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**Do Vụ Chính sách Thương mại Đa biên, Bộ Công Thương xuất bản**  
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● Bản tin này có sử dụng ảnh của các đồng nghiệp và cộng tác viên. Xin chân thành cảm ơn! (Pictures and photos of colleagues are used in the bulletin. Thank you very much!)

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## Farm talks to aim for ‘modalities’ in first quarter of 2011

WTO agriculture negotiators will embark on the talks’ endgame from 17 January 2011, with the aim of producing a near-final revised draft of “modalities” by the end of March and concluding the Doha Round as a whole by the end of the year. That is the plan outlined by Chairperson David Walker in agriculture negotiations meetings on 6 and 10 December, and supported by negotiators.

It is based on Director-General Pascal Lamy’s statement to ambassadors at an informal meeting of the Trade Negotiations Committee (TNC), which he chairs, on 30 November. This, in turn, was based on political declarations from the recent G-20 summit in Seoul and APEC meeting in Yokohama.

Chairperson Walker, who is New Zealand’s ambassador, asked members to do their homework over the Christmas and New Year break, consult with each other, and report on progress when they meet on 17 January. He said the work on a revised draft “modalities” text will have four components, including issues proposed by some members:

- Outstanding issues, including those he has described as “bracketed or otherwise annotated” in the December 2008 draft and its associated papers
- Clarifying points that have emerged as unclear in the December 2008 text, such as those raised in a paper by

Argentina, China and India

- Correcting typographical errors

- Completing data that will have to be attached to the “modalities”, for example data on values of production to be used to calculate new limits on domestic support, and on domestic consumption for creating new tariff quotas.

The eventual revised text should be based on consensus, and where consensus is not possible, provide clear choices for decision-makers to pick, he said.

He suggested that delegations could prepare for the upcoming work by studying his March 2010 report to the Trade Negotiations Committee.

The chairperson added that the more technical work on “templates” and data will also continue, as it did in the meeting on Monday 6 December.

Ambassador Walker was partly reporting on consultations during the week. He said his plans were developed in a meeting in “Room E” at the WTO headquarters on 8 December with 38 delegations invited, representing all the main coalitions. This is a configuration used from time to time to allow a freer discussion that can then feed into the “multilateral” process involving all members, in a structure sometimes called “concentric circles”.

Ambassador Walker also reported on consultations on cotton◆

Source: [www.wto.org](http://www.wto.org)

*WTO intellectual property talks, which are about setting up a multilateral geographical indications register for wines and spirits, became the latest on 10 December 2010 to aim for an endgame spurt in early 2011 and a conclusion to the whole Doha Round by the end of the year.*

In an informal meeting, members supported chairperson Darlington Mwape’s plan to produce the negotiating group’s first draft text by the end of the first quarter following a six-point sequence point by point — described as “elements” of the procedure for the register:

- notification — eg., how a term would be notified and which member would do it (also related to “participation”)
- registration — eg., how the system would be run and the WTO Secretariat’s role
- legal effects/consequences of registration, in particular any commitments or obligations on members arising from a term’s registration (also related to “participation”)
- fees and costs — including who would bear these burdens
- special treatment for developing countries (officially, “special and differential treatment”)
- participation — whether the system is entirely voluntary, or whether a term’s registration would have some implications for all WTO members.

The plan had already been discussed with a small group of key members on both sides of the debate in earlier consultations.

The timetable is designed to synchronize with plans for all subjects in the Doha Round, as outlined by WTO Director-General Pascal Lamy’s statement to ambassadors at an informal meeting of the Trade Negotiations Committee, which he chairs, on 30 November. This, in turn, was based on political declarations

# Geographical indications talks gear up for 2011 endgame

from the G-20 summit in Seoul and APEC meeting in Yokohama.

Mr. Lamy noted “a collective sense emerging that revised texts in all areas of the negotiation will have to be developed so that they appear towards the end of the first quarter of 2011.”

All delegations said their preference would be for a process that is based on a text with input from members, and driven by the members themselves.

Topic by topic, Amb. Mwape said each of the six topics will be discussed in sequence with the aim of producing a single negotiating text under each heading before moving on to the next one. The text could include “bracketed alternatives and options” if members cannot agree on a single set of provisions.

The first topic, notification, will be discussed in consultations in the week of 10 January, followed by a meeting of the full membership. The schedule will be tight if the end-of-March target is to be met, he said.

Amb. Mwape urged members to help the drafting move ahead by focusing on each topic, avoiding getting distracted by related issues, and to try to work among themselves to produce suitable drafts.

## **NEXT (could be changed):**

- Step by step negotiation and drafting from 10 January, first meeting of all members tentatively on 13 January

- Formal meetings before or after the regular TRIPS Council meetings: Tuesday-Wednesday

1–2 March, Tuesday-Wednesday  
7–8 June, Tuesday-Wednesday  
25–26 October

## **Chairperson: Ambassador Darlington Mwape of Zambia**

Current proposals

Three alternatives are currently on the table:

- The Joint Proposal TN/IP/W/10/Rev.2 from Argentina, Australia, Canada, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Rep. Korea, Mexico, New Zealand, Nicaragua, Paraguay, Chinese Taipei, South Africa, the US. This envisages the register as a database. Members would choose whether or not to participate in the register. The intellectual property authorities of participating members would consult the database when considering protection for individual trademarks or geographical indications within their countries.

- TN/C/W/52 of 19 July 2008, from over 100 WTO members, which includes a modified and stripped-down version of the EU’s original proposal for the multilateral register. It is now in the form of proposed “modalities” or a blueprint of the final outcome, with details to be negotiated later. Described as a negotiated compromise among the sponsors, the proposal envisages a system applying to all members although members could choose whether or not to register their own geographical indications.

All members would have to take a term’s registration “into account”

and treat it as “prima facie” evidence (first sight, or preliminary, before further investigation) that the term meets the definition of a geographical indication. Further procedures for that term within each country would be handled entirely within the country’s domestic legal system. These include confirmation that the term is an eligible geographical indication, possible challenges, and whether it is subject to exceptions such as because the term is generic.

(Previously the EU had proposed that if a term is registered the assumption — the legal phrase is “irrebuttable presumption” — would be that it should be protected in all WTO members except those that have successfully challenged the term.)

Opponents of this proposal also object to the link with two other intellectual property issues: “extending” to all products the enhanced protection currently given to wines and spirits; and requiring patent applicants to disclose the origin of genetic materials and related traditional knowledge used in their inventions.

- B- TN/IP/W/8 from Hong Kong, China: if a term is registered, this would be preliminary (“prima facie”) evidence — which could be rebutted — about who owns the term, that it is protected in the country of origin, etc, but only in those countries choosing to participate in the system. Hong Kong, China also proposes an initial period of four years for this system followed by a review ♦

Source: [www.wto.org](http://www.wto.org)



## Armenia to accede to the WTO Government Procurement Agreement

The WTO Committee on Government Procurement, on 7 December 2010, adopted a decision that invites Armenia to accede to the Agreement on Government Procurement on the basis of a final coverage offer that was circulated to the Committee on 8 November together with Armenia's draft Procurement Law. Director-General Pascal Lamy welcomed the decision as "good for Armenia, good for the Agreement on Government Procurement and good for the WTO system".

Armenia's accession to the Agreement will take effect thirty days after the deposit of its instrument of accession with the Director-General, and following adoption of the draft law.

The decision today completes a process of negotiations that began with Armenia's application for accession to the Agreement just over a year ago, on 4 September 2009.

Director-General Pascal Lamy welcomed the decision as "good for Armenia, good for the

Agreement on Government Procurement and good for the WTO system." He said that "Participation in the GPA brings real benefits not only in terms of access to other Parties' markets for procurement of goods, services and construction services, but also in the form of enhanced competition and transparency in the Party's internal markets. It embodies a political and legal commitment to good governance principles that reflects very positively on the acceding government and on its leaders." "In applying for GPA accession and then completing the related negotiations in a little over a year, Armenia has effectively demonstrated to the world its commitment to these principles" Mr. Lamy said.

The Chairman of the Committee on Government Procurement, Mr. Nicholas Niggli of Switzerland, congratulated Armenia and said that in applying for GPA accession and in completing the process in such a timely fashion, it had shown courage, fortitude and wisdom.

"You have made a commitment to good governance that will be noted around the world, and that has made you a leader in your region" he added.

Government procurement accounts for in the range of 15-20 % of gross domestic product (GDP), on average, in developed countries. Only a part of this is currently covered by the Agreement on Government Procurement.

The aim of the Agreement is to open up as much of government procurement as possible to international competition. It is designed to make laws, regulations, procedures and practices regarding government procurement that is covered by the Agreement more transparent and to ensure they do not discriminate against the products or suppliers of other GPA Parties.

Currently, the Agreement covers forty-one WTO Members, namely: Canada; the European Union, with its 27 member States; Hong Kong, China; Iceland; Israel; Japan; Korea; Liechtenstein; the Kingdom of the Netherlands with respect to Aruba; Norway; Singapore; Switzerland; Chinese Taipei and the United States.

Other WTO Members that are in the process of negotiating their accession to the Agreement on Government Procurement are Albania, China, Georgia, Jordan, the Kyrgyz Republic, Moldova, Oman and Panama. A further five WTO Members, namely Croatia, the Former Yugoslav Republic of Macedonia, Mongolia, Saudi Arabia and the Ukraine, have provisions regarding accession to the Agreement in their respective Protocols of Accession to the WTO◆

Source: [www.wto.org](http://www.wto.org)



**China reported much stronger than expected export growth in November, adding to inflation fears.**

Exports were up 34.9% versus a year earlier, compared with an expected 25%. In October the increase was only 22.9%.

Imports also rose rapidly, up 37.7%, but not enough to stop the country's controversial trade surplus widening by 15% from a year ago to almost \$23bn.

November's inflation figure - to be released on Saturday - is set to hit a new 28-month high of 5.1%, reports say.

That would be a further jump from October's inflation figure of 4.4%, and well above the official inflation target of 3%.

### **Cooling measures**

The rising inflation prompted China's central bank to increase the amount of cash that banks are required to keep on deposit with the central bank on Friday for the sixth time this year.

The higher reserve requirement will limit the banks' ability to make new loans, slowing the economy.

The People's Bank of China has already raised interest rates and increased banks' reserve requirements several times in a bid to cool inflation, while the government has taken emergency measures to address exceptional price rises and shortages of some foods.

"There's been a great deal of nervousness basically all year

## **Chinese** exports jump unexpectedly amid inflation fears

about the risk of overheating," said Michael Pettis, an economist at Beijing University, speaking to the BBC.

"Since much of the inflation is food inflation... [it] represents a transfer of income from the poor to the rich," he noted.

He said markets expected the central bank's latest move to be followed by another interest rate rise in the coming week, and perhaps as soon as this weekend.

### **Property peaking?**

However, Mr. Pettis said he thought inflation may already be peaking for now.

Other data released on Friday show that the authorities are succeeding in tackling house price inflation.

Property prices rose 7.7% in November, down from 8.6% in October.

The government has introduced a plethora of measures to cut back on property speculators, fearful that China's loose monetary policy was encouraging a bubble.

Despite the slowdown, the

data also showed that real estate investment rose a healthy 37% in the month from a year earlier.

### **Surplus sensitivity**

The trade figures showed export demand grew particularly strongly in developing markets, led by Russia (up 73%) and South Africa (up 48%).

However, these countries still comprise a relatively small share of Chinese trade, and more important to the overall figure was a 33% rise in exports to Europe. Exports to the US were up 29.5%.

Many US politicians and economists accuse China of manipulating the value of the Yuan in order to boost its net exports at the expense of its trading partners.

A bill is set to go before the Senate that would call for retaliatory trade sanctions against countries such as China that intervene to weaken their currencies.

China relaxed the Yuan's fixed exchange rate against the dollar in June, but since then it has been allowed to appreciate by less than 3%◆

Source: [www.bbc.co.uk](http://www.bbc.co.uk)

# Taiwan says EU price-fixing fines will hurt industry

*(TAIPEI) - Taiwan's government said Saturday that huge price-fixing fines imposed by the European Commission will hurt its flat panel industry and vowed to help local firms affected by the measures.*

"The huge fines will negatively impact our industry," the ministry of economic affairs said in a statement, adding it will meet the firms next week to discuss the fines.

The European Commission this week slapped fines totaling 649 million Euros (860 million dollars) on five Taiwanese flat panel makers and on one South Korean firm.

The leader in the LCD business, South Korea's Samsung Electronics, was also accused of being part of the cartel but escaped cash sanctions for coming forward first with information on the alleged scheme.



Terry Gou, chairman of Taiwan's IT giant Hon Hai Precision, has vowed to fight back for its affiliate Chimei Innolux Corporation, which faces the largest fine of 300 million Euros.

Gou also blasted Samsung for turning on other firms in order to escape punishment.

"Is it fair that a repeat offender is found not guilty?... We won't easily pay the money that we should not be paying. We will fight all the way," he told

reporters on Friday.

Taiwan's AU Optronics has said it will challenge the fine while the other Taiwanese firms have said they are considering whether to appeal.

The Commission accused the firms of running a cartel between October 2001 and February 2006 that fixed prices, harming European buyers of televisions and computers equipped with liquid crystal displays◆

*Source: [www.eubusiness.com](http://www.eubusiness.com)*

## EU court reinstates ban on import of seal products

[JURIST] The EU Court of Justice [official website] has reinstated a ban on the import of seal products, according to a ruling released Thursday rejecting challenges by Canada's Inuit hunters and fur traders. Regulation (EC) No 1007/2009, which recognizes seals as "sen-

tient beings that can experience pain, distress, fear and other forms of suffering," and bans all imports containing seal products, took effect in August, but the Inuit hunters were temporarily exempted.

Representatives of Canada's Inuit population sued the EU in January, arguing that the hunting represented a traditional aspect of the Inuit's lifestyle. The Canadian government took action against the ban in

November, initiating the World Trade Organization dispute resolution process by requesting consultations. The ban was implemented in September 2009. More narrow European restrictions imposed in 1983 caused the industry to suffer a sharp decline. Commercial seal hunting is an economic and cultural staple for the Inuit, who contend that their methods are necessary and humane◆

*Source: <http://jurist.org>*



*(Reuters) - Boeing awaited a World Trade Organization ruling on Wednesday on the legality of U.S. government support for its operations that could color a transatlantic aircraft industry dispute.*

## Boeing awaits WTO verdict on U.S. government support

In a statement released ahead of the circulation of the confidential verdict, Boeing pointed to a June WTO ruling in a parallel dispute against the European Union that found some of the "launch aid" its rival Airbus got from Brussels violated global trade rules.

"We look forward to hearing how the WTO ruled in today's preliminary decision on U.S. practices, none of which have the market-distorting impact of launch aid nor even approach

the sheer scale of European subsidy practices," Boeing said.

Though the two cases are being arbitrated separately at the WTO, they are part of a tit-for-tat battle pitting Brussels against Washington on behalf of their respective aircraft manufacturers.

Officials on both sides of the Atlantic believe the WTO findings on Boeing will give a fuller picture of what kind of government support is acceptable in the sector. Many expect the two

sides to negotiate a new agreement to resolve their spat.

Washington has a slight tactical advantage because it would be in a position to impose trade retaliation earlier than Brussels can if the U.S. victory against Airbus subsidies is upheld on appeal.

The full WTO panel report on Boeing that will be distributed to U.S. and EU officials on Wednesday is not expected to be made public for months, perhaps not until mid-2011 ♦

*Source:*  
<http://www.reuters.com>

## WTO: U.S. can slap duties on Chinese tires

WASHINGTON — The U.S. government on Monday welcomed a World Trade Organization ruling that upheld President Barack Obama's controversial decision last year to slap duties on Chinese-made tires to protect U.S. workers from a market-disrupting surge in imports.

"This is a major victory for the United States and particularly for American workers and businesses," U.S. Trade Representative Ron Kirk said in a statement.

"We have said all along that our imposition of duties on Chinese tires was fully consistent with our WTO obligations. It is significant that the WTO panel

has agreed with us, on all grounds."

The ruling came as Chinese officials were gathering in Washington for high-level trade talks under an annual forum called the U.S.-China Joint Commission on Commerce and Trade ♦

*Source:*  
<http://www.msnbc.msn.com>

**D**irector-General Pascal Lamy, in the presenting his annual report on developments in the international trading environment on 9 December 2010, said: “The global financial and economic crisis and the WTO’s trade-monitoring exercise have shown the importance of increased transparency for the smooth functioning of the multilateral trading system. Again, progress in this area depends on active participation by all Members. The comprehensive, accurate and neutral nature of the monitoring reports can be ensured only through an active participation of all delegations. I would therefore like once again to urge you all to continue actively participating in the monitoring exercise through the timely provision of initial information and the subsequent verification of individual measures.” This is what he said:

Thank you very much Ambassador Aran for giving me the opportunity to say a few words at the beginning of this important meeting.

It gives me great pleasure to introduce to the Trade Policy Review Body my Annual Report on Developments in the International Trading Environment. This Report builds on the trade monitoring reports presented to Members at regular intervals. The trade monitoring exercise has become a regular feature of the WTO activities, and one which I think is much appreciated by all Members. The monitoring reports receive considerable public attention at all levels. The success of this initiative is also due to your active participation through the provision of relevant information and

## *Lamy*

# calls on global cooperation for the smooth flow of trade



the verification of recorded trade measures.

The last time I addressed this same Body was on 8 July 2010. At that time, I noted that economic growth was returning to many countries, but warned that the global recovery was uneven and fragile, and that unemployment remained at very high levels. I am sure you all will agree that these uncertainties still remain and present a serious challenge for the global economy and the multilateral trading system.

World trade in 2010 recovered strongly following its worst decline in many decades. Our

current forecast is for world trade to grow by 13.5% this year. The Report illustrates that the world economy is still in a recovery phase from the global financial crisis. Although developing countries have performed relatively well recently, output growth in developed countries has remained sluggish. The economic recovery has not been strong enough so far to impact significantly on high levels of unemployment.

In addition, as illustrated in the Report, new risks have emerged more recently that call for prudence and collective responses particularly in the

areas of current account imbalances and of exchange rate and monetary policy developments. We still have to remain vigilant to make sure that our trade system continues to serve the entire membership as an insurance policy against protectionist tendencies, in particular during these difficult times.

Let me now make a few specific comments about some of the main points emerging from the Annual Report on the Overview of Developments in the International Trading Environment. It is not my intention to repeat all the issues addressed in the Report, but to highlight those that I consider more important at this moment for the multilateral system.

First, regarding the main observations coming out from the trade monitoring exercise, it is reassuring to note once again that governments have largely continued to resist protectionist pressures and to exercise some restraint over the imposition of new trade restrictions during the past year.

Overall, new trade restrictions were imposed at a much slower pace than in previous periods. For example, the number of initiations of new trade remedy investigations has declined, contrary to what was predicted, and was predictable on the basis of the track record of data during the previous economic crisis.

Let me draw your attention, however, to an increased use of export restrictions that our monitoring activities have picked up in 2010, and that I know is of concern to many of you. The measures have mainly affected food products and some raw materials and minerals. Maybe because WTO disciplines are weaker on

the export side than on the import side, export restrictions have not been a regular or major issue for the management of the trading system in the past, but they have the potential to create serious obstacles to trade today in our increasingly integrated world economy, with supply chains that in many cases extend widely across countries and regions too. I suggest that they may require a closer look by Members from a systemic point of view, to ensure that they are properly covered by the core WTO principles of non-discrimination and transparency.

On the other hand, we should congratulate those governments that have taken trade facilitating measures: indeed the number of new measures that facilitate trade has increased, as shown in the Report.

Also, in the area of trade in services, countries are maintaining their services trade policies and levels of market access, and some governments have introduced significant changes in order to allow broader presence of foreign suppliers in various services sectors.

Notwithstanding this relatively positive assessment, it is important to recognize that there is a need for increased vigilance by all WTO Members to three potential dangers:

- The first danger is related to an increase in protectionist pressures generated by stubbornly high levels of unemployment in many countries, persistent global imbalances, and macroeconomic concerns such as perceived exchange rate misalignments.

- The second danger is the steady accumulation of measures that restrict or distort trade. Since the end of 2008, trade restrictions have built up to cover

around 1.9% of total imports; this is too much. There is a need for governments to remove those measures that were taken as a temporary response to the economic crisis.

- The third is the challenge of managing the trade impact of general economic stimulus measures taken in response to the crisis. Although most of the measures were taken at the outset of the crisis, many are still in place and continue to generate concerns for some of our Members. The effects of these measures on trade and competition will be examined at a Special Session of the TPRB planned for early spring next year.

The Annual Report also covers other important trade-related areas.

The individual Trade Policy Reviews undertaken over the past year have confirmed that although some Members have raised a few of their applied MFN tariffs, such increases have been rare, and, overall, their trade regimes were not significantly changed by the global crisis.

Regional Trade Agreements continue to be an important and growing feature of the international trading system. Around 200 RTAs that are in force have been notified to the WTO, and about 100 more are in the process of being negotiated. All regions have become active in this field. Given these developments, the availability of relevant information is of utmost importance. The Transparency Mechanism for RTAs, which can provide this transparency, has shown that while RTAs generally do open trade, many of them have been unable to address problems of

tariff peaks and sectoral protection, and that it remains difficult to overcome vested protectionist interests at regional level. Here, we must say that the efficiency of the Transparency Mechanism for RTAs depends to a large extent on the availability and the quality of relevant information to be provided by Members. More needs to be done by all in this area if the full potential of our work on RTAs is to be met. This is a task for each and every Member.

In the area of Government Procurement, there has been significant progress in 2010 toward broadening the membership of the Agreement and advancing the negotiations on the coverage of commitments. Armenia's accession was gavelled last Tuesday. The accession negotiations of two Members (China, and Jordan) have gained speed during the year.

Important steps have been taken this year by all WTO Councils and Committees to improve the implementation of WTO notification requirements and stimulate a more up-to-date and comprehensive flow among Members of recent trade-related developments. The record of compliance with notification

requirements has improved considerably in the past two years. For example, 41% of Members are now in full compliance with their agricultural notifications for the 1995-2004 implementation period, compared with 33% of Members at the same time last year. There has been significant improvement in the notification of Regional Trade Agreements since the adoption of the Transparency Mechanism. And 62% of Members have now supplied tariff data to the IDB and 69% have supplied import data, compared with 54% and 59%, respectively, this time last year.

We all should be happy with that. But more needs to be done.

The global financial and economic crisis and the WTO's trade-monitoring exercise have shown the importance of increased transparency for the smooth functioning of the multilateral trading system. Again, progress in this area depends on active participation by all Members.

Indeed, the comprehensive, accurate and neutral nature of the monitoring reports can be ensured only through an active participation of all delegations. I would therefore like once again to urge you all to continue active-

ly participating in the monitoring exercise through the timely provision of initial information and the subsequent verification of individual measures.

The trade monitoring exercise has revealed that there are important gaps in the multilateral trading system where protectionist sentiments can agitate and expand. A successful conclusion of the DDA can help reduce these gaps and provide more certainty to all Members for their trading relations of the future.

2011 offers a window of opportunity to conclude the Doha Round. At the last TNC we put together a programme of work for the months ahead. It is now upon Members to enter into "give and takes" which can get you to a deal that you can all take back home.

Finally, I would like to inform delegations about the frequency of the monitoring reports for next year. There will be two WTO monitoring reports, one in June and one in November. We will also produce two reports for the G20 in 2011.

This concludes my introductory remarks for this meeting.

Thank you ♦

*Source: [www.wto.org](http://www.wto.org)*

## ECB tells leaders they must solve euro crisis

European central bankers told euro zone governments not to count on the ECB to solve the region's debt crisis alone.

ECB Executive Board Member Gertrude Tumpel-Gugerell said in a magazine article that the bank's buying of government bonds had bought time for debt laden countries but now they must get their finances in order.

There was a similar message from Bank of Italy Governor and ECB Governing Council member Mario Draghi.

He told the Financial Times that responsibility for dealing with the crisis ultimately lay with euro zone governments and the ECB could go only so far.

Pressure on high-deficit euro members like Portugal and Spain has eased slightly over the past

week after the ECB bought government bonds in a thin end-of-year market, pushing down the borrowing costs of countries on Europe's southern periphery.

But to prevent further contagion, following their agreement to bail out Ireland last month, European leaders may need to send a strong signal to sceptical investors when they gather in Brussels for a December 16-17 summit ♦

*Source: [www.euronews.net](http://www.euronews.net)*



*The WTO Secretariat reported that during the period 1 January — 30 June 2010, the number of initiations of new anti-dumping investigations showed a 29% decrease compared with the corresponding period of 2009. The number of new measures applied also decreased during the first semester of 2010 when compared with the first half of 2009.*

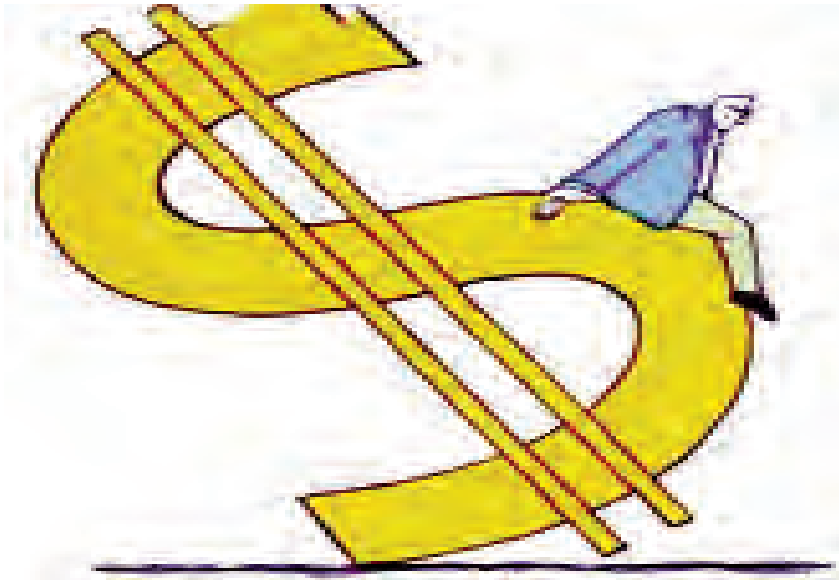
## WTO Secretariat reports drop in anti-dumping investigations and measures

In particular, during January — June 2010, 19 WTO Members reported initiating a total of 69 new investigations, compared with 97 new investigations reported by 18 WTO Members for the corresponding period of 2009. A total of 14 Members reported applying 59 new anti-dumping measures during the first semester of 2010, with a decrease of 5% than the 62 new measures reported by 16 Members for the corresponding period of 2009. Fifteen new investigations were opened by developed Members and 10 out of 59 new final measures were applied by developed Members during the first half of 2010. This compares with 15 new investiga-

tions begun and 15 new measures applied by developed Members during the first half of 2009.

The Members reporting the highest number of new initiations during January — June 2010 were India, reporting 17 new initiations, followed by the European Union, reporting 8 new initiations, Argentina (7), Brazil and Israel (5 each). Other Members reporting initiations were Australia and China (4 each), Indonesia and Korea (3 each), Colombia, Thailand and the United States (2 each), and Canada, Chile, Jamaica, Mexico, Chinese Taipei, Turkey and Ukraine (1 each). These figures represented increases for India,

the European Union, Brazil and Israel, and declines for Argentina, China, Indonesia, Colombia, the United States, Canada, Turkey and Ukraine. The number of initiations by Australia and Mexico remained unchanged compared with the numbers reported for January — June 2009. Chile, Jamaica, Korea, Chinese Taipei and Thailand, which did not report new initiations for January — June 2009, reported new initiations for the first semester of 2010, while Costa Rica, Pakistan, Peru and South Africa, which reported new initiations for the first half of 2009, did not report new initiations for the first half of 2010.



During the first half of 2010, China was the most frequent subject of the new investigations, with 23 new initiations directed at its exports. This was a 30% decrease from the 33 new investigations opened in respect of exports from China during January — June 2009. The European Union (including individual member States) was next with 11 new investigations directed at its exports, followed by the United States (5), Korea and Thailand (4 each), Malaysia and Chinese Taipei (3 each), Brazil and Japan (2 each), and Belarus, Bosnia & Herzegovina, Chile, Dominican Republic, India, Indonesia, Mexico, Norway, Singapore, South Africa, Ukraine, and Vietnam (one each).

The products most frequently affected by these new investigations during the first half of 2010 were in the base metals sector (20 initiations), the chemicals sector (11 initiations), the plastics and rubber sector (7 initiations) and the plaster and ceramic products sector (6 initiations). Of the 20 reported initiations relating to the base metals sector, 6 were

reported by India, 3 by Indonesia, two each by Colombia, the European Union, Thailand and the United States, and one each by Argentina, Israel and Korea.

Concerning application of new final anti-dumping measures, India came at the top of the list, reporting 17 new measures during January — June 2010, unchanged from the first half of 2009. Turkey was in second place, reporting 9 new measures for the first half of 2010, followed by Argentina and China (7 new measures each), the United States (5), Brazil (3), Canada, the European Union and Israel (2 each), and Australia, Egypt, Mexico, Peru, and South Africa (one each). Chile, Colombia, Korea, Pakistan and Thailand, which had reported applying new measures during the first half of 2009, reported no new measures during the corresponding period of 2010.

Products exported from China were the most frequent subject of new measures during January — June 2010, accounting for 25 out of 59 new measures during this period. This represented a

decline of 17% compared with the 30 new measures applied on Chinese exports during the first half of 2009. The European Union (including individual member States) was in second place with 6 new measures applied on its exports during the first half of 2010, followed by the United States (5 new measures applied on its exports), Chinese Taipei (4), and Indonesia, Russian Federation and Thailand (3 each). Australia; Hong Kong, China; India; the Kingdom of Saudi Arabia; Korea; Kuwait; South Africa; Turkey; Ukraine; and Vietnam were subject to one measure each.

The sector most frequently affected by the new measures applied during January — June 2010 was the base metals sector, products of which accounted for 18 out of 59 measures reported. Products in the chemicals sector were subject to 12 new measures, products in the plastics and rubber sector were subject to 11 new measures, products in the textiles sector were subject to 6 new measures, and products in the machinery and electrical equipment sector were subject to 5 new measures, while products in the footwear and plaster and ceramic sectors were subject to 2 new measures each. Concerning the measures applied on products in the most affected sector (base metals) India applied 7 out of the 18 reported new measures, China came in second place with 3 new measures, Canada, Turkey and the United States came in third place with 2 measures each, and the European Union tied with Mexico, each reporting one new measure on products in this sector♦

Source: [www.wto.org](http://www.wto.org)

# India-EU

## generic drug row 'resolved' at Brussels summit

A row between the EU and India over the transit of generic drugs through Europe has been resolved, negotiators told Reuters news agency.

As a result of the deal at an India-EU summit in Brussels, an Indian complaint to the World Trade Organization will be suspended, India's trade minister said.

But some fear the free trade agreement (FTA) at the core of the summit will hurt generic drug production.

The FTA, one of the biggest of its kind, is due to be ready by the spring.

'Great breakthrough'

India and Brazil brought a case to the WTO in 2009, accusing the EU of wrongly stopping and inspecting shipments of generic drugs in transit.

Both Indian Trade and Industry Minister Anand Sharma and EU trade chief Karel De Gucht confirmed to Reuters on Friday that the transit dispute had been resolved.

"This is a great breakthrough which will of course lead to a suspension of WTO proceedings, so the dispute is over," said Mr. Sharma.

Mr. De Gucht said: "I reconfirmed we are going to amend present regulation so as to put into practice what has been agreed.

"[Generic drug] transports in transit will no longer be checked, except for counterfeiting."

The EU has still to negotiate with Brazil, Reuters adds.

Generic drug giant

But medical charity Medecins Sans Frontieres (MSF) said the future of cheap Indian generic drugs for HIV/Aids and other conditions was at stake.

Suggesting the transit issue was being used as a "smoke-screen", MSF press officer Jean-Marc Jacobs told the BBC News website that: "The issue of drug seizures was only one part of the problem and many other issues remain."

The most worrying issue, he argued, was "data exclusivity", by which monopolies on medicines could be extended and production of affordable, quality generic versions could be delayed for years.

The UN HIV/Aids programme (UNAids) expressed concern on the eve of the summit about "trade agreements that place additional burdens on the manufacture, import or export of lifesaving medicines".

It stressed that Indian manufacturers accounted for more than 80% of generic antiretroviral medicines, and supplied most developing countries.

EU officials insist the FTA

will not limit India's right to produce generic drugs and dismissed such concerns as scare-mongering.

"We have no interest in preventing assistance to people who need drugs," said John Clancy, spokesman for Mr. De Gucht.

It would be inappropriate to discuss specific measures in the treaty before it was finalised, he was quoted as saying by the Associated Press news agency.

'Global openness'

In a joint statement, Indian Prime Minister Manmohan Singh, European Council President Herman Van Rompuy and EU Commission chief Jose Manuel Barroso said they looked forward to a FTA being concluded in the spring.

In a separate statement, Mr. Barroso said "very important progress" had been made towards a broad-based FTA.

Having agreed on its basic contours, the parties would work on "the final political push", he said.

"This free trade zone will bring together markets of 1.5 billion people," he said.

"It will be a key contribution to the global recovery and a signal for global openness and also a signal against protectionism," Mr. Barroso added♦

Source: [www.bbc.co.uk](http://www.bbc.co.uk)

**GENEVA (AFP) – The WTO on Monday rejected China's complaint against punitive US tariffs on Chinese tires, a landmark ruling on safeguards invoked by Washington against disruptive imports from the Asian giant.**



# WTO rules against China over tire exports to US

"We find that in imposing the transitional safeguards measure on 26 September 2009 in respect of imports of subject tires from China, the United States did not fail to comply with its obligations," the ruling by the World Trade Organization dispute settlement panel said.

US President Barack Obama invoked a safeguard clause in the Asian giant's WTO accession agreement to impose punitive duties on imports of Chinese tires over three years.

That prompted China to lodge a complaint with the global trade watchdog about the move.

The tire dispute ignited the first trade spat of Obama's presidency with the Asian giant, with warnings that a rise in Chinese-made tires had cost more than 5,000 US jobs.

Beijing reacted strongly against the move, obliging the WTO to take up the case in January after negotiations between Beijing and Washington failed to resolve the spat.

China had urged the United

States to withdraw the duties, amounting to 35 percent in the first year, which it said breached global trade rules.

But the WTO's panel of arbitrators rejected all of China's arguments in the 128-page ruling on Monday.

"This is a major victory for the United States and particularly for American workers and businesses," said US Trade Representative Ron Kirk in Washington.

In a rare comment about a trade dispute between member states, WTO Director General Pascal Lamy had expressed concern about the punitive US tariff last year, warning that it that could increase the risk of a protectionist "tit-for-tat spillover."

China's official Xinhua news agency has quoted experts as saying that the tariffs would cost the country's tire industry one billion dollars and wipe out 100,000 Chinese jobs.

A US diplomat claimed that that over four years, tire imports into the United States tripled by volume, cutting domestic produc-

tion by more than a quarter and leading to job losses for 14 percent of workers in the industry.

Washington claimed the right to impose the duties under a safeguard clause on market disruption which was among the conditions of China's accession to the WTO.

It rejected accusations that its move was unfair, unreasonable or protectionist.

In the ruling published on Monday, the WTO panel said that China "has failed to establish prima facie that the tires measure exceeds the period of time necessary to prevent or remedy the market disruption."

The arbitrators also rejected the other arguments, noting that Washington was not obliged to "quantify the injury caused by increasing imports."

Kirk said: "We have said all along that our imposition of duties on Chinese tires was fully consistent with our WTO obligations. It is significant that the WTO panel has agreed with us, on all grounds." ♦

Source: <http://news.yahoo.com>

# Vietnam

## shrimp exporters hope WTO will overturn US tariffs

*Last week, the US Department of Commerce instituted another punitive, five-year, anti-dumping tariff on Vietnamese shrimp.*

The announcement came following a sunset review of duties imposed in 2005, in which the US expressed concerns that “dumping” would resume if the tariffs ended. For the past five years, the US has levied duties ranging from 2.5 to 25.76 percent on frozen shrimp imported from Vietnam.

Frozen, warm water shrimp exporters in Asian countries like India, China, Thailand and Vietnam would continue to pay the tariffs until 2015, if the US had its way.

However, Vietnam is mounting a challenge to the rule with the World Trade Organization (WTO) next year.

The WTO could overturn the US decision, some time next year.

Existing trade rules allow WTO members to impose extra duties on goods that are dumped - imported for less than they cost in the exporting country - if that hurts businesses in the importing country.

Calculating these antidumping duties typically involves comparisons of prices of different batches of imported goods to work out the average difference in price. In the case of “zeroing,” US authorities ignore examples where the

imported goods actually cost more than at home, pushing up the value of the duty.

Truong Dinh Hoe, secretary general of the Vietnam Association of Seafood Exporters and Processors or VASEP, said local exporters opposed the reinstatement though they were not surprised to hear the results.

In February, Vietnam filed a complaint with the WTO pertaining to the US shrimp duties. The complaint represents Vietnam’s official dispute since it joined the organization, three years ago.

Vietnam asked WTO to rule about the controversial US method of calculating antidumping duties known as “zeroing.” The method has been condemned repeatedly by WTO courts and rejected by all other WTO members.

Pascal Lamy, the organization’s Director General, has appointed a three-member panel to rule on the complaint.

The case will be heard by Mohammad Saeed, counselor at Pakistan Mission to the WTO Geneva, Deborah Milstein from the Israel’s Ministry of Industry, Trade and Labor and Ian Sandford, special counsel & director,

International Trade Group of Australia

“We hope the WTO court will issue a fair verdict as it did with previous cases,” said Hoe who claims that the panel is scheduled to issue its determination in mid-2011. He said Vietnam is still supplying the body with information and evidence about the tariffs.

Hoe told Thanh Nien Weekly that the court ruled against the US in complaints brought by Thailand and India in 2008. The developing countries had called on the organization to reject the zeroing method in calculating duties.

Hoe said, if Vietnam prevails in the hearing, the US tariffs would be reduced to little or nothing.

In the first ten months of 2010, Vietnam exported about 200,000 tons of shrimp, worth US\$1.7 billion. The amount represents a 12.9 percent growth in volume and 22.5 percent growth in value year-on-year, according to VASEP.

The organization claimed that shrimp comprised 41.7 percent of the country’s combined seafood export of \$4 billion from January to October◆

*Source: <http://www.thanhniennews.com>*

## Canada: Certain Measures Affecting the Renewable Energy Generation Sector (DS412)



On 13 September 2010, Japan requested consultations with Canada regarding Canada's measures relating to domestic content requirements in the feed-in tariff program (the "FIT Program").

Japan claimed that the measures are inconsistent with Canada's obligations under Article III:4 and III:5 of the GATT 1994 because they appear to be laws, regulations or requirements affecting the internal sale, offering for sale, purchase, transportation, distribution, or use of equipment for renewable energy generation facilities that accord less favorable treatment to imported equipment than that accorded to like products originating in Ontario; that the measures could be internal quantitative regulations relating to the mixture, processing or use of a specified amount or proportion of equipment for renewable energy generation facilities which require

that equipment for renewable energy generation facilities be supplied from Ontario sources; and that the measures appear to require the mixture, processing or use of equipment for renewable energy generation facilities supplied from Ontario in specified amounts or proportions, being applied so as to afford protection to Ontario production of such equipment, contrary to the principles of Article III:1 of the GATT 1994.

Japan also claimed that the measures appear to be inconsistent with Article 2.1 of the TRIMs Agreement because they appear to be trade-related investment measures that are inconsistent with the provisions of Article III of the GATT 1994.

Finally, Japan alleged that it appears that a subsidy is granted under the measures because there would be a financial contribution or a form of income or price support, and a benefit is thereby conferred. It is also claimed that the subsidy would be a prohibited subsidy under Articles 3.1(b) and 3.2 of the SCM Agreement because it appears to be provided "contingent... upon the use of domestic over imported goods", namely contingent upon the use of equipment for renewable energy generation facilities produced in Ontario over such equipment imported from countries such as Japan.

On 24 September 2010, the United States requested to join the consultations. On 27 September 2010, the European Union requested to join the consultations. Subsequently, Canada informed the DSB that it had accepted the requests of the European Union and the United States to join the consultations.

## China: Certain Measures Affecting Electronic Payment Services (DS413)

On 15 September 2010, the United States requested consultations with China with respect to "certain restrictions and requirements maintained by China pertaining to electronic payment services for payment card transactions and the suppliers of those services".

The United States alleged that China permits only a Chinese entity (China UnionPay) to supply electronic payment services for payment card transactions denominated and paid in renminbi in China. Service suppliers of other Members can only supply these services for payment card transactions paid in foreign currency. China also requires all payment card processing devices to be compatible with that entity's system, and that payment cards must bear that company's logo. It further argued that the Chinese entity has guaranteed access to



all merchants in China that accept payment cards, while services suppliers of other Members must negotiate for access to merchants.

The United States alleged that China appears to be acting inconsistently with its obligations under Articles XVI and XVII of the GATS.

## **China:** **Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States (DS414)**

On 15 September 2010, the United States requested consultations with China with respect to measures imposing countervailing duties and anti-dumping duties on grain oriented flat-rolled electrical steel (“GOES”)



from the United States as set forth in Ministry of Commerce of the People's Republic of China (“MOFCOM”) Notice No. 21 [2010], including its annexes. The subsidy that China determined to confer a benefit is the “Buy America” provisions of the American Recovery and Reinvestment Act of 2009 and also State government procurement laws.

The United States alleged that China appears to be acting inconsistently with its obligations under:

- Articles 10, 11.2, 11.3, 12.3, 12.4.1, 12.7, 12.8, 15.1, 15.2, 15.5, 19, 22.2(iii), 22.3 and 22.5 of the SCM Agreement,
- Articles 1, 3.1, 3.2, 3.5, 6.9 and 12.2 of the Anti-Dumping Agreement; and
- Article VI of the GATT 1994.

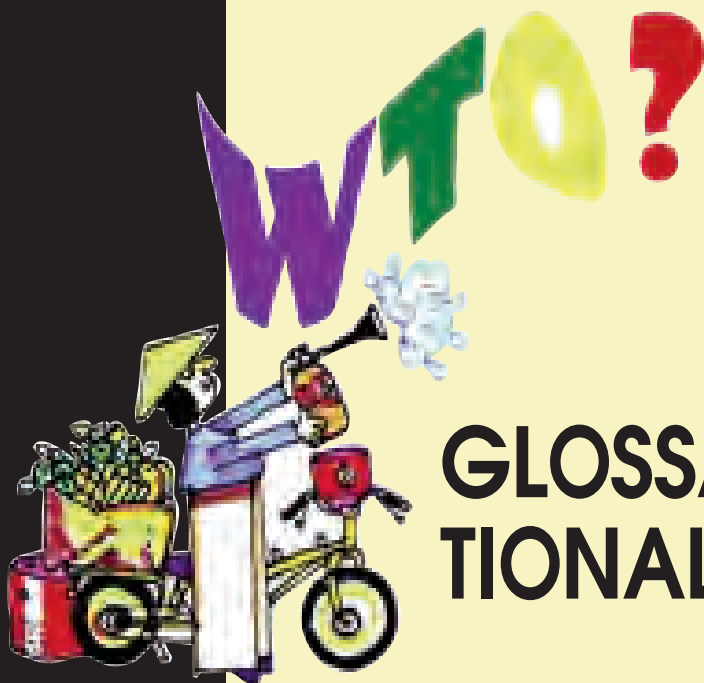
## **Dominican Republic:** **Safeguard Measures on Imports of Polypropylene Bags and Tubular Fabric (DS418)**

On 19 October 2010, El Salvador requested consultations with the Dominican Republic concerning the provisional and definitive safeguard measures imposed by the Dominican Republic on imports of polypropylene bags and tubular fabric and the investigation that led to the imposition of those measures. The products at issue are classified under subheadings 5407.20.20, 6305.33.10 and 6305.33.90 of the Dominican Republic General Tariff.



El Salvador is concerned about certain aspects of the safeguard measures and the underlying investigation. In particular, El Salvador alleges that these measures appear to be inconsistent with Articles 2.1, 2.2, 3.1, 3.2, 4.1(a), 4.1(c), 4.2(a), 4.2(b), 4.2(c), 5.1, 6, 9.1, 11.1(a) and 12.3 of the Agreement on Safeguards, and Article XIX:1(a) of the GATT 1994.

On 22 October 2010, Panama requested to join the consultations. On 25 October 2010, Guatemala requested to join the consultations. On 26 October 2010, Costa Rica and Honduras requested to join the consultations. Subsequently, the Dominican Republic informed the DSB that it had accepted the requests of Costa Rica, Guatemala, Honduras and Panama to join the consultations◆



# GLOSSARY OF INTERNATIONAL TRADE TERMS

## **Ad valorem tariff:**

A tariff taken as a proportion to the value (used esp. of duties on imports that are fixed at a percentage of the value as stated on the invoice). Most of current tariffs use this methodology.

## **Aggregate measurement of support:**

A term is often used in agriculture negotiations. It is the annual support in capital formed by the conjunction or collection of all kinds of domestic support into a whole mass or sum whereas governmental funds are used for agriculture. Annual supports have to be reduced in compliance with results of the Uruguay Round of negotiations. Domestic supports of minimum trade effects are not subject to be cut.

## **Alternative specific tariff:**

A duty counted for as a percentage to the value of imported goods or to specific tariff i.e. calculated at certain currency nomination for each unit of imported goods. Customs authority prefers applying higher rates of duties compared to the two mentioned ones.

## **Anti-circumvention:**

A measure introduced by the government to prevent the evasion of anti-dumping duties. Certain enterprises seek to avoid these duties by many ways, one of which is to make assemble in third or imported countries, or to shift production or exportation to third countries. The terms used in WTO are in no relation to cases of fraud, which are subject to conventional legal procedures in relating countries. Regulations on anti-circumvention were incorporated in agendas of Uruguay Round of negotiations over Agreements on anti-

