

**Trade Policy Review Body
18 and 20 December 2012**

TRADE POLICY REVIEW

UNITED STATES

Record of the Meeting

Chairperson: H.E. Mr. Eduardo Muñoz Gómez (Colombia)

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Note: Advance written questions by WTO Members and the replies provided by the United States are reproduced in document WT/TPR/M/275/Add.1 and will be available online at: http://www.wto.org/english/tratop_e/tp_r_e/tp_rep_e.htm.

I. INTRODUCTORY REMARKS BY THE CHAIRPERSON

1. The 11th Trade Policy Review of the United States was held on 18 and 20 December 2012. The Chairperson, H.E. Mr Eduardo Muñoz Gómez (Colombia) welcomed the delegation of the United States headed by H.E. Mr Michael Punke, Ambassador, Permanent Representative to the WTO, and the rest of the delegation from Washington and the Geneva mission, as well as the discussant, Mr Michael Stone (Hong Kong, China).

2. The Chairperson recalled the purpose of the Trade Policy Reviews and the main elements of the procedures for the meeting. The report by the United States was contained in document WT/TPR/G/275 and that of the WTO Secretariat in document WT/TPR/S/275.

3. Questions by the following delegations had been submitted in writing at least two weeks in advance of the meeting and had been transmitted to the United States delegation: Nigeria; Cuba; Brazil; Australia; Pakistan; Norway; Hong Kong, China; Republic of Korea; Switzerland; Turkey; Canada; Singapore; European Union; New Zealand; Colombia; Mexico; Iceland; China; Japan; India; Costa Rica; Chinese Taipei; Thailand; Indonesia; Israel; South Africa; Ukraine; Argentina; Chile; and Dominican Republic. The following delegations had submitted questions in writing after the two-week deadline: El Salvador; Cambodia on behalf of ASEAN; Trinidad and Tobago; Malaysia, Peru; and Ecuador.

4. The reports drawn up by the United States and the WTO Secretariat outlined the developments in trade policy, together with the trends in the economy and trade, since the last Review. The United States had been recovering from the financial crisis of the years 2007-2009; average growth had been 2.2% and imports and exports had reached maximum levels. The growth in real GDP had been positive in 2010 and in 2011, although the recovery had been somewhat less rapid than on other occasions. After falling back during the financial crisis, imports and exports of goods and services had started increasing again. Exports of services, in particular, had grown substantially – by 9.2% in 2011 – thereby contributing to the economic recovery and the improvement in the current balance.

5. It was possible that various policies and measures designed to stimulate the economy had also had a direct or indirect effect on trade. The financial sector had been reformed, in particular by the Dodd-Frank Wall Street Reform and Consumer Protection Act and its regulatory framework. The American Recovery and Reinvestment Act (ARRA) and the Troubled Asset Relief Programme (TARP) had continued to support certain aspects of the economic recovery, albeit to a lesser extent. There were on-going initiatives and debates concerning the federal deficit, tax policy and "fiscal cliff" issues.

6. The United States was also continuing its efforts to maximize the benefits of international investment, one of the main engines of its economic growth. During the review period, investment policy initiatives had included a new model bilateral investment treaty and the creation of SelectUSA for promoting investment. Although the United States continued to be open for foreign investment, there had been mention of certain obstacles that could give cause for concern, including the role and functioning of the Committee on Foreign Investment in the United States (CFIUS), as well as certain laws and regulations that restricted investment in some sectors.

7. The Review offered Members the opportunity to put questions and exchange views on various topics related with trade policy. On the basis of the reports and subsequent questions, the following points deserved special attention:

- **Agriculture:** The United States' agricultural sector was one of the largest in the world and the United States was the world's main agricultural exporter. Agricultural policy

and the trade in agricultural products were especially important. Although there had been no substantial changes in agricultural policy during the review period, the proposed new Agriculture Act had given rise to a series of questions and requests for clarification. Moreover, several Members had submitted questions in advance concerning regulatory and technical aspects of the agricultural sector, such as payment systems, domestic support programmes, insurance, food aid and the use of tariff quotas.

- **Trade policy:** The United States was the world's leading trading nation, which meant that its trade policy was of special importance for Members and for future trade. The United States had progressed with several bilateral or regional initiatives during the review period and had indicated that it had undertaken new initiatives with Europe and with the TPP countries; it was also proposing to consider certain preference programmes in the near future.
- **Intellectual property:** Intellectual property had a central place in the economy of the United States and its international trade profile. The legal, economic and trade policy context of intellectual property had continued to evolve during the review period. The Leahy-Smith America Invents Act, new regulatory legislation, judicial decisions and the strengthening of enforcement were important aspects of trade-related intellectual property rights.
- **Measures affecting imports, in particular the customs regime, rules of origin, other charges affecting imports and tariffs:** The United States was maintaining a series of measures that some Members regarded as possible barriers to trade or as possibly inconsistent with WTO Agreements. It had been pointed out that the consequences of requiring the scanning of all containers and other security measures, the complexity of the rules of origin and marking requirements, the application of the merchandise processing fee and the harbour maintenance tax, and tariff peaks were having a significant impact on trade and called for clarification.
- **Measures affecting exports:** Some initiatives, such as the National Export Initiative (NEI), the Export Control Reform Initiative (ECR) and the Export-Import Bank (Ex-Im Bank) mechanism had generated much interest, in particular with respect to the increase in exports of goods and services during the review period.
- **Government procurement:** Government procurement was an important market for foreign suppliers. Federal government purchases had amounted to US\$517 billion in financial year 2010. Some provisions had given rise to concern, in particular the provisions encouraging the purchase of domestic products (Buy American Act), the new special consumer taxes, the use of set-asides and the provisions on government procurement at the sub-federal level.
- **Notifications:** The Secretariat Report indicated that the United States was not up-to-date with the notification process. Some delegations had asked whether the United States was intending to submit the outstanding notifications, for example, those relating to services, rules of origin, tariffs, agriculture, and technical barriers to trade.

II. OPENING STATEMENT BY THE REPRESENTATIVE OF THE UNITED STATES

8. We take great pleasure in participating in the eleventh trade policy review of the United States. We are honoured to see the large number of participants at today's meeting and, in particular, to greet so many of my fellow ambassadors. Thank you for the time you are taking to participate in this important process.

9. We especially appreciate the participation of Michael Stone, Permanent Representative of Hong Kong, whom we are honoured to have as our discussant today.

10. We also want to acknowledge the Secretariat's team for their hard work in producing an informative report that provides a basis for today's discussion.

11. The United States places a high value on the trade policy review process, which we believe today – more than ever – remains vitally important for promoting greater awareness and understanding of Members' trade policies and practices. My delegation has worked diligently to answer the multitude of questions that Members submitted – over 1500, from 36 Members. We provided answers to all questions that were submitted two weeks prior to today's meeting, as well as those within a few days after the deadline. We are working hard to respond to the additional questions received just last week, and we hope to have responses for Members as soon as possible.

12. A central pillar of U.S. trade policy is our enduring commitment to open markets and to the rules-based multilateral trading system embodied in the WTO. International trade and investment policies have long played a critical role in the U.S. economy. This is especially true now, as the United States and other Members seek to strengthen their economies and to address new challenges following the shocks of the global economic crisis.

13. Since the last U.S. Trade Policy Review in 2010, the United States has actively pursued a trade policy that supports jobs through trade expansion, enforcement of trade rules, and enhanced international trade relationships. An important aspect of these efforts is partnering with developing countries to fight poverty and to expand opportunities.

14. President Obama launched the National Export Initiative nearly three years ago to double U.S. exports within five years, reflecting the United States' commitment to trade-driven economic and employment growth. Jobs supported by U.S. exports have increased by 1.2 million between 2009 and 2011. Central to our multifaceted approach to trade policy is the recognition that trade openness creates economic growth and supports additional jobs. As of 2011, U.S. goods and services exports supported 9.7 million jobs in the United States alone. And imports have helped to expand purchasing power, widen the choice for American consumers, and provide valuable inputs into U.S. production in global value chains. In structuring our trade policy for the future, the United States will continue to reinforce the positive link between trade, growth, and jobs.

15. The United States continues to expand access to its already open market. In 2011, 68 countries had the United States as their first, second, or third largest export market. The current U.S. simple average tariff is 3.5% on a bound basis under the WTO. When GSP and other tariff preferences are taken into account, the U.S. trade-weighted average tariff is 1.34% on an applied basis. In 2011, nearly 70% of all U.S. imports, including those under preference programs, entered the United States duty-free. U.S. service markets also remain open to foreign providers and U.S. regulatory processes are consistently transparent and accessible to the public.

16. The United States has remained focused on the role that international trade plays in economic recovery. As a result of the United States' open markets, nominal U.S. imports of goods and services increased by 36% between 2009 and 2011, to US\$2.66 trillion. This is equal to US\$7.3 billion of

imports of goods and services per day, or US\$5 million per minute. One clear indication of U.S. openness can be seen in the fact that we are the world's largest single-country importer. Put another way, the GDPs of only 4 countries - China, Japan, Germany, and France - exceed the level of U.S. imports of goods and services. In 2011, the United States was the recipient of 17% of global goods and services exports, excluding U.S. exports and intra-EU exports.

17. The United States continues to be the world's largest recipient of foreign direct investment (FDI). In 2011, the stock of FDI in the United States was US\$2.5 trillion. As evidenced from the continued high levels of inbound FDI, the United States maintains a very open investment climate and is committed to remaining an attractive destination for investment.

18. The United States is committed to preserving and enhancing the WTO's role as the primary forum for liberalizing multilateral trade, developing and enforcing global trade rules, and serving as a bulwark against protectionism.

19. That said, the WTO is an institution at a crossroads, particularly its vital function as a forum for trade negotiations. At last year's Ministerial Conference, we all acknowledged that the broad Doha Round is at an impasse. This year, our collective efforts to "turn the page" in the Doha negotiations have created important new opportunities. In our view, this process has provided a useful reminder of the important aspects of the institution that are not related to the Doha negotiations. It has also challenged us to learn from our collective mistakes in Doha and to craft more constructive and productive pathways forward on those aspects of the negotiations.

20. I have heard many contrasting assessments of our work since MC8. Frankly, we are excited by the new energy we have seen in Geneva this year. Technical negotiations on a multilateral trade facilitation agreement are advancing. We have been working hard to address development concerns and are exploring approaches that can advance parts of the agriculture agenda in a realistic way. Negotiations are effectively underway to expand the product coverage of the Information Technology Agreement, or ITA, and are picking up steam. The United States is one of twenty-one developed and developing Members who are moving forward with discussions of a possible international services agreement. Beyond all of this, Members continue quiet discussions on how to deal with the more intractable issues.

21. We are also proud to have joined others in completing the revised Government Procurement Agreement, one of the WTO's existing plurilateral agreements. We continue to participate actively in negotiations to broaden its membership. As noted by the U.S. Trade Representative, Ambassador Ron Kirk, the revision to the GPA "demonstrated the ability of the WTO, through hard work, dedicated effort, and the spirit of collaboration and compromise, to reach agreements that strengthen and clarify international rules and expand the international trading system."

22. The WTO demonstrates its value every day through the work of its standing committees and other bodies. This institutional structure is instrumental in promoting transparency of WTO Member trade policies as well as monitoring and resisting protectionist pressures during a challenging time for the global economy. The United States has attempted to reenergize the quotidian work of the WTO, from pushing for strong results in the Triennial Review in the TBT Committee, to raising concerns with new trade-restrictive measures in the Import Licensing Committee, Committee on Agriculture, and Council for Trade in Goods.

23. And now we are focused on how we can show the world that the WTO remains an institution that can deliver negotiated results as we prepare for the next Ministerial Conference in Bali, just one year away. As we noted at the TNC meeting two weeks ago, Bali is not a deadline, but it will be a milestone. The test will be deeds rather than words. The world will be watching to see if the WTO is an institution that can deliver.

24. Looking beyond Bali, the United States continues to believe in the importance of liberalization of agriculture, industrial and services trade—the unfinished business of Doha—along with an updating of the WTO rule book. However, as we have said before, this will not be accomplished through sugar-laden, but ultimately hollow professions of devotion to the DDA. The stalemate we face is based on fundamental issues involving the respective rights and responsibilities of Members – particularly emerging players. If we are to succeed we will need to face up collectively to those difficult issues.

25. Through our work in the WTO, we have also sought to resist protectionism. Protectionism inhibits growth, and as WTO Members, we must remain vigilant to the most fundamental principle of the WTO - promoting the continued openness of markets.

26. The United States is pleased, too, that in July of this year, we were able to support the adoption of a Decision to operationalize the 2002 Guidelines for LDC Accessions. Since the last U.S. TPR, we have collectively welcomed four new Members to the organization, two of which are LDCs. With these accessions, traders around the world are benefitting from increased market access commitments and lower tariffs in an even larger number of markets. These recently acceded countries will benefit from implementing the reforms they agreed to in their accession packages and reaping the economic growth that comes from increasing trade.

27. The United States was also pleased to be a part of the collective effort to conclude 18 years of accession negotiations with Russia, and welcomed the largest country outside the rules-based system, to become the 156th Member of the WTO. President Obama signed into law the amendment terminating the application of the Jackson-Vanik statute to Russia and Moldova, thereby authorizing the establishment of Permanent Normal Trade Relations to the goods of both countries. We look forward to applying the WTO Agreement to both Russia and Moldova.

28. To complement our efforts within the multilateral system, the United States actively pursues regional and bilateral initiatives as part of our broader efforts to liberalize trade and investment, while remaining within the scope of WTO rules. The United States has created an extensive series of high-standard bilateral and regional trade agreements that seek to make a positive contribution to the dynamic and open global trading system.

29. Today, the United States is a party to FTAs that are in force with 20 countries. These FTAs build on the foundation of the WTO Agreements, and in many respects, include more comprehensive and stronger disciplines. Since our last review, market opening trade agreements with Korea, Colombia, and Panama have entered into force.

30. The United States has also continued work with its negotiating partners in the Trans Pacific Partnership (TPP) to craft a comprehensive, high-standard regional, Asia-Pacific trade agreement that addresses new and emerging trade issues and 21st century challenges. The United States and its TPP partners welcomed its newest negotiating partners, Canada and Mexico, during the 15th round of negotiations, which concluded just last week in Auckland, New Zealand.

31. Since our last TPR, the Administration also concluded its review of the U.S. model bilateral investment treaty, or BIT, the results of which will enable the United States to advance its on-going BIT negotiations and to consider launching additional new negotiations on BITs.

32. The United States has also advanced several new regional initiatives. We launched the U.S.-EU High-Level Working Group on Jobs and Growth to identify new ways to strengthen our economic relationship with Europe. With our trading partners in the Middle East and Africa, we began building new bilateral and regional approaches to promoting economic growth through the removal of barriers to regional trade and investment. We have launched a new global initiative to find

new and better ways to address the growing challenge to market access presented by localization barriers to trade. And we continue to work to address barriers to trade and investment through APEC. Such efforts should lead to increased job-supporting two-way trade for the United States and its trading partners and increased regional integration and stability.

33. The enforcement of trade commitments affecting a broad spectrum of goods and services is a trade policy priority for our Administration. Because the global trading system only works when all partners play by the rules, the United States will continue to use dialogue when possible and WTO dispute settlement when necessary to insist that markets remain open consistent with WTO rules. The United States will continue vigilant trade enforcement efforts at the WTO—while also monitoring and enforcing commitments in our bilateral, plurilateral, and regional trade agreements—to maintain a level playing field and to uphold key commitments.

34. Another key aspect of U.S. trade policy on which the Administration places special emphasis is our commitment to partner with developing countries to alleviate poverty and to expand economic opportunities. This Administration views trade as a critical component of an integrated approach to development policy. The United States welcomed the Ministers' statement at MC8, which reaffirmed the positive link between trade and development, along with the importance of development as a core element of the WTO's work.

35. We also welcome Members' decision at MC8 to redouble our efforts to make progress in trade and development issues in the CTD in Special Session Negotiating Group. We hope that we continue to make progress in pursuing that objective through constructive engagement on these issues in 2013.

36. Integral to the U.S. goal to promote economic opportunities in developing countries are the U.S. preference programs, which are the Generalized System of Preferences, the African Growth and Opportunity Act, the Caribbean Basin Initiative, and the Andean Trade Preference Act. Through these programs, eligible products enter the United States duty-free from 135 beneficiary developing countries.

37. Recognizing that an open door to the U.S. market is of no use to trading partners without the capacity to walk through it, the United States has also committed substantial resources to trade capacity building, being one of the leading donors of Aid for Trade. This past September, the United States contributed US\$1 million for trade-related technical assistance to the WTO Global Trust Fund, and a further US\$150,000 to the WTO's Trade Facilitation Needs Assessment Trust Fund. More recently, we've just contributed approximately US\$115,000 to the Standards and Trade Development Facility. And, at the recent meeting of the WTO Committee on Technical Barriers to Trade, we were pleased to announce USAID's new Standards Alliance in Geneva. These specific examples are part of a much broader U.S. policy of financial support for trade capacity building. Overall U.S. support for trade capacity building (or "aid for trade") since 2001, has now surpassed US\$13 billion.

38. The robust U.S. commitment to supporting developing countries' efforts to harness the benefits of trade is evident in the expansive mechanisms employed by the United States to deliver trade-related assistance. The United States takes a whole-of-government approach to providing Aid for Trade. USAID, one of our principal providers of trade-related assistance, works closely with the Millennium Challenge Corporation, and other U.S. agencies to provide trade-related technical assistance. A large number of our developing and least-developed WTO partners have benefitted from these various assistance mechanisms, and we will continue to explore the potential for synergies between our assistance efforts and developing country Members' trade-led development.

39. The United States continues to champion the important capacity-building work on trade facilitation, which stands to deliver considerable benefits to all WTO Members. The OECD finds that reducing global trade costs, one of the principal benefits of trade facilitation reforms, by 1% would

increase world-wide income more than US\$40 billion, 65% of which would accrue to developing countries. The simplification and modernization of customs procedures enhances trading opportunities, reduces trade costs for small and medium sized enterprises, attracts investment, improves tariff collection, trade diversification, and overall economic growth, and helps better integrate developing countries, particularly LDCs, into global supply networks. To that end, the United States supports the on-going WTO trade facilitation negotiations, and U.S. trade-related assistance has supported trade facilitation reforms in many developing countries and LDCs. In addition to a recent contribution to the WTO to support updated needs assessments, the United States in November 2011 launched a new initiative, USAID's Partnership for Trade Facilitation, a flexible funding facility dedicated specifically to WTO trade facilitation.

40. In closing, I would note that U.S. support for open markets and rules-based international trade has been a cornerstone of our broader foreign policy for more than six decades. We are dedicated to the WTO as the best hope for preserving the work we have all undertaken in the past – and for building on this work in the future. The WTO is the only forum for Members to adopt and to help ensure implementation of multilateral trade rules. It retains the potential for undertaking innovative initiatives and concluding new trade-opening agreements, and we look forward to a successful Ministerial Conference in Bali in this regard. We know that we can achieve tremendous benefits for all Members with a consistent commitment to strengthening this organization.

41. We understand and we believe in the importance of the work that we are all here to do. We are therefore committed to engaging productively and sincerely in this week's review and beyond. We look forward to participating in this exchange and we thank you all again for your interest and attention.

III. STATEMENT BY THE DISCUSSANT (MR. MICHAEL STONE (HONG KONG, CHINA))

42. I am honoured to be the Discussant for this the 11th TPR of the United States. It is also a daunting task in view of the breadth and extent of the U.S. engagement in trade and impact of its economy and policies on world affairs. The large numbers of written questions asked by Members and the full house today attest to the importance of the U.S. to Members and to the Multilateral Trading System.

43. The U.S. was at the epicentre of the financial crisis that erupted in 2007/08 and which continues to cause significant weakness around the globe. It is to the credit of the U.S. that it has shown itself more capable of responding and adjusting to the crisis than many other developed economies. GDP is above the level it was in 2007/08 and the U.S. continues to grow – although rather weakly.

44. However, major issues remain for the U.S. Unemployment is still unacceptably high, with a much increased percentage of long term unemployed – a new phenomenon for the U.S. "Animal Spirits" remain subdued, as companies are reluctant to make significant investment decisions and consumers remains cautious. Much of this is put down by commentators to the looming "fiscal cliff" – or cliffs, as the Federal debt ceiling will need to be increased in February/March 2013 too. It is perhaps not so much the magnitude of the cliff – although the cuts and tax increases would very significant – but rather the uncertainty of whether or not there will be resolution, some kicking of the can down the road, or falling off the cliff itself. It is to be hoped a lasting resolution of the issue will be possible, so that all can make the forward planning / implementing decisions needed to kick start heightened economic activity. Negotiations will no doubt go down to the wire and beyond.

45. An important strand to fighting the recession has been the Fed's use of unconventional monetary policy to mitigate its effects – quantitative easing, now in phase 3: QE3. Indeed given the Fed's action last week, I think we can say we are in QE4. The efforts of the Fed, and other key central banks, are unprecedented and the long term consequences unknowable. But the move is certainly not without controversy in the trade area for its perceived knock on effect on currencies (where the U.S. dollar has in practice weakened considerably) and for leading to bubbles – the bond market is frequently cited. The continuing effectiveness of QE is also debated by economists. No doubt this will be one for the history and economic books for many decades to come – as were the policies in the 1930s.

46. Finally there is the federal deficit itself which exploded to some 11% of GDP in 2009 and in 2011 still remained at 8.7%. Total public debt has risen swiftly to some 72% (depending on how you measure it) of GDP and without some reforms to either spending and/or revenue generation will become seriously problematic. The looming deficit in entitlement programmes is a key factor behind these debt concerns and a driver for trying to take some action sooner rather than later. Again this is a drag on "animal spirits". Given the small percentage of GDP taken in by the Federal Government (about 15% for 2011) and the extent of expenditure (about 24% for 2011) closing the gap – while social entitlements grow each year – will be daunting. An increase in tax take of "only" 5% of GDP implies a 33% tax jump. It would be interesting to know how the US plans to deal with this politically.

47. All this said, throughout this period of turmoil, the U.S. has been at the forefront of the efforts to keep protectionism at bay and keep markets open. Their leadership in this role has been commendable. With the re-election of President Obama, it is to be hoped that this policy and outward focus will be maintained and enhanced.

48. The U.S. is widely acknowledged to have one of the most open and transparent trading regimes – certainly amongst major players: there are some notable smaller economies which are

perhaps even more open. The U.S.'s open regime is highly commendable, as has been their steadfast rejection of protectionism and advocacy against such. Imports and exports surpassed the 2008 peaks in 2010 and 2011, and contrary to scepticism from many, the policy of doubling of exports in 5 years announced by President Obama in 2010 is currently on track – which would be a remarkable achievement if finally achieved. It would be interesting to learn from the U.S. which specific measures taken have contributed most to the strengthening of exports, as this could be instructive for others.

49. The U.S. is the largest importer in the world and the largest exporter of services. It has long had a very significant deficit on the goods side and a significant surplus on the services side. The goods deficit is heavily influenced by trade in petroleum products but with the projected dramatic revival in U.S. home production of both gas and oil (due to shale gas / oil exploitation) this balance is likely to improve significantly over the coming few years. At the same time, the U.S. is having a major push to increasing exports.

50. The U.S. remains the world biggest receiver of FDI - US\$228 billion in 2011 – with an accumulated stock of US\$2.9 trillion reached in 2010. The debt crisis in Europe – where 6 of the 8 leading sources of FDI are from – may however put a dent in this and it would be interesting to know whether the "Select USA" initiative announced in June 2011 is bearing fruit in diversifying sources of FDI.

51. The United States Trade Representative has prime responsibility for developing trade policy for the Executive branch of government and we are fortunate to have their most able Deputy here in the form of Ambassador Michael Punke. There is an interesting interaction between Congress and the President in trade policy, noticeably the granting or other wise of "fast track" procedures to the President for negotiating and approval of new agreements.

52. The latest U.S. Trade Policy Agenda states that the US is committed to preserving and enhancing the role of the WTO. The U.S. report for this TPR states in paragraph 1 that it "maintains an abiding commitment to the rules based multilateral trading system" and that "the WTO represents the multilateral bedrock of U.S. trade policy". This is to be very welcomed, because in these times of greater and greater involvement by all Members in regional or bilateral trading agreements, the active participation and commitment of leading Members is essential if the WTO is to retain relevance and its negotiating pillar. In this regard, it is perhaps a concern that considerably more space is devoted in the U.S. Government Report to regional and bilateral trade initiatives than to the Multilateral Trading System. In the period under review the U.S. has put into force a number of RTAs (with Colombia, Korea and soon Panama) and is actively negotiating others, most particularly the Trans Pacific Partnership (TPP). Nevertheless the U.S. is indeed very active and positive in all aspects of the WTO's work and sets a good example in improving the transparency of the system and in general by providing timely notifications under the various agreements – but with some notable gaps as identified in the Secretariat Report.

53. The U.S. has in place several schemes to assist developing countries to promote growth and development, ranging from their GSP scheme to the five regional schemes. Together these account for some 3.7% of U.S. imports, and provide a valuable resource and opportunity for the countries involved. The U.S. also has major programme in aid-for-trade and since 2010 has taken significant steps to make the whole effort more coherent and effective.

54. The investment regime is open and transparent, with free movement of capital and profits. However some important restrictions remain in some economically important areas and it will be interesting to read the U.S. answers to questions on those areas.

55. On customs procedures, the U.S. has for some time planned to implement 100% scanning of maritime containers and air cargo on passenger aircraft. Both are of considerable concern to Members, as identified in questions and the current lack of clarity on if or when such measures will indeed be put into effect. It is to be hoped the U.S. can quickly clarify matters. It would also be instructive to know if the US has identified the total costs to importers and the public of the introduction of these measures, and if cost-and-benefit analyses of these restrictions – have been conducted and made public.

56. On preferential rules of origin, this is an area of concern for Members, due to their differing rules of origin, complexity and lack of transparency. The Secretarial Report also notes that U.S. industry seems to have been very influential in guiding where the preferences fall – or not. It is also noted that the Harbour Maintenance Tax Fund has had a significant surplus for many years – and that the funds are used outside the highest revenue profits. Perhaps it is time the U.S. reviewed this tax.

57. The U.S. remains an active user of Anti-dumping and Countervailing duty remedies with the majority of AD investigations in recent year being in respect of imports from Asia and China. 41% of all AD investigations were in respect of the metals industry. At end 2011, the U.S. had 237 AD measures in force, many for over 10 years. One has to wonder at the continued necessity of some of these measures and at their effectiveness.

58. The U.S. is a major player in many sectors in both goods and services. In Agriculture, while the total contribution to GDP is less than 1%, it nevertheless amounted to annual production of US\$372 billion in 2011 and 11% of total exports of goods. Exports are concentrated in a few products: maize, soybean, cotton – with poultry and beef on the animal side. Interestingly after decades of decline, the number of farms started increasing again in the late 1990's and there are now about 2.2 million. It would be interesting to know if the U.S. has analysed why.

59. Domestic support to farmers and tariffs regimes for agricultural products are key issues for many WTO Members, and support for policies which are spread right across the spectrum is advanced. The U.S. is certainly not the worst offender on either domestic support or tariffs, and their regime compares favourably with many other OCED countries. But it is not without blemish. Tariffs are high on certain specific products, including some important to some LDCs. Domestic support outside "domestic food aid" has fallen in the period under review, mostly due to high current market prices for agricultural products. The OECD producer support estimates indicate that US support has dropped significantly in the last 10 years or so – to well below the OECD average. So I shall not pass judgement but rather observe the interplay between Members on this very sensitive area. But it would be interesting to know the latest position on the Farm Bill 2012, which seems mired in Congress, and the implications if it is not passed.

60. In other sectors, the U.S. is generally commendably open. Certainly there are wrinkles: the Jones Act, limitations on ownership in air transport, energy and radio, the various Buy America Acts and provisions – spring to mind. But these should not detract from a regime which generally is very open to trade and investment. In passing I would note with some regret the short shrift given to Services in the Secretariat report. While I appreciate not everything can be covered, it would have been nice to see more on Services.

61. In conclusion, I would like to commend the U.S. for its open dynamic economy and liberal trade regime. I would also urge the U.S. to use its key role to help advance the Doha Round Negotiations in whatever ways possible.

IV. STATEMENTS BY MEMBERS

NIGERIA

62. Nigeria wishes to note, at the outset, that the United States economy is the largest in the world, and as a result, its trade policies and practices could create opportunities or impose challenges that may impact significantly on almost all Members of the WTO. In that context, it is commendable that the United States remains committed to preserving and enhancing the WTO's irreplaceable role as the primary forum, *inter alia*, for multilateral trade liberalization and for the development and enforcement of global trade rules, as well as a key bulwark against protectionism. It is also assuring that despite the global challenges, the fundamental features of the U.S. trade policy have remained unchanged since the last review. However, Nigeria believes that increased openness in the United States would reaffirm its leadership role, which is crucial in advancing the objectives of the multilateral trading system, while concluding the DDA would also enhance market access security for the U.S and other exporters.

63. Nigeria further notes that although the U.S. has emerged quite steadily from the 2007-2009 economic and financial crisis, growth was slower in 2011 than in 2010. The U.S. current account balance continued to worsen slightly between 2010 and 2011, from US\$470.9 billion to US\$473.4 billion, although the current deficit of 3% of GDP has so far not been a problem. U.S. foreign direct investment inflows remain the largest in the world; and have continued to play an important role in the U.S. economy, with an accumulated stock that reached US\$2.9 trillion in 2010, making an important contribution to U.S. employment, R&D and exports. As Europe is a major contributor to U.S. FDI, there is some concern about a prolonged debt crisis in Europe and its consequential negative impact on U.S. FDI, according to the Secretariat report. It would be useful to hear the views of the U.S. on the prolonged debt crisis in Europe and the steps it is taking to mitigate any negative impact.

64. The Services sector continues to be the major economic driver for the U.S. economy, both in terms of GDP and employment. U.S. GDP is heavily reliant on the services industries which accounted for 70% of U.S. output and the U.S. remains the world's largest services importer. However, there remain concerns in telecommunication services, including other issues that could erode the competitiveness of other players in key services sectors particularly enacted laws or initiated actions to increase services exports, especially in the travel and tourism sectors. It would, therefore, be of benefit in knowing how the U.S. plans to address some of these concerns and what specific plans it has in place to further liberalize its services sector, including accommodating the export interest of developing countries in the DDA.

65. Nigeria would like to acknowledge that the United States is a very important Member of the WTO; and plays a leading role in the Doha Development Agenda (DDA) negotiations. As noted in the Secretariat report, the United States is active in all aspects of WTO work and has submitted 22 proposals or communications to the Negotiating Groups, the majority of which relate to the Negotiating Group on Market Access. The United States also contributes to improving the transparency of the WTO, its trade rules, and creating a clear and effective system by providing information through the WTO notification process. While we commend the tremendous efforts of Ambassador Michael Punke and his team, it would be useful to hear what steps the United States is taking to address concerns relating to its defensive interests in the Doha Work Programme (DWP), as a demonstration of leadership and contribution to the successful conclusion of the DDA negotiations.

66. The United States has a long history of providing non-reciprocal preferential trade treatment to developing countries, in order to promote economic growth and development. The main preference programmes include: the Andean Trade Preference Act (ATPA), the Caribbean Basin Economic Recovery Act (CBERA), the Caribbean Trade Partnership Act (CBTPA), the African Growth and

Opportunity Act (AGOA), and the Haitian Opportunity through Partnership Encouragement (HOPE) Act. We note from the Secretariat report that the U.S. preference programmes taken together accounted for 3.7% of U.S. imports in 2011, with AGOA accounting for the largest part, at 2.4% of total imports or 65.2% of unilateral preferential imports. Nigeria commends the U.S. for all these initiatives, but would still encourage the U.S. to give priority to expanding the product coverage of these programmes.

67. At the bilateral level, Nigeria and the United States have always shared a close relationship in all areas ranging from economic, cultural and political. Nigeria is the United States' largest trading partner in Sub-Saharan Africa. Bilateral trade volume stands at US\$35 billion. The U.S. is also the largest foreign investor in Nigeria, even though those investments are mainly confined to the oil and gas sector of the economy. An estimated one million Nigerians and Nigerian-Americans live, study and work in the U.S., while over 25,000 Americans live and work in Nigeria. The relationship is deep-rooted and cross-cutting. Nigeria and the U.S., in spite of the daunting challenges, have continued to enjoy robust bilateral relations, including cooperation on important foreign policy goals in areas such as international and regional peacekeeping and security; investing in people; economic growth; food security and agriculture; science and technology; climate change and environment sustainability; and the entrenchment of the core values of democratic governance.

68. To strengthen the trade and investment partnership between the two countries, Nigeria and U.S. trade officials have been meeting regularly under the U.S.-Nigeria Trade and Investment Framework Agreement (TIFA) Council, which was established in 2000. The Council is responsible for monitoring trade and investment relations and identifying opportunities for expanding and diversifying trade, including other important issues and challenges that the two countries may need to address. Trade officials from Nigeria and the U.S. also use TIFA Council meetings to explore common objectives such as cooperation in the WTO, trade capacity building and technical assistance, intellectual property protection and enforcement, and infrastructure issues. The two countries also signed a Bi-National Commission (BNC) agreement in 2010, the first of its kind with Africa under the Obama Administration. The establishment of the Bi-National Commission led to significant accomplishments, particularly in the area of foreign investment and agriculture cooperation.

69. In conclusion, Nigeria would like to commend the U.S. for its significant technical assistance and capacity building support, aimed at assisting developing country Members and LDCs to take advantage of the opportunities offered by the multilateral trading system. Nigeria thanks the U.S. for the answers to our advance written questions, which are being examined in Abuja, and we would seek further clarification from the U.S. as appropriate. We wish the U.S. a successful trade policy review.

CUBA

70. The Republic of Cuba takes note of the replies circulated by the United States yesterday evening and reserves the right to return to them, considering the very short time they have been available to Members. However, it can already be stated that the replies offered do not go deeply enough into the substance of our list of questions and, consequently, do not serve our purpose. Likewise, after more than ten years of repeated complaints to the Dispute Settlement Body (DSB) about the maintenance of a measure incompatible with WTO provisions, neither is there any glimpse of an intention to comply with the DSB's recommendations and rulings.

71. To begin with, we wish to point out that once again the United States is twisting the meaning of Cuba's questions, in order to keep on evading its legal obligations. Our questions are aimed at finding out what is stopping this Member from implementing the recommendations and rulings of the DSB, which as long ago as 2002 found that Section 211 of the Omnibus Appropriations Act of 1998 is inconsistent with the TRIPS Agreement and with the Paris Convention for the Protection of Industrial Property.

72. Nevertheless, the United States is maintaining Section 211 in force in contravention of a decision of the WTO's highest judicial authority, in order to apply it to the detriment of owners of Cuban trademarks such as the Havana Club rum trademark.

73. We note that several paragraphs of the report are directed, among other things, at demonstrating the importance for the United States of the WTO dispute settlement system which "has proven valuable to Members as a unique venue for the discussion and adjudication of disputes with our trading partners" (paragraph 10 of the United States report WT/TPR/G/275). To this end, it proclaims itself to be "one of the world's most frequent users of WTO dispute settlement procedures" obtaining favourable outcomes, in particular, in the area of intellectual property (paragraph 58 of the United States report). It also proclaims the importance of creating a global trading system where intellectual property is protected (paragraph 11 of the United States report and paragraph 150 of the Secretariat report) and of ensuring effective implementation of intellectual property enforcement obligations (paragraph 170 of the Secretariat report).

74. Thus, this is a Member that benefits extensively from the WTO's dispute settlement system and especially from its rulings in the area of intellectual property.

75. Consequently, the Government of the Republic of Cuba considers that the policies described above are inconsistent with the longstanding state of non-compliance in which the United States finds itself in relation to "Section 211". The DSB found that Section 211 is contrary to specific WTO provisions, but the United States has ignored that decision by judicially supporting the fraudulent use of the Havana Club trademark by the company Bacardi.

76. Within the context of the present Review it is important to point out that from 1976 the enterprise CUBAEXPORT held and maintained the ownership of the Havana Club trademark completely unchallenged, under the procedures established by the United States Patent and Trademark Office (USPTO). On that basis the registration was renewed in 1986 and 1996, under a general licence for paying the renewal fee, without any restrictions until Section 211 was adopted. Subsequently, CUBAEXPORT was refused a licence to pay the renewal fee and, despite lengthy judicial proceedings in various courts over a period of six years, the enterprise found itself stripped of a right which it had held for 30 years.

77. Can the Government of the United States set itself up as a model defender of intellectual property when on its territory it snatches away the registration of a trademark from its legitimate owner, by preventing compliance with the simple administrative requirement of paying the official renewal fee?

78. Cuba must again denounce the policy of embargo which for more than half a century has been applied, in an unfair and discriminatory fashion, to an original Member of the GATT and the WTO, with no regard for its rejection by the international community, which for more than two decades has been annually expressed in the United Nations General Assembly as a vote in support of the Resolution on the necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba.

79. No less of a violation of the rules of international trade is the extraterritorial scope of the embargo, which affects not only Cuba but other countries as well. Specific examples include the most recent extraterritorial measures made public on 11 and 12 December, when the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury announced that the international bank HSBC had been fined US\$375 million for allegedly violating unilateral sanctions imposed by the United States on various countries, including Cuba. One day later, OFAC itself announced the imposition of a new fine amounting to US\$8,571,634 on the Japanese bank Tokyo-Mitsubishi, also for an alleged violation of the embargo.

80. As pointed out by Cuba in previous years, by imposing the embargo the United States is violating principles, objectives and rules of the multilateral trading system endorsed by the Marrakesh Agreement, insofar as it is impeding the economic and social development of another Member and thereby making it difficult to raise the standard of living of the Cuban population, at the same time as it is adopting discriminatory measures with an extraterritorial impact which are adversely affecting other Members of the WTO in their trade relations with our country and with the United States itself.

81. The chief manifestations of the embargo relevant to this Review are summarized below:

- It maintains conditions on purchases, mainly of food, from United States companies which are onerous and difficult for Cuba to meet, with the persistent threat that the licences granted for this purpose can be cancelled by OFAC at any time. Likewise, the prohibition on granting financing to Cuba is being maintained and there are no direct banking relations between the two countries.
- Where the transport of these products is concerned, the vessels that participate in this service are still prohibited from taking on cargoes in Cuba for other destinations, and Cuban vessels are still prohibited from participating in the shipments.
- For the fourth consecutive year, on 10 September 2012, President Obama extended the Trading with the Enemy Act, which not only supports the implementation of the embargo measures but also provides the basis for the President's powers to impose the remaining laws and supplementary provisions.
- Likewise, in February 2012, in a notice to Congress, President Obama continued the national emergency with respect to Cuba and the emergency authority relating to the regulation of the anchorage and movement of vessels which, among other things, prohibit the arrival of vessels and pleasure boats in Cuba, in accordance with the mandatory restrictions on travel to Cuba by United States citizens for tourism purposes.

82. Moreover, there are a dozen or so other laws, plus the regulations for their implementation by OFAC, that remain in force, only the most notorious of which from the standpoint of their implications for trade are mentioned below:

- Foreign Assistance Act of 1961. Authorizes the President of the United States to establish and maintain a total embargo on trade between that country and Cuba, by means of Presidential Proclamation 3447 which imposed the trade embargo in 1962.
- Tariff Classification Act of 1962. Establishes, *inter alia*, the withholding of Most Favoured Nation status from Cuba.
- Omnibus Foreign Trade and Competitiveness Act of 1988. Strengthens the restrictions on imports from Cuba.
- Cuban Democracy Act of 1992 (known as the Torricelli Act). Establishes restrictions on vessels, prohibits trade between United States subsidiaries located in third countries and Cuba and requires the President of the United States to encourage other countries to restrict their trade and credit relations with our country.

- Helms-Burton Act or Cuban Liberty Act of 1996. Codifies all the laws and presidential orders relating to the embargo adopted since 1962, reinforces the bans on Cuban exports and the restrictions on travel from the United States to Cuba, establishes the Importation Safeguard against Certain Cuban Products, and implements the well-known Titles III and IV to prevent foreign investment in Cuba.

83. It is important to note that this Act makes explicit mention of the opposition of the United States to Cuba's entry into the international financial organizations. It also states that the President is to submit reports, after the first of January of each year, to the relevant Congressional committees on the trade of other countries with Cuba and the assistance with which they provided our country during the previous 12 months.

84. We have no knowledge of the Government of the United States having abandoned the controls on the income that Cuba receives from its exports or its pursuit of our assets abroad (property and bank accounts). Specifically, we do not know whether it has abolished the inter-agency Cuban Nickel Targeting Task Force to reinvigorate the existing nickel import certification and control regime and analogous cobalt import control regime, called for in the Second Report of the Commission for Assistance to a Free Cuba in 2006. Nickel is the main source of income from merchandise exports.

85. In addition to all this, in open contradiction with the reality and the clean record of our foreign policy, the Government of the United States has left Cuba on the list of countries that sponsor terrorism. In practice, this has resulted in the intensified harassment of our country's banking and financial transactions, by encompassing them within the extraterritorial scope of the embargo and the above-mentioned measures for locating and pursuing funds linked with entities in countries included in the list.

86. Nor should we omit to mention that during 2011 and again in 2012 Cuba continued to be confronted by risky and potentially damaging situations created by the intentions of certain plaintiffs in actions against the Cuban State brought in the United States to appropriate Cuban-owned trademarks and patents by way of compensation. This is going on under cover of the provisions of the Terrorism Risk Insurance Act, which was approved in 2002 and will remain in force until 2014.

87. Likewise, we are still faced with the situation created by the action brought by the Bacardi Company to appropriate the Havana Club rum trademark, under legislation that it promoted and managed to get approved in Congress, Section 211.

88. Important United States trade union organizations have testified in Congress about the implications of Section 211. They have recommended that it be repealed because of the violations it entails and the negative implications that its continuance could have not only for trademarks and patents registered by United States companies in Cuba but also for the credibility of the United States, which proclaims itself internationally to be the supreme protector of this intangible property.

89. The illegal and discriminatory policies applied to Cuba by the United States, which we have briefly described, could lead to actions that go far beyond the mere review of this Member's trade policies.

90. In the face of facts such as these, Cuba has no choice but to express its huge concern regarding the maintenance of the credibility not only of the WTO's dispute settlement system but also of mechanisms such as those that concern this Body itself.

BRAZIL

91. Recent overall economic indicators confirm the assessment by the Secretariat's report that the economy of the United States has been in "slow but steady recovery since its last Trade Policy Review". This is of particular importance given the sheer size of the United States and its share in international trade.

92. Yet, it seems to us that the economic and commercial relevance and complexity of the U.S. economy could be better reflected in the Secretariat's report. The report, including its appendix, has just 133 pages. This compares with the 167 pages of Brazil's last TPR, 234 for China and 235 for India. In our view, differences in review periodicity would only partly explain this situation.

93. Responding to sluggish domestic economic conditions, the U.S. adopted expansionary fiscal and monetary policies that led to a progressive devaluation of the dollar. The Secretariat's report stresses that the U.S. dollar depreciated, in real terms, by about 25% between 2002 and 2008 and further depreciated by 16% between 2009 and mid-2011. The excessive supply of U.S. dollars has found its way into other countries in search for either higher yields or "safe haven", thereby spurring artificial and marked appreciation of certain other currencies.

94. In today's trying economic environment, countries are faced with the challenge of leaving their currencies subject to the forces prevailing in largely unregulated international financial markets, especially when they face limited macro-economic policy options and currency-driven disruptive forces in entire productive sectors.

95. Concerted multilateral solutions for the currency issue should prevail over the current state of uncoordinated policy responses around the world. Brazil will continue to work with the U.S. and other members both here in the WTO and in other relevant fora to promote a discussion that could lead to a joint approach.

96. Even though the U.S. average tariff level is relatively low, a considerable number of tariff peaks remains for goods exported by developing countries, such as textiles, apparel and agricultural products.

97. Moreover, despite the limited importance of the agricultural sector for the US economy - less than 1% of GDP – the U.S. has a considerable set of trade-restrictive and distorting measures in place, such as: TRQs for products like sugar, tariff peaks, generous domestic support entitlements, insurance schemes that insulate farmers from market forces, export subsidies, and non-tariff barriers that, in our view, do not conform with the SPS Agreement.

98. U.S. policies on cotton and on export credit guarantees are emblematic for Brazil. Ten years have elapsed since the upland cotton case was first brought by Brazil to the WTO. The U.S. is yet to implement the DSB rulings.

99. We must not forget that the programs in place are already in breach of the WTO disciplines. Some versions of the programs under debate would introduce new distortions even under current high commodity prices. They would undoubtedly trigger even higher disbursements if commodity prices return to historical levels. We worry that the reform process of agricultural policies in the U.S. could be moving in the wrong direction, especially when one has in mind the objectives set out for the DDA.

100. I note with satisfaction the Executive Order signed in January 2012 by President Obama that is aimed at improving visa processing and promoting travel and tourism, with particular emphasis on

Brazil and China. This initiative will certainly contribute to facilitating trade in services between our two countries. This is a very welcome development.

101. There is not, however, much else to say about the services sector in the U.S. within the context of the present Trade Policy Review. Only two services sectors out of so many included in the current classification system have been scrutinized in the report by the Secretariat.

102. Regarding the financial sector, Brazil remains concerned with the negative effect that the assistance provided by the U.S. Government to national financial institutions could have on foreign suppliers of financial services.

103. Bilateral trade amounts to approximately US\$50 billion at present. Brazil's trade surplus of around US\$6 billion turned into a deficit of almost US\$4 billion in just five years. We do believe that this shift is largely explained by the strong depreciation of the dollar relative to Brazil's Real.

104. A successful Ministerial Conference in December 2013 and a first harvest of a balanced and development oriented set of DDA issues, could be decisive in bolstering the Organization and the trading system as a whole at this critical juncture. We sorely need the leadership, engagement and commitment that the United States can offer to this Organization and to the on-going multilateral negotiations.

AUSTRALIA

105. Australia and the United States share extensive interests as trading partners and on trade policy, including in multilateral and regional forums such as the WTO, APEC, TPP and the G20. Bilaterally, the Australia-United States Free Trade Agreement – moving into its ninth year - provides the framework to further expand trade and investment. In 2011-12, the United States was Australia's third-largest trading partner in goods and services, with trade valued at around US\$60 billion. The United States is also Australia's most significant investment partner, with two-way investment totalling about one trillion dollars, of which about US\$220 billion is direct investment.

106. In bilateral trade relations, there are always areas where one party would like the other to reconsider its approach, notwithstanding our overall close relations. I would like to take this opportunity to highlight a few Australian priorities in relation to U.S. trade policy.

107. U.S. Government intervention in the agricultural sector remains a concern. Australia is disappointed to note that there have been no major reform-related changes to agricultural policies in the United States since the last Trade Policy Review. Australia continues to be troubled by tariff and non-tariff barriers that the U.S. imposes on a range of agricultural products. The issues we have with U.S. sugar and dairy programs, for example, are long-standing and well known – but there are few signs of change. This is a classic example where prudent reform would benefit bilateral and international trade, as well as American consumers. Australia urges the United States to demonstrate leadership in agricultural trade policy reform. We continue to hope to see substantial reductions in trade distorting domestic support programs in the next Farm Bill.

108. Australia also encourages the United States to examine the potential for simplifying procedures affecting imports, including burdensome rules of origin, and country of origin, marking and labelling rules. Some Australian exporters continue to encounter difficulties with the complexity of procedures required for access and marketing their products in the United States, which is often exacerbated by state-level rules and procedures.

109. Australia encourages the U.S. to revisit its regulations relating to maritime services, with a view to reducing the restrictions faced by providers of such services and producers of maritime

vessels. There should at least be scope for the U.S. to revisit its 1920s vintage regulations relating to maritime services and cabotage.

110. The U.S. and its trading partners would also benefit from liberalisation of the U.S.' Defence procurement arrangements for those goods and services which are not of an essential security nature. Defence procurement represents almost 65% of total U.S. Federal procurement. Restrictions which prevent foreign suppliers from competing in this market hamper the U.S.' ability to generate cost efficiencies in this major area of government expenditure.

111. Australia would also welcome greater opportunities for foreign firms to access procurement opportunities under the American Recovery and Reinvestment Act.

112. Australia, like the U.S., continues to be a strong supporter of the multilateral trading system. The outcomes from the 2011 Ministerial Conference provide a solid basis for progressing our common interests in this regard and we look forward to continued engagement and leadership by the United States in the run-up to the ninth WTO Ministerial Meeting. In this context, we welcome active U.S. participation in negotiations on trade facilitation and encourage a similar focus on other issues where progress can be made, including development-related issues.

113. We also look to the U.S. to play a key role in moving the agriculture negotiations forward. U.S. willingness to engage on tariff quota administration has been welcome, and we encourage the United States to do likewise on export competition issues, particularly export credits and food aid disciplines, as well as under the domestic support pillar on issues of importance to developing countries.

114. Australia recognizes that these areas present challenges and that the United States and other WTO Members will all need to make compromises if outcomes are to be achieved, including in the context of the 9th Ministerial Conference next year.

PAKISTAN

115. The U.S. being the largest trading nation and the biggest import market is of key interest to all WTO Members. The status of its economic growth and the degree of openness impacts all other economies, no matters how big or small they are.

116. Although the U.S. economy has shown a positive movement recently, the effects of the financial crisis of 2007-08 still exist. Unemployment levels and creation of new jobs is still challenging. Economic shocks also being experienced in Europe, East Asia, South Asia and Africa. In a globalized world, coherence and mutual support is an important ingredient in the recipe for recovery.

117. Although the U.S. along with other developing countries appears to put more negotiating capital through bilateral and regional initiatives to gain market access, we welcome the U.S. commitment to the rule based multilateral trading system, which is termed as the bedrock of its trade policy.

118. We are experiencing a paradigm shift in the global economy on many counts. The phenomena of the global supply chain have always existed but in the last decade the production process has become truly global. This is a 21st century reality to facilitate this process, removal of barriers like rules of origin, both preferential and non-preferential and other policies like labelling of products indicating country of origin are important. The U.S. may like to review these policies to enable developing countries to meaningfully participate in a global supply chain.

NORWAY

119. A few remarks on the bilateral trading relationship between Norway and the United States. The United States is the second largest export market for Norwegian goods and services, following the European Union. Total exports amount to about US\$19 billion, of which services constitute more than half, roughly US\$10 billion. Oil and gas dominate goods exports, whereas transportation services constitute the bulk of services exports.

120. Likewise, again trailing the EU, the United States is the second most important source of imports of goods and services into Norway, amounting to about US\$11 billion. U.S. exports to Norway are dominated by airplanes and commercial services. Recent figures indicate that the deficit in the balance of trade of the U.S. *vis-à-vis* Norway will decrease by close to 15% from last year to this year.

121. Needless to say, the economic weight of the United States is such that the trading relationship Members have with the United States is of great significance to each Member as well as to the world economy as a whole. It is therefore with great interest we have studied the reports and we have also submitted some written questions. Allow me to raise a few points of particular interest.

122. We agree with the Secretariat report that the United States is committed to contributing constructively and creatively to the functioning of the WTO. In particular, acknowledging that the WTO Doha Round is at an impasse, it is committed to fresh and credible approaches to new market-opening trade initiatives.

123. The United States is one of the world's largest bilateral contributors to trade capacity building initiatives, and is an active partner in the Aid-for-Trade discussions and initiatives. In the Secretariat Report it is reported that an evaluation of USAID's trade capacity building programmes was completed in late 2010. One of the findings of the report showed a statistically significant relationship between USAID trade capacity building (TCB) obligations and developing country exports, indicating that, on a predictive basis, an additional US\$1 of USAID TCB assistance is associated with a US\$42 increase in the value of developing country exports two years later. This seems to be a remarkable result and it would be interesting to hear whether you have some data on the potential destination of such increased exports. Does it entail mainly increased exports to the United States, or does it lead to an increase in developing country exports to other countries generally?

124. In the Section on State trading enterprises, government corporations, and government enterprises the Secretariat explains that The United States has a number of entities that contain elements of governmental and corporate organization. These entities vary considerably in structure, finance, and management. There is no single definition of a government corporation, and therefore they are often enumerated differently depending on their purpose. One entity with the purpose of foreign assistance is the Millennium Challenge Corporation. It is not entirely clear to us whether this corporation operates commercially or serve governmental functions. It would be interesting to learn whether the Millennium Challenge Corporation has special privileges and/or receives budgetary allocations, including how it has evolved over the last few years?

125. We note that the report from the Secretariat on developments in the services sectors in U.S. this time is limited to discussing environmental and financial services. Important as these sectors are, we miss information and up-dates on transportation and in particular on maritime transport.

126. Maritime transport is an important facilitator of world trade and around 90% of world trade in volume terms is carried by vessels. Safe, reliable and competitive maritime transport services benefit the economy as a whole and are a key factor for the production/consumption of goods and services.

127. The development of shipping markets and developments of relevant rules and regulations that influence these markets are on this background useful information as part of trade policy reviews. We kindly ask the U.S. delegation to share with us information on developments on this topic since the last trade review of the U.S.

128. Norway expects leadership and responsibility from the United States in the WTO. The history of this organisation, from GATT '47 through to the launch of the Doha round, has a common thread: American will and determination to make this organisation a cornerstone in the global economic architecture and multilateralism, aided by ambitious visions and demands as well as the ability to compromise, and the preparedness to carry the burden of true leadership. While the world is changing, and leadership must be a shared responsibility, the importance of this role, and this commitment, is in no way diminished. While we recognised that economic cooperation must be allowed to follow the paths that remain open, we believe the interest of the United States, as well as the global community, depend on continuing to show the firmest of commitments to the multilateral trading system.

129. We are confident that this review will be useful both for the United States and their trading partners.

HONG KONG, CHINA

130. Hong Kong, China and the U.S. have all along enjoyed close economic and trade relations. The U.S. is a major trading partner of Hong Kong, China, ranking in 2011 as our 2nd largest trading partner and export market, and our 5th largest source of imports.

131. We are pleased to note that, despite new challenges in the global economy, the U.S. has stated in its Government Report that it remains committed to open, competitive markets and compliance with WTO obligations, and that the pursuit of market opening and trade liberalization continues to be at the forefront of U.S. trade policy. The Secretariat Report also notes that the U.S. continues to support, participate in and pursue trade initiatives and further liberalization through the WTO multilateral trade framework. We appeal to the U.S., a major global trading powerhouse, to lead by example and provide renewed efforts to take the DDA negotiations forward, face down domestic protectionist pressure and engage in serious domestic reform in the areas where trade distorting measures still exist.

132. Hong Kong, China is glad to note that the average tariff of agricultural products decreased slightly to 8.5% in 2012. We also note that the Current Total Aggregate Measurement of Support (AMS) notified by the U.S. has continued to decline. This is however not so much due to a change in US agricultural policy but rising prices of agricultural products. Moreover, total support under the Amber box has increased from 2007 to 2009. Price-based Special Agricultural Safeguard has also been applied more frequently. Given the large share the U.S. has of world trade of agricultural products and the great importance of agriculture in the DDA especially to developing Members, we encourage the U.S. to continue its efforts in liberalising its agricultural sector, which would in turn make a critical contribution towards the DDA negotiations.

133. The U.S. is the world's leading exporter of services. We welcome the U.S.' role in the services negotiations. We note with keen interest the evolution of U.S.' domestic laws in the services sectors covered in this year's TPR report – in particular those in the financial services sector where the implication of some of the new rules, such as the Volcker rule, on foreign services suppliers is yet to be fully understood. We are also aware that there has not been any movement in some areas of concern, such as market opening in maritime transport services and prolonged services MFN exemptions maintained by the U.S. government, though these are not covered in the present TPR report. We look forward to continual and closer cooperation with the U.S. with a view to achieving our common goal in pursuing continuous and progressive liberalisation in trade in services.

134. We note that the U.S. has continued to move forward on a number of trade facilitating initiatives since the last TPR in 2010, including the rules pertaining to customs brokers. We encourage the U.S. to step up its efforts so as to create a more certain and business friendly environment for traders.

135. Hong Kong, China welcomes the U.S.'s active and constructive participation in the WTO Trade Facilitation negotiations. In November 2011, the U.S. announced a funding mechanism to support developing countries' efforts to implement provisions of the Trade Facilitation Agreement currently under negotiation. We hope that such initiatives will contribute towards addressing the constraints and concerns of developing countries, and consequently help achieve an early conclusion of the negotiations.

136. Hong Kong, China welcomes the U.S. final rule to end the practice of zeroing, which effectively inflates the apparent amount of dumping and may even find dumping where there is none. The elimination of this practice is a positive response by the U.S. to address prior findings of inconsistency with WTO rules.

137. Hong Kong, China notes from the Secretariat report that in 2011, 58% of AD and 49% of countervailing duty orders were maintained as a result of sunset reviews. Some of the AD duties have been in place for over 20 or even 30 years. While the U.S. maintains that the duties are maintained after sunset reviews, it is doubtful whether the reviews truly reflect the economic reality on the ground, which will have changed beyond recognition over the long passage of time. We hope that the economic case for maintaining very old AD orders could be critically reviewed, and that the U.S. would guard against abusive use of trade defences through unwarranted extension of the measures. We also encourage the U.S. to work on more credible rules on sunset reviews.

138. In 2008, the US enacted the Consumer Product Safety Improvement Act to enhance the safety of consumer products. While we appreciate the objectives of the Act, we note that it has brought considerable practical difficulties for importers and manufacturers, domestic and foreign alike, during the initial stage of implementation. We also note that the law was amended in 2011 which helped reduced compliance costs and ease some demanding testing requirements, and we hope the U.S. will seriously continue taking such steps.

KOREA

139. The United States has been Korea's major economic and strategic partner. The two-way merchandise trade reached over US\$100 billion in 2011. The United States thus marked Korea's third largest trading partner, while Korea stands as the United States' seventh largest trading partner. Korea also invested over US\$16 billion in 2011, making the United States the top destination for Korea's outbound investment.

140. The entry into force of the Korea-U.S. FTA (KORUS FTA) on 15 March 2012 serves as a defining moment in our robust bilateral economic relationship. Although it is still too early to have a full assessment of the effects of the FTA, we have already witnessed positive signs during the past eight months on the bilateral trade and investment activities. The KORUS FTA is a comprehensive and high-quality trade deal that fully respects and supports the WTO rules. We expect that this landmark agreement will help deepen the already existing ties between the two countries.

141. The United States has played, and will continue to play, a pivotal role in the global economy. As such, its healthy and vibrant economy is important for continued growth of the global economy, particularly in the aftermath of the economic crisis since 2008. Against this backdrop, it is encouraging to note that the U.S. economy is moving in a positive direction quite recently.

142. The U.S. economy, however, continues to face challenges of both domestic and international ones such as the federal budget deficit, weak housing market and high levels of household debt, as indicated in the U.S. report. In this context, we welcome that the U.S. Government has been implementing a number of policies or measures that have encouraged changes, such as reform of the banking and financial sector, budget re-balancing, reduction of household debt, and an increase in business investment.

143. Turning to the trade policies and practices, we commend the United States for maintaining one of the world's most open trade and investment regimes. In addition, the United States has been vigorously pursuing trade and investment liberalization through bilateral and plurilateral initiatives which complement multilateral settings.

144. We have carefully listened to the comments and concerns expressed by Members in their advance written questions as well as statements made this morning, including, *inter alia*, issues on customs and the trade remedies. Korea submitted advance written questions, including those related to customs procedures, amended regulation on zeroing, provisions on conflict minerals contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act, and certain provisions in the Food Safety Modernization Act. We thank the U.S. delegation for providing answers to our questions which Seoul is carefully reviewing.

145. Since the inception of the MTS, the U.S. has supported the open, transparent and rules-based organization and played a crucial role in advancing its objectives. As we are closely working together for the preparation of the MC9 and beyond, Korea continues to expect proactive role of the U.S. leadership in various negotiating groups for DDA and non-DDA issues as well as the regular bodies of the WTO.

146. The strong resistance by the U.S. helped forestall a worldwide slide into protectionism. Pursuing liberalization on an MFN basis could provide the U.S. with added advantage of helping reduce the future risks of protectionist measures at home and abroad.

SWITZERLAND

147. Bilateral relations: The United States is Switzerland's second most important trading partner worldwide. In 2011, our trade amounted to almost US\$50 billion, an increase of 23% compared to the previous year. Swiss firms invested US\$21 billion in the U.S. last year, equivalent to more than 9% of total foreign direct investment flows to the United States. Swiss companies thus supported more than 430,000 jobs in the U.S. Likewise, the U.S. is the third largest investor in Switzerland with substantial manufacturing, research and management facilities as well as other services activities.

148. In order to discuss both global and bilateral issues, the U.S. and Switzerland have established a Joint Economic Commission and a Trade and Investment Cooperation Forum.

149. Switzerland fully supports measures such as the Container Security Initiative to secure trade. We favour prevention and risk analysis but do not consider that 100% scanning of the 11 million containers yearly bound to U.S. ports is feasible without hampering trade.

150. Despite the reassessment of the World Organisation for Animal Health in 2007 that Swiss farmers face the same 'controlled BSE risk' as the U.S., the U.S. upholds its ban on beef imports from Switzerland. This results in unjustified barriers to trade.

151. This year several Swiss food producers were inspected by the FDA under the Food Safety Modernization Act. The excellent collaboration throughout this inspection campaign as well as the professionalism of the FDA inspectors was very much appreciated. However, the substantial increase

in the number of inspected premises required a special effort, straining the resources of the inspected firms and of the Swiss administration. Taking into consideration both the limited size of our country and the long track record of safe food exports from Switzerland to the United States, we ask that future inspections are limited to the strictly necessary to comply with the Food Safety Modernization Act.

152. Turning to market access, I would like to raise the issue of the certification of new foreign aircraft repair stations by the U.S. Federal Aviation Administration, which was stopped in 2007. It will only be resumed upon the U.S. Transportation Security Administration's publication of a new rule covering security requirements for maintenance and repair work at repair stations certified by the FAA in and outside the United States. Switzerland notes with great concern that, as of today, these new rules have not yet been published, causing significant losses of business opportunities for foreign newcomers.

153. Finally, Switzerland is particularly encouraged by the U.S. position, presented in paragraph 161 of its report that the U.S. will continue to support trade liberalization at the global, regional and bilateral level. In this context, the actions that may follow the recommendations of the U.S.-EU High Level Working Group on Jobs and Growth could have very significant consequences for Swiss-U.S. relations. We are therefore looking forward to a continued close cooperation with the U.S. under the Swiss-U.S. Trade and Investment Cooperation Forum.

154. I would like to highlight the very important role the U.S. plays for the multilateral trading system; we most welcomed Ambassador Punke's reaffirmation at the last TNC of the U.S. commitment to multilateral work in the run-up to Bali and beyond; strong engagement of the largest players is necessary to advance work in the WTO.

155. We also welcome the very active role of the United States in the efforts toward promoting further liberalization of trade in information technology products and in the plurilateral initiative in favour of an ambitious International Services Agreement.

TURKEY

156. The U.S. is one of the biggest economies in the world and an important trading partner for many countries, including Turkey. Given the impact of the U.S. trade policies on the world economy, its trade regime is closely followed. All in all, the U.S. has to face responsibilities much bigger than those of many other countries, is expected to show leadership on many issues, including the areas relevant to the WTO.

157. In its policy statement, the U.S. has reiterated its commitment to the multilateral trading system and "enforcement of global trade rules" which it has contributed substantively to build up over the years. We welcome this commitment.

158. Nevertheless, the U.S.'s limited progress in implementing decisions of the DSB and Appellate Body presents an important contrast on this front, not only for systemic reasons but also for practical reasons since the US is one of the main users of the dispute mechanism of the WTO. We expect the US to take action to bring its legislation into compliance with the decisions of DSB.

159. The Government's Report also indicates US's view that "the WTO's negotiating arm can and must become strong again". We agree with this assessment that in recent years the WTO's functions weakened on this front due to our joint failure to produce a viable outcome in the DDA for more than 10 years.

160. In a similar vein, it is discouraging that the US views "prospects of completing a comprehensive Doha package as minimal, if not impossible". We must keep in mind that whatever happens to the Doha package and its underlying principle of single undertaking, the issues covered by the Doha agenda will be with us for a long time, and we need to address them in one way or another if we are to achieve our objective of establishing a more liberal and predictable trade environment.

161. The U.S. has undertaken many initiatives in the past to contribute to the development of many countries, We appreciate the U.S.'s on-going commitment as stated in the Government report to the pursuit of development goals in many less developed and developing countries.

162. We are ready to contribute in any way within our capabilities, and we believe that the starting point should be to seek a resolution to the development issues like cotton that are embedded in the DDA agenda and have already reached technical maturity since they are of priority importance for developing countries.

163. The U.S.'s successful mix of economic policies has proved to be effective against one of the deepest crisis the world has ever witnessed. The U.S. economy is now recovering slowly but steadily. Its prompt and consistent reaction through stimulus packages has been one of the main elements in preventing the crisis from going any deeper. While the U.S. is again proving to be the obvious engine of growth for the world, the crisis has also indicated that we must try to diversify the centre of gravity for the world economy.

164. In the meantime, we noted with satisfaction that the U.S. has started to phase out some of the stimulus programs which at the previous review raised eyebrows due to their possible and potential discriminatory effects. While we recognize their pivotal role in ensuring a smooth economic recovery, we are very pleased to see that they are being removed as originally planned. In this respect, we hope that as part of such efforts, it will also consider addressing "Buy American" practices in some of the legislation put into place against the crisis.

165. The Secretariat report points out that the U.S. trade regime and measures either have not changed, or that very few minor modifications have occurred. We applaud the US for having a simple, stable, liberal and transparent trade regime with average tariff rates of 4.8%.

166. However, certain sectors where protection is provided are important for many developing countries. In this respect, higher level of tariffs in textile and clothing are important impediments for their exporters. Similarly, the slow pace of harmonious work with the international standardizing bodies is also a cause of concern as this raises non-tariff barriers in the case of many products.

167. Our cooperation with the U.S. is wide and getting stronger each day in a number of different fields. U.S. companies are among the major investors in Turkey in various sectors from energy to banking. The number of U.S. companies reached 1200 with a total investment of US\$8 billion.

168. Our trade relations with the U.S. are also growing steadily, but in a very unbalanced way. The U.S. is our fourth biggest import source in 2012. It is also our ninth biggest export destination losing by two places compared to the previous review period.

169. The trade turnover reached US\$20 billion by the end of 2011, increasing by about 35% over the last two years. While our imports reached US\$16 billion, our exports are around US\$4.5 billion at the end of 2011. Specifically, several agricultural products including maize, cotton and soybean as well as steel and the products of automotive industries constitute major items in our trade.

170. Further, there are several institutional structures like the trade and investment framework agreement and the economic partnership committee which meet regularly to discuss bilateral issues, and to explore possible ways for improving relations.

171. The U.S. is one of the most liberal economies and open trade regimes in the world. This also has resulted in increased attention on domestic regulations and various trade related domestic measures like SPS or TBT, and their potential impact on trade.

172. In this respect, we would like to raise a concern with regard to the duration of APHIS inspections in the SPS area as approval procedures for exportable food items can be extremely long and cumbersome.

173. While we fully respect the efforts to ensure product safety, we also believe that any measures to this effect should be carried out in a timely manner as we experience long waiting periods in getting approval for exportation of some fruits and vegetables from Turkey. Does the U.S. Government have any plan to address the reasons which cause long waiting periods in APHIS inspections, and to improve inspection processes of APHIS with a view to shorten the duration?

174. The safeguard and dumping remedies is also another systemic issue which we would like to raise due to its impact on our bilateral relations. There are several cases where our exports are subjected to anti-dumping remedies for a very long period of time. There is one case where the remedy has been in force for more than 30 years. We fully appreciate the importance of establishing a fair trading environment. However, in our opinion, such long durations are punitive.

175. We are also observing with interest the implementation of several security measures adopted by the U.S. government. While they have not been fully implemented at the borders, we are of the view that every effort should be made to implement them in a cost effective and efficient manner.

176. Furthermore, while we take every possible measure to ensure that our exporters will comply with the Food Safety Modernization Act (FMSA) of the U.S., at the same time, we share the view of our exporters that the registration requirement has been putting undue burden on companies as they have to confront many legal complexities.

177. We hope that the U.S. government will reconsider particularly the requirement for renewing the registration every two years. In the same vein, we hope that the relevant US agency will soon issue the rules and procedures for the Voluntary Qualified Importer Program as it may ease the additional costs the companies have to confront.

CANADA

178. Canada and the United States share one of the largest and most comprehensive commercial trading relationships in the world. We are each other's largest customers on a single nation basis. Each day, approximately US\$2 billion of goods and services cross our mutual border. Each day, over 200,000 people cross that border. In 2011 alone, Canada exported approximately US\$379 billion in goods and services to the United States and imported approximately US\$346 billion in return. We are the number one trading partner for 35 of the 50 states of the United States.

179. Investment from Canada plays a key role in supporting U.S. employment, R&D, and exports. In 2011 the stock of Canadian FDI in the United States was nearly US\$272 billion and the U.S. stock of FDI in Canada totalled almost US\$321 billion. The growth in bilateral trade and investment has fostered a more integrated economic market within the framework the WTO and the North American Free Trade Agreement (NAFTA). Over half of all U.S. imports from Canada are now intermediate

inputs that feed into the U.S. supply chains, suggesting that we are increasingly building things together.

180. The integrated nature of our energy markets helps support the productivity and innovation of our enterprises, the participation of our firms in global value chains, and the creation of a single economic environment that allows us to successfully compete effectively. Maybe for these reasons, we can see intra-EU and intra-American trade as "intermestic".

181. It is therefore obvious that actions that threaten trade between our two countries can undermine the efficiency and competitiveness of businesses on both sides of the border. Put simply, trade barriers that affect adversely imports from Canada affect companies in the United States that source Canadian inputs, thereby hurting their own competitiveness. We do applaud the United States' continued support for a strong global trade regime, as evidenced through its sustained engagement here at the WTO, as well as through other multilateral and bilateral trade initiatives. The reports being considered today further demonstrate that the United States remains engaged actively in promoting opportunities for enhanced trade and investment to support global growth.

182. Although some issues cited in the Secretariat's report - such as the inclusion of "Buy America" provisions in U.S. federal and state legislation - garner frequent attention, the vast majority of our bilateral trade is dispute-free. Canada and the United States have worked together to mitigate trade challenges when they arise, achieving negotiated solutions such as the February 2010 Canada-U.S. Government Procurement Agreement, and the 2006 Softwood Lumber Agreement, which, in April of this year, was formally extended until 2015.

183. Given global and regional economic challenges, and the high degree of existing Canada-U.S. economic integration, we have also pursued joint strategies to strengthen the competitiveness of both our nations in trans-border facilitation and regulatory cooperation. The 7 December 2011 Shared Vision for Perimeter Security and Economic Competitiveness announced by our leaders is designed to enhance cross-border trade flows, while safeguarding border security, and a one-year progress report, just issued, shows significant progress. Work is also proceeding under the Canada-U.S. Regulatory Cooperation Council to increase regulatory transparency and coordination between both countries.

184. But support in the United States for open markets and for further trade liberalization continues to come under pressure. The Secretariat report underlines that economic recovery in the United States remains fragile, with growth slowing in 2011 and projections for 2012 being recently revised downwards. In this context, continued commitment to further trade liberalization is, perhaps, more important than ever before. Accordingly, we urge the United States to continue to demonstrate its support for increased trade liberalization to create the conditions required by workers, industries, and communities to compete in the global marketplace. As many delegations expressed at yesterday's review of developments in the global trading system in this Committee, it is incumbent on all WTO members to refrain from imposing any new trade restrictions -- even if such measures meet the letter of existing international trade obligations, they are trade and growth inhibiting. Ambassador Punke talked about deeds versus words in the context of Doha. That applies equally here: the words in his remarks were good, but the test will be in the actions of Congress and by regulatory agencies.

185. Specifically, for Canada, given the scope and magnitude of our trade and investment with the United States, issues and disputes can be expected to arise. The U.S. Country of Origin Labelling legislation is an example. Canada is pleased that the United States has now indicated its intention to bring this measure into conformity. We look forward to the U.S. making the required changes to the relevant statute, which Canada views as necessary to comply with the decision of the Appellate Body and to restore the integrity of North American livestock sector.

186. We welcome the traditional leadership shown by the United States as a champion for open markets. During this time of economic turmoil, with uncertain prospects for significant growth in the near term, the pressures for protectionist measures from those who actively express scepticism regarding the benefits of international trade are palpable. We urge the second term Administration to continue this leadership.

SINGAPORE

187. Bilaterally, Singapore and the United States enjoy a robust and warm economic relationship underpinned by our shared belief in free trade, a rules-based multilateral trading system and open markets. The depth of our economic relations is signified by the U.S.-Singapore Free Trade Agreement of 2003, which ventured well beyond the scope of traditional FTAs to include competition rules, IPR, and e-commerce. The United States is currently Singapore's 5th largest trading partner with a total bilateral trade of US\$62.72 billion in 2011, while Singapore is the US' sixth largest trading partner in Asia, and largest trading partner in ASEAN.

188. Investments have also grown. In 2010, the U.S. was Singapore's second-largest foreign direct investor, with a total investment stock of US\$55.08 billion, which was an 18.2% increase over the previous year. US investments were in financial and insurance services, manufacturing, and wholesale and retail trade. US companies based in Singapore include both multinational corporations and small and medium sized enterprises, representing a diverse range of industries such as biomedical science, information-technology, education, and oil and gas. The United States was the 8th most popular destination for Singapore's outward investments, growing by 7.7% in 2010, mainly concentrated in manufacturing, financial services and insurance.

189. In addition to strong two-way trade and investment linkages have grown, Singapore's economic relations with the United States are multi-faceted and wide ranging. Bilateral collaborations are augmented by regional and multilateral platforms like ASEAN, APEC and the East Asia Summit. Our current engagement on the Trans-Pacific Partnership Agreement (TPP), along with eight other countries, is aimed at further deepening economic integration in the Asia-Pacific, through a high-quality agreement that further liberalises trade in the region.

190. Singapore values our partnership with the United States which remains the world's largest economy, and home to some of the most entrepreneurial organizations in the world. Despite the financial crisis and the various challenges and cliff hangers faced, the U.S.' strong capacity for innovation and regeneration provides an enduring resilience. The U.S. economy has shown a slow but steady recovery from the global recession since the last review. GDP growth recorded in both 2010 and 2011 with trade surpassing the 2008 peak levels, although unemployment remained stubbornly high. This recovery can be credited to the policies you pursue for domestic and international rebalancing, which encouraged export and investment growth. The continued recovery of the U.S. economy, as a key engine of the global economy, is important to all of us.

191. We welcome one tenet of U.S. policy which was highlighted for its special emphasis on expanding economic and trade opportunities for small businesses through the Small Business initiative. Small and Medium Enterprises (SMEs) are critical engines for economic growth and jobs, and SMEs that export tend to grow faster than those who only deal domestically. However, due to obvious size constraints, SMEs have a harder time navigating international trade measures and burdensome customs procedures. This is why the transparency and predictability provided for by the multilateral trading system is so important. We are therefore encouraged by the Small Business Jobs Act of 2010 to help promote small business exports. We note that U.S. FTAs also provide opportunities for SMEs to expand their trade and investment.

192. Amidst a challenging and increasingly complex global economy, the world looks to the United States, now more than ever, to be outward-looking, and to continue leading as a champion and defender of free trade. In this context, it is essential for the United States to ensure that its trade practices reflect its philosophy which highly values free and open trade. We therefore hope that the U.S. will review its use of those trade remedies which are trade restrictive; and reduce barriers to foreign investors in sectors like mining and energy, amongst others. Improving transparency in the Committee on Foreign Investment in the U.S.' decision-making process would also be welcomed. Like other, we are also concerned that the 100% scanning requirements for US-bound maritime and air cargo run counter to the principles of trade facilitation, and urge the United States to seriously consider adjusting these requirements. As a small and open economy that also has to deal with the unebbing threat of terrorism, Singapore understands the United States' emphasis on safety and security. We believe a careful balance can be struck in risk management, such that they do not lead to onerous measures which could become unintended barriers to traders.

193. As the world continues to grapple with economic uncertainty, the United States' commitment to, and leadership within the multilateral trading system takes on an even greater significance. It is crucial that the U.S. continues to lead by example to ensure that global trade remains free and unencumbered as possible, in order to provide the opportunities for trade-led growth to deliver the benefits of development growth and jobs.

194. I would like, in closing, to acknowledge the important role which Ambassador Michael Punke and his team play in our collective work in Geneva, including on the DDA. We share the U.S.' goal of a meaningful outcome at MC9 in Bali. We therefore appreciate the constructive engagement, and look forward to the U.S.' continued contributions to the negotiations in the months ahead because we share the goal of meaningful outcome with U.S. We wish the United States every success in its 11th Trade Policy Review.

EUROPEAN UNION

195. As stressed by many speakers, the U.S. trade and economic policies do have an important impact on most of the WTO members gathered today in this room and of course on the EU, the U.S. being our first trade partner. The U.S. has the capacity to influence the agenda on many global issues and challenges that are of crucial importance for the wellbeing of people around the world. With this specific influence of the United States comes a special responsibility – hence the importance we attach to this Trade Policy Review.

196. In this perspective the EU is pleased to note that in its Government report, the U.S. shows clear and strong support to this organisation, its daily work and also its ambitions for the future of the multilateral trading system. This is very important as it goes without saying that the U.S. will – together with other Members of course – play a decisive role in the preparation of our next Ministerial Conference. At a time when our organisation is at a crossroad, this gives us the confidence that the U.S. will once again be able to demonstrate positive leadership in 2013 and beyond.

197. As the U.S. also highlighted in its report, the EU-US trade relation is the largest and most open economic relation in the world, providing for a high level of economic integration. Together, the European Union and the United States account for about half of the world GDP and about one third of total world trade. Transatlantic markets are deeply integrated through large flows of trade and investment.

198. Recognising this, a High-Level Working Group on Jobs and Growth was established at the EU-US summit in 2011. This High-Level Working Group is currently exploring how best to strengthen our transatlantic ties in a way that would not only enhance cooperation in relation to third countries but would also contribute to foster the role of the WTO multilateral system. The EU is

indeed convinced that the current global economic challenges require multilateral cooperative solutions that the WTO should provide and the EU will continue working to that end also in the framework of its bilateral relation with the U.S.

199. As said earlier, this Trade Policy Review offers an opportunity to address certain important developments in the U.S. trade policy since its last review so allow me, to turn to a few specific trade policy measures that have been subject to the EU advanced written questions and that, for some of them, are not new.

200. The EU welcomes the EU-U.S. mutual recognition of each other's trusted traders in the area of supply chain security, for both maritime and air transport. We hope that this success could pave the way for addressing our concerns on legislation imposing 100% scanning of cargoes as this has only been suspended temporarily.

201. In addition, the EU has recurrent and well known concerns in the sanitary and phytosanitary area, notably the U.S. import restrictions for deboned EU beef and beef products on grounds of BSE risk, which the U.S. maintains since 1997. This measure is not in line with international standards set by the International Organization for Animal Health (OIE) nor is it substantiated by scientific reasons. The EU exporters also face barriers to exports for plant and plant products, some applications for which have been pending for more than 20 years.

202. On agricultural policy, we would like to register our concerns on instruments currently envisaged in the future Farm Bill, as they would seem to lead to an increase of U.S. trade-distorting support. In addition, we wish to warn against the use, and the establishment of new marketing orders which could create unnecessary additional delays and costs for imported products, notably by imposing testing on all consignments.

203. Moving on to public procurement, our concern with existing Buy American provisions is well known by now, but what worries us the most is that we observe a recurring tendency to include Buy American provisions in new or upcoming legislation despite G20 commitments to keep markets open. In some instances, these provisions are also replicated at State procurement level. These send negative signals to other trading nations and we have regrettably started to see Buy Local requirements being adopted by other countries. And this is something of a paradox, because in the current economic and financial downturn we fail to see how limiting competition could be in the interest of public customers, end-consumers or even shrinking public budgets.

NEW ZEALAND

204. The United States, as the world's largest economy and a major trading nation, plays a critical role in this organisation through the strong contribution it makes both to setting and maintaining open and transparent trade rules, and to promoting and achieving further global trade liberalisation.

205. And as a country that firmly supports the multilateral trading system and the benefits it brings, New Zealand appreciates the key role the U.S. has traditionally played in this regard since the inception of the WTO and in the GATT before that.

206. The United States is New Zealand's third largest trading partner, and this year marks the 70th year of diplomatic relations between our countries. We have a rich and varied relationship that is supported by cooperation between businesses through trade in goods and services, investment, education and tourism.

207. Active U.S. participation and leadership in the WTO, and close engagement with other key players and the broader membership to achieve further gains in multilateral trade negotiations - as we

look toward the Bali Ministerial and beyond - remains vital to the future wellbeing of this organisation. We would commend and further encourage the commitment by the United States to trade liberalisation and the strengthening of the multilateral trading system as we seek to advance the WTO's negotiating function.

208. As our discussant has pointed out, the United States, in charting a slow but steady recovery from the global financial crisis, has turned deliberately to the opportunities offered through increasing global trade. New Zealand notes here the successful progress of the United States National Export Initiative, which has shown the valuable impact of international trade on domestic economic growth and job creation, and we are interested in learning more about the United States experience with this initiative.

209. As with many other members, the Secretariat report also identifies areas where there is room for further improvement in trade policy settings. For example in the areas of goods, as Brazil has highlighted, the report notes that tariff peaks remain including in sectors such as textiles and apparel, and that transparency could be improved through a shift to ad valorem tariffs.

210. It will come as no surprise that New Zealand also takes a keen interest in the evolution of U.S. agricultural trade policy. We have followed the 2012 Farm Bill process with interest and are interested in learning more about how the U.S. sees this legislation progressing in coming months. We are also interested to know future plans in respect of policy instruments such as the Dairy Export Incentive Programme, and also in what measures the U.S. may be contemplating in order to reverse the trend of increasing total Amber Box payments. New Zealand recognizes the positive progress that has been in reforming some distortive agricultural subsidies over the past decade. But there are clearly a number of questions that remain about potential changes to agricultural policies. We would therefore join other members in encouraging the United States to pursue much-needed reforms in agriculture.

211. New Zealand also encourages the United States to continue considering ways to bring a greater level of transparency to the large number of sub-federal measures and regulations that impact on international trade.

212. Turning to the area of RTAs, in the period under review, we note that the United States has also ratified and brought into force three free trade agreements, with Panama, Colombia, and Republic of Korea. In addition, the United States has been a participant in negotiations towards a Trans-Pacific Partnership, with New Zealand and nine other WTO members. All TPP participants share a commitment to concluding a comprehensive, next-generation regional agreement which addresses both new and traditional trade issues and 21st century challenges.

213. Finally, New Zealand appreciates the active role the U.S. plays in the Asia Pacific Economic Cooperation (APEC) group to help build consensus around initiatives that could have application far beyond the boundaries of the Asia-Pacific. These initiatives include a mechanism to report progress on fossil fuels subsidy reform, and an agreement by APEC leaders unilaterally to eliminate or reduce tariffs on a list of environmental goods. APEC remains an important incubator of ideas within the Asia-Pacific region that can also help push the global trade agenda forward.

214. In conclusion, New Zealand welcomes the reaffirmation by the U.S. of its commitment to advance multilateral trade liberalization and to fight protectionism.

COLOMBIA

215. The United States economy is showing significant signs of recovery by recording an average growth in GDP of 2.2% in the years 2010 and 2011, following the severe contraction of 3.9% in 2009.

However, it is still not achieving the pre-crisis levels of dynamism and stability. This situation is largely attributable to the fragile condition of the global economy, but is also a consequence of the enormous uncertainty generated by the results of the budgetary negotiations between the Government and the Congress of the United States to reduce the fiscal deficit.

216. Noteworthy among the steps taken to rebalance the economy are the efforts to reduce the current account deficit, in such a way that growth depends less on domestic consumption and construction and becomes more closely linked with exports and investment. In this connection, in 2010, the current Government established the National Export Initiative, which seeks to double exports in five years, and the Export Control Reform Initiative. These measures appear to be producing results considering the significant increase in exports in the last two years (16% in 2011).

217. However, the trade deficit has not fallen, due to the higher value of imports. This result is largely attributable to high oil prices.

218. There were no major changes in the trade policy of the United States during the review period. Tariffs are generally low, but high levels of protection are being maintained in some sectors such as agriculture, footwear, and textiles and clothing, sectors of great interest for the developing countries.

219. The agricultural support programmes that form part of the United States' Farm Bill should have been reviewed in the second half of 2012; however, that review was postponed. Considering the huge importance of the United States for world trade in agricultural products, these programmes have notable consequences for global agricultural production and trade. We are therefore closely following the development and scope of these measures, out of concern that they should not only be consistent with multilateral commitments but also directed towards promoting market action as a tool for the allocation of resources in the sector. It would therefore be extremely useful to learn from the United States authorities the nature of the policies and prospects that are guiding the reform of the Farm Bill.

220. We recognize the leadership of the United States in the WTO and its key role in the success of the Doha Round negotiations. We are relying on its initiative and contributions to arrive at a viable conclusion of the negotiations which, it should be noted, have made substantial progress and need the leadership of the world's principal economies to ensure that the process is successfully concluded. The next ministerial meeting in Bali offers a crucial opportunity to reaffirm the authority of the WTO over the global economy by means of specific commitments that facilitate trade and give a decisive impetus to the Doha Round.

221. Colombia maintains very dynamic trading relations with the United States. Bilateral trade exceeded US\$34 billion in 2011 and produced a substantial trade surplus in favour of Colombia, thanks mainly to increased hydrocarbon exports. The Free Trade Agreement signed in 2006, which establishes liberalization commitments in, among other things, goods, services, investment, intellectual property, government procurement, technical standards and unfair practices, entered into force on 15 May last. We expect these opening-up commitments not only to intensify trade and investment but also to provide a solid basis for a greater diversification of our trade relations, so as to promote entrepreneurial creativity and skilled employment, which will ultimately promote the economic and social development of our economies.

MEXICO

222. The trade policy of the United States was last reviewed in 2009, a year in which the world suffered one of the worst ever international economic crises whose consequences we are still experiencing. We acknowledge the efforts which, since then, the Government of the United States has been making to stabilize its financial market and stimulate economic growth.

223. The stabilization measures, such as the funds for purchasing the shares of banks and industrial corporations and financial stimulus packages, will help the economy to recover rapidly. All these measures, combined with a new regulatory framework for financial transactions, a reduction in the household and financial sector debt, and an increase in business investment, have made it possible for GDP to grow at an average rate of 2.2% between 2010 and today. For 2013, the IMF is projecting growth of about 2.75%, but this could be threatened by the weakness of household balance sheets, the relatively restrictive financial conditions, and fiscal consolidation, factors which could prevent more dynamic growth.

224. The 2011 Budget Control Act, which contains measures for controlling the public deficit, could create various risks for economic growth. The so-called "fiscal cliff" could result in the withdrawal of fiscal resources equivalent to more than 4% of GDP in 2013, which would lead to economic stagnation. We have no doubt that the various political forces will be able to reach an agreement that allows the United States economy to continue along the path of growth. Given the large contribution made by exports to Mexico's economic growth, it is of fundamental importance for my country that the United States should maintain a sound and growing economy.

225. On the other hand, despite having generated 4.4 million jobs since 2010, the United States has not been able to create employment opportunities for almost 9% of its labour force, nor has it succeeded in getting back to the employment levels that existed before the crisis. This is one of the main challenges that will have to be faced in the next few years. We applaud the recent announcement of measures by the Federal Reserve to drastically reduce unemployment, although we consider that it is also necessary to apply expansionist fiscal measures that help to create infrastructure and production capacity, while the deficit is being reduced by cutbacks in expenditure under other headings.

226. As for foreign trade, it has shown itself to be increasingly dynamic. Imports and exports of goods, which rose in 2010 and 2011, have managed to exceed the maximum levels of 2008. However, the trade deficit expanded during these years, albeit without reaching the levels of 2008. The United States is the world's leading exporter of services and its export levels made it possible to increase the trade surplus in 2011. In any event, the trade balance is not an indicator of a country's economic health. The problem is when the external imbalances are the reflection of internal imbalances.

227. For Mexico, the behaviour of the United States economy is of fundamental importance, since on it depends to a large extent the performance of Mexico's own economy. There is an historical integration between the economy of the United States and that of my own country, which was doubtless strengthened by the entry into force of the NAFTA in 1994. Currently, the United States and Mexico, together with nine other countries of the Asia-Pacific region, are participating in the negotiation of an ambitious Trans-Pacific Partnership trade agreement, which will serve to make our trade relations even closer.

228. The United States continues to be our main trading partner. In 2011, the United States received a substantial share of Mexico's exports while, for the United States, Mexico was its third-biggest export market for goods, after the European Union and Canada. To mention just a few figures, since the entry into force of the NAFTA, there has been an approximately fivefold increase in Mexican exports to the United States.

229. In 2011, exports of goods from Mexico to the United States amounted to about US\$274 billion, a figure which makes my country its fourth-biggest supplier, after only China, the European Union and Canada. Moreover, the United States continues to be our leading foreign investor. In 2011, it was the source of 55% of foreign investment in Mexico.

230. With regard to tariff protection, the MFN rates applied by the United States have remained stable for several years. In 2012, the simple average rate was 4.7% and that applied to the agricultural sector 8.5%. We are concerned about the high level of protection for the agricultural sector provided through domestic support programmes, which have increased in recent years, in both the green and amber boxes. According to the OECD's 2011 agricultural policy review, support for producers represented 7% of total agricultural income in 2010, which is low compared with the OECD average (18%). However, the absolute value of the estimated support was the highest among the countries that make up the OECD (US\$133 billion in 2010).

231. In relation to the longstanding trade dispute which we have had with the United States concerning road transport, Ambassador Fernando de Mateo does not wish to have to request the return of the truck he gave to Ambassador Punke in this very Body when bilateral road trade was liberalized. It is clear that the programme is not working as it should and the sword of Damocles is hanging over it in the form of the pressure exerted by interest groups defending their incomes to the detriment of trade.

232. In relation to the dispute over tomatoes, we hope that the negotiations which began in January last year will succeed in keeping the channels open for exports of Mexican tomatoes to the United States. Tomatoes are the main agricultural product exported from Mexico to the United States. Hence the importance of maintaining the commitments allowing free trade in this product.

233. Concerning the Doha Round, as my delegation has been repeating in the various bodies of this Organization, Mexico is ready to step up the pace in order, with other Members, to achieve the objectives set out in the Elements for Political Guidance of the Eighth Ministerial Meeting, including continuing to explore different negotiating approaches to advance the Round in those areas in which progress can be achieved as a contribution to the conclusion of the single undertaking. In this connection, Mexico considers it fundamental that at the Bali Ministerial Conference we are able to produce a first deliverable and we therefore urge all Members to do their utmost for a substantial first result at next December's Bali Ministerial Conference, a task for which the leadership of the United States will be crucial.

ICELAND

234. This is now your 11th review, underlining the significance of the United States economy for global trade and growth. I welcome your "abiding commitment" to the multilateral trading system, to quote directly from your national report. This will certainly be needed in the months and years ahead, as all of us will be required to translate rhetoric into specific deeds if we are to sustain any hope of advancing the Doha Agenda. I certainly look forward to working closely with you to achieve that aim.

235. Many states claim to have a special relationship with the United States, and Iceland certainly falls into that category. A relationship once dominated by military defense during the Cold War has gradually evolved into a much broader and mature cooperation. Outside of Europe, the United States is our most important trading partner. The numbers say it all. Trade in merchandise goods accounts for 11% of imports and 3.7% exports; and trade in services account for 12.4% of imports and 18% of exports. The latter can be increased further through, for example, the U.S. led initiative for a plurilateral services agreement. Along with some other really good friends, we have high hopes that this process will lead to an ambitious outcome fully compatible with the GATS.

236. The U.S. is also one of the largest foreign investors in Iceland, primarily in the aluminum sector but also increasingly in the tourism sector, where we now welcome more than 50,000 U.S. visitors annually. The framework for this cooperation was further bolstered in 2009 with the signing of a Trade and Investment Framework Agreement.

237. But every relationship has its challenges and we are no different. In our case, there are two specific and enduring points of friction. The first is the U.S. import prohibition on eider down. We're talking about small time production by local farmers that have developed an inspired system of harvesting shed feathers of the Eider duck in a sustainable fashion; one that is recognized by WTO members throughout the world. Given the lack of scientific evidence to justify such an import ban, we would ask the United States to reconsider its position.

238. The second is the so-called E-visa program, which the United States extends to some – but not all – WTO members. This means that investors and traders from countries like ours are at an automatic disadvantage compared to others. We would ask the U.S. about its plans to extend the E-visa program or at least ensure a level playing field for all WTO members.

239. Finally, our U.S. friends questioned Iceland's whaling policy at our last trade policy review in November. I am tempted to return the favor, given that their overall catch is much bigger than ours, but I will refrain for now.

CHINA

240. Among the Trade Policy Reviews of all Members, this Review for the U.S. obviously arouses most interests and participation. The reason is very clear. For long Members and this organization holds high expectations on the U.S. that it would take the lead to respect the WTO rules, to safeguard the global economy by resisting protectionism, to strengthen the function of this organization through DDA and to bring benefits to developing countries while harvesting its own.

241. The Government Report of the U.S. for this Review tried to respond to these expectations by stating that the U.S. trade policy pursues market opening and trade liberalization, the U.S. remains committed to preserving and enhancing the WTO's irreplaceable role as the primary forum for multilateral trade liberalization, for the development and enforcement of global trade rules, and as a key bulwark against protectionism.

242. However, in many Members' view, it is a question whether the practice of the U.S. in the past two years have lived up to its statements of policy orientation. One case that has precipitated such questions is, when strong leadership of the U.S. is most needed at the multilateral front, the U.S. seemed to have deviated from the policy orientation as it stated. Regional and bilateral initiatives obviously have prioritized over multilateral initiatives. We do not know whether it is just a coincidence, or a true manifestation of this view that the Government Report of the U.S. prepared for this review does devote more pages to regional and bilateral efforts than to its multilateral work.

243. Meanwhile, though the U.S. has achieved a comparatively transparent and open trading regime, there are still numerous areas where improvement is much needed. These include some issues that are of particular concern to developing countries and LDCs and of systemic significance to this organization.

244. Agriculture is definitely one of such issues. As noted in the Secretariat Report, the U.S. is for long the biggest agriculture exporter with a large agriculture trade surplus. But regrettably, such a performance of the U.S. agriculture has been attributed to enormous domestic support. Members all demand that this distortion must be addressed to level playing field for farmers from developing countries. On this, Cotton should be particularly mentioned, which vividly demonstrate how key interests of developing countries are seriously undermined.

245. On tariffs, the Secretariat Report noted that, while 37% of the U.S. tariff lines are duty free, 7% of them are tariff peaks, mostly on products of interests to developing countries, such as textiles and clothing, agricultural products and footwear.

246. It is also well-known in this house that the U.S. has problematic record in bringing its laws and practices into compliance with the rulings of the DSB. The importance of the U.S. behaving responsibly in this pillar of the multilateral trading system can never be overstated.

247. I will refrain from going further with all the details of our concerns, which are reflected by the questions we raised. Just to name a few, such concerns include the abuse of trade remedies, refusal of investment projects based on ideological reasons, discriminative export control regime and practices, selective quarantine measures and regulatory measures with restrictive impact on trade in services.

248. Finally, please allow me to come back to the U.S. role in this organization, particularly in the DDA negotiations. Now the dust of the election season has settled, the economy is witnessing a momentum of recovery, albeit slow, and the employment shows some signs of improvement. It is our sincere hope that, with the improvement of both domestic political and economic situation, our U.S. colleagues could reprioritize the multilateral system and reengage in the DDA in a more proactive approach. We welcome the encouraging statements of the U.S. recently on their willingness to play a leading role for credible deliverables by MC9 and on their firm commitment to continue to work for the conclusion of the whole DDA afterwards.

249. China and the U.S. are important partners to each other, both bilaterally and multilaterally. Today and tomorrow, the China-U.S. Joint Commission on Commerce and Trade will hold its 23rd Session in Washington, and some of the issues and concerns we raised during this review will also be discussed there. Places are different, but the aspiration is common, that we look forward to continuing our cooperation with the U.S. to find solutions for all these issues.

JAPAN

250. While welcoming the moderate recovery in the U.S., given the downside risks to the outlook stemming from external and domestic uncertainties as well as the systemic importance of the U.S. to the global economy, we are of the view that removing the uncertainty rooted by the "fiscal cliff" is critical. Also, it is important to restore medium term fiscal sustainability with a balanced approach to consolidation.

251. Then, on trade policy front, Japan commends the U.S. efforts for trade liberalization through FTAs with its trading partners as well as its various initiatives here in Geneva. Also, Japan highly appreciates its endeavor to resist protectionist pressure, in and outside of the country.

252. While recognizing that the U.S. amended the DOC rule to abandon the use of zeroing in compliance with the decision of the DSB, Japan still has concerns with several U.S. anti-dumping practices such as Sunset reviews: the longest measure against Japanese export is 34 years old, and the average length of measures is 18 years. Japan requests the U.S. to avoid the simple rollover of the measures and to immediately revoke the unjustifiably long measures.

253. Intellectual Property. Japan appreciates the U.S. for the improvement of its patent system with the promulgation of the new law, in September 2011. Japan particularly welcomes the improvements on various issues with which it had been raising concerns for many decades, including first-to-invent system, the reexamination system, and Hilmer Doctrine.

254. Japan has concerns on the possible strengthening of the regulations by the introduction of FDA Food Security Act, enacted last year. The Act contains some ambiguous provisions where implementing laws and regulations have not been prepared by the time such provisions entered into force. Some other provisions, which will enter into force in the near future, contain heavy regulations, such as the introduction of the requirement of so called "Hazardous Analysis and Risk-Based Preventive Controls," which may heavily affect the operations of food processing facilities outside of

the U.S., including those in Japan. The U.S. is requested to enhance transparency and predictability through making public in advance the relevant laws and regulations so that foreign companies will be able to make preparations in advance.

255. Fourth, maritime transport. Japan is concerned about the new requirement to fully examine all the containers destined to the U.S., which will be introduced no later than July 2014. While Japan understands the objective of the anti-terrorist measure, it is expected that such measures will not be overly trade restrictive.

256. In addition, Japan continues to request the U.S. to eliminate the obligation in the Jones Act to use US made ship for the cabotage.

257. Finally, procedure to extend visas. When Japanese working in the U.S. renew their visas, they must go back to Japan or go to other countries outside of the U.S. to apply the renewal at the U.S. Embassy or Consulate office in charge. These procedures are cumbersome and are creating some negative operational effect to some of the Japanese companies. Japan requests the U.S. to improve the system so that foreigners can apply their visa renewals within the U.S.

INDIA

258. As the world's largest economy with a GDP of US\$15 trillion, merchandise trade worth US\$3.7 trillion and cumulative FDI of US\$2.9 trillion, the U.S. is the single most important player on the global economic scene. Given its size and linkages, any developments in the U.S. economy are bound to have repercussions for the rest of the world. We are, therefore, encouraged to note that the U.S. economy continued to make slow but steady recovery from the recession of 2009 recording an average annual growth rate of 2.2.% during the period under review, driven largely by consumer spending, private investment and exports. Though unemployment continued to be high at 9%, the U.S. economy added over 4 million jobs during this period. Rebalancing remained an important policy priority, with increased focus on exports and investment for achieving balanced growth. The National Export Initiative launched in 2010 to double exports by the end of 2014, pushed U.S. exports to a historic high of 13.8% of the GDP.

259. We recognize that despite these positive signals, the U.S. economy continues to remain vulnerable to global economic conditions. A number of fiscal stimulus measures were implemented by the U.S. to mitigate the impact of the crisis. While some of these measures are winding down, others continue to play an important role in the ongoing recovery like the American Recovery and Reinvestment Act of 2009 (ARRA) and the Troubled Asset Relief Programme (TARP) of 2008. We hope that these measures will be lifted once the U.S. economy settles down into a more predictable growth path.

260. The U.S. is India's third largest trading partner with a total bilateral trade of approximately US\$60 billion recorded in 2011-12 reflecting a 30% increase over the previous year. It is also the 5th largest investor in India with cumulative investments of US\$10.8 billion in steel, business services, automobiles, electricity generation and banking. Indo-U.S. relations have become increasingly broad-based covering cooperation in a wide range of trade and commercial areas.

261. However, a few areas of systemic concern persist. Several new laws have been implemented or are in the process of being implemented by the U.S. which could have serious implications for its trading partners. These include: (i) The FDA Food Safety Modernization Act which imposes a considerable administrative and cost burden on food exporters, (ii) The Foreign Account Tax Compliance Act which would require Foreign Financial Institutions (FFIs) to report information on U.S. accounts to the IRS increasing compliance costs as well as acting as a market access barrier (iii) The Foreign Manufacturers Legal Accountability Act requiring foreign manufacturers to register

a U.S. based agent and consent to personal jurisdiction in federal and state courts which could prove prohibitively expensive and shut out SMEs from exporting to the U.S., and (iv) The James Zadroga Health and Compensation Act which seeks to create a federal excise tax on foreign entities.

262. The Buy America provisions of the American Recovery & Reinvestment Act of 2009 (ARRA) impose a domestic content requirement for infrastructure projects. Domestic content requirements are also imposed by many cities and water utilities asking for 100% domestically manufactured materials.

263. The U.S. maintains TRQs on several agricultural products and significant tariff peaks in sectors such as footwear, leather, textiles and clothing as well as in agriculture, which impact exports from India. Though the simple average U.S. tariff remains relatively low at 4.7%, the tariff structure is quite dispersed and complex. 37% of tariff lines are duty free while 7% have peaks like tobacco where tariff is as high as 350%.

264. On the TBT side, technical regulations and conformity assessment procedures are quite complex and set out in a number of laws, regulations and guidelines. We encourage the U.S. to recognize and implement international standards which would help reduce regulatory barriers to trade.

265. There is a lack of uniformity in the U.S. rules of origin for non-preferential trade and we urge the U.S. to harmonize them. The increasing number of FTAs has led to further proliferation of differing rules of origin, their complexities and lack of transparency. Further, intensive border checks which require 100% scanning and pre-screening of maritime containers add to the transaction time and cost of shipments.

266. We believe that the U.S. initiatives to promote TRIPS plus obligations, like the Anti-Counterfeiting Trade Agreement (ACTA) and the Trans-Pacific Partnership (TPP), tend to undermine the TRIPS agreement and the multilateral trading system.

267. India had posed several questions to the U.S. delegation and is thankful for the replies received. We would like to highlight a few of the bilateral concerns here. The U.S. decision to substantially increase the visa fee for H1B and L1 visas for companies under the 50:50 rule, is having adverse consequences for Indian IT companies based in the U.S. and is preventing more investments and scaling up.

268. Further, the application of SPS measures is hampering exports of agricultural products like basmati rice and Indian fruits to the U.S. We urge the U.S. to fix specific MRLs based on scientific studies to enable the smooth export of these products from India. Additionally, India remains interested in a revised TRQ allocation regime for tobacco, as the present one prevents exporters like India from competing and accessing the quota on an equal footing.

269. I would like to emphasize the extremely important role of the U.S. in the WTO and in the DDA negotiations. We hope the U.S. will demonstrate the necessary political will and leadership in the coming months to deliver on the development dimension of the Doha Round and help to conclude it.

COSTA RICA

270. Costa Rica wishes to stress the contribution of the United States and its leadership towards "preserving and enhancing the WTO's irreplaceable role as the primary forum for multilateral trade liberalization", as stated in its trade policy programme. Costa Rica values the joint work of our delegations in the various areas of operation of the WTO, in particular services, the Information Technology Agreement and trade facilitation.

271. Certainly, Costa Rica and United States are countries that are very close, with mature trade and investment relations that have been strengthened and are continuing to expand as a result of the entry into force in Costa Rica of the CAFTA-DR on 1 January 2009. The United States is Costa Rica's main trading partner. Thus, in 2011 it was the destination for 38% of our exports and the source of 48% of our imports. Between 2000 and 2011, bilateral trade grew at an average annual rate of 6%.

272. At the same time, the United States is the main source of the foreign direct investment received by Costa Rica. In 2011, some 61% of the foreign direct investment flows entering Costa Rica came from the United States.

273. I would like to draw particular attention to various aspects of the Secretariat report and the report of the Government of the United States:

- We welcome the recovery experienced by the economy of the United States. Although this recovery has been slow, the economy is showing encouraging signs, thanks to increases in consumer spending, business fixed investment and exports. However, the federal budget deficit, which is still at high levels (between 8 and 9% of GDP), continues to give cause for concern.
- There has been a notable increase in exports of goods and services which, despite the difficulties of the world economy, are again reaching record levels.
- The United States maintains one of the most open trade regimes, with an MFN average tariff of 3.5%, or 1.34% if the duties applied under preference schemes are taken into account.
- Even though the merchandise trade of the United States still shows a substantial deficit, the services trade balance continues to register a growing surplus.
- It is worth underlining the contribution of the United States to Aid for Trade and the active role it has played in that initiative in the WTO. In this context, we would like to stress the initiatives undertaken by the United States in trade facilitation, in particular those carried out in conjunction with the countries of Central America with the aim of addressing the priority requirements in the area of customs, logistics and supply chains, and technical standards. In addition, we welcome, among other things, the announcement by the United States in November 2011 of the Partnership for Trade Facilitation, a flexible funding mechanism that will support developing countries' efforts to implement provisions of the WTO trade facilitation agreement currently under negotiation.
- The Secretariat report notes that since the last Review there have been no major changes in United States agricultural policies. In view of its relative importance for trade in agricultural products, Costa Rica urges the United States to consider the potential impact on world markets of its policy decisions in this sector and to ensure that its future legislation does not reverse the progress made with the agricultural trade reform process.

274. Costa Rica has submitted a series of questions to the United States in the context of this Trade Policy Review, on topics such as financial services, investment promotion, tariff nomenclature, quantitative restrictions and import prohibitions, sanitary and phytosanitary measures, competition and environmental services. We appreciate the attention it has given them and will carefully study its replies.

SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

275. Given its extremely important role in shaping international trade relations and influencing the rate of global economic growth, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is very pleased to have heard today that the U.S. economy has rebounded and maintained a slow but steady recovery since the last Trade Policy Review. We are also pleased to have assurances from the U.S. government of its intentions to continue pursuing trade liberalization that enhances the rules-based trading system, while at the same time maintaining open market policies that are widely beneficial to all WTO Members. The determination by the United States to resist protectionism and explore new avenues for trade expansion that contribute to both economic recovery and job creation, is very welcome news indeed. However, we are still concerned at the increased frequency of use by the U.S. of trade remedy measures, such as anti-dumping, and the fact that trade restrictions still remain in place in some areas.

276. We are glad to see progress by the U.S. in addressing its current domestic fiscal and debt challenges, which threaten its ability to take full advantage of future innovation and new investment opportunities. As globalization continues to reduce the significance of national boundaries across the world, the United States' domestic fiscal and debt issues become more closely interlinked with fluctuations in the global capital market, which drives the new areas of competitiveness. We very much hope that, through the far-reaching measures being implemented by the U.S. Government, conditions will soon be in place for both the U.S. and the world's economy to return to a period of renewed growth and dynamism.

277. On the multilateral front, we welcome the U.S.'s reaffirmation of its firm commitment to compliance with WTO obligations, and to its leadership role in the multilateral trading system. We ourselves have been working, together with the U.S., on fresh approaches, as instructed by the 8th Ministerial Conference, to exploring further liberalization in areas such as Services and the ITA. We have also seen evidence of some convergence on trade facilitation and development issues emerging among Members recently. Looking ahead to the Bali Ministerial Conference at the end of next year, the U.S.'s strong commitment to this organization and its leadership role will be a key factor in Members' upcoming work to develop a deliverable package to the MC9, which will hopefully be the stepping stone to final completion of the Doha negotiations.

278. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu enjoy a long-standing and fruitful cooperative relationship with the U.S. on investment and trade, and we work closely together in numerous ways to expand industrial cooperation and related activities. The U.S. is our third largest trading partner and our largest source of FDI. We are the U.S.'s 10th largest trading partner, and the second biggest consumer market for U.S. agricultural products on a per capita basis.

279. We look forward to further strengthening our economic cooperation with the U.S. in the future, through continued bilateral dialogue and multilateral negotiations. We have already addressed a number of questions to the U.S. in writing on specific aspects of trade policy in which we have particular interests or concerns. Thank you very much for your responses received today, which we shall study carefully and return to later if necessary.

THAILAND

280. Thailand fully associates itself with the ASEAN statement previously delivered by Ambassador Kwok Fook Seng of Singapore. We welcome the closer economic cooperation between ASEAN and the United States through the launch of the ASEAN-US Trade and Investment Framework Agreement or TIFA and the Expanded Economic Engagement (or E3) initiative. This promising future closer tie between ASEAN and the United States has been confirmed recently by

Undersecretary Robert D. Hormats of Economic Growth, Energy, and the Environment with Bloomberg Hong Kong on 7 December 2012. Undersecretary Hormats also stated that ASEAN will be an important recipient of American exports under President Obama's National Export Initiative.

281. Thailand appreciates our bilateral trade relationship with the United States. The U.S. is our third trade partner, after Japan and China, with total trade value in 2011 at US\$35.18 billion, increasing from 2010 by 13.92%. The United States is our third biggest export market and the import value from the U.S. ranks fourth for Thailand.

282. President Obama's visit to Thailand in November confirms our bilateral longstanding relationship, and our diplomatic relationship will celebrate the 180th anniversary next year. The discussions between President Obama and Prime Minister Shinawatra during his visit covered wide range of issues, from trade and investment, global economic stability and sustainability, and regional peace and securities, to name a few.

283. As indicated in the Secretariat Report, the United States' economic recovery has been slow but steady, but that does not push back her role in multilateral trading system. We appreciate the United States' active participation in all areas of the DDA negotiations, her global and regional preference programmes for developing countries, and trade-related technical assistance.

284. Thailand would like to express some of our concerns regarding the measures and policies of the United States, for instance, the latest modification of the "zeroing" practice which still allows the use of zeroing where appropriate, the application of the Lacey Act which could potentially harm trade of developing countries, and the high average tariff on agricultural products and some major agricultural policies.

INDONESIA

285. Indonesia thanks the U.S. delegation for the informative replies to our written questions for further examination. Indonesia nevertheless remains concern with some of U.S. Trade Policies that are yet in line with its obligations to the WTO rules, mainly on clove cigarettes and palm oil.

286. On U.S.-Clove Cigarettes case, the U.S. and Indonesia had agreed to follow-up the decision of Panel and Appellate Body on 24 April 2012. We understand that the U.S. is still working on the follow up of the decision as informed during the DSB meeting yesterday. While the U.S. has reasonable period to implement the WTO rulings until 24 July 2013, Indonesia is closely following the progress of the implementation and looking forward to seeing the United States to act consistently with the recommendations and rulings made by the Appellate Body and Panel.

287. On the palm oil issue, The U.S. Environmental Protection Agency (EPA) has recently issued a preliminary Notice of Data Availability (NODA) indicating that biodiesel and renewable diesel from Indonesia's palm oil, do not meet the lifecycle greenhouse gas (GHG) reduction thresholds, which is set by the U.S. renewable fuel standard (RFS).

288. The introduction of this threshold standard in the U.S. trade related policy has been a great concern of Indonesia, as it may contribute to a trade barrier. As one of the biggest exporters of palm-based products in the world, such measures will affect significantly our export to U.S. As we understand that the analysis is still preliminary, Indonesia has also shown its full cooperation by submitting information to contend EPA preliminary analysis. Indonesia hopes that the final decision shall base on scientific evidence.

289. Indonesia is confident that the United States will ensure its trade related policies to be in line with the WTO provisions. We acknowledge the important role of the United States in strengthening

the multilateral trading system and therefore it is very pertinent in contributing to the deliverables of MC-9 in Bali as well as the overall conclusion of DDA.

ISRAEL

290. Israel welcomes Ambassador Michael Punke as head of delegation, as well as the rest of the delegation of the United States, to their Trade Policy Review.

291. The United States is one of Israel's main trading partners for many years. We are looking forward to continued and prosperous relations for many years to come.

292. For this exercise, we have submitted some questions relating to a few sectors. We thank the U.S. for their replies, which we will study carefully.

293. Israel wishes them a very successful Trade Policy Review.

SOUTH AFRICA

294. The United States is one of South Africa's key trading partners. In 2011, the U.S. ranked 2nd as the destination for South Africa's exports globally and ranked 3rd as our leading import partner.

295. South Africa is the U.S.' 4th largest trade partner in Africa after Nigeria, Algeria and Angola, but is its largest non-oil trade partner.

296. Total bilateral trade has been on an irregular growth pattern for the past five years. The peak of US\$14 billion was registered in 2008 but declined somewhat the following year due to the global economic crisis. Since then, bilateral trade has been growing significantly and it stood at approximately US\$11 billion in 2011, as the U.S. economy recovers.

297. Two-way investments between South Africa and the United States have been steadily increasing. In 2011, Walmart invested US\$2.4 billion into the South African economy through the acquisition of a leading consumer goods retailer, Massmart. Various other U.S. companies have invested in South Africa over the years and their presence in South Africa has been the source of much needed job creation.

298. There are currently a number of South African companies active in the United States market and these firms are active in diverse sectors ranging from consumer goods to mining and to information communication technology.

299. South Africa and the U.S. have over recent years strengthened our bilateral engagement via a number of economic and investment cooperative dialogues and fora. Two of these fora are set up under the auspices of the Africa Growth and Opportunity Act (AGOA) on the one hand, and the Southern Africa Customs Union (SACU)/US Trade, Investment, Development and Cooperation Agreement (TIDCA), between the SACU and the US, on the other. The TIDCA provides a framework for formal interaction between South Africa and the customs union, SACU and the U.S.

300. On Aid for trade, we commend the U.S. ' evaluation of USAID's trade capacity building programmes in late 2010. From the perspective of the African continent, we encourage further efforts in this regard, under President Obama's strategy for development, the Presidential Policy Directive on Global Development.

301. We note that the initiation of anti-dumping investigations increased in 2011. However we are hopeful that, in light of the trend of a reducing percentage of imposition of final measures in 2011, as

well as recent regulatory amendments on the use of zeroing, this is indicative of a trend of more circumspect application of trade remedy measures by the U.S. authorities. We observe however with some concern, the perpetuation of many trade remedy measures notwithstanding the carrying out of a sunset review process, which has resulted in about 58% of orders being maintained. We regard this as still a very high percentage of orders remaining unrevoked, particularly in light of the length of time some of these orders have been in place.

302. We also note that according to the secretariat, a number of government stimulus measures still support certain industries, such as automotives and banking. We encourage the U.S. to phase out these measures which potentially have significant trade distortive effects.

303. We note that the Secretariat report highlights that there remain a number of restrictions to foreign investment in certain areas, and points out that certain information-gathering, monitoring, reporting, and disclosure procedures can also have an impact on foreign investment. Furthermore, a 2009 Congressional Research Service report observes that a number of federal laws or regulations act as barriers or otherwise restrict foreign investment in several areas, including maritime, aircraft, mining, energy, banking, to name a few. The secretariat report also states that the Committee on foreign investment in the U.S., or CFIUS, received and undertook an increasing number of notices and investigations between 2009 and 2011. We would urge the U.S. to take steps to relieve some of these foreign investment hurdles and restrictions, to facilitate more investment into the U.S. economy.

304. We are furthermore concerned to note with regard to rules of origin, the secretariat report notes that these are considered to be very complex, non-transparent and vary significantly product-by-product. As ourselves and other AGOA beneficiary countries too have faced the challenge of being limited in utilization of the preference mechanism as a result of such stringent rules of origin requirements, we would like to see a simplification of these rules, particularly to allow countries benefitting under the U.S. preference schemes to be able to take full advantage of market access opportunities.

305. We also note the secretariat report highlights the U.S.' strict use of SPS measures. We would similarly urge the U.S. to simplify its SPS requirements, particularly to facilitate the free flow of affected products of interest to particularly developing country exporters under AGOA and the preference schemes.

306. There are several other specific features of the U.S.' trade and investment regime which are of particular interest to South Africa, including the services sector. Notwithstanding the limitation of analysis in the Secretariat report to only two services sectors in the U.S., we have submitted detailed questions on some of these and others aspects to the U.S. delegation, via the secretariat. We thank the U.S. delegation for their comprehensive answers in this regard, which are being reviewed in capital.

UKRAINE

307. During these two years the United States, like all of us, has been facing new challenges imposed by the world economic recession and at the same time - new opportunities. The U.S. has been implementing a number of interesting initiatives to promote trade and exports, which is a useful know-how to help particularly small businesses overcome hardships.

308. Openness and transparency of the U.S. trade regime, business climate, governmental policies and measures used to foster private enterprise and competition have been key contributing factors to the efficiency of the U.S. economy and trade, ability to counteract crisis, encourage investment, job creation, growth and development. These measures helped the U.S. recover quickly from the crisis of 2007–2009, though some of them still cause concerns.

309. We all know the U.S. dedication and contribution to the multilateral system, especially to strengthen transparency principle - the number of notifications is impressive and exemplary - above one thousand TBT&SPS notifications during these two years. Though notifications in some areas are outstanding.

310. Nevertheless, we associate ourselves with the concerns expressed by the Members today. I would like to point out to some issues of concern for Ukraine as regards the U.S. trade regime and practices.

311. Anti-dumping measures concerning a number of Ukrainian products. Some of these measures are in force since late 80's and early 90's. High rates of anti-dumping duties were calculated taking into account the non-market economy status of Ukraine at that time.

312. Despite of the fact that Ukraine had been granted a market economy status, that status was not taken into account by the United States authorities while re-calculating the rates during appropriate review.

313. At present, because of the high rates of antidumping duties Ukrainian exporters cannot access the U.S. market. Because of the peculiarities of the U.S. legislation they cannot initiate reviews of the measures, although the absence of exports to the U.S. market during a considerable period of time means, in reality, the absence of any injury to the U.S. industry.

314. I would like to point out the uncertainty as regards the character of licensing procedures (automatic, non automatic) the United States applies to a number of products, including steel.

315. We also note the complexity of the United States laws and regulations concerning the rules of origin and marking requirements, some customs procedures. We would encourage the U.S. to simplify or repeal them, even though some of them are introduced for security considerations.

316. Agricultural tariff rates vary from zero rated up to 350%, the peaks being on tobacco, sugar, peanuts, and dairy products, beef, cotton, and some other products. Besides there are 44 tariff quotas covering 171 tariff lines.

317. United States has the right to provide "export subsidies for 14 agricultural products". Ukraine has concerns about trade-distorting potential of the export subsidies. Ukraine does not have such right, and would welcome the U.S. restraint from export subsidies as well.

318. As an exporter of agricultural products Ukraine has concerns about frequent use of special safeguards (SSG) by the United States. We would like to draw attention to unpredictability of this measure. We also would like to urge the U.S. to reconsider some trade-distorting domestic support measures.

319. It is noteworthy, that the U.S. is a major donor of Food Aid program, especially in emergency situations, when food supplies are a matter of survival. This activity deserves words of recognition and appreciation.

320. We know well and appreciate the U.S. leadership and contribution to the Doha negotiations, work in different negotiating small and big groups, and as a sponsor or co-sponsor of initiatives. Ukraine has own very positive and constructive experience of working together in a group of co-sponsors. We hope we'll continue working together in further negotiations.

ARGENTINA

321. The United States occupies fourth place as a destination for Argentina's exports and third place among our country's suppliers. However, the percentage share of Argentine exports to the United States has progressively decreased from 11.8% in 2000 to 5.1% in 2011, a percentage that has been maintained during the first nine months of the current year.

322. Despite the advantages of our range of exportables and the favourable trend in the prices of our export products, sales to the United States fell by 16.6% between 2008 and 2011 [from US\$5 billion to US\$4.2 billion], while Argentine imports of United States products increased by 11.7% over the same period [from US\$6.9 billion to US\$7.7 billion]. In 2011, Argentina's trade deficit with the United States grew by more than 37%, producing a deficit of US\$3.4 billion for our country. Trade in services has followed the same trend, resulting in a deficit for Argentina of US\$3.8 billion over the same period.

323. These data give rise to legitimate questions about the actual degree to which the United States has opened up its market to Argentine exports, in particular since 2008, and whether the effect has been to prevent a more balanced trade relationship that enables both parties to achieve their true potential.

324. The Secretariat report notes that the customs tariffs of the United States are still "relatively low", with an average of 4.7%. However, there are notable exceptions to this general rule, which particularly affect the exports of developing countries, including Argentina. The United States continues to apply "significant tariff peaks" in sectors such as footwear, leather, and textiles and clothing, as well as to agricultural products, which are also subject to a considerable number of non-*ad valorem* tariffs.

325. In addition, as well as tariff obstacles there are also non-tariff barriers. It is not by chance that three of the latest and most widely resonating cases to be resolved within the framework of the WTO's Understanding on the Settlement of Disputes, in 2012, have concerned United States technical regulations and their discriminatory effects on imports, found to be in breach of Article 2.1 of the Agreement on Technical Barriers to Trade (TBT).

326. Where sanitary and phytosanitary measures are concerned, we repeat that the rules must be applied only with the proper scientific and technical justification and in conformity with the provisions of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, and not turned into a means of introducing protectionist practices. Otherwise, the generation of judicial proceedings and disputes to secure market access, which necessarily requires proof on a case-by-case basis, will be very wearing, particularly for developing countries, while weakening the multilateral trading system as a whole.

327. We regret that certain import restrictions imposed by the United States, through the application of sanitary and phytosanitary measures that are harming Argentine exports have had to be brought before the WTO's Dispute Settlement Body (DSB).

328. We note, however, the support of the United States for technological innovation, in particular biotechnology, and the elimination of trade barriers, which is essential to ensure increased agricultural production and productivity in the face of the increasing demand for food.

329. With reference to the Doha Round, may I recall that the impasse in these negotiations also means the non-fulfilment of the Uruguay Round commitment to continue the agricultural policy reform process with a view to "reducing protection and support". It is clear that one of the agricultural policies requiring "fundamental reform" is that of the United States due to its contribution to

distortions in international trade, both through trade policy measures that need to be reformed and its global scope.

330. This fundamental reform can only be achieved through fulfilment of the mandate of the Doha Round agricultural negotiations, that is to say, the Doha Ministerial Declaration, the General Council Decision of 1/8/2004 and the Hong Kong Ministerial Declaration. There is no other way.

331. Recalling that the United States has made proposals in these agricultural negotiations that would tend to liberalize trade, we recommend that it makes the effort needed to fulfil that mandate and treats the agricultural negotiations, the *raison d'être* of the Round, as its first priority.

332. Moreover, given the current world economic situation, we must not omit to mention the concern being caused by the policies applied by the United States Government in recent years to boost its economy. The measures taken in response to the crisis have resulted in speculative flows that have led to currency appreciation and reduced competitiveness, particularly in the emerging countries, adversely affecting levels of employment and social inclusion and thus putting at risk the current engine of world economic growth.

333. We expect from the United States full recognition of its systemic importance and due consideration in its internal policy decisions for the effects of those decisions on other economies, particularly those that are more vulnerable, together with a leadership role in the promotion of a more harmonious and balanced development of the multilateral trading system..

CHILE

334. Our joint history begins in 1812 when the American representative Joel Poinsett was sent to Chile by President James Madison to achieve a rapprochement with the young Republic. The two countries subsequently signed a Peace, Friendship and Trade Treaty.

335. Last year marked 200 years of Chilean-United States relations. During these two centuries the United States and Chile have worked together in a wide range of areas. In recent years there has been a series of agreements and conventions that have even further tightened the traditional bonds: the Air Transport Agreement, the Environmental Agreement, the Investment Agreement, the Services Agreement, the Double Taxation Agreement, the Chile-California Plan, and the Interparliamentary Friendship Group, among others.

336. With the signing of the Free Trade Agreement (FTA) with the United States in 2003, Chile not only strengthened and developed its strategy of an open and competitive economy supported by dynamic exports but also extended access for its products to its largest and most important trading partner.

337. We are proud to have reached a comprehensive and balanced agreement. It is an agreement that went beyond the commitments undertaken by the two countries within the framework of the World Trade Organization (WTO) and, for that time, became a sort of model for what was to come. It included almost all the aspects possible in an economic and commercial relationship between two sovereign countries: trade in goods, where a zero tariff was agreed for the tariff universe, thereby eliminating all tariff peaks; far-reaching commitments in services and investment; trade protection; competition; government procurement; institutional matters; technical standards and matters relevant to the new economy such as e-commerce and the modern approach to environmental and labour topics. All this, under a single dispute settlement system and with an interesting penalty system.

338. In 2011, Chile's trade with United States flourished, amounting to somewhat over US\$24 billion, with annual growth of 43.4%. During this period, the United States accounted for 15% of Chile's total trade. It should be noted that Chile has a still growing trade deficit amounting to US\$6 billion. In other words, Chile is not a trade problem for the United States; on the contrary, we are part of the solution.

339. At the same time, up to last year, combined United States investment in Chile totalled US\$20.7 billion. In fact, cumulative US investment in Chile amounts to 24.6%, which makes the United States our country's main source of foreign investment. This investment is chiefly concentrated in such sectors as: mining (27%), trade (16%), electricity, gas and water (14%), communications (10%), financial services (7%) and the chemical industry (5%).

340. For its part, the United States market is currently the fifth largest recipient of direct investment from Chile, with a total of US\$4.1 billion, which represents almost 7% (6.8%) of Chilean foreign investment.

341. We note the solid bilateral trade relationship that exists between our country and the United States. Today we are continuing to work together on a series of multilateral and plurilateral initiatives. Within the WTO we share the same views on various subjects such as Fishing Subsidies, Trade Facilitation, the far-reaching liberalization of goods and services, and the commitment to Anti-Protectionism. Moreover, within the framework of the Asia-Pacific region we are working on the conclusion of the Trans-Pacific Partnership Agreement and, on the fringes of the WTO, we are moving towards a services agreement which should help with the liberalization of services at the multilateral level.

342. We are pleased to note the recovery made during the review period which, though slow, by 2009 had already exceeded the levels of 2008.

343. Accordingly, and because of the impact of the United States' domestic decisions (economic, commercial and fiscal) on the rest of the world, we are eager for the measures adopted on the fiscal front to live up to the requirements of history. Likewise, we hope that the United States will exert leadership within the WTO, particularly with a view to the Bali Ministerial Conference.

344. In 1774, one of the founding fathers of the United States, Benjamin Franklin stated that "No nation was ever ruined by trade, ... ". Many of us agree that the United States is a good example of this.

DOMINICAN REPUBLIC

345. For the Dominican Republic, the United States is its most important trading partner, both countries being parties to the CAFTA-DR Free Trade Agreement, which includes the Central American countries. On page 9 of the Secretariat Report we can see how these agreements have increased the share of the countries of Latin America and the Caribbean in the trade of the United States, to which they already contribute one-fifth, which underlines the importance of applying regional policies that make possible a steady increase in the purchasing power of their populations.

346. On the occasion of this 11th Trade Policy Review, we would like to congratulate the Government of the United States, given that despite the financial and economic crisis, since the last Review, it has experienced a slow but steady recovery and has achieved a certain degree of rebalancing, although the fiscal deficit has stayed high at 8.7% of GDP and the level of public debt as a percentage of GDP has exceeded 100%. Trade in goods and services have recovered significantly since 2009 and have returned to the record levels of 2008; above all, the balance of trade in services has registered an increasing surplus, with the services sector accounting for 70% of United States

production. We note with sympathy that the country intends progressively to reduce its dependence on imported energy products which, combined with the maturing of the measures to double exports adopted by the Executive in 2010, will help to improve the trade balance. We also welcome the principal regulatory reform introduced since the last Review, namely the Dodd-Frank Wall Street Reform and Consumer Protection Act, which entered into force in July 2010 and whose main objectives include promoting financial stability, ending "too big to fail" bailouts and protecting taxpayers and consumers from abusive financial practices.

347. Since the last Trade Policy Review in 2010, the economy has averaged 2.2% annual growth, a positive sign, led by investment, private consumption and exports driven by proactive fiscal and monetary policies. However, as the Secretariat report points out, more time is needed to achieve pre-crisis levels and some areas of the economy are continuing to show considerable weakness, such as the housing market and employment. Moreover, the entry into effect of the so-called "fiscal cliff" at the beginning of next year might hold up the slow economic recovery. With regard to exchange rate policies and the international monetary system, we agree with Ambassador Roberto Acevedo of Brazil that these policies should be coordinated through multilateral bodies.

348. The United States is the world's greatest recipient of foreign direct investment, which plays a fundamental role in the behaviour of its domestic economy and balance of payments, so that we welcome the establishment of the SelectUSA programme, which is intended to promote and facilitate the flow of this investment. However, there are laws and regulations which, in several sectors, are restricting investment flows and we therefore we urge the authorities to relax these regulations, such as that granting the private sector concessions to invest in infrastructure projects that improve the country's productivity, in order to make the achievement of the objectives of SelectUSA more effective.

349. The United States has one of the world's largest agricultural sectors and is its largest exporter of agricultural products, so that any change in the country and its agricultural policies has big repercussions on world markets. For this reason we urge it to reduce its high levels of domestic support, considering the adverse effect they are having on agricultural production in the developing countries.

350. The Report indicates that the laws and regulations on origin and trademarks have not changed and that they are still very complex and excessively cumbersome, particularly the preferential rules of origin. In this connection, we urge the United States to review this system of rules of origin, in order to simplify trade with its partners. Moreover, the United States' preferential rules of origin have not been notified to the WTO's Committee on Rules of Origin since 1997.

351. The United States imposes various charges on imports which vary with their provenance, value and mode of importation; these include the merchandise processing fee, the COBRA Act fees, the harbour maintenance fee, agricultural levies, and excise tax. All these duties and fees mean that exporting to the United States is not so easy, despite the relatively low tariffs. Not to mention the high costs added to products from the Caribbean by the restrictions in the maritime transport regulations, which we hope will be relaxed.

352. At the same time, the Secretariat report notes that there are still significant tariff peaks in some sectors, such as footwear, leather, and textiles and clothing, as well as in agricultural products, which are also subject to a considerable number of non-*ad valorem* tariffs.

353. With respect to technical regulations, we note with interest that during the review period, the United States authorities recognized the need to improve their internal procedures in relation to notifications at sub-federal level, and temporarily interrupted the notifications to make corrections. We urge the United States to improve its system for drafting and notifying technical standards in

order to meet the concerns of Members expressed within the context of the TBT Committee. The same suggestion goes for the drafting of sanitary and phytosanitary measures.

354. Finally, in relation to the TRIPS Agreement, we urge the authorities to amend those legal instruments that are preventing the country from complying with the decisions of the WTO Dispute Settlement Body.

355. The Dominican Republic submitted certain questions to the United States in connection with various aspects of its trade regime and we are grateful for the replies received, which we will study carefully. To conclude, we urge the United States to continue with its efforts to overcome the financial and economic crisis and to build on its great contributions to the progress of humanity, and wish it much success with this Trade Policy Review and in the future.

EL SALVADOR

356. The United States and El Salvador maintain close relations in the area of policy, trade and investment, as evidenced by our first trade agreement dating from 19 February 1937, an agreement which for its time was extremely ambitious and included topics such as origin, customs valuation, sanitary measures, and market access.

357. Bilaterally, we have been promoting open trade relations that are helping us to push forward with an inclusive development model in El Salvador, while where trade and investment are concerned we are operating within the framework of the CAFTA-DR Free Trade Agreement with the United States, an agreement which entered into force on 1 March 2006 and whose purpose is to promote greater stability and certainty in our economic relations and investment activities. In their turn, our trade relations are promoting balance between the two countries, by offering advantages such as the inclusion in the economic agenda with the United States of cross-cutting issues of national priority, for example, the relationship with Salvadorans living abroad, the promotion of commercial opportunities for MiSMEs, the attraction of investment, support for job creation and the promotion of the country as a tourist destination, which contribute to El Salvador's economic development.

358. An interesting feature of our trade relations is the fact that from the first year of entry into force of the Agreement with the United States (CAFTA-DR) there was an increase of more than 15% in our exports of so-called traditional or "nostalgic" products such as cheese, stuffed tortillas and loroco, barley, horchata, frozen fruit (jocote or mamey), tamales de elote, pan dulce, tamales, etc., products which continue to be exported in significantly increasing quantities due to the demand from Salvadorans established in the United States, which in practical terms means more jobs and better opportunities for our people.

359. Where trade is concerned, our balance with the United States has increased moderately by 11%, the main export products being clothing and textiles, coffee, ethanol, sugar, molasses, food products, beverages, oils, fish and crustaceans, vegetables, and precious metal and other scrap, while in 2011 El Salvador's imports from the United States amounted to approximately US\$2.3 billion, the main products imported being fuel and mineral oils (diesel oil, crude petroleum, kerosene, greases and lubricating oils), mechanical machinery, cereals (yellow maize, wheat, flour), mobile phones, food products, plastics, cotton, textiles, vehicles, medicines for human and veterinary use, and chemicals, among others.

360. Where investment is concerned, we have the Building Remittance Investment for Development Growth and Entrepreneurship (BRIDGE) Initiative, which is aimed at exploring options to use remittance flows safely to raise lower-cost and longer-term financing for, among other things, infrastructure, public works and commercial development initiatives, while in our turn we are

analysing lines of action for other initiatives such as the Partnership for Growth plan, with a strategy that could enable our country to grow.

361. In relation to our present exercise, we note Executive Order 13534 of 11 March 2010, which established the National Export Initiative (NEI) with the aim of doubling exports over a five-year period, among other things by helping businesses to overcome the obstacles standing in the way of access to new export markets by providing them with financing.

362. We also observe that the financial assistance and the increase in the availability of export credit for SMEs under this initiative is relevant to our Government's policy of providing support for small and medium-sized enterprises, for which reason we would like to know more about the initiative, for example, about the terms of this financing and export credit, and the sectors and subsectors to which the SMEs eligible for this support belong.

363. At multilateral level, we recognize the participation of the United States within the multilateral context, by contributing proposals and taking conciliatory positions conducive to agreements on the various negotiating fronts.

CAMBODIA ON BEHALF OF ASEAN

364. We, in ASEAN, continue to place high importance on the United States as a strategic trading partner, together we have a potential of contributing US\$2.2 trillion to the world economy. Total goods trade between ASEAN and the United States in 2011 showed a 9.2% increase to US\$194 billion whereas U.S. foreign direct investment stock in ASEAN countries was US\$159.6 billion, up 11.2% from 2010. ASEAN FDI stock in the United States demonstrated even stronger growth, increasing 13.1% to US\$24.6 billion, further testament to the importance of our economic relations.

365. At the 4th ASEAN-U.S. Leaders Meeting earlier this November, our leaders welcomed the launch of the 2013 ASEAN-U.S. Trade and Investment Framework Agreement (TIFA) Work Plan together with the launch of the U.S.-ASEAN Expanded Economic Engagement initiative also known as the E3, which will promote closer economic cooperation between ASEAN and the United States, and facilitate the pursuit of high standard trade agreements. The E3 initiative activities may include, among others, the negotiation of a U.S.-ASEAN trade facilitation agreement, the joint development of investment principles, and the expansion of cooperative work on standards development and practices, including on technical barriers to trade and good regulatory practices.

366. A number of us in ASEAN are also engaged with the U.S. in negotiations on the Trans-Pacific Partnership (TPP), a high-standard free trade agreement that will boost trade and investment, and promote regional economic integration throughout the Asia Pacific region and beyond. We continue to view our regional and bilateral economic partnerships as complementary to our efforts to strengthen the multilateral trading system. We are convinced that these partnerships will complement the successful outcome of the Doha Development Agenda (DDA) in due course.

367. ASEAN emphasizes the importance of sustaining dialogue at the highest level with the United States' and looks forward to the first ASEAN-U.S. Summit in Brunei Darussalam in 2013.

368. While the Secretariat's report has highlighted that the annual growth rate of the U.S. economy since its last review has slowed in 2011, the positive signs of a steady recovery are encouraging and we look forward to the continued recovery of the U.S.'s economy, which will help provide an engine for global growth.

369. ASEAN would also like to reiterate our previous concerns on the United States' high average tariff on agricultural products, where major changes to its agricultural policies have yet to be seen. As the United States is one of the world's largest agricultural producers, the U.S.'s policies have a significant impact on world prices and international trade in agriculture. We therefore urge the United States to avoid trade-distorting forms of support in agriculture.

370. On a different note, ASEAN would like to express our appreciation to the United States for its contribution to Trade Capacity Building programs and WTO's trade-related technical assistance, allowing developing and least developed countries, including those in ASEAN, to integrate more effectively into the international trading system and further benefit from global trade.

371. ASEAN is happy to note that the United States has actively participated in all areas of the DDA negotiations, and plays a strong leadership role in the multilateral trading system. We continue to view the United States as having a key role in the DDA negotiations, and we look forward to working closely with the United States to ensure that the 9th Ministerial Conference in Bali will bring us a step closer to concluding the DDA. ASEAN would particularly like to thank Ambassador Punke and his delegation for their tireless efforts and constructive engagement with delegations, including individual ASEAN Members, here in Geneva.

372. In conclusion, on behalf of ASEAN members, we would like to express our appreciation for the United States' continued and constructive partnership with us and the critical role it plays in the WTO.

TRINIDAD AND TOBAGO

373. In his opening remarks this morning, Ambassador Punke in speaking to the openness of the United States' market stated that in 2011, 68 countries counted the United States as their 1st, 2nd or 3rd largest export market. Trinidad and Tobago is among those 68 countries, given the vibrant trade relationship our countries enjoy, the result of which is the United States being Trinidad and Tobago's largest trading partner.

374. The nature of our trade relationship is due principally to the U.S.'s Caribbean Basin Initiative (CBI), which helps to bolster the competitiveness of our products in the U.S. market. Since 2006, Trinidad and Tobago has been the leading exporter under CBI tariff preferences. In 2010, exports under the programme totaled US\$2.2 billion dominated by petroleum and methanol exports to the U.S. market. In addition, Foreign Direct Investment from the United States makes a significant contribution to the Trinidad and Tobago economy, particularly in our energy industry.

375. The Caribbean Basin Initiative was initially envisaged as a programme to facilitate the economic development and export diversification of the economies of the Caribbean Region. However, over the years, the United States too has derived substantial benefits from the programme, marked by consistent increases in U.S. exports to CBI beneficiary countries.

376. In its report, the United States highlights partnering with developing countries to promote their economic growth and development, as one of the key elements of its trade policy. In this regard, my delegation wishes to thank the United States for its trade capacity building and technical assistance initiatives and programmes aimed at helping developing countries and LDCs to enhance their ability to compete in the global trading system. Special mention must be made of the United States' support to the trade-related assistance activities of the WTO Secretariat through its voluntary contributions to the DDA Global Trust Fund and to its active participation in the WTO's Aid for Trade discussion.

377. In addition, my delegation noted with interest the United States' stated commitment to seek increased cooperation and trade with many developing countries through its preferential trade measures, the Caribbean Basin Economic Recovery Act (CBERA), being among them. This type of initiative will go a long way to assisting countries with small and vulnerable economies such as Trinidad and Tobago and other members of the Caribbean Community (CARICOM) as we further integrate into the global trading system. We are indeed encouraged by the US's commitment which comes in spite of the challenges within its own economy, which as the Secretariat indicated in its report, is slowly but steadily rebounding.

378. Trinidad and Tobago also welcomed the United States' commitment "to preserving and enhancing the WTO's irreplaceable role as the primary forum for multilateral trade liberalization, for the development and enforcement of global trade rules and as a key bulwark against protectionism". Trinidad and Tobago hopes that US, as one of the key players of the WTO Membership, will make an even more substantive contribution to re-energizing the stalled Doha Negotiations, in a manner that upholds the key principles of the Doha Development Agenda.

MALAYSIA

379. In 2011, the United States' was Malaysia's 4th largest trading partner, both as an export destination and source of import. However, since the last TPR of the United States, total trade between Malaysia and the U.S. recorded a decrease of 3.6% to around US\$37 billion in 2011, as compared to the corresponding period in 2010. For January to October 2012, total trade with the U.S. recorded a decrease of US\$30 billion compared to the corresponding period in 2011. Malaysia's exports though increased by 6.4% while imports declined by 12.1% to approximately US\$13 billion.

380. With respect to investment, in 2011, the United States was the third largest foreign investor with a total investment of around US\$792 million in 21 manufacturing projects. In total, as at August 2012, 725 manufacturing projects with US participation worth US\$17.2 billion have been implemented.

381. It is heartening to note that the United States' economy has been making steady recovery since its last Review. Following a significant downturn during the financial crisis, U.S. merchandise trade (imports and exports) rebounded strongly in 2010 and 2011 and has now reached new peak levels, surpassing the previous 2008 peak levels. Having said that, we also follow closely the fiscal situation in the U.S., in particular the on-going efforts by lawmakers in the U.S. to avert the U.S. economy from driving through the "fiscal cliff". We hope the U.S. lawmakers would be able to resolve the situation and thus avoiding the possibility of the United States going into recession which may adversely affect the global economy and the U.S. trading partners.

382. In the multilateral system, we continue to see the critical role that the United States plays in the negotiations. We hope that the United States continues to play an active role in finding solutions to the current deadlock, to ensure that we can find the appropriate solutions towards the conclusion of the Doha Development Agenda.

PERU

383. Since the international financial crisis the United States, and with it the world economy given the importance of the U.S. contribution to global commerce, has been recovering through trade. The United States is one of Peru's main export markets and its leading supplier at world level. In 2011, the estimated value of the trade in goods between the United States and Peru reached the historic value of US\$13.7 billion, while exports from Peru to the United States totalled US\$6.097 billion. The main products exported to the United States are: minerals and metals,

textiles, fishery products, crude petroleum, coffee, cocoa, craft sector products, and other food products.

384. For a decade, Peru was a beneficiary of the Andean Tariff Preferences Act of 1991 and the Andean Trade Promotion and Drug Eradication Act of 2002, promulgated by the United States to allow products to enter duty-free with the aim of promoting crops that could be grown as an alternative to coca leaf production. These preferences were periodically renewed and remained in force until December 2010. A bilateral Trade Promotion Agreement, in force since 1 February 2009, provides a permanent comprehensive opening to trade that offers the stability indispensable for increased investment in the export sector and the integration of our enterprises into global value chains, while making it possible to boost Peru's economic development through trade, investment and access to technology.

385. The Agreement eliminates tariffs and removes barriers to services, provides investors with a secure and predictable legal framework, strengthens protection for intellectual property, and promotes trade capacity building. Here it should be pointed out that the United States is Peru's second largest investor, after Spain, accounting for 14% of total investment in Peru, this investment being mainly destined for key sectors such as mining, manufacturing, finance and energy.

386. The two countries are working together on the implementation of the Agreement, through meetings of the Committees on Agricultural Trade, Sanitary and Phytosanitary Matters, Intellectual Property, Textile and Apparel Trade Matters, the Working Group on Small and Medium-Sized Enterprises, the Forest Sector Governance Subcommittee and the Environmental Affairs Council.

387. The United States and Peru are part of APEC and, together with the other nine partners, we are participating in the negotiation of the Trans-Pacific Partnership Agreement (TPP), with a view to drawing up a broad high-level trade agreement for the Asia-Pacific region that addresses new and emerging trade issues and the challenges of the twenty-first century. Likewise, within the framework of the WTO, our two countries are participating in the initiative aimed at an agreement on trade in services and are monitoring protectionist measures and those that affect the functioning of the multilateral trading system, and we are part of the Friends of Fish Group and are promoting the expansion of the coverage of the Information Technology Agreement, and also requesting greater consistency and flexibility on the part of the United States and other important members in order to achieve concrete results in the Doha Round.

ECUADOR

388. In the 11th Trade Policy Review of the United States we note the progressive, albeit slow, recovery of its economy. Trade in goods and services have performed well since the last Review in 2009. In fact, since 2010, the economy has grown at an annual rate of 2.2%, although the pace of recovery slackened in 2011 and something similar is forecast for 2012. However, between 2010 and 2011 merchandise trade rebounded, surpassing 2008 levels. Exports and imports grew by 16%, but the latter were greater than the former, worsening the massive existing deficit. On the other hand, trade in services has recorded a solid and increasing surplus in recent years, which has helped the current balance. During the review period, the financial services sector accounted for 8.5% of United States GDP.

389. Within this context and in the shadow of the still fragile state of the global economy, in response to the crisis the United States has formulated and implemented export promotion and investment policies aimed at doubling exports within a period of five years and for this purpose has increased financing by the Export-Import Bank and adopted the Export Control Reform Initiative. Thus, the figures reflect the importance of exports, which in 2011 reached the historic high of 13.8%

of GDP. More specifically, during the review period, in the merchandise sector exports rose to US\$1,497 billion, while in the services sector exports grew by 9.2%.

390. Since its last Review, the trade policy of the United States has been multifaceted. Firstly, there is the commitment to the multilateral trading system through the maintenance of MFN treatment of its trading partners at multilateral level (WTO) and the general application of the multilateral trade rules. Secondly, there is the continuation and emphasis on regionalism through the negotiation, approval and implementation of Free Trade Agreements such as those signed with Korea, Colombia and Panama and the next to be concluded agreement known as the Trans-Pacific Partnership, among other initiatives. Finally, the third facet concerns the renewal of schemes for granting non-reciprocal preferences, such as the extension of two programmes that had expired: the Generalized System of Preferences and the Andean Trade Preference Act (ATPA). In this connection, it is worth noting the importance of the preferential trade relationship in the United States, given that this accounts for 20.1% of the country's imports, out of which only 3.7% corresponds to unilateral preferences.

391. As regards the state of bilateral trade between Ecuador and the United States, since October 2009 Ecuador has imported an annual average of US\$5.9 billion and exported around US\$8.6 billion. Specifically, during the period January-October 2012, the principal destination for petroleum and non-petroleum products exported from Ecuador was the United States. At the same time, Ecuador's petroleum and non-petroleum imports came mainly from the United States. In short, the United States was the main market for Ecuadoran exports with a 44.6% share, while being the second largest supplier of the country's imports with a 26.9% share. With the United States, our principal trading partner, Ecuador has recorded positive total trade balances, largely due to exports of crude petroleum, which account for around 70% of the Ecuadoran offer.

392. The possible non-renewal of the ATPA could affect the trade balance with the United States, reducing it to deficit levels. This is why, Ecuador currently being the sole beneficiary of the system, we wish to express our appreciation of the tariff preferences granted, which without doubt clearly and substantially support the efforts made by my country in the unequal combat with drug trafficking and related offences. Apart from its major contribution to economic growth and employment in Ecuador, the ATPA is an essential feature of the bilateral relationship between our countries having become a basic tool for Ecuador in the struggle against drug trafficking in the Andean region. Therefore, on the basis of the principle of co-responsibility and the positive effects that this preferential system has had in Ecuador, we urge the United States to give favourable consideration to the extension or prolongation of the ATPA for longer periods of up to three to five years. We also wish to reiterate the importance for developing countries in general and Ecuador in particular of maintaining and expanding the GSP of the United States as a means of facilitating development.

393. In this connection, Ecuador considers that our countries could develop, progressively and with account for the existing asymmetries, a bilateral working agenda that enables the trade relations between the two parties to be stabilized, through the negotiation of a trade agreement focused on development and mutual advantage. We therefore wish to point out that Ecuador is hoping shortly to resume the Specialized Dialogue and return to the specific trade and economic issues within the framework of the Bilateral Trade and Investment Council.

394. Finally, Ecuador agrees with the statements made by Cuba during the morning session, in particular, concerning the importance of the compliance of Members with the recommendations and rulings of the WTO's Dispute Settlement Body, the cornerstone of the multilateral trading system.

VIET NAM

395. Viet Nam and the United States have enjoyed strong trade and economic relationship for a decade after the bilateral trade agreement between the two countries signed in 2000. In 2011, the

two-way trade between Vietnam and the U.S. reached US\$21.5 billion while it started at only US\$451 million in 2000. The U.S continues to maintain its first position of destination for a number of Vietnamese exports including garment and textile, wooden furniture and footwear.

396. It is also encouraging to be aware that the U.S has been one of the leading investors in Viet Nam, ranking 8th out of 96 countries and regions having foreign direct investment in Viet Nam.

397. We are really impressed by the remarkable achievement of trade and investment between the two countries. We believe the two countries would further make use of potentials of cooperation and lift our relationship to a new height. With that thought in mind, in addition to the questions submitted for this review, we would appreciate if the U.S. could give further explanations on the followings:

398. First, regarding the recently approved act by the United States to apply the countervailing duty provisions of the Tariff Act of 1930 to non-market economy countries retroactively to November 2006, we kindly requests the United States to clarify a specific calculation methodology to avoid double-counting in anti-dumping and countervailing investigations.

399. Second, the United States is currently applying country-wide rate in anti-dumping investigations against imports from non-market economies. We would highly appreciate if the U.S. could review with a consideration to the consistence with WTO Antidumping Agreement. Our wish, of course, is to be able to see an end to this kind of practice.

400. We acknowledge the important role of the United States in international trade and would like to see more contribution of the country to the multilateral trading system.

401. We welcome the United States' note in the government report that "the pursuit of market opening and trade liberalization remains at the forefront of the U.S. trade policy" and share the view that "trade liberalization at the multilateral level holds the highest potential for securing wide-ranging market-opening outcomes while at the same time advancing trade as an economic engine for global development". We would greatly appreciate if these statements could be reflected in conducting anti-dumping and countervailing investigations which should be in a transparent and fair manner and, of course, consistent with the WTO rules.

HONDURAS

402. In the Secretariat Report we are pleased to note that since the last Review the economy of the United States has been slowly but steadily recovering, with some rebalancing. Since the financial crisis of 2008, merchandise and services trade figures have rebounded significantly, reaching new peak levels that surpass the record levels of 2008. We are pleased to note that the Government has set in motion policies for domestic and international rebalancing, by moving away from consumption and real estate and encouraging export and investment growth.

403. The United States has the largest securities and insurance markets in the world. In 2010, the financial services sector accounted for 8.5% of GDP. We welcome the entry into force, in July 2010, of the Dodd-Frank Wall Street Reform and Consumer Protection Act, whose main objectives include promoting financial stability, ending bailouts, protecting taxpayers, and protecting consumers from abusive financial services practices.

404. I will now, if I may, briefly describe the trade relations between Honduras and the United States. In 2011, the trade balance totalled US\$10.6 billion. United States exports to Honduras increased by 33.4% as compared with 2010, reaching US\$6.1 billion in products such as fuels, cotton, fabrics, electrical machinery, wheat, and rice. On the other hand, Honduran exports to the United States reached US\$4.5 billion, an increase of 14.5% as compared with 2010, the main

exports being products such as clothing, fresh fruit (bananas, melons and watermelons), cigars, coffee and tilapia fillets. Where United States foreign direct investment in Honduras is concerned, it fell by 6.9% as compared with 2010, amounting to US\$930 million in 2011. It is estimated that around 200 United States companies are operating on Honduran territory.

405. The Free Trade Agreement between the United States and Central America-Dominican Republic (CAFTA-DR), the first free trade agreement between the United States and a group of small developing countries, has been in force since 2006. The objective of this Agreement is to promote the growth and diversification of trade in the region and substantially increase the opportunities for investment. Likewise, it has paved the way for closer trade ties and increased access to one of the largest markets in the world, that of the United States.

406. Central America and the Dominican Republic make up the third largest export market for the United States in Latin America, after Mexico and Brazil. In 2011, United States merchandise exports to the CAFTA-DR countries reached US\$30.5 billion. Also in 2011, combined global bilateral trade between the United States and the countries of Central America and the Dominican Republic amounted to US\$58.7 billion.

407. In February of last year, the CAFTA-DR Free Trade Commission (FTC) held its inaugural meeting. The Trade Ministers review the implementation of the CAFTA-DR and adopted several important measures to increase the benefits and improve the functioning of the Agreement. These included the approval by the FTC of a CAFTA-DR Trade Facilitation Initiative aimed at increasing integration and regional competitiveness, broadening and increasing the benefits of trade under the Agreement and supporting employment, with special attention to encouraging greater participation by small and medium-sized enterprises.

408. We would like to take advantage of this occasion to thank the Government of the United States for its cooperation with our country, mainly via the United States Agency for International Development (USAID), through programmes in the fields of education, health, economic policy, micro-business, and food security, among others. Likewise through the Millennium Challenge Corporation (MCC), which in a first compact disbursed US\$205 million in aid, the continuation of which our Government is making every effort to secure.

JAMAICA

409. Both the Secretariat and Government Reports reflect the deep level of integration of the United States into the global economy and the increasing importance of trade and economic policies to the U.S. economy. The U.S. remains the single largest trading economy in the world and the largest importer accounting for 18.1% of total merchandise and services exports and 14.5% of total merchandise and services imports. It is among main trade markets for most, if not all, regions. Regional arrangements account for an important and growing part of U.S. trade policy. In 2011, 20.1% of U.S. imports were under such agreements with reciprocal preferences accounting for 16.4% and unilateral preferences accounting for 3.7%. The U.S. is also the world's largest recipient of foreign direct investment from other countries amounting to US\$228 billion in 2011, down from US\$236 billion in 2010. These indicators reflect the U.S.' generally open trade policies and points to its critical and beneficial roles in the world economy.

410. Against this background, Jamaica notes that the U.S. economy has begun to show positive signs of growth in 2010 and 2011 with growth in real GDP of 3% and 1.7% respectively compared with -3.5% for 2009. This has been propelled by increases in consumer spending, gross private domestic investment and an increase in exports. The IMF has predicted modest growth rates of 2% for 2012 and 2.5% for 2013; however, the rate for 2012 has been revised downward by 0.1% in light of less than expected modest growth. Signs of positive growth in the U.S. economy is of great

importance to all countries, particularly small economies such as ours as in 2011 the U.S. was ranked our main trading partner with exports valued at more than US\$0.6 billion and imports valued at nearly US\$2 billion. The U.S. is also Jamaica's primary source of direct investment.

411. As countries grapple with a fragile global economic recovery process, we note that the U.S. has implemented measures to deal with its fiscal imbalances and a growing current account deficit. As the U.S. is vitally important to the health of the global economy, it is important that the necessary responsive policy measures are implemented by the U.S. and other major trading partners aimed at strengthening the global economic recovery.

412. As befits its role as a major player in the global economy, the U.S. is a very active participant in all aspects of the WTO work programme. As certain areas of the DDA negotiations begin to show momentum, and as Members embark on the preparatory process for the 9th WTO Ministerial Conference to be held in Bali in December 2013, it will be critical that the U.S. remains constructively engaged with other Members and show the leadership that will be required to address issues relating to the negotiations and other proposals advanced by Members. Jamaica appreciates the U.S.' contribution to the WTO Global Trust Fund and to the provision of technical assistance and capacity building programmes to developing countries and LDCs. The U.S. also remains engaged on the Aid for Trade Initiative and provides various other trade support measures as outlined in the Government Report to build developing and LDC country capacity.

413. Jamaica acknowledges the U.S.' support for processes aimed at promoting growth and development and the integration of developing countries into the global economy. Regional trade agreements are a key feature of U.S. trade policy and are viewed by the U.S. as complementary to trade liberalization efforts at the multilateral level. The U.S. participates in a number of regional trading arrangements as detailed in both reports. The Caribbean Basin Economic recovery Act (CBERA) is a valuable instrument for Jamaica and other countries in the Caribbean sub-region. Access to the U.S. market under the CBERA continues to be very important to Jamaica as over 90% of our exports to the U.S. enter that market under this arrangement. Jamaica welcomes the decision by the U.S. Government in 2011 to renew the Caribbean Basin Trade Partnership Act (CBPTA) until 2020.

414. Jamaica has excellent bilateral relations with the U.S. spanning the trade, security, social and economic spheres. We have full confidence that our bilateral relations will grow and deepen further over the coming years as the multilateral and regional trade and development agendas evolve.

SAUDI ARABIA

415. This is a very important Review because the United States, as the world's largest economy and trading nation, plays a leading role in this Organization and in the international trade. The Secretariat's Report points out that the United States' economy has been marked by slow but steady recovery and some re balancing since its last Review in 2010. Merchandise and services trade figures have re bounded significantly since the 2009 financial crisis and have now reached new peak levels, surpassing previous 2008 peak levels . Foreign direct investment continues to play an important role in the U.S. economy by making important contributions to U.S. employment, R&D, and exports. The United States is the world's largest recipient of foreign direct investment (FDI), which totalled US\$228 billion in 2011. Therefore, the Kingdom of Saudi Arabia would like to indicate that, it is important for the health of the global economy and international trade that the U.S. continues to take steps to restore growth and stimulates demand for goods and services, which will in turn provide an impetus for global recovery.

416. The Kingdom of Saudi Arabia and the United States have long enjoyed a strategic and economic partnership that has strengthened over the years. The United States is Saudi Arabia's largest

trading partner, and Saudi Arabia is one of the largest U.S. export markets in the Middle East. Saudi Arabia is one of the leading sources of imported oil for the United States, providing more than one million barrels per day of oil to the U.S. market. Saudi Arabia is U.S. 12th largest goods trading partner with US\$61 billion in total (two ways) goods trade during 2011. The top export categories in 2011 were: vehicles, machinery, electrical machinery, optic and medical instruments, and aircraft. Saudi Arabia is the United States 8th largest supplier of goods imports in 2011. The four largest import categories in 2011 were: mineral fuel, organic chemicals, fertilizers, and iron and steel products.

417. The U.S.-Saudi Arabian Business Council (USSABC) plays a leading role in improving the mutual knowledge and understanding between the private sectors of Saudi Arabia and the U.S. and facilitates increased trade and investment between the two countries. The Council enjoys strong government support from both countries, and interacts regularly with senior government officials to promote issues of mutual interest to Saudi and U.S. firms.

418. The Kingdom of Saudi Arabia considers USA very important economic partner for investment, joint venture, transfer of technology and joint projects in third countries.

419. The Kingdom of Saudi Arabia has taken note of and welcomes the U.S. commitment to promoting the multilateral trading system. In the context of the Doha Round negotiations the U.S. has a special leadership role to play. The U.S. has always been a key player in both launching and ensuring the successful outcome of previous rounds of negotiations. We are confident that the U.S. will continue to show leadership in the crucial time ahead and do its part as we strive to finally bring the DDA to a successful conclusion.

MOROCCO

420. The United States economy bore the brunt of the global economic crisis of 2007 and is slowly returning to growth, estimated at 1.8% of GDP in 2011 as against 2.4% in 2010, thanks in particular to domestic consumption, exports and investment.

421. Employment has also improved significantly, with an unemployment rate of 8.9% in 2011 as against 9.6% in 2010, and predictions of around 8.1% during the first half of 2012.

422. However, for both domestic and international reasons the economy remains fragile. The weakness of the housing sector and the increase in household debt are two risk factors, together with the consequences of the euro zone crisis and the slowdown in world growth, which are preventing a sustained increase in United States exports.

423. These exports, a factor in the economic recovery during the last three years, reached a record of the order of US\$2.1 trillion in 2011, making it possible to maintain 9.7 million jobs, 25% of them in the industrial sector.

424. The good health of United States exports can be attributed to the launch in 2010 of the National Export Initiative, with the goal of doubling exports by 2014. The year 2012 should see an increase in exports, despite doubts about the global economy.

425. Similarly, foreign direct investment in the United States, estimated at US\$228 billion in 2011, continues to play an important role in the U.S. economy, in particular as regards employment, research and development, and exports. The United States is the world's foremost beneficiary of FDI thanks, in particular, to the new Bilateral Investment Treaty, adopted in April 2012, which continues to guarantee strong protection for investors, while allowing the Government to regulate the public interest.

426. My delegation commends the strong commitment by the United States to an open and competitive multilateral trading system and to the World Trade Organization, which remains the forum for trade liberalization, development and the application of global trade disciplines and a bulwark against protectionism.

427. The United States firmly believes that trade liberalization makes it possible to boost economic growth, support decent jobs, raise living standards and bring better goods and services to markets.

428. For these various reasons, the United States adopts an open system of trade with a tariff of 3.5%, below the duties established under the WTO. For example, 70% of its imports enter free of customs duties, which demonstrates the transparency and accessibility of the trade rules.

429. Moreover, the United States has adopted a series of bilateral and regional initiatives, as well as numerous free trade agreements, in particular with my country, to ensure the increased liberalization of world trade. In this connection, we could mention several international initiatives such as the Trans-Pacific Partnership, aimed at opening up the markets of Asia and the Pacific to United States products, and the United States-European Working Group on Jobs and Growth, whose mission is to identify new ways of strengthening the economic ties between the two economies.

430. Similarly, Morocco welcomes the renewal, in 2012, of the African Growth and Opportunity Act (AGOA), which grants the Sub-Saharan African countries duty-free access for a wide range of products, thus making it possible to increase and diversify bilateral trade between the African countries and the United States. In 2011, the value of this trade amounted to around US\$95.3 billion.

431. Another noteworthy development is the adoption in 2011 of the African Competitiveness and Trade Expansion Initiative, which has allocated US\$120 million over four years to improve African competitiveness and production capacity.

432. Morocco and the United States ratified their first bilateral treaty in 1787. This treaty of peace and friendship, the oldest treaty in the history of the United States, dealt with political but also economic matters such as access to the respective markets, on the basis of the Most-Favoured-Nation clause.

433. More recently, in 2004, the United States designated Morocco as a major ally outside NATO and the two countries signed a Free Trade Agreement, which has been in force since 2006.

434. This Agreement made it possible to eliminate customs duties on 95% of the industrial and consumer goods traded between the two countries. It also concerns merchandise trade, in particular in agricultural and fishery products; industrial products including textiles and clothing; and services, including financial and telecommunications services, as well as government procurement. It also contains provisions relating to the protection of intellectual property, the environment and labour.

435. Thanks to the conclusion of this FTA, trade between the two countries has increased fourfold since 2006, reaching US\$4.5 billion in 2011. During the first 9 months of 2012, Morocco imported goods with a value of US\$2.1 billion and exported goods worth US\$643 million, mainly phosphates, various finished industrial equipment products and canned fish. Morocco is one of the five Arab markets most important for the United States and, conversely, the United States is Morocco's third trading partner with 7.2% of Morocco's global trade.

436. The more than 120 United States enterprises currently operating in Morocco have generated more than 100,000 direct and indirect jobs. United States private investment was calculated

at US\$138.7 million in 2011. The figure for the first half of 2012 is US\$117.1 million, mainly in holding companies and real estate.

437. However, the governments and businessmen of the two countries estimate that the FTA has not produced the anticipated results, given the potential of the Moroccan and United States markets, whence the decision by the governments and businessmen of the two countries to further strengthen their economic ties.

438. Thus, in September 2012 the two countries signed a Morocco-United States Strategic Dialogue Agreement, with an economic component aimed at bringing businessmen together with a view to improving trade between the two countries, both qualitatively and quantitatively.

439. Another initiative consists in the Morocco-United States Business Development Conference, held on 4 December 2012, on the fringe of the third meeting of the Joint Committee of the Morocco-United States FTA held in Washington. The aim of this Conference was to design a framework for incentivizing greater United States investment in Morocco, particularly in promising sectors such as agriculture, aviation, the motor vehicle industry, infrastructure and renewable energy.

440. In this connection, the United States has announced that a financial envelope of US\$1.5 million will be devoted to attracting United States investment in Morocco and to promoting local economic development and the strengthening of the legal and regulatory framework with a view to exploiting the potential of the FTA.

441. This Conference was also the occasion for the conclusion of several agreements between the two countries in the areas of information and communication technology, investment and trade facilitation.

442. These new agreements will doubtless have a positive effect by boosting trade between Morocco and the United States, thanks to the greater involvement of the two countries' business communities.

NEPAL

443. As the world's largest economy and one of the key architects of the post-World War II trading system, the USA has played an important role in the promotion of global trade. We appreciate their commitment to the rule-based multilateral trading system.

444. The USA has always been a major trade partner for Nepal.

445. Nepal accords high priority to its trade relations with the USA. In view of the increasing trade and economic relations, Nepal signed Trade and Investment Framework Agreement (TIFA) with the USA in April 2011. We look forward to further enhancing trade and investment relations by operationalizing the framework agreement.

446. Trade is the most important engine of economic growth. Meaningful trading opportunities in terms of enhanced market access matched by increased domestic productive capacity will be essential to reap the benefits from global trading system.

447. Like other LDCs, Nepal is in need of enhanced international support in trade, which includes effective and commercially meaningful operationalization of the duty-free-quota-free market access. After the abolition of MFA in January 2005, Nepal's garment industry suffered a big loss leading to decline in employment and export earnings. Implementation of the LDC related commitments made under WTO, including DFQF, would not only increase the trade volume of the LDCs but would also

send a positive message that the international community is true to its commitment to the poor and destitute. Nepal takes this opportunity to call on all trade and development partners of the LDCs, including the USA, to work towards this. Nepal also requests the USA to expand its GSP basket so that greater numbers of products enjoy preferential market access. Equally important is the issue of the Rules of Origin, which need to be made simple, predictable and facilitative to LDCs' trade.

448. Nepal thanks the United States for its continued support to the Enhanced Integrated Framework, which has been serving as an important mechanism to help LDCs mainstream into the international trading system. We hope the United States' financial and technical cooperation will increase towards helping to build trade related infrastructure and strengthen trade capacity of the LDCs.

OMAN

449. The United States is the leading economy in the world. It is the number one importer of merchandise trade in the world, the second highest exporter of merchandise and the number one importer and exporter of commercial services. Thus, the trade policies of the United States have a very significant impact on world trade. We are happy to note that the United States has always taken a leading role in supporting an open and liberal, rule-based multilateral trading system.

450. My delegation has carefully gone through the Report of the U.S. in document WT/TPR/S/275 specially prepared for this review. We compliment the U.S. on a detailed elaboration of its position on the multilateral trading system and on its section titled "looking forward". It is heartening to note that the U.S. remains committed to enhancing the WTO's role as the primary forum for multilateral trade liberalization, for the development and enforcement of global trade rules and as a voice against protectionism. We also laud the U.S. for a key element of its trade policy that focuses on efforts to partner with developing countries to alleviate poverty and promote economic opportunities.

451. The delegation of Oman notes with satisfaction and appreciation that the United States has kept faith in an open and liberal economy during and after the financial crisis of 2008. Its simple average import tariff is 3.5%, and in 2011 nearly 70% of all U.S. imports entered the country free of duty.

452. The reward of an open economy is a positive GDP growth rate of 2.2% in 2010 which compares favourably with other developed countries.

453. The WTO Secretariat report points out that preferential trade accounts for an important and growing percentage of U.S. trade, amounting to 20% of U.S. imports in 2011. And the U.S. is vigorously pursuing free-trade agreements. Does it mean a lack of faith in the multilateral trading system?

454. We were surprised to find no mention of the Doha Round in the U.S. report and even more surprised to read the last sentence in paragraph 158 of the U.S. Report which talks of only some areas of negotiations and of new approaches to trade liberalization. Is the U.S. turning its back on Doha Round?

455. The Secretariat Report points to the complexity and cumbersome application of its several different rules of origin. It also states that the U.S. imposes a number of fees and charges on imports that vary depending upon the source. Does it mean a departure from the MFN principle? We would request the U.S. to please clarify.

456. To conclude, we commend the U.S. for its strong support to the WTO, for its adherence to the principles of the multilateral trading system, for its outward looking trade policy and for its efforts to alleviate poverty in developing countries.

URUGUAY

457. Our country maintains friendly and constructive relations with the United States in the various areas of bilateral interest, both at the political and economic level and in the generation of opportunities for commercial, technological, social and cultural cooperation.

458. It is important to mention the concrete advances made with the bilateral agenda and the high standard of dialogue and coordination between the two countries at regional and international levels.

459. At the beginning of 2007, Uruguay signed a Trade and Investment Framework Agreement (TIFA) with the United States. This Agreement joins the Treaty concerning the Reciprocal Protection of Investment with the United States approved by our Parliament on 27 December 2005.

460. The TIFA established a Trade and Investment Council, an advisory body for matters relating to trade and investment. It is the task of this Council to expand trade in products and services, promote measures calculated to stimulate and facilitate trade and ensure conditions that favour long-term investment. Moreover, it is responsible for identifying and eliminating barriers to trade and investment. The TIFA helps trading partners to develop experience, institutions and legislation that promote the global economy.

461. The United States is a country of great relevance for Uruguay as a trading partner, insofar as it is one of our top ten export destinations. However, its total share of trade has fallen during the last ten years. In 2010, it ranked ninth among export destinations, having lost six places as compared with 2001, and eight places as compared with 2005 when it led the rankings. In fact, that year marked the record for sales by Uruguay to the United States and the beginning of a clearly declining trend.

462. In recent years, the trade balance between the United States and Uruguay has recorded an increasing deficit. In 2010 there was a deficit of US\$430 million, the highest value over the entire period considered. This was no doubt aggravated by the sharp depreciation of the dollar in relation to the Uruguayan peso. Exports in 2010 totalled US\$196 million, while Uruguay's imports from the United States increased steadily throughout the period, reaching their highest value in that year with a total of US\$626 million.

463. In 2006, the United States accounted for 13% of Uruguayan exports, whereas in 2010 these exports were only 3% of Uruguay's total world export trade. Thus, the objective will be to increase bilateral trade so as to return to the levels reached in previous years.

464. With regard to exports by product during the review period, the main products that Uruguay exported were meat and skins and hides. Other products of importance were wood, other fresh fruit or produce, cheese and cottage cheese, and soya.

465. With respect to the Generalized System of Preferences for Developing Countries (GSP), we would very much like to receive clarification concerning the criteria that the United States intends to use in connection with the review of the GSP envisaged for the first half of 2013.

466. The reason for this is the current consultations in which our agricultural authorities learned that the criteria to be adopted could include "country/product competitiveness" with the possibility of adverse effects on our agricultural and agro-industrial exports within the framework of the new scheme. Once again, we would welcome clarification regarding this point.

467. Regarding investment, in 2009 the United States was the third source of investment in Uruguay. The amount of Foreign Direct Investment (FDI) by United States companies in that year was US\$167.2 million, which represents 10.5% of total FDI in Uruguay. This exemplifies the importance of United States investment in Uruguay and is the reason why we are encouraging this positive trend.

468. It is also necessary to stress the fundamental role of the United States in the economy and international trade and the decisive part it is playing in surmounting the international economic and financial crisis, which means that we are counting on it to be able to resist protectionist proposals, which would only further delay an already slow and difficult recovery process.

469. As a final comment, both countries have an interest in joining forces in bringing the Doha Development Round to a successful conclusion and in strengthening the multilateral trading system on the basis of predictable, transparent and balanced rules.

V. REPLIES BY THE REPRESENTATIVE OF THE UNITED STATES AND ADDITIONAL COMMENTS

470. We would like to start by expressing our deep appreciation for the high level of engagement that we have seen in this trade policy review. We very much appreciate the thoughtful comments provided by the Chair, discussant and Members at Tuesday's meeting. It would be impossible today to respond to each and every point that was raised but I can assure you that we were listening very attentively and have taken careful note of everything that was said.

471. You have already seen our responses to all of the written questions that were received by the two week deadline as well as responses to some of the questions that were received after that. Today we are circulating further responses to questions received after the deadline and we will respond to the rest as soon as possible. As of this morning, the total number of written questions we received stands at 1,599.

472. In the remainder of our comments today we would like to pick up on a number of key themes and issues that have been raised.

473. To begin with, at the broadest level, we appreciate the wide recognition of the openness of the U.S. economy to trade and investment. While we acknowledge specific concerns, it is important to place these concerns in their broader context. In a similar vein, we would like to extend our thanks to Michael Stone, our discussant, for his kind recognition of the leadership role that we have been playing in the fight against protectionism. The United States is committed to continuing this fight, as the alternative would be a self-defeating spiral of actions that would damage our shared efforts at economic recovery and growth.

474. We would also like to express our appreciation for the kind words from many Members about our work on Aid for Trade and trade related capacity building. This will continue to be a high priority for the United States.

475. A number of Members have commented on the importance of the United States remaining committed to the multilateral trading system. Let there be no doubt. The United States played a leading role in creating this system as well as building upon it and sustaining it. While the system is far from perfect, we remain fully committed to supporting it and making it even better.

476. We were struck by a few comments suggesting that the United States has increased its emphasis on bilateral, regional, and plurilateral negotiations at the expense of multilateral efforts. The facts don't support this concern. We have always taken a very pragmatic approach to trade liberalization, pursuing it with willing partners at the multilateral, plurilateral and bilateral levels. If the level of activity at the multilateral level has fallen off, it is not for lack of interest on our part but rather, as our Ministers recognized at MC8, that Doha is at an impasse. Yet despite the fact that we, as a group, are still grappling with the issues at the core of the impasse, the United States has been at the leading edge of every effort to make progress. Our contribution has been not just in the form of showing up at meetings, but in helping to shape the creative thought that will be necessary to make real progress. This has involved not just pressing issues of particular interest to us but also listening and engaging in good faith on issues of interest to others. We have also been playing a leadership role in reinvigorating the regular work of the WTO standing bodies which is critical to the well-being of the trading system.

477. We believe that Bali will be an important milestone and that we collectively need to use it to show that the WTO is still an organization that can deliver results through negotiation. However, we do not view the prospect of some success at Bali as the end of the road for the issues that brought us

together at Doha. Rather, we see it as an essential means of creating the confidence that is needed to tackle the harder issues.

478. The interests that led us to play a leadership role in launching the DDA remain and are as strong as ever. We continue to be fully committed to opening markets and addressing distortions to trade in agriculture, industrial products and services, as well as updating the WTO rule book. For those of you who have expressed interest in addressing concerns about U.S. measures in the agriculture area, peak tariffs in general or other matters covered by the Doha agenda, let's join together in figuring out how to put Doha back on track. However, I will not hide from you our frustration with those who seem to think the only thing they need to do to advance Doha is to string together a long list of adjectives saying how committed they are to conclude it, or who focus exclusively on what others should do. The negotiations became deadlocked over very important and difficult issues, centering on the respective obligations of Members – particularly the major players. The only way to move forward is to address those issues and that is a collective responsibility. We don't need more slogans. We need new ideas and hard work.

479. It is important as we look ahead that we do so with a clear understanding of what has stood in the way of progress up until now. In this connection, I was struck by China's suggestion that perhaps with the electoral season over, things will be easier. While I cannot speak for other Members undergoing leadership transitions, I can be very clear that in our case the issues blocking progress in Doha have never had anything to do with electoral politics in Washington, and everything to do with substance in Geneva.

480. There was a lot of discussion on Tuesday about the importance of leadership. The United States has always embraced, and continues to embrace, the importance of playing a leadership role in the WTO in all its forms. One aspect of leadership is a willingness to confront difficult questions and grapple with the uncomfortable and unpopular aftermath. The United States will continue to lead, and to challenge, but all major players must embrace a shared responsibility if this institution is to succeed in the future.

481. A number of Members have raised issues or asked questions relating to the steps that the United States has taken to deal with the financial crisis and otherwise to put our economic house in order.

482. A number of Members have made comments on or expressed interest in the actions that the Federal Reserve has taken to promote economic recovery – quantitative easing in particular. Quantitative Easing is an accepted form of monetary policy when conventional monetary policy is not available, i.e. when interest rates are at or near 0%. These actions are necessary to foster a stronger economic recovery in the context of price stability. This policy not only helps to strengthen the U.S. economic recovery, but by boosting U.S. spending and growth, it has the effect of helping to support the global economy as well. There is no qualitative difference between a conventional monetary policy and quantitative easing in terms of its effect, or lack thereof, on emerging markets. To condemn Quantitative Easing is to condemn accommodative monetary policy generally.

483. In a recent speech, Chairman Bernanke of the Federal Reserve remarked that evidence does not support the view that accommodative monetary policy by advanced economies has led to disruptive capital inflows into emerging market economies. "Recent research, including studies from the IMF, does not support the view that advanced-economy monetary policies are the dominant factor behind emerging market capital flows. Consistent with these findings, these capital flows have diminished in the past couple of years, even as monetary policies in advanced economies have continued to ease, and longer-term interest rates in those economies have continued to decline."

484. More importantly, Bernanke stated that the benefits from this policy in the global economy should also be recognized. "The slowing of growth in the emerging market economies this year in large part reflects their decelerating exports to the United States, Europe, and other advanced economies. Therefore, monetary easing that supports the recovery in the advanced economies should stimulate trade and boost growth in emerging market economies as well. In principle depreciation of the dollar and other advanced economy currencies could reduce (although not eliminate) the positive effect on trade and growth in emerging markets. However, since mid-2008, in fact, before the intensification of the financial crisis triggered wide swings in the dollar, the real multilateral value of the dollar has changed little, and it has fallen just a bit against the currencies of the emerging market economies."

485. We would note that, according to the IMF, the U.S. dollar is overvalued by between 0 and 10 percent on a real effective basis.

486. We also recognize the importance of international cooperation in promoting economic recovery and have been participating very actively in such efforts, particularly in the G20.

487. Among other things, G-20 economies have committed to putting their public finances on sustainable paths. The Obama Administration is committed to a deficit reduction plan that would support the recovery in the near term, while restoring fiscal sustainability including the reduction of the debt to GDP ratio through a balanced approach to medium-term deficit reduction.

488. The G-20 has agreed that rebalancing is at the core of the group's agenda and that deficit countries need to save more and surplus countries need to boost domestic demand growth. The United States is doing its part. The United States has reduced its current account deficit from 6.5% of GDP in the fourth quarter of 2005 to 3% of GDP in the second quarter of 2012. The household saving rate has risen and the government deficit has narrowed from 10.1% of GDP in fiscal year 2009 to 7% in fiscal year 2012. Current account surplus economies need to do their part to foster global rebalancing by accelerating the pace of domestic demand growth in their economies.

489. A number of Members have expressed interest in learning more about the Troubled Asset Recovery Program, known as TARP for short. Treasury's authority to invest money through TARP ended on 3 October 2010, in accordance with the Emergency Economic Stabilization Act of 2008 (EESA), the legislation that created TARP. As of 30 November 2012, Treasury has recovered almost 90% of the funds invested through the various TARP programs. Several programs have already been completely closed, and more are in their wind-down phases. EESA did not set a date by which the programs will be fully shut down, however, the Government is focused on winding down TARP programs as quickly as possible, while ensuring financial stability and maximizing returns to the taxpayer.

490. A number of Members have referred to Paragraph 35 of the Secretariat's report that speaks to a Congressional Research Service (CRS) report and its comments on U.S. investment policies. Contrary to the impression that some might have drawn from that citation, the CRS report discusses a number of federal-level measures that "have an impact on foreign investment in the United States," including measures that do not restrict foreign investment. Indeed, the report notes that "there are not across-the-board, blanket restrictions on foreign investment in the United States." The United States maintains an open investment regime, with very few limitations on foreign investment. Detailed information about specific measures that impact foreign investment in the United States is widely and publicly available, including in the CRS report cited in the Secretariat's Report.

491. With respect to the Committee on Foreign Investment in the United States, known as CFIUS, the vast majority of foreign direct investment does not raise national security concerns. Foreign investors are not required to notify CFIUS of their transactions, but instead decide themselves whether

to file if they believe national security considerations might arise. However, while the process is essentially voluntary and the vast majority of CFIUS cases are the result of voluntary notices, CFIUS has the authority to initiate a review of any transaction that may raise national security concerns.

492. We welcome the interest expressed by Members in the SelectUSA Initiative. SelectUSA works with firms – both foreign and domestic – as well as U.S. economic development organizations to provide information, guidance, and counseling on the U.S. economic climate and federal rules and regulations impacting business investment in the United States. Housed in the Department of Commerce, SelectUSA is a part of the U.S. and Foreign Commercial Service (USFCS), which is located at U.S. embassies and consulates in over 70 worldwide markets and has a robust field operation through U.S. Export Assistance Centers across the United States. By coordinating resources across the federal government, SelectUSA provides both information assistance and ombudsman services to the global investment community.

493. We note the high level of interest expressed by Members in learning more about the President's National Export Initiative. The President launched the NEI during his State of the Union address on January 27, 2010 and established a national goal of doubling U.S. exports by the end of 2014. The NEI has five main components. First, the Administration seeks to improve advocacy and trade promotion efforts on behalf of U.S. exporters. Second, the Administration seeks to increase access to export financing. Third, agencies will reinforce their efforts to remove barriers to trade. Fourth, the United States will robustly enforce trade rules, ensuring America's trade partners live up to their obligations. Fifth, the Administration will pursue policies at the global level to promote strong, sustainable, and balanced growth so that the world economy grows.

494. Turning to U.S. performance in meeting its notification requirements, we would note that the Secretariat's report is a snapshot in time. In this case, the report only includes notifications received up until 30 June. In some cases this resulted in the report indicating we had not made a notification that was not due until some months later, and which we did submit in a timely fashion. Admittedly, a few of our notifications were late. But we have now made those notifications so we are fully up to date. The United States has always placed a high priority on meeting its notification requirements and we will continue to do so. We encourage others to do the same.

495. We've taken careful note of comments made by Members on pending regulatory actions. The United States maintains a very open and transparent regulatory process which we are quite proud of. All stakeholders, domestic and foreign, are afforded the opportunity to provide input. So, while we are not in a position to speculate on the final shape of these regulatory actions, we can assure those of you who have participated in the process that your views will be carefully considered as decisions are taken.

496. In closing, I would like to reiterate our appreciation for the interest that you have shown in the United States through your participation in this trade policy review. We are very conscious of the fact that this interest stems from the fact that we are in an interconnected world where what one does affects the other. We hope that through exercises such as this we can understand each other better and build upon this understanding to improve the multilateral trading system for the betterment of all of us.

DISCUSSANT

497. This two day discussion has shown the intense interest of Members in U.S. trade policies and in the role of the U.S. in the multilateral system and more widely in global trade affairs. Four things spring to my mind from the interactions.

498. First, very many Members noted that the U.S. was among their top three or five trading partners and so critical to their own economic health. In this context, many Members expressed both concern and hope about the current path of the U.S. economy and hence the impact on trade flows.

499. Second while many Members have real concerns about certain specific US trade measures or policies, most also acknowledge – although sometimes grudgingly – the leadership role of U.S. in free trade and its generally open and transparent regime. I think it is noteworthy that the concerns are focused on a pretty small number of areas. But because of the enormous importance of the US market, barriers, tariff peaks, prolonged AD measures, cumbersome ROOs on even a small number of products/areas can really hurt the individual Members affected. Perhaps the domestic political cost of a small move in a small number of areas/products could be outweighed by the external political gains such would achieve?

500. Third many developing countries had very warm words of appreciation for the U.S.' efforts in their GSP and regional preference schemes, and for their contributions in many areas to trade capacity building and aid for trade. I think this really does demonstrate the U.S.'s walking the walk in encouraging all Members to trade more for mutual benefit, jobs and growth.

501. Lastly, many Members urged the U.S. to use its premier position genuinely to seek to move the Multilateral Trading System and Doha Development Agenda forward. They noted that without strong U.S. commitment, the WTO and the DDA will simply languish. I think it is fair to say that many Members, while welcoming the U.S. stated commitment to the DDA, nevertheless hoped to see more evidence of this stated commitment. The U.S. does have this pivotal role in the negotiations and we all look forward to their exercising it. It was thus reassuring to hear the comments from Ambassador Punke on this.

CHINA

502. On macro-economic side, we like many others, are concerned with the uncertainty of whether or not there will be a lasting resolution to the "cliff" issue. It is a pity that U.S. delegation said in answers to our related questions that it is not in a position to comment at this stage. In view of the weight of the U.S. economy and its global influences, we would like to note that the importance of this issue lies in predictability, or assurance needed by others to make forward planning for a better economic outlook, as rightly pointed out by our distinguished discussant.

503. On trade and investment side, Members in the first session of this review have expressed their broad concerns over the U.S. practices in trade remedies. In today's meeting, we particularly would like to highlight the U.S. law titled Application of Countervailing Duty Provisions to Nonmarket Economy Countries, which as noted in the Secretariat Report, was enacted and to be applied retroactively to all countervailing investigations since 2006 after the U.S. Court of Appeals for the Federal Circuit had ruled in December 2011 that countervailing investigations cannot be initiated against China under the U.S. law as long as China is treated a non-market economy.

504. The U.S. provided explanation to our written questions on this issue, which we take note of, but the explanation in our view is not convincing. We believe that such a move of the U.S. goes against the fundamental spirit of rule of law and brought great uncertainty to the legal environment that enterprises will have to face in the U.S. It also violates the rules and disciplines of the WTO in respect of countervailing actions. As noted in the Secretariat Report, the law is currently facing challenges in the U.S. on Constitutional grounds. We will follow closely the development of the case.

505. We also asked questions on a number of refusals of the applications from Chinese enterprises for investment in the U.S. on national security review grounds, which we believe are not transparent and convincing and goes against the stated policy objective of the U.S. to pursue trade and investment

liberalization and market opening. The U.S. responded by saying that by law, information filed under the review may not be disclosed to the public, and the Committee on Foreign Investment in the United States does not comment on information relating to specific cases. This answer obviously will only increase our doubt on the review process and we will continue our exchange with the U.S. in this respect.

506. For our question on the current policy and future policy orientation of the U.S. on biofuels, we are somewhat puzzled to see that the answer is not the information on policy itself but rather seems to be about world corn market. We therefore would be grateful if the U.S. delegation could provide some update on this particular question in the final version of the answers which will be circulated as addendum to the minutes of this review meeting.

507. I will not make more specific comments, but to say that China and the U.S. are among the most important trade and investment partners to each other. Our statistics show that in the 11 months of year 2012, bilateral trade has already amounted to US\$439 billion, which is an 8.2% growth year on year. China attaches great importance to the U.S. commitment to the multilateral trading system. China also has a huge stake in the U.S. maintaining open and fair trade and investment regime in consistence the WTO rules and principles. We appreciate the value of this 11th Trade Policy Review of the United States, and submitted some additional questions yesterday based on the latest feedback from Beijing. We look forward to the answers from the U.S. delegation. We will also keep on exchanging views and concerns with the U.S. to further enhance our economic and trade ties both bilaterally and multilaterally.

EUROPEAN UNION

508. The EU acknowledges the immense task of the U.S. in replying to 1500 questions posed on the occasion of this TPR and thanks the U.S. delegation for the information provided in the replies and also the statement today.

509. While highly appreciating this effort, the EU would nevertheless like to raise several follow-up questions. Therefore allow me to say a few words on the following:

- regarding the enforcement of the 100% cargo scanning requirement, the EU strongly hopes that a permanent satisfactory solution could be found for both maritime and air transport;
- regarding SPS issues such as BSE import restrictions and plant import procedures, the EU expects that the U.S. will commit to reduce existing long delays which constitute barriers to trade;
- on fisheries, we thank the U.S. for the detailed explanations provided on their system and would appreciate some clarification on certain specific aid measures;
- on government corporations, the EU is very interested in getting more information on the criteria on which the U.S. base its decision for public funding to these entities should this situation arise;
- The EU is also keen to get further clarification on the legal framework for assessing mergers and acquisitions for financial services such as to whether Order No 2012-2 (14 February 2012) constitutes a formal U.S. policy and whether will be codified under the Federal Reserve merger guidelines.

510. The EU would like to thank again the delegation of the U.S., headed by Ambassador Punke, for the great efforts and constructive approach in this important transparency exercise and wish you all happy holidays.

JAPAN

511. Let me thank the U.S. delegation for providing us with a useful oral explanation and informative written responses. Japan highly appreciates the efforts of the U.S. to reply to our written questions in a timely manner. I also would like to express my appreciation for the helpful comments from the discussant, Mr. Michael Stone.

512. Regarding the answers to our questions provided, Japan is submitting four technical follow-up questions on the enforcement of trade-related intellectual property rights, telecommunication's regulations and the movement of natural persons in FTAs. We expect that we will be able to receive answers to those questions in due course.

513. Finally, like other members, Japan is confident and continues to expect the strong U.S. commitment to the multilateral trading system and is willing to work together with other Members.

VI. CONCLUDING REMARKS BY THE CHAIRPERSON

514. At the conclusion of this eleventh Trade Policy Review of the United States I would like to thank Deputy USTR Ambassador Michael Punke and his delegation for their constructive engagement in this meeting. I would also like to thank Mr. Michael Stone, Permanent Representative of Hong Kong, China to the WTO for his intervention as the discussant. The Review was based on reports by the WTO Secretariat and the United States Government, both of which were appreciated by the delegates, although the Secretariat was asked to provide greater coverage of the services sector, a point which will be taken on-board for the 2014 Review.

515. The United States is the world's largest single economy and the largest trader, thus it is of key interest to all WTO Members. Many highlighted that the United States ranked high as either a major source of imports or as a major destination for exports. In 2011, 68 Members had the United States as their first, second, or third largest export market and the United States continued to be the world's largest recipient of FDI, with accumulated stocks of US\$2.9 trillion. Thus, changes in the U.S. trade policy and state of the economy often have a cascading impact on many WTO Members. For this reason, WTO Members re-affirmed the importance of the Trade Policy Review Mechanism to periodically take note of developments, increase transparency, and offer a forum for dialogue.

516. During the period under review it was noted that the United States continued to conclude new bilateral and regional initiatives, with a number still in the pipeline and expected to be concluded in the future. While some questioned U.S. priorities with respect to bilateral and regional versus multilateral trade liberalisation, the United States emphasised its commitment to "preserving and enhancing the WTO's role as the primary forum for liberalising multilateral trade, developing and enforcing global trade rules, and serving as a bulwark against protectionism." The United States' commitment to the WTO was also highlighted through its financial donations to various trust funds, the Aid-for-Trade initiative, and various technical assistance and capacity building programmes. WTO Members expressed their desire for the United States to exercise its leadership role in the multilateral trading system, and in particular, in the DDA negotiations as well as in the lead-up to the upcoming Ministerial meeting in Bali. For many Members, the United States holds a unique position in that it can lead by example and has the capacity to influence. Members look forward to working with the United States collaboratively to find solutions to the current impasse and re-building confidence in the multilateral trading system.

517. Members commended the United States for its swift response to the 2007-09 financial crisis, thereby reversing the downward spiral. A slow but steady recovery has taken place during the past two years. The re-balancing efforts are bearing fruit and imports and exports have surpassed previous historic levels. Exports are on track to meet the target of doubling in five years, in particular services exports; however the trade deficit also continues to grow. Furthermore, the growth in imports seems to be closely linked to fuel prices and increasing U.S. production of oil and gas will have an impact on the U.S. current account and its balance of trade.

518. Various initiatives or policies have been undertaken in this regard, including some which, some Members feel, could have an adverse impact on trade, including financial support to certain industries, Buy American provisions, and the use of unconventional monetary policies with a consequential impact on exchange rates. Members hope that the United States will address these concerns.

519. It was noted that the United States maintains a very open trade regime and should be commended for this as well as for its resistance to introduce protectionist measures, even during difficult times. Furthermore, it is clear the United States places a high value on transparency and the WTO rules-based system. However, that being said, there still remain a number of areas that are of systemic concern or have been identified as causing bilateral tensions. Members, either through the

question and answer process or through their statements encouraged the United States to take action on the following points:

- As the world's biggest exporter of agricultural products with a new Farm Bill expected next year, agricultural policy in the United States continues to be an important issue for WTO Members. The United States was encouraged to review many agricultural policies including domestic support measures, SSG, food aid, and export programs. Policies relating to the beef, cotton, sugar, and dairy sectors were also noted as problematic.
- The importance of maintaining a balance between security concerns and legitimate trade is an important matter for many Members. In that context, concerns were raised about the potential increase in trade transaction costs that could result from the 100% scanning requirements, and further information on this and on risk analysis was requested.
- With respect to contingency measures a number of points were raised including methodologies relating to non-market economies, regulations related to the zeroing case, and outcomes related to the "sunset review" process. With respect to the latter, Members noted that a significant proportion of cases resulted in the continuation of imposition of duties, even in situations where duties had been in force for more than 20 or 30 years.
- A number of Members commented on U.S. rules of origin and marking/labelling rules. These were described by some delegations as cumbersome, complex, out-dated, and non-transparent. As such they were seen as a burden for traders and acted as a non-tariff barrier to trade. The United States was encouraged to review these policies to enable countries to meaningfully participate in global supply chains.
- Members thanked the United States for its numerous notifications of TBT and SPS measures during the period of review but remain concerned about the lack of enough use of international standards, notification of sub-Federal measures, and the application of the Food Safety Modernization Act.
- Although the average tariff in the United States is relatively low, tariff peaks remain a concern in some sectors, and affect products of interest to developing countries, such as leather, footwear, textiles, and some agriculture products. Furthermore, the use of tariff quotas and non-*ad valorem* tariffs were also noted as hindrances to trade.
- On services, the maintenance of the status quo in maritime restrictions remained a concern for many Members, as well as the future rule-making with respect to the Dodd-Frank Act.
- Though the question and answer process, Intellectual Property and Government Procurement generated a lot of interest, and the United States was requested to clarify a number of issues on these matters.

520. Despite the steady growth and recovery during the last two years, there are certain aspects of the U.S. economy that remain weak or uncertain. In fact it is the uncertainty itself which can stifle growth, investment, and trade. Members urged the United States to move to a more solid footing in a number of areas to reduce speculation and provide confidence. In particular they hoped that uncertainty would be reduced with respect to the impending "fiscal cliff", the farm bill, implementation of the 100% scanning requirement, and the excise tax on government procurement.

521. The large number of delegations that participated in this meeting and the large number of questions tabled during this Trade Policy Review indicate the clear importance of the United States as a trading partner for WTO Members. The U.S. delegation is to be commended for giving

comprehensive replies to so many questions in a short time-frame and Members look forward to receiving the final responses in one month.

522. I hope that this review will serve the United States to reflect on its importance in and responsibility for the multilateral trading system so that it will continue to shape its trade policy accordingly both for its own benefit as well as for the benefit of all who are part of the system. In closing, I would like to thank the United States delegation, all the other delegations, the discussant and the Secretariat for this successful review of the trade policies of the United States.
