WTO’s Trade Policy Review Mechanism

Trade Policy Review Division

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WTO OMC
Outline

- Background
- Objectives
- TPR Mechanism: WTO’s procedures
- China’s review programme
Background

- The Trade Policy Review Mechanism (TPRM), was established under the GATT, in 1989.
- It is an integral part of the WTO in Annex 3 to the Marrakesh Agreement.
- Before 1995, coverage of TPR was restricted to trade in goods. Since the establishment of the WTO, reviews also cover trade in services and intellectual property rights.
- The review takes place in the TPRB.

**1989-2015 (6 October 2015)**

- Reviews conducted: 420
- Members reviewed: 149 out of 160 (46 in Europe/Middle East, 36 in Asia/Pacific, 44 in Africa, and 38 in Americas)
## Objectives of the TPRM

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<th>To promote transparency</th>
<th>To improve understanding</th>
<th>To enable collective assessment</th>
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<td>1</td>
<td>To increase transparency of Members’ trade policies and practices</td>
<td>To improve the understanding of Members’ trade policies and practices</td>
<td>To enable a collective evaluation of Members’ trade policies and practices and of their impact on the functioning of the MTS</td>
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The TPRM:

- provides a forum for a non-confrontational and non-legalistic discussion (e.g. sharing of policy experiences; allows Q&A);

- provides with an objective, independent and external evaluation of the economic and commercial environment of Members;

- provides benefits for the multilateral trading system by: enhancing transparency;

- provides an opportunity to improve understanding of the objective and economic effects of members' trade policies.
The TPRM:

- helps coordination among government agencies and an internal evaluation of trade policies (i.e. Assessment of policies’ coherence);
- provides a comprehensive document that may serve as a basis for follow-ups and possible policy action;
- identifies domestic impediments for development and technical co-operation needs;
- developing countries and in particular LDCs have the possibility to request a follow-up seminar/workshop, as a technical co-operation activity to disseminate the results of the review to a wider public (subject to budget availability).
The TPRM is:

**NOT** intended to serve as a basis for the enforcement of obligations under WTO agreements.

**NOT** intended to serve as a basis for dispute settlement purposes.

**NOT** intended to impose new rules/commitments on members.
Frequency of the reviews

The frequency of the reviews depends on a country’s share in world trade.

The 4 biggest traders (EU, USA, Japan, and China) - Every 2 years

The next 16 Members - Every 4 years

The rest (with the possibility of a longer period for LDCs) - Every 6 years
Review process

Initial data request

Data submission

By Member

Questionnaire, Trade data, tariff data, legislation, etc.

In general for LDCs or grouped reviews.

1st visit of the WTO team

By WTO Secretariat

Introduction to the TPRM process, collection of information, etc.

Preparation of the Report

Draft sent to Parties

Comments from Parties

2nd visit of the WTO team

Discuss draft with the authorities and filling missing information

Report circulation

Report by WTO Secretariat

Written questions

By the beginning of the meeting / 4 working days before review meeting*

TPR meeting

Written answers

5 wks / 7 wks* (* Alternative schedule)
Basis for the review

- **The Report by the Secretariat:**
  - is drafted by the Secretariat on its own responsibility, based on information provided by the Member under review and information that is publically available;
  - focuses on trade policies and practices of the Member under review;
  - highlights the changes and developments since the previous Review;
  - aims at assisting a collective evaluation of the Member’s trade policies;
  - follows a specific format/structure that includes an executive summary and 4 sections.

- **The Report by the Member under review** (a policy statement). In general includes:
  - the Member’s main trade policy objectives;
  - major policies implemented during the period reviewed;
  - challenges regarding trade policy implementation;
  - future direction of economic and trade-related policies.
The Secretariat Report (Structure)

Summary

1. Economic environment
   (i.e. economic overview, recent economic developments, trends in trade and investment flows)

2. Trade and Investment regimes
   (i.e. trade policy objectives and formulation, participation in the WTO, trade agreements, foreign investment legal framework)

3. Trade policies and practices by measure
   (i.e. measures directly affecting imports, exports, and production and trade)

4. Trade policies and practices by sector
   (e.g. specific measures related to agriculture, manufacturing, mining, energy and services)
TPR meeting (1)

- The Review is carried out by the Trade Policy Review Body (TPRB).
- The meeting takes place in two sessions (each typically half a day) with a day in between.
- Meetings are chaired by the chairperson of the TPRB, and the debate is stimulated by a discussant.
- The meeting ends with the Chairperson's Concluding Remarks, which:
  - include the Chairperson's assessment of the review process;
  - include a summary of Members’ main observations and recommendations;
  - could be used as a follow-up for the member’s next Trade Policy Review.
TPR meeting (2)

1st day
- Chairperson's Introductory Remarks
- Statement by the Member under review
- Comments and questions from the discussant
- Members' statements and questions

For China - 5 July 2016

2nd day
- Replies by the Member under review
- Further comments/questions by the discussant
- Further comments/questions by Members
- Chairperson's Concluding Remarks

For China - 7 July 2016
After the meeting?

- After the meeting, all related documents are posted online:
  - Secretariat and Government reports,
  - Minutes of the meeting,
  - Q&A document,
  - Chairperson's Concluding Remarks.

- The final publication includes (in the three official languages):
  - The Chairperson’s Concluding Remarks,
  - The Secretariat Report,
  - The Report by the Member under review.

- Dissemination of the report:
  - Possibility for developing countries to request a follow-up seminar/workshop as a technical co-operation activity.
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<th>Timeframe</th>
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<td>Draft of the Secretariat report sent to the authorities for comments</td>
<td>Progressively sent, up to end January/early Feb. 2016</td>
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<td>Authorities to send their comments to the Secretariat</td>
<td>3-4 weeks from the reception of each section</td>
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<td>Secretariat 2nd visit to discuss the Secretariat report</td>
<td>22-26 February 2016</td>
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<td>Submission of the Government Report</td>
<td>26 April 2015</td>
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<td>Receipt of written questions from WTO Members</td>
<td>21 June 2015</td>
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<td>Receipt of written answers from China</td>
<td>At the beginning of the first day of TPRD meeting</td>
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<td>TPR Meeting</td>
<td>5 &amp; 7 July 2016</td>
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Thank you

Q&A