
Appendix A

The “Competition”: Alternative Sources of Information on Trade Policies and Practices

TPRs are not the only source of detailed information on the trade policies and practices of countries around the world. This annex describes the principal alternative sources of such information, none of which, however, rival the TPRs either in the number of countries examined or in the amount of detail on each country.

The US National Trade Estimates

As noted in chapter 2, the United States publishes its own series of reports on other countries’ trade policies; this series began in 1985, four years before the first TPRs under the GATT. Called the *National Trade Estimate Report on Foreign Trade Barriers* (and conventionally abbreviated NTE), this report is prepared annually by the Office of the United States Trade Representative (USTR). The NTE describes what the USTR considers to be the most serious barriers to trade and investment in the countries it reviews. Since the presentation is unapologetically from a US point of view, it would be more accurate to say that the report describes those barriers around the world that the United States believes have the greatest impact on US interests. In this the NTE differs importantly from the TPRs, which, whatever biases they may have, at least are not limited to the perspective of a single country.

As of mid-1997 the latest edition of the NTE is that for 1997. The 1996 edition was 355 pages long and covered 43 individual countries as well as four groupings of countries: the Arab League (the group organized for the

boycott of Israel), the European Union (whose members the NTE, like the TPRs, does not cover individually), the Gulf Cooperation Council, and the newly independent states of the former Soviet Union. At least four other countries are added in the 1997 version. Thus a second major difference between the NTE and the TPRs is in scope of coverage: the average NTE entry is about seven or eight pages long, and many are only four to six pages; this makes them comparable in length to the typical TPR summary, and far less than one-tenth as long as the average full Secretariat's report, even if one counts only the text portion of the latter. The NTE does, however, include long sections on China, Russia, and Taiwan, for which there is as yet no TPR.

For a majority of the countries covered, the NTE provides quite a good summary of the trade barriers of greatest concern not only to the United States but to the international community as a whole. The barriers described include both those that are consistent with current international agreements and those that are not.

The NTE is intended in large part to guide the actions of American trade negotiators, and although much of its analysis is as objective as that of a TPR, what it says—or does not say—is often a product of recent negotiations or a reflection of ongoing or future negotiations. Description of a particular trade barrier is in some cases intended as a signal: a threat of future US demands to remove or reduce the barrier in question. Sometimes this veiled threat is sufficient to persuade the country maintaining the barrier to negotiate a settlement modifying it, with the result that nothing is said about the barrier in subsequent reports. The big stick that empowers the United States' soft-spoken threats to produce such results is, of course, the size of the US market, combined with the special powers of the US government, under the provisions of the trade laws known as Section 301, Special 301, and (when it is in force) Super 301, to take unilateral measures against other countries when it wishes to negotiate down barriers deemed against the US national interest.

Preparation of the NTE by the USTR is legally mandated by the Trade and Tariff Act of 1984. The publication took roughly its present form in 1986. Already in that year the report covered 41 countries, including 7 members of what was then the European Community plus a review of EC policy itself.

From the beginning, but more thoroughly in recent years, the NTE has treated not only trade in goods but also trade in services and such trade-related areas as investment, government procurement, and intellectual property. Today there is a list of nine areas systematically covered for each country, wherever the barriers are deemed serious enough to justify inclusion. These areas are import policies; standards (including phytosanitary standards), testing, labeling, and certification; government procurement; export subsidies; intellectual property protection; barriers to trade in services; barriers to investment; anticompetitive practices; and "other" barriers.

ers (for example, bribery and corruption). The exclusion of any single barrier, or of a country, is either a measure of its unimportance to US trade and investment or, as noted above, an indication that the barrier has been dealt with to the US government's satisfaction in a trade agreement.

Significantly, however, despite pressure from within the present US administration and from US labor unions to include labor standards and workers' rights in the President's negotiating concerns, and despite the USTR's efforts to undertake their discussion in Geneva and elsewhere, the NTE does not treat these subjects at all. Environmental issues, another important concern of the present administration, are treated very sketchily under "Other barriers." In both these areas the Republican-controlled Congress has strongly resisted the administration's efforts to put them on the trade agenda.

The distribution of the printed NTE is mainly within the Washington area, but in 1995 the full report was put on the Internet (at the USTR's website: <http://www.ustr.gov>) simultaneously with release of the printed edition. By mid-1997 the NTEs for 1995 through 1997 could be found at this site, which also offers a selection of the agency's other recent documents.

With the report now available through the website, the number of printed copies published each year has been reduced from 3,500 in the early 1990s to 2,500 in 1996. About half of these go to members of Congress, the press, and private advisory or government affairs committees, including trade associations. The staffs of the USTR, the Department of Commerce, and other US government agencies account for a large share of the remainder. One copy is given to the embassy of each country covered in the report, including all the member countries of the reviewed groups; embassies can receive more copies free of charge on request. About 50 copies are sent automatically to Geneva, and more when requested. Many of these go to individual trade delegations, and some to the WTO Secretariat. When the report first appears, foreign diplomats take some of the 250 copies given out immediately to the press. A few are sent to libraries. Only 250 copies are allocated to the Government Printing Office, which sells many of them but also resupplies the USTR when its supplies run out.

Perhaps because of its limited distribution, the NTE is unknown or unavailable in many places where it could be useful. For example, the Joint Library of the International Monetary Fund and the World Bank has only one of the volumes published since 1987 (the 1992 edition); the author has encountered Bank and Fund staff who work on trade issues yet do not know of its existence. The author has never seen the NTE used or referred to in a World Bank document.

The US State Department publishes each January another document, the *Trade Act Report*, which covers a wider range of countries and subjects than the NTE. It provides information on the macroeconomy and finan-

cial systems of countries with which the United States has concluded trade agreements. It also takes up subjects, such as labor standards and workers' rights, that are not covered in the NTE, and it has a more extensive discussion than the NTE on the environmental aspects of trade.

The USTR gets its information on alleged labor violations mainly from this State Department source and from the International Labour Organisation in Geneva. The issue is important in US politics since the Congress denied the President fast-track trade-negotiating authority in 1995 and 1996 largely because of the President's desire to include labor and environmental issues, and he is eager to regain this authority in 1997.

Trade policy officials of the author's acquaintance, for example in the USTR, typically use both the TPRs and US national documents when working on issues relating to a particular foreign country. Their opinion of the TPRs is quite positive. They are able to decode the sometimes diplomatic language, and they recognize that the purpose of TPRs is quite different from that of the US documents. For such users the TPRs tend to be but one source of information among many. But they respect the objectivity of the TPRD and might give their interpretations of this or that policy or measure more weight than the reports of individual officials (even other US officials) or businesspeople with less training and experience in these matters.

Other Countries' Reports on US Barriers

When the United States first launched its NTE series, the European Community reacted almost immediately by starting its own series focusing solely on US trade barriers. This report is now titled the *Report on United States Barriers to Trade and Investment*. More recently, Australia and Canada have begun putting out reports on US trade policy from their points of view; these are generally friendly but with well-placed barbs. Japan also has its answering series, discussed below.

The biases in some of these national documents can at times be severe. For example, as a result of the recent "unholy alliance" between the European Union and the United States, in which each acquiesces in the other's active antidumping program, the discussion of US policies in the latest EU report says not a word about antidumping actions or countervailing duties. This silence is reciprocated in the NTE's discussion of EU policies. Yet many expert observers consider antidumping, in which the United States now has some 292 decisions in force and the European Union 145, to be the most serious US protective device currently in effect; the same experts rank it high in the EU arsenal as well. The United States also leads the world by a huge margin in countervailing duty measures, with 72 in force at the end of 1995, or two-thirds of the world total. TPRs do not recognize such "unholy alliances" and instead usually pay considerable attention to antidumping and countervailing duty policies.

In addition, the European Union has begun offering much information on the Internet about trade barriers in non-EU countries, especially those elsewhere in Europe. This information is intended to be useful to businesspeople and others outside the trade negotiations community. Staff members of the WTO Secretariat have been surprised to download from this source tables and text that they themselves have written in recent TPRs. These omit any attribution to the WTO but instead bear an EU copyright.

Japan's Ministry of International Trade and Industry has published since 1982 a rather brief report on trade policies in other countries. In its latest version this report is called the *1996 Report on the WTO Consistency of Trade Policies by Major Trading Partners*. It seeks to "identify and analyze the trade policies and measures of Japan's major trading partners (the United States, the European Union, South Korea, Hong Kong, Singapore, Thailand, Australia, Malaysia, Indonesia and Canada)," and to promote the dispassionate resolution of arguments. It also discusses Japan's own policies and what it calls others' "misunderstandings of the facts." The report adopts a rather narrow, rule-based, legalistic approach in its analyses. This is in keeping with Japan's economic and bargaining interest: as is well known, most remaining Japanese barriers to trade are not codified in formal laws and regulations but take the form of unwritten preferences and practices.

Finally, the Indonesian trade delegation in Geneva has begun issuing a series of documents on other countries' trade policies, drawing on the other sources available.

IMF Sources

The IMF publishes an *Annual Report on Exchange Arrangements and Exchange Restrictions*, which contains a considerable amount of data on countries' protective measures, although its primary focus, as its title implies, is on policies and practices related to foreign exchange. The IMF also regularly examines countries' macroeconomic and exchange rate policies in its so-called Article IV reviews. Although these are considered by some (including many on the staff of the TPRD) to be complementary to TPRs, the Article IV reviews are not made public, partly to avoid causing short-term disruptions in financial markets. However, some of their background material is now made available. Another difference is that whereas TPRs, as noted in chapter 2, are expressly delinked from any mechanism for compelling policy changes suggested by their analysis, the IMF can condition its loans on countries' compliance with the recommendations of the Article IV reviews.