

CONTENTS

PREFACE

xv

PART I: BACKGROUND AND INTRODUCTION

| | |
|--|----------|
| Chapter I.1 Background and Introduction | 3 |
| Origin | 3 |
| Further Developments | 4 |
| Development Dimension | 5 |
| Tokyo Round | 5 |
| Uruguay Round | 6 |
| General Trends | 7 |
| How to Read WTO Agreements | 9 |
| General Scheme of Agreements | 11 |

PART II : GENERAL PRINCIPLES

| | |
|---|-----------|
| Chapter II.1 Most-Favoured-Nation (MFN) Treatment | 15 |
| Introduction and Broad Definition | 15 |
| Forms of Benefit | 16 |
| Coverage of Benefit | 17 |
| Some Important Concepts | 18 |
| Some Important Considerations | 21 |
| Exceptions | 23 |
| Importance of MFN Principle for Multilateralism and Erosion of the Principle | 27 |
| Chapter II.2 National Treatment | 29 |
| Introduction | 29 |
| Main Elements | 30 |
| Some Important Concepts | 33 |
| Some Important Considerations | 40 |
| Exceptions | 43 |
| Emerging Problems | 45 |

| | |
|--|----|
| Chapter II.3 Other General Principles | 47 |
| Obligations Relating to Regional Governments | 47 |
| Status of Laws and Regulations | 48 |
| Transparency | 50 |

PART III : MARKET ACCESS

| | |
|---|--------|
| Chapter III.1 Tariffs | 55 |
| Introduction | 55 |
| Main Disciplines | 56 |
| Types of Tariff | 56 |
| Classification | 57 |
| Binding of Tariffs | 59 |
| Increase in Tariff Beyond Binding | 63 |
| Schedule | 66 |
| Tariff Quota | 67 |
| Preferential Tariff | 67 |
| Other Matters | 68 |
| Chapter III.2 Safeguards | 71 |
| Introduction | 71 |
| Nature of Safeguard Measures | 72 |
| Preconditions for Taking Safeguard Measures | 73 |
| Procedure for Taking Safeguard Measures | 76 |
| Special Disciplines Regarding Quantitative Restrictions | 80 |
| Limitations and General Disciplines | 83 |
| Termination of Pre-Existing Measures | 90 |
| Grey-Area Measures | 90 |
| Non-Discrimination or Selectivity | 92 |
| Notification | 94 |
| Provisions for Developing Countries | 95 |
| Dispute Settlement | 96 |
| Special Safeguard Provisions | 96 |

| | |
|--|-----|
| Chapter III.3 Balance-of-Payments Provisions | |
| (Article XVIII B of GATT 1994) | 99 |
| Introduction | 99 |
| General Conditions for Use of Article XVIII of GATT 1994 | 100 |
| Permissible Action Under Article XVIII B | 103 |
| Limitations on Action Under Article XVIII B | 104 |
| Notification | 105 |
| Consultations | 106 |
| Emerging Issues | 113 |
| Chapter III.4 Technical Barriers to Trade | 115 |
| Introduction | 115 |
| Definitions and Procedure | 116 |
| Exclusion of Coverage | 117 |
| Disciplines on Technical Regulations | 118 |
| Formulation of Standards | 123 |
| Assessment of Conformity | 126 |
| Developing Countries | 127 |
| Other Provisions | 128 |
| Emerging Issues | 129 |
| Chapter III.5 Sanitary and Phytosanitary Measures | 131 |
| Introduction | 131 |
| Definitions | 131 |
| Nature of SPS Measures | 132 |
| Limitations on SPS Measures | 132 |
| Conformity with International Standards | 133 |
| Assessment of Risk | 134 |
| Provisional Measures | 134 |
| Transparency, Publication, Notification, Enquiry Point | 134 |
| Other Provisions | 136 |
| Chapter III.6 Trade-Related Investment Measures (TRIMs) | 139 |
| Introduction | 139 |
| Prohibited Measures | 140 |
| Flexibility for Developing Country Members | 142 |
| Elimination of Existing Measures | 143 |

| | |
|--|-----|
| Introduction of New Measures | 144 |
| Notification and Transparency | 144 |
| Committee, Consultation and Dispute Settlement | 145 |
| Review | 145 |

Chapter III.7 General Exceptions 147

| | |
|---------------|-----|
| Introduction | 147 |
| Main Elements | 147 |
| Recent Issues | 149 |

PART IV : MEASURES AGAINST UNFAIR TRADE

Chapter IV.1 Subsidies and Countervailing Measures 153

| | |
|---|-----|
| Introduction | 153 |
| Disciplines | 154 |
| What is a Subsidy? | 155 |
| Permissible (Non-Actionable) Subsidies | 157 |
| Prohibited Subsidies | 162 |
| Actionable Subsidies | 165 |
| Remedies | 170 |
| Determination of Injury | 181 |
| Imposition of Countervailing Duty | 188 |
| Intermediate Steps | 192 |
| Some Other Provisions | 195 |
| Special Provisions for Developing Countries | 196 |
| Countries in Transition | 202 |

Chapter IV.2 Anti-Dumping 205

| | |
|---|-----|
| Introduction | 205 |
| Effects of Dumping, Varying Interests and Pressures | 205 |
| Dumping | 207 |
| Export Price | 207 |
| Normal Value | 208 |
| Comparison of Export Price and Normal Value | 214 |
| Investigation for Dumping and Injury | 216 |
| Newcomers | 221 |

| | |
|----------------------------|-----|
| Dispute Settlement Process | 221 |
| Other Provisions | 223 |

PART V : SOME SPECIFIC SECTORS

| | |
|--|---------|
| Chapter V.1 Agriculture | 227 |
| Introduction | 227 |
| Areas of Commitments | 229 |
| Market Access | 230 |
| Domestic Support | 241 |
| Export Subsidy | 249 |
| Export Restriction | 252 |
| Limitations on Action Against Subsidy | 253 |
| Other Provisions | 254 |
| Chapter V.2 Textiles and Clothing | 257 |
| Introduction | 257 |
| Progressive Liberalisation | 260 |
| Continuing Restrictions | 263 |
| Safeguards | 264 |
| Circumvention | 272 |
| Sectoral Balance of Rights and Obligations | 275 |
| Textiles Monitoring Body | 275 |
| Termination of the Agreement | 276 |

PART VI : PROCEDURAL AND OTHER MATTERS RELATING TO GOODS

| | |
|---|-----|
| Chapter VI.1 Customs Valuation | 279 |
| Introduction | 279 |
| Discipline | 280 |
| Transaction Value | 281 |
| Other Methods of Determination of Customs Value | 285 |
| Other Provisions | 291 |

| | |
|--|---------|
| Chapter VI.2 Import Licensing | 293 |
| Introduction | 293 |
| General Disciplines | 293 |
| Automatic Licensing | 294 |
| Non-Automatic Licensing | 295 |
| Other Provisions | 296 |
| Chapter VI.3 Rules of Origin | 299 |
| Introduction | 299 |
| Discipline | 300 |
| Main Criteria Applied in the Rules of Origin | 300 |
| Disciplines in the Transition Period | 302 |
| Harmonisation of Rules of Origin | 304 |
| Disciplines After Transition Period | 306 |
| Common Declaration on Preferential Rules of Origin | 306 |
| Other Matters | 307 |
| Chapter VI.4 Preshipment Inspection | 309 |
| Introduction | 309 |
| Definitions and the Process | 309 |
| Disciplines | 309 |
| Other Obligations | 312 |
| Chapter VI.5 State Trading Enterprises | 313 |
| Introduction | 313 |
| Definition | 313 |
| General Disciplines | 314 |
| Institution | 316 |
| Chapter VI.6 Part IV of GATT 1994 | 317 |
| Introduction and Background | 317 |
| Article XXXVI | 318 |
| Article XXXVII | 318 |
| Article XXXVIII | 319 |
| The Committee on Trade and Development | 319 |

PART VII : AREAS OTHER THAN GOODS

| | |
|---|-----|
| Chapter VII.1 Services | 325 |
| Introduction | 325 |
| Frame of Commitments | 325 |
| Modes of Supply | 326 |
| Specific Commitments | 327 |
| General Obligations and Disciplines | 339 |
| Safeguard Measures, Subsidies, Government Procurement | 351 |
| Consultation and Dispute Settlement | 352 |
| Annexes on Specific Issues and Sectors | 353 |

| | |
|--|-----|
| Chapter VII.2 Trade-Related Aspects of Intellectual Property Rights (TRIPS) | 355 |
| Introduction | 355 |
| Basic Objectives, Principles and General Obligations | 358 |
| Patents | 360 |
| Copyright and Related Rights | 374 |
| Trademarks | 379 |
| Geographical Indications | 381 |
| Industrial Designs | 382 |
| Layout-Designs of Integrated Circuits | 383 |
| Undisclosed Information | 387 |
| Anti-Competitive Practices | 388 |
| Enforcement of IPRs | 388 |
| Dispute Settlement Process | 389 |
| Application of the Agreement, Interim Measures | 390 |
| Institutional Arrangement, Review, Security Exceptions | 393 |

PART VIII: DISPUTE SETTLEMENT AND INSTITUTIONAL MATTERS

| | |
|---|---------|
| Chapter VIII.1 Dispute Settlement Process | 397 |
| Introduction | 397 |
| Coverage | 398 |
| Articles XXII and XXIII of GATT 1994 | 399 |
| Procedure for Dispute Settlement Process | 406 |
| Cross-Sector and Cross-Agreement Suspension | 419 |
| Some Other Provisions | 421 |
| Multilateral Process in Dispute Settlement | 423 |
| Special Provisions Relating to Dispute Settlement | 423 |
| Chapter VIII.2 Institutional Matters | 427 |
| Membership | 427 |
| Decision-Making | 429 |
| Structure of the WTO, Councils, Committees | 432 |
| ENDNOTES | 435 |
| BIBLIOGRAPHY | 439 |
| INDEX | 441 |