agreements to advance negotiations in some of the most difficult areas, particularly agriculture and non-agricultural market access. Members also agreed on a package of measures on development issues, to begin negotiations on trade facilitation (see p. 958), to continue those negotiations beyond the timeframe of 1 January 2005 set in the Doha Ministerial Declaration [YUN 2001, p. 1432] and to schedule the next Ministerial Conference for December 2005 in Hong Kong, China.

WTO’s General Council, the body overseeing the organization’s work between meetings of the Ministerial Conference—its highest body—continued throughout the year to monitor the implementation and operation of the multilateral trading system embodied in the WTO Agreement [YUN 1994, p. 1474]. The Council played a key role in the negotiations and decisions that put the Doha Development Agenda work programme back on track in July. It also took decisions to improve transparency in WTO operations and to achieve better cooperation and coordination between the organization, the International Monetary Fund, the World Bank and other international organizations.

As at 31 December 2004, WTO membership (members and observers) totalled 148.

General activities

The three working groups established by the 1996 Ministerial Conference [YUN 1996, p. 1441], which met within the framework of the Doha Development Agenda, did not meet in 2004. In August, the General Council decided that the three issues they were set up to consider—the relationship between trade and investment, interaction between trade and competition policy, and transparency in government procurement—no longer formed part of the work programme set out in the Doha Ministerial Declaration. As such, no negotiation on those issues would take place within WTO during the Doha Round.

WTO continued to settle trade disputes between members covered by the Understanding on Rules and Procedures Governing the Settlement of Disputes and provided technical assistance and capacity-building to developing countries in that regard.

During the year, the Trade Policy Review Body carried out reviews of Belize, Benin, Brazil, Burkina Faso, the European Union, the Gambia, the Republic of Korea, Liechtenstein, Mali, Norway, Rwanda, Singapore, Sri Lanka, Suriname, Switzerland and the United States.

Trade in goods

During 2004, the Council for Trade in Goods (CTG) 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, discussed the review of the operation of the Trade-Related Investment Measures Agreement and considered a request for extension of the transition period under the Agreement. CTG also conducted the third and final major review of the implementation of the Agreement on Textiles and Clothing, as 2004 was the last year of implementation. 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 monitored the implementation of the Agreement on 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 2004, the Council for Trade in Services held seven formal meetings, which considered proposals for a technical review of the General Agreement on Trade in Services (GATS) provisions; Albania’s request for a waiver from specific commitments under GATS; the deadline for negotiations on emergency safeguard measures under the Agreement; the European Community’s request for continued restriction of the report of the Council’s meeting in June; and issues submitted by India relating to the implementation of GATS. It also conducted the third transitional review under the Protocol of accession of China and the second review of most favoured nation (MFN) exemptions.

Intellectual property

The Trade-related Aspects of Intellectual Property Rights Agreement (TRIPS) provided for minimum international standards of protection in copyright, trademarks, geographic indications, industrial designs, patents, layout designs of integrated circuits and undisclosed information. In 2004, the Council for TRIPS continued to review national implementing legislation of developing countries and economies in transition.

Regional trade agreements

As at December 2004, WTO received notifications of 33 additional regional trade agreements, bringing the total number of notified agreements in force to 220.

Trade and development

In 2004, 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 the declining terms of trade for primary commodities and its implication for the trade and development of primary commodity exporting countries.

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, expansion of the coverage of the Agreement 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 it was part of the 1994 WTO Agreement, it remained outside the organization’s framework. The Committee on Trade in Civil Aircraft discussed end-use customs administration, including a revised proposal concerning the definition of “civil” vs. “military” aircraft based on initial certification.

International Trade Centre

The International Trade Centre (ITC), operated jointly by WTO and the United Nations Conference on Trade and Development (see p. 954), continued to play a crucial role in trade-related technical cooperation and trade-related capacity-building. In 2004, it focused its technical assistance on helping businesses understand WTO rules, strengthening enterprises, competitiveness and developing new trade promotion strategies.

Budget

The WTO budget for 2004 was 161.7 million Swiss francs.

Secretariat

As at 31 December 2004, WTO staff numbered 630.

NOTE: For further information on WTO activities, see the organization’s Annual Report 2004.