

Trade Policy Review Body

TRADE POLICY REVIEW MECHANISM

Report of the Trade Policy Review Body for 2009

Chairperson: H.E. Mr. István Major (Hungary)

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. Since then the Trade Policy Review Body (TPRB) has appraised the operation of the TPRM three times.¹ The third appraisal, conducted in 2008, found that the TPRM functioned effectively and that its objectives, as defined in Annex 3, were being achieved. The appraisal also introduced a number of procedural improvements, subsequently incorporated in revised Rules of Procedure for Meetings of the TPRB², thus continuing a process by Members of keeping the Mechanism under frequent review.

2. This Report by the Trade Policy Review Body provides a brief assessment of the TPRM, and reports on the reviews of Members conducted in 2009. Tables are annexed showing the Members that will have been reviewed up to the end of 2009, the geographical coverage of the reviews conducted to date, as well as the proposed programme of reviews for the year 2010.

Objectives of the TPRM

3. Annex 3 of the Marrakesh Agreement states the objectives of the TPRM as: "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 Members. By the end of 2009, the TPRM will have conducted 305 reviews since its formation, at 224 review meetings (Annex I). The reviews have covered 136 of 153 Members, representing some 97% of the share of world trade. The trade policies and practices of one Member were reviewed for the first time during 2009.³

5. The Trade Policy Review Body will have conducted 21 reviews in 2009 (Annex II). The Secretariat reports for the reviews of Guatemala, Fiji, Niger and Senegal were prepared with the assistance of consultants, under the close supervision of Secretariat staff. Dutch and German financing in support of TPRs proved invaluable in preparing the reviews of Georgia, Guatemala, Fiji,

¹ WTO documents WT/MIN(99)/2, 8 October 1999, WT/MIN(05)1, 21 September 2005, and WT/TPR/229, 11 November 2008.

² WTO document WT/TPR/6/Rev.2.

³ This was Georgia.

Maldives, Mozambique, Niger, Senegal, SACU, Solomon Islands, and Zambia.⁴ The Secretariat's reports continue to be prepared in close consultation with the authorities of the Member under review.

6. Procedures for the reviews conducted in 2009 have generally run smoothly. Responses to requests for documentation and questionnaires have normally been provided at or close to the requested dates. In line with recent practice, the Secretariat has attempted to reduce the burden on Members under review of providing responses by using, to the extent possible, alternative sources of documentation, including Members' official web-sites or other authentic sites on the Internet. It has not been possible to do this for all Members 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 visits to capitals have continued to be productive, and comments provided on Secretariat drafts have been pertinent; close contact with the Member under review is necessary to help ensure the factual accuracy and clarity of the documentation prepared for the Review. The result is that the quality, content, and style of the reviews have been maintained.

7. The reviews conducted in 2009 were relatively evenly spaced throughout the period, reducing pressure of preparation on the Membership for review meetings at close intervals. Efforts also continue to be made to avoid clashes with other meetings at the WTO; nevertheless, clashes do happen.

8. The Trade Policy Review programme for 2010 comprises 19 review dates for 21 Members (Annex III).

9. The TPRB intends to continue to provide an evenly spaced programme of reviews in 2010, thereby avoiding a 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 practices. The reports prepared by the Secretariat provide a factual and independent review of the trade policies and practices of individual 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 highlighting their infrastructural constraints and technical assistance needs.

11. While carrying out an assessment of the Members' trade policies and practices, the review process also discusses the economic impact of trade measures, and places the trade and economic regimes of individual Members within the broader 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.

⁴ The Kingdom of the Netherlands and the Federal Republic of Germany make financing available under the DDA Global Trust Fund to undertake reviews of the "poorest and most vulnerable" countries and to facilitate the trade-policy review process to better adapt to the requirements of these countries.

Points emerging from the 2009 reviews

12. While each review highlights the specific issues and measures concerning the individual Member, certain common themes emerged during the course of the reviews conducted in 2009. These included:

- transparency in trade policy-making and implementation;
- economic environment and trade liberalization;
- implementation of the WTO Agreements;
- regional trade agreements and their relationship with the multilateral trading system;
- tariff issues, including peaks, escalation, preferences, rationalization and the gap between applied and bound rates;
- customs clearance procedures;
- 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;
- trade-related intellectual property rights legislation and enforcement;
- government procurement policies and practices⁵;
- state involvement in the economy and privatization programmes;
- trade-related competition and investment policy issues;
- incentive measures such as subsidies and tax forgone;
- sectoral trade-policy issues, particularly liberalization in agriculture and certain services sectors;
- GATS commitments;
- special and differential treatment, including market access and implementation, particularly for customs valuation, TRIPS and TRIMs; and
- technical assistance in implementing the WTO Agreements and the experience with Aid for Trade, and the Enhanced Integrated Framework.

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 LDCs in the preparation of the TPRB timetable, and the 1999 Appraisal of the operation of the TPRM also drew attention to this matter. The TPRB has continued to review a steady number of least developed Members. Of the 32 least developed Members of the WTO, 27 will have been reviewed by the end of 2009.^{6,7}

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

⁵ This has been discussed even in cases where Members are not party to the plurilateral Agreement on Government Procurement.

⁶ The least developed countries reviewed since the establishment of the Mechanism are: Angola, Bangladesh (three times), Benin (twice), Burkina Faso (twice), Burundi, Chad, Central African Republic, Djibouti, Gambia, Guinea (twice), Haiti, Lesotho (three times), Madagascar (twice), Malawi, Maldives, Mali (twice), Mauritania, Mozambique (twice), Niger (twice), Rwanda, Senegal (three times), Sierra Leone, the Solomon Islands (twice), Tanzania (twice), Togo (twice), Uganda (three times), and Zambia (three times).

⁷ The least developed country Members of the WTO yet to be reviewed are: Cambodia, Democratic Republic of Congo, Guinea-Bissau, Myanmar, and Nepal.

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. Since 2000, the preparation of reviews of LDCs has responded more systematically to technical assistance needs. The review process for an LDC now includes a seminar on the WTO and, in particular, the trade policy review exercise and the role of trade in economic policy; such seminars have been held during 2009 for the review process of Benin, Burkina Faso, The Gambia, Mali, Malawi, Niger, Senegal, and Solomon Islands. In addition, similar exercises were conducted in the preparation of the reviews of other Members, including Albania, Armenia, Croatia, the Dominican Republic, Guyana, and SACU countries. The Secretariat Report for an LDC review includes a section on technical assistance needs and priorities, as identified in cooperation with the Member concerned, with a view to feeding this into the Enhanced Integrated Framework process. The seminars and the technical assistance section in the Secretariat reports involve close cooperation with the WTO's Development Division and Institute for Training and Technical Cooperation Division.

16. Following specific requests by some Members, the Secretariat also organized ex-post seminars to discuss the outcome of the trade policy review process with domestic stakeholders. Such seminars were conducted in Cameroon, on behalf of CEEAC (the six CEMAC countries - Cameroon, Chad, Congo, Gabon, Equatorial Guinea, and Central African Republic - plus the Democratic Republic of Congo, and Sao-Tomé-and-Príncipe), the Dominican Republic, and Guyana (to take place in November).

Monitoring of trade and trade-related measures

17. Annex 3 (D) of the Marrakesh Agreement establishing the TPRM calls for Members, in between reviews, to provide information on significant trade policy changes. The WTO Secretariat has monitored on a regular basis during the year the trade and trade-related developments of Members and Observer Governments in the context of the financial and economic crisis. Reports by the Director-General were discussed at Informal Meetings of the TPRB.⁸ The WTO Secretariat has closely consulted with all delegations to gather complete, up-to-date and accurate information on their trade and trade-related measures, and has received good cooperation.

18. Members and Observer Governments welcomed this exercise and appreciated the methodology developed by the Secretariat to prepare the Director-General's reports. They found this exercise to be valuable in providing additional transparency to trade policy developments around the world and a useful instrument to highlight the need to resist protectionism, in particular during this period of global crisis.

19. The information and analysis contained in the Director-General's monitoring reports will be consolidated and presented in his Annual Overview of Developments in the International Trading Environment, as called for by paragraph G of Annex 3. This report is expected to be discussed by the TPRB in November 2009.⁹

Conclusion

20. The Trade Policy Review Mechanism provides a forum in which Members discuss each others' trade policies in a transparent and frank manner. The forum is unique in that the separation of

⁸ These reports were subsequently distributed in documents WTO/TPR/OV/W/1, dated 20 April 2009, and WT/TPR/OV/W/2 dated 15 July 2009.

⁹ The Annual Overview was suspended over the past years due to duplication with other WTO main publications, such as the World Trade Report and the Annual Activities Report.

the TPRM from the compliance and dispute settlement aspects of WTO work allows an open debate. The 21 reviews conducted in 2009 have been satisfactory, and have met deadlines agreed with the Members. The reviews have been relatively evenly spaced throughout the period, giving adequate time to Members to prepare for the meetings. The discussants have continued to play a very useful role in assisting the discussion during the reviews. The programme for 2010, similarly, aims to avoid delays and concentration of reviews.

21. The TPRM continues to function effectively in meeting its transparency goals. However, as the Membership of the WTO increases, the pressure on the TPRB to review more Members grows. This, and the limited resources available to the Secretariat to prepare 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 respect of deadlines, in order to maintain the standard and quality of the reports, and in the successful reviews of Members by the TPRB.

Annex I

TRADE POLICY REVIEWS
WTO Members reviewed, 1989-2009

Europe/Middle East	Asia/Pacific	Africa	America
Austria ¹	Australia (5)	Angola ^b	Argentina (3)
Bahrain (2)	Bangladesh ^b (3)	Benin ^{b,2} (2)	Antigua and Barbuda ² (2)
Bulgaria ¹	Brunei Darussalam (2)	Botswana ² (3)	Barbados (2)
Cyprus ¹	China (2)	Burkina Faso ^{b,2} (2)	Belize
Czech Republic ¹ (2)	Chinese Taipei	Burundi ^b	Bolivia (3)
European Communities (9)	Fiji (2)	Cameroon ² (3)	Brazil (5)
Finland ¹	Georgia ^a	Chad ^b	Canada (8)
Hungary ¹ (2)	Hong Kong, China (5)	Central African Republic ^b	Chile (4)
Iceland (3)	India (4)	Congo	Colombia (3)
Israel (3)	Indonesia (5)	Côte d'Ivoire	Costa Rica (3)
Liechtenstein ² (3)	Japan (9)	Djibouti ^b	Dominica ² (2)
Norway (5)	Korea, Rep. of (5)	Egypt (3)	Dominican Republic (3)
Poland ¹ (2)	Kyrgyz Republic	Gabon ² (2)	Ecuador
Qatar	Macao, China (3)	Gambia ^b	El Salvador (2)
Romania ¹ (3)	Malaysia (4)	Ghana (3)	Guatemala (2)
Slovak Republic ¹ (2)	Maldives ^b (2)	Guinea ^b (2)	Grenada ² (2)
Slovenia ¹	Mongolia	Kenya ² (3)	Guyana (2)
Sweden ¹ (2)	New Zealand (4)	Lesotho ^{b,2} (3)	Haiti ^b
Switzerland ² (5)	Pakistan (3)	Madagascar ^b (2)	Honduras
Turkey (4)	Papua New Guinea	Malawi ^b	Jamaica (2)
United Arab Emirates	Philippines (3)	Mali ^{b,2} (2)	Mexico (4)
Jordan	Singapore (5)	Mauritania ^b	Nicaragua (2)
Oman	Solomon Islands ^b (2)	Mauritius (3)	Panama
	Sri Lanka (2)	Morocco (4)	Paraguay (2)
	Thailand (5)	Mozambique ^b (2)	Peru (3)
		Namibia ² (3)	St. Kitts and Nevis ² (2)
		Niger ^{b,2} (2)	St. Lucia ² (2)
		Nigeria (3)	St. Vincent & Grenadines ² (2)
		Rwanda ^b	Suriname
		Senegal ^{b,2} (3)	Trinidad and Tobago (2)
		Sierra Leone ^b	United States (9)
		South Africa ² (4)	Uruguay (3)
		Swaziland ² (3)	Venezuela (2)
		Tanzania ^{b,2} (2)	
		Togo ^b (2)	
		Tunisia (2)	
		Uganda ^{b,2} (3)	
		Zambia ^b (3)	
		Zimbabwe	
39 Members (56 reviews)	25 Members (80 reviews)	39 Members (82 reviews)	33 Members (87 reviews)

() Number of reviews completed where this is greater than one.

a First review in 2009.

b Least developed Member.

1 Now included in European Communities (EC).

2 Joint review but counted as individual Members for statistical purposes from 2009.

Reviews conducted at end-2009 = 305 reviews at 224 review meetings

WTO Members reviewed = 136 out of 153 Members

Least-developed WTO Members reviewed = 27

Share of world trade of WTO Members reviewed
(excluding significant double counting and intra-EC trade) = around 97%

Annex II

Trade Policy Reviews conducted in 2009

Member^a	Meeting date (scheduled)	Review cycle (years)
Guatemala (2)	04/02/2009	6
Japan (9)	18/02/2009	2
Brazil (4)	09/03/2009	4
Fiji (2)	25/03/2009	6
EC (9)	06/04/2009	2
Mozambique* (2)	22/04/2009	6
Solomon Islands* (2)	06/05/2009	6
New Zealand (4)	10/06/2009	6
Morocco (4)	24/06/2009	6
Guyana (2)	08/07/2009	6
Zambia* (3)	27/07/2009	6
Chile (4)	07/10/2009	6
Maldives* (2)	26/10/2009	6
Botswana (SACU) (3)	04/11/2009	6
Lesotho (SACU)* (3)	04/11/2009	6
Namibia (SACU) (3)	04/11/2009	6
South Africa (4) / (SACU) (3)	04/11/2009	6
Swaziland (SACU) (3)	04/11/2009	6
Niger* (2)	11/11/2009	6
Senegal* (3)	11/11/2009	6
Georgia	08/12/2009	6

* Least developed country.

a Figures in brackets indicate number of reviews.

Annex III

Proposed programme of reviews for 2010

Two-year cycle	China, United States
Four-year cycle	Malaysia, Chinese Taipei, Hong Kong, China
Six-year cycle	Albania; Armenia; Belize; Benin*; Burkina Faso*; Croatia; El Salvador; Gambia*; Honduras; Jamaica; Malawi*; Mali; Papua New Guinea; and Sri Lanka.

* Least developed country.