



Highlights of [GAO-03-824](#), a report to the Ranking Minority Member, Committee on Finance, U.S. Senate

Why GAO Did This Study

World Trade Organization (WTO) members rely on trade remedies in the form of duties or other import restrictions to protect their industries from injury due to unfair foreign trade practices or unexpected import surges. There is congressional concern that the WTO, created in 1995 to administer trade rules, is interfering with this ability. There is also congressional concern that the WTO is not treating the United States fairly in resolving trade remedy disputes.

A congressional requester asked GAO to identify trends in WTO trade remedy disputes since 1995, including the outcomes of these disputes and how they affected members' ability to impose trade remedies. The requester also asked GAO to discuss the standards of review that the WTO applies when ruling on trade remedy disputes and to present U.S. agencies' and legal experts' views on the WTO's application of these standards and related trade remedy issues.

In their comments on a draft of this report, the Department of Commerce and the U.S. International Trade Commission stated that the report needed to put more emphasis on U.S. agencies' concerns about the potential adverse impact of WTO rulings on the U.S.'s use of trade remedies. The U.S. Trade Representative provided only technical comments on the report. GAO modified the report as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-03-824.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4346 or yagerl@gao.gov.

WORLD TRADE ORGANIZATION

Standard of Review and Impact of Trade Remedy Rulings

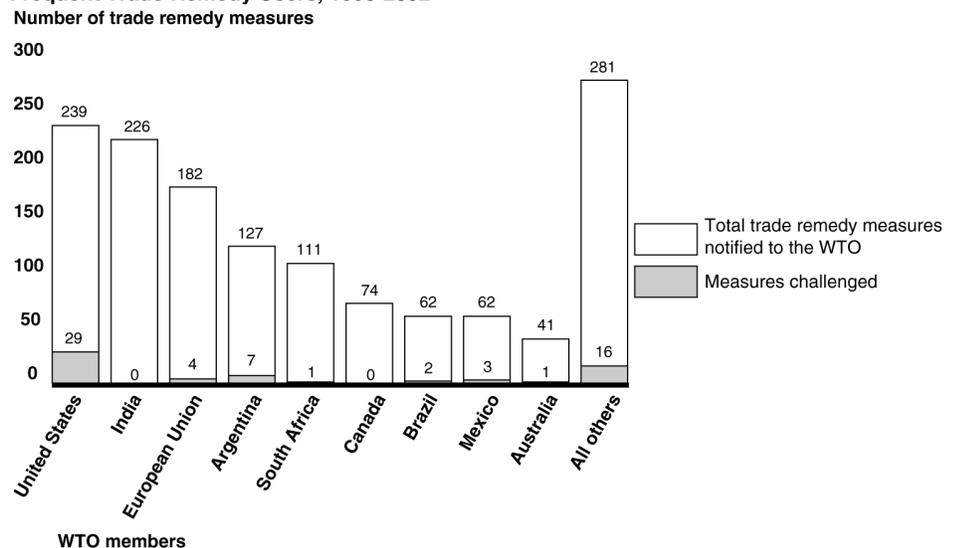
What GAO Found

About a third of the cases filed in the WTO dispute settlement system from 1995 through 2002 challenged members' trade remedies, with the ratio of such cases increasing over time. Although a relatively small proportion of WTO members' trade remedy measures were challenged in the WTO, the United States faced substantially more challenges than other WTO members.

The WTO generally rejected members' decisions to impose trade remedies in the 25 trade remedy disputes resolved from 1995 through 2002. However, GAO found that the WTO ruled for and against the U.S. and other members in roughly the same ratios. Overall, WTO rulings resulted in few changes to members' laws, regulations, and practices but had a relatively greater impact on those of the United States. While U.S. agencies stated that WTO rulings have not yet significantly impaired their ability to impose trade remedies, they had concerns about the potential future adverse impact of WTO rulings.

Of the legal experts GAO consulted, a majority concluded that the WTO has properly applied standards of review and correctly ruled on major trade remedy issues. However, a significant minority strongly disagreed with these conclusions. U.S. agencies also said that the WTO has not always properly applied the standards and has, in some cases, imposed obligations on members that are not found in WTO agreements. Nonetheless, the experts almost unanimously agreed that the WTO was not treating the United States any differently than other members.

Total Number of WTO Trade Remedy Measures Imposed and Number Challenged, by Most Frequent Trade Remedy Users, 1995-2002



Source: GAO analysis of WTO data.