



STAHL 2006

9th and 10th November

Wege über Grenzen
Crossing frontiers

Trade Conflicts: The Role of WTO Dispute Settlement

Swiss Institute for International Economics
and Applied Economic Research



University of St.Gallen

Thomas A. Zimmermann

Research Associate; SIAW, University of St. Gallen





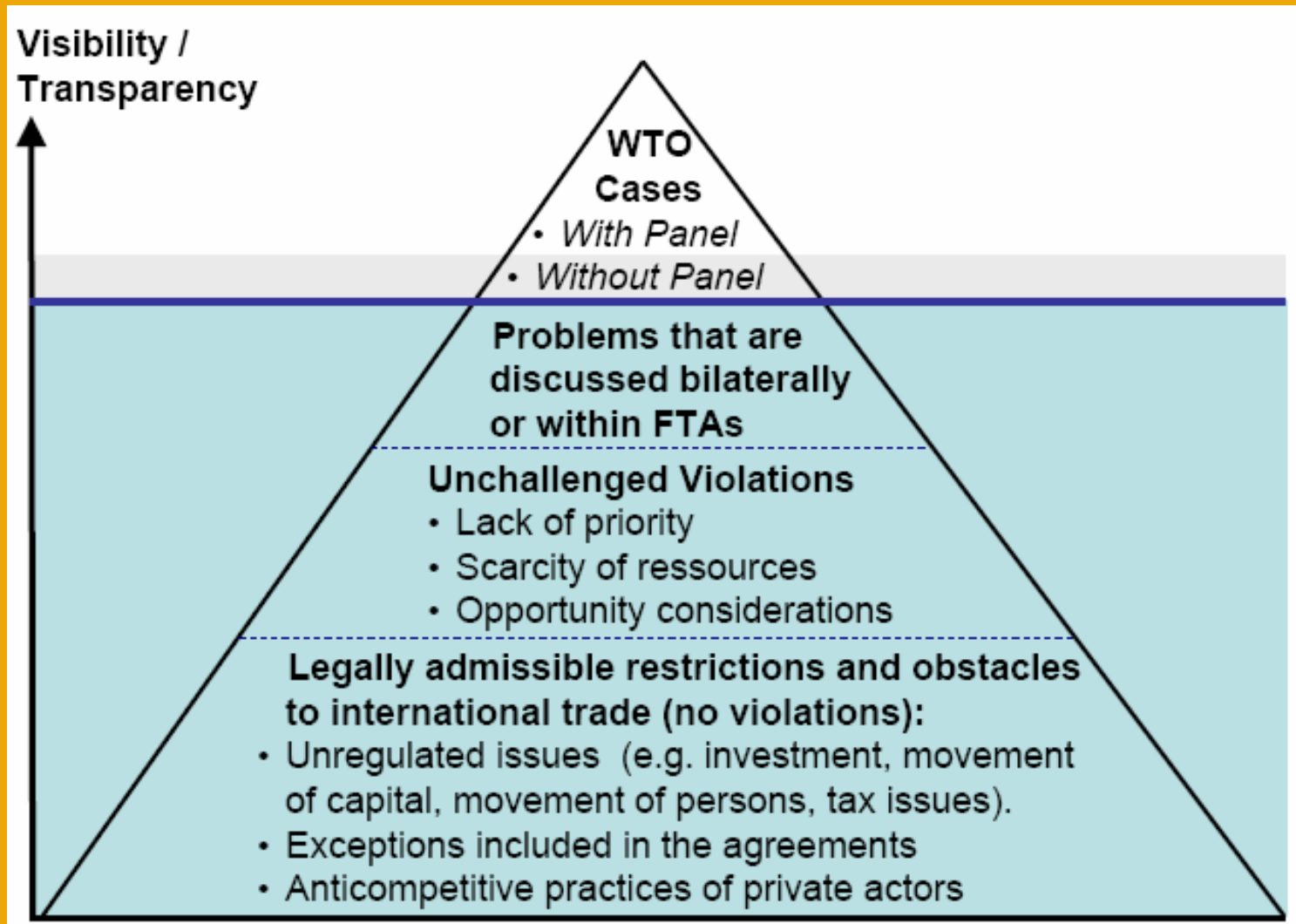
Programme

1. WTO Dispute Settlement: Introduction
2. Use of WTO Dispute Settlement
3. Steel Disputes before the WTO
4. Strengths and Weaknesses
5. Outlook
6. Conclusions
7. Further Information



1. WTO Dispute Settlement: Introduction

Coverage: Dispute Settlement and the 'Iceberg of Protectionism'





1. WTO Dispute Settlement: Introduction

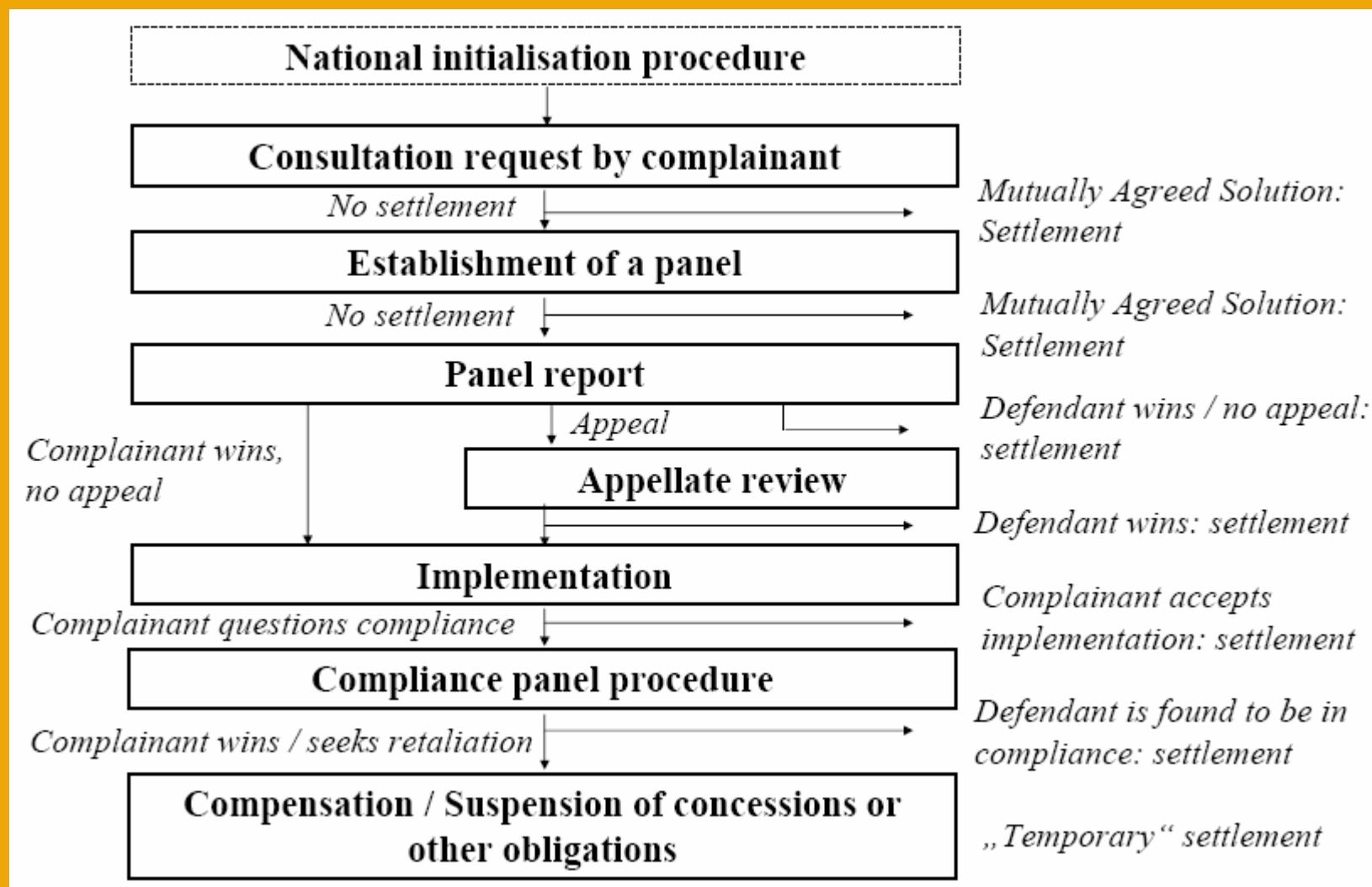
Institutional Setup





1. WTO Dispute Settlement: Introduction

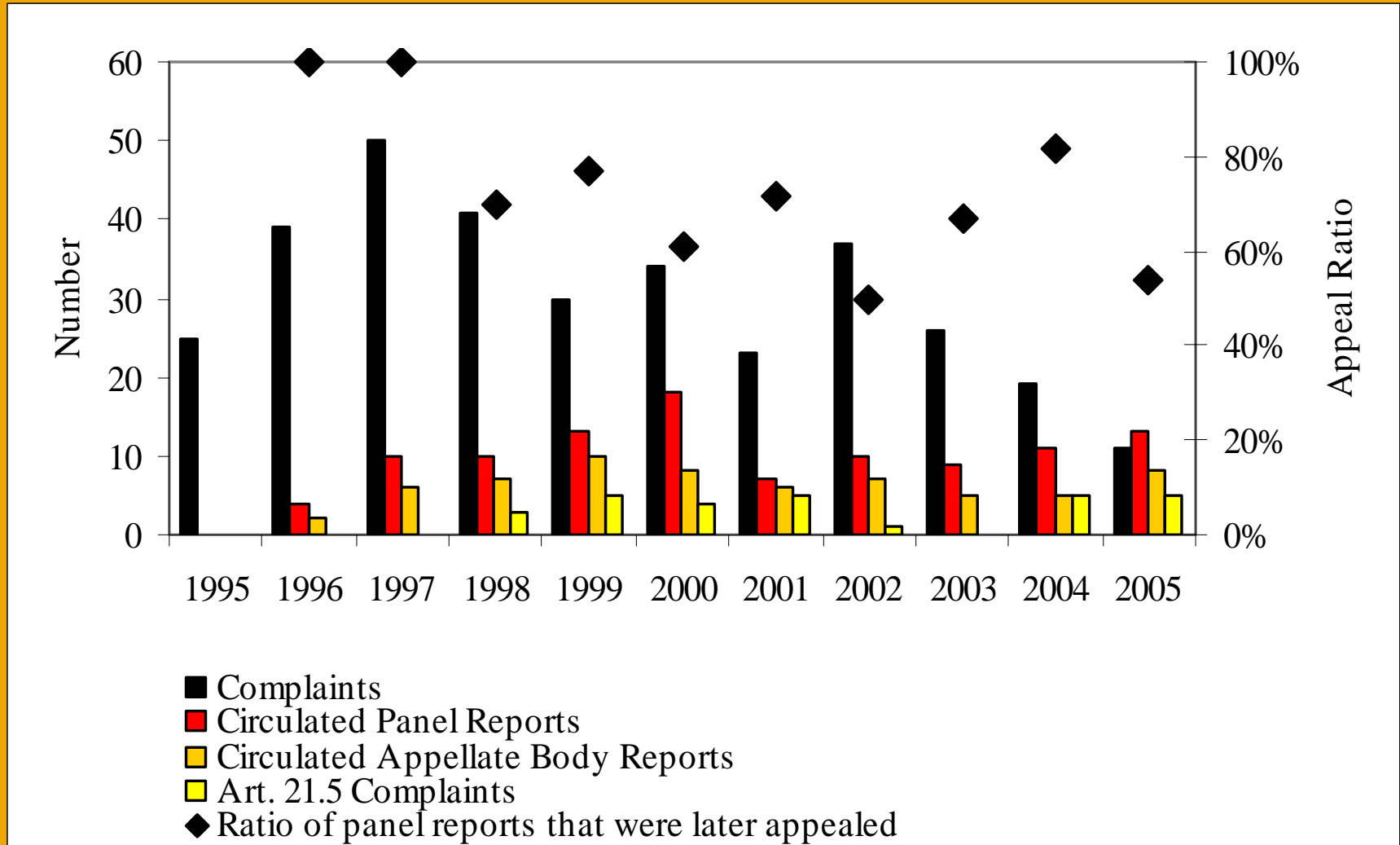
Procedure





2. Use of WTO Dispute Settlement

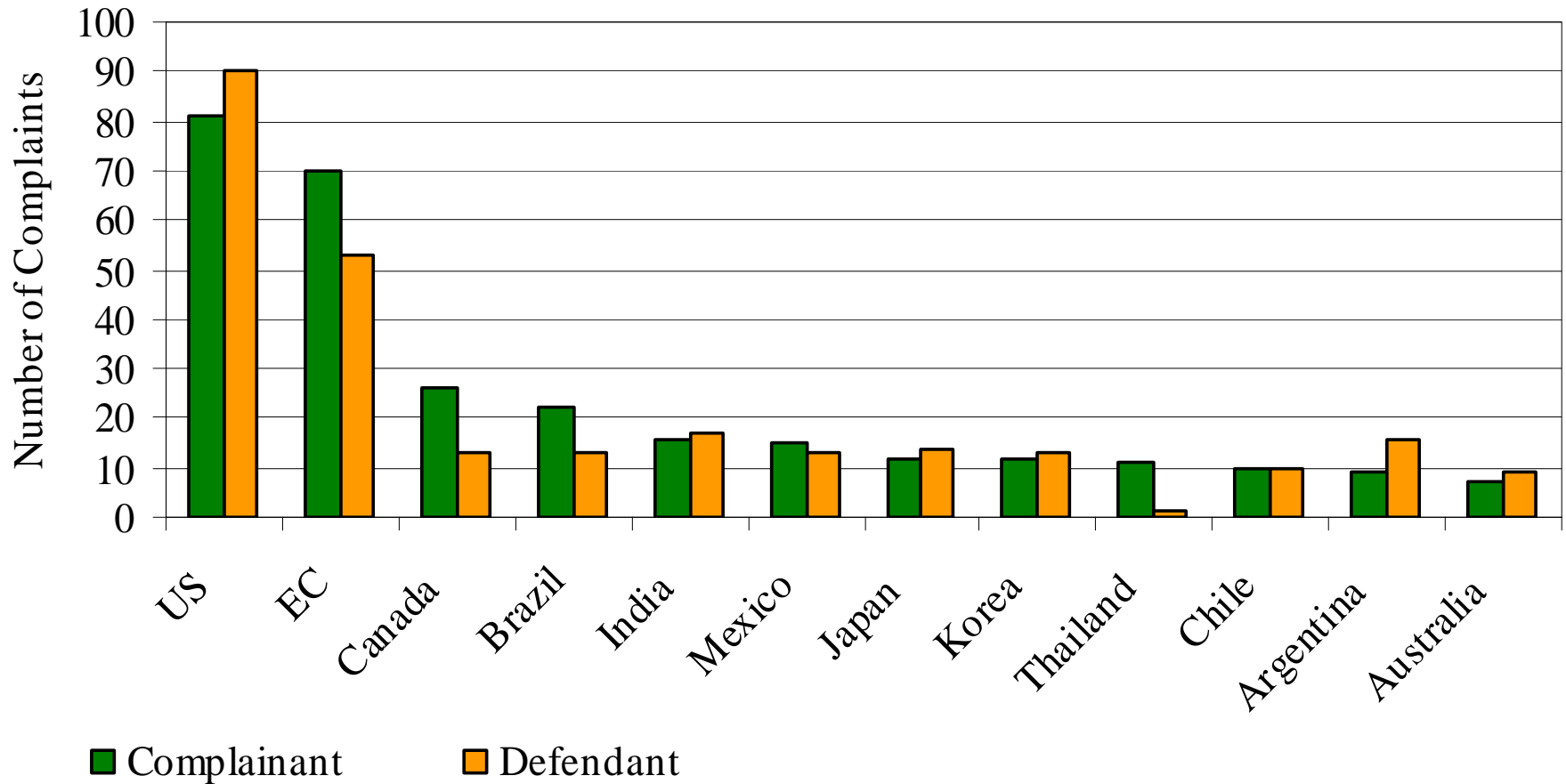
Use over time (1995-2005)





2. Use of WTO Dispute Settlement

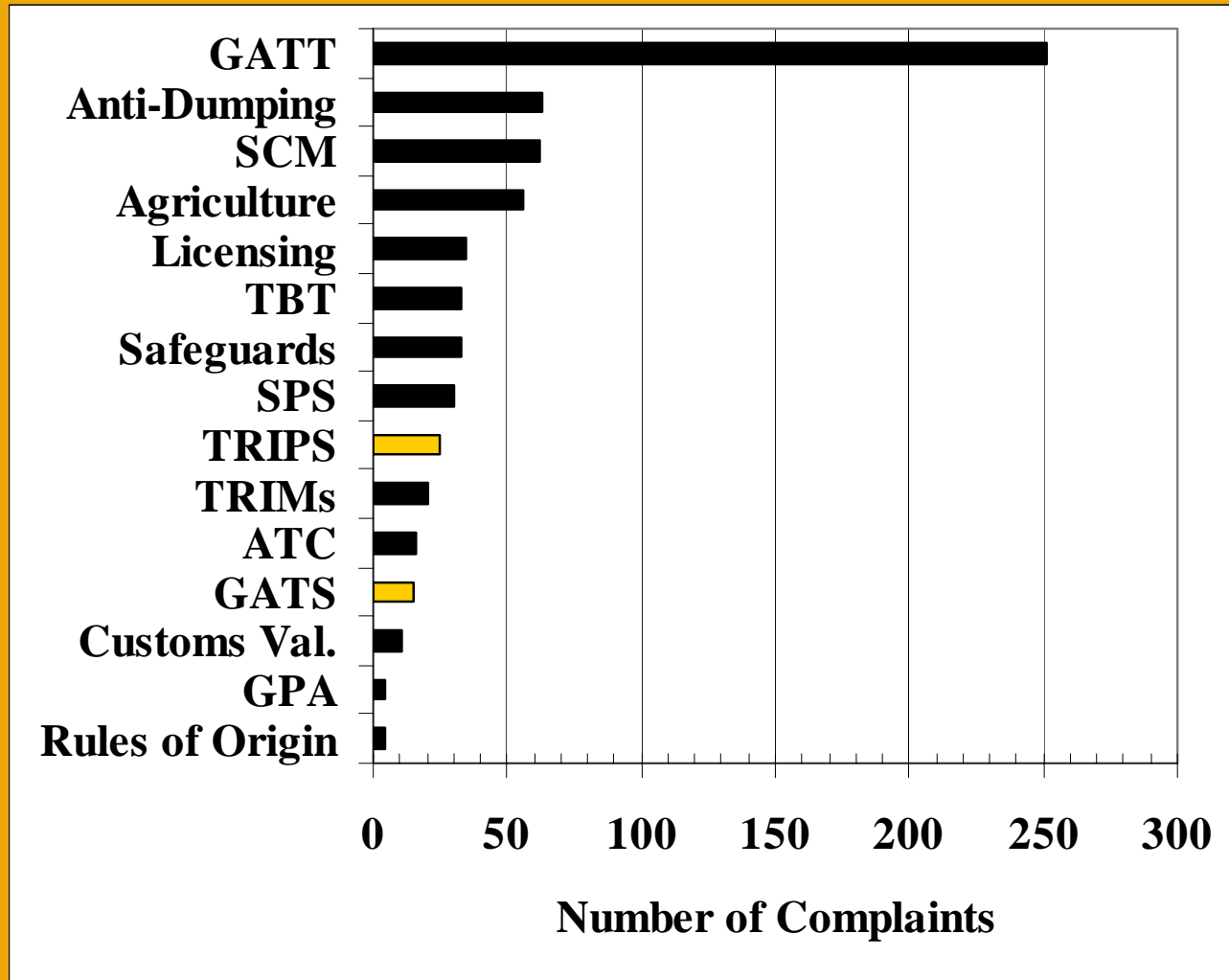
Main users (1995-2005)





2. Use of WTO Dispute Settlement

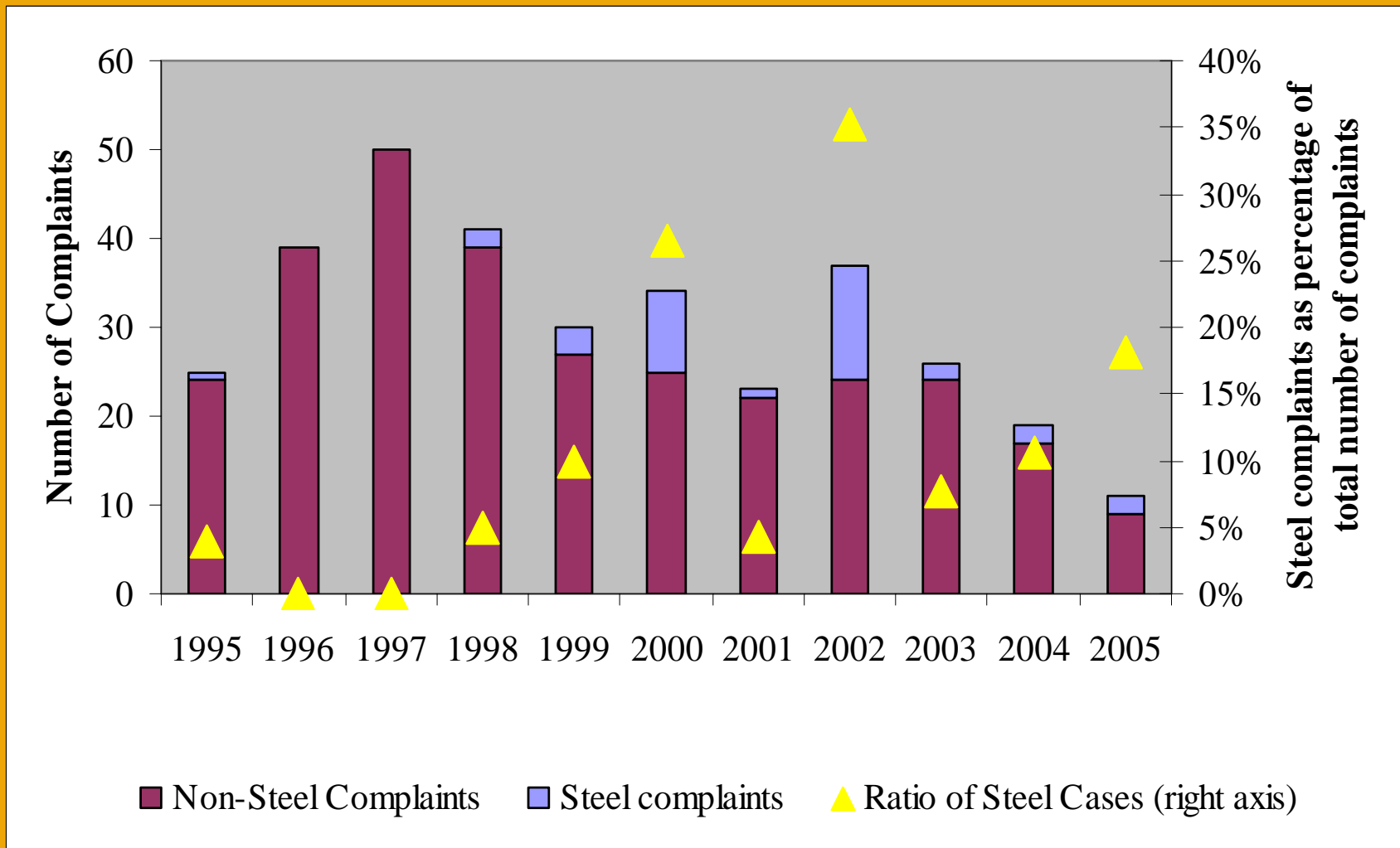
Disputed Provisions (1995-2005)





3. Steel Disputes Before the WTO

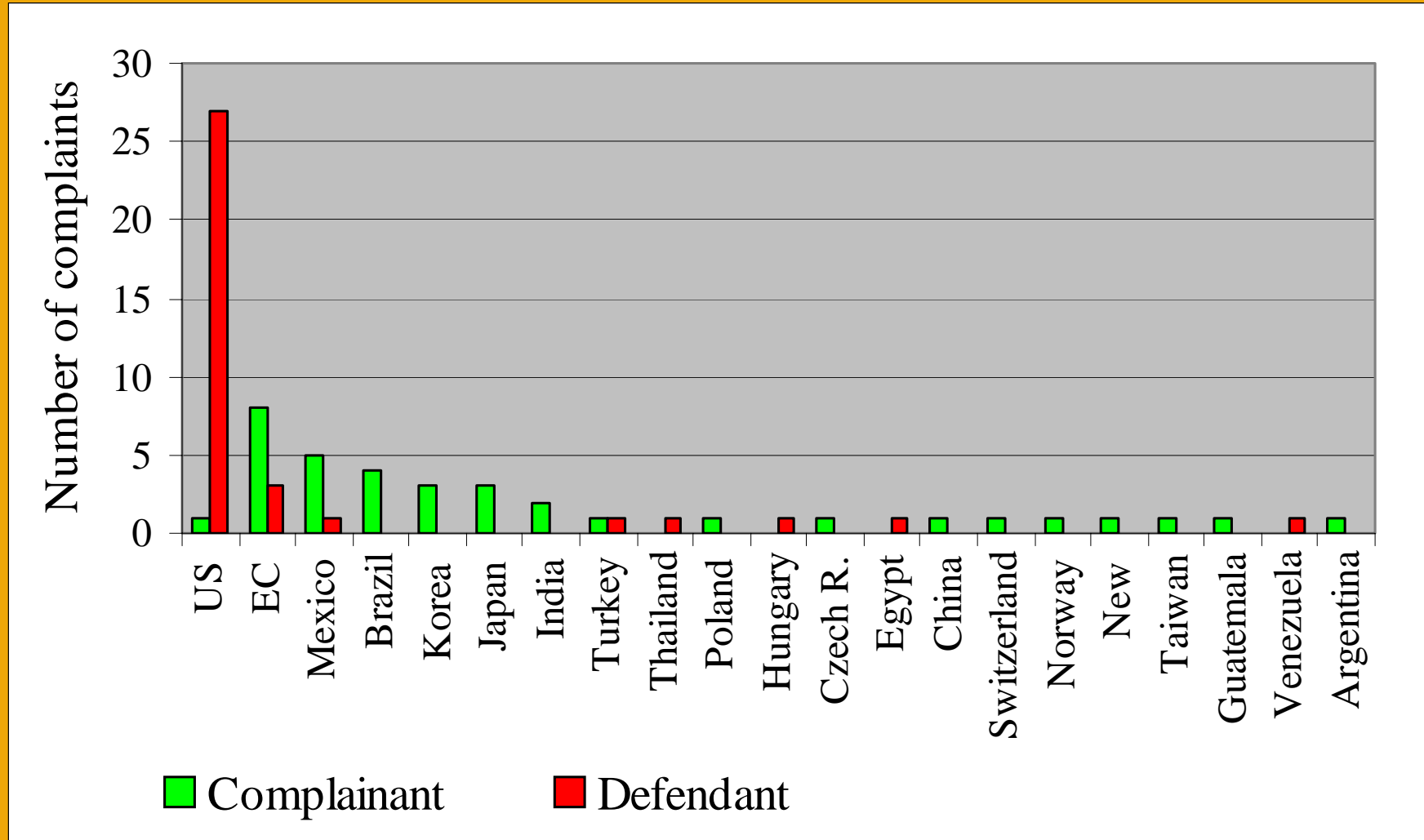
Use over time (1995-2005)





3. Steel Disputes Before the WTO

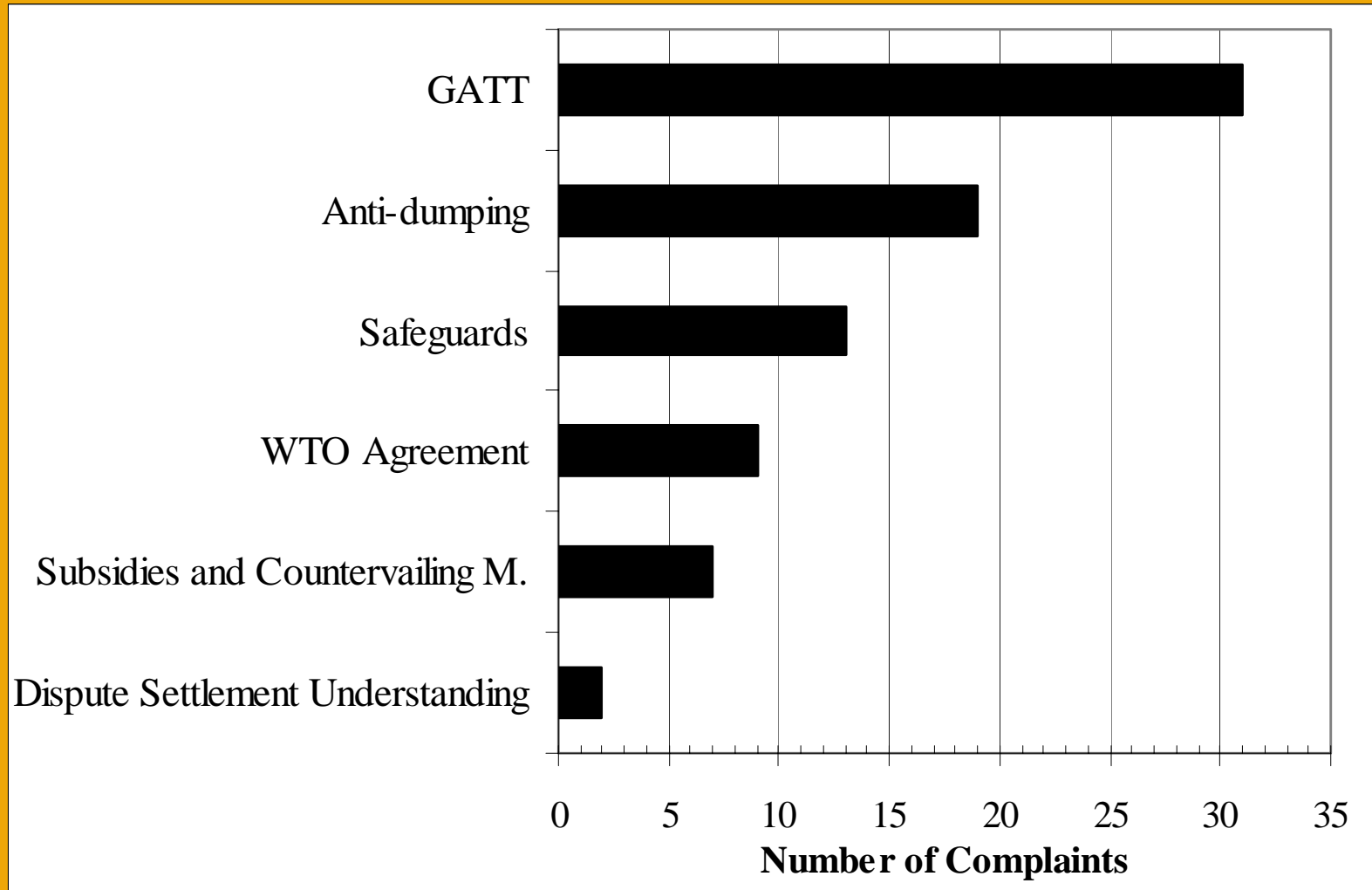
Main Users (1995-2005)





3. Steel Disputes Before the WTO

Disputed Provisions





3. Steel Disputes Before the WTO

Example: The Case Against US Steel Safeguards

Positive Experience (selection):

- The case was examined and reports were presented within an acceptable period of time;
- The safeguard measures were repealed;
- Uncontrolled escalation was avoided;

Negative Experience (selection):

- The measures remained in force from 3-02 – 12-03;
- No provisional measures were available;
- The system could not deter the US Government from implementing the Safeguard measure:
- Adverse economic effects could not be avoided



4. Strengths and Weaknesses

Strengths of the System (Selection)

- No blocking possibilities for defendants;
- Model character of appellate review system;
- Short time-frames (at least on paper....);
- Flexibility in the use;
- So far, the system has enjoyed broad legitimacy.

Potential Weaknesses of the System (Selection)

- Lack of effective enforcement / no provisional measures.
- Retaliation is a poor means for ensuring compliance;
- Time-frames are not always respected;
- Developing countries and LDCs find the system difficult to use.
- Imbalance between political and legal decision-making;
- Private parties may not bring complaints (weakness?).



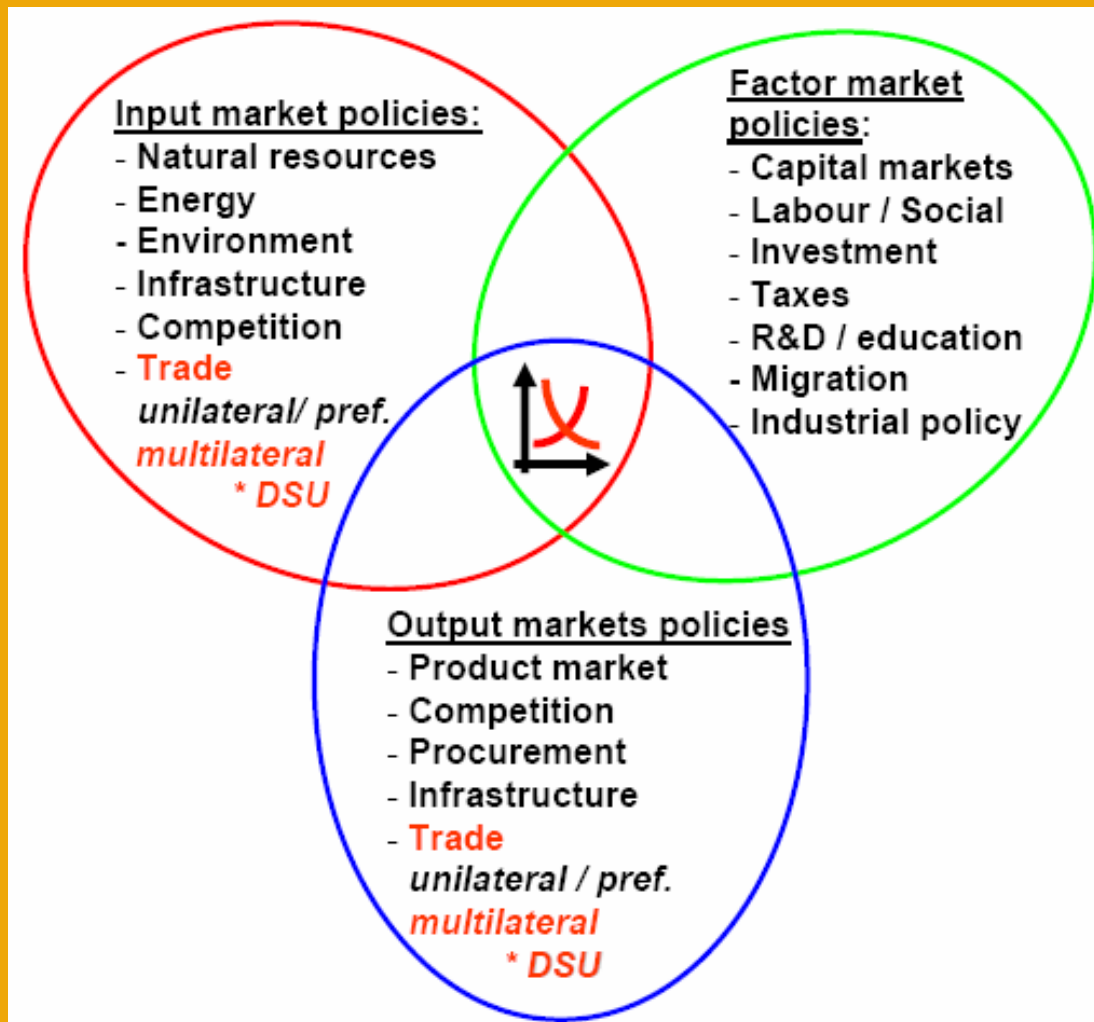
5. Outlook

- Usage of the Dispute Settlement Understanding (DSU) has recently decreased. However, it is too early for a general interpretation of this trend.
- WTO dispute settlement might gain additional importance in light of the suspension of the Doha Round.
- The major risk to the DSU is an excessive burden of politically delicate cases that should rather be resolved at the negotiating table.
- „DSU Review“ negotiations since 1998 has been unsuccessful. However, there is no urgent need for changes to the system.



6. Conclusions

WTO Dispute Settlement, Trade and Other Policies





7. Further Information

WTO Dispute Settlement

- **WTO Homepage:** <http://www.wto.org>
(See in particular the „Dispute Settlement Gateway“ at:
http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm)
- **Introductory Article:** Zimmermann, Thomas A. (2005):
WTO Dispute Settlement at Ten – Evolution, Experiences
and Evaluation; in: Aussenwirtschaft, Vol. 60, No. I, pp. 27-
61 ([http://www.zimmermann-
thomas.de/publikationen/h05zds10.pdf](http://www.zimmermann-thomas.de/publikationen/h05zds10.pdf))
- **Documentary movie on the Steel case:**
„Steel War“ by David W. Syz; ecodocs;
(<http://www.ecodocs.ch>)



Swiss Institute for International Economics
and Applied Economic Research



University of St.Gallen

THANK YOU FOR YOUR ATTENTION!

This presentation as well as further publications by Thomas A. Zimmermann on WTO dispute settlement are available at the following websites (Sub-site „Publications“):

<http://www.zimmermann-thomas.ch>

<http://www.zimmermann-thomas.de>



STAHL 2006

9th and 10th November

Wege über Grenzen
Crossing frontiers

Trade Conflicts: The Role of WTO Dispute Settlement

Thomas A. Zimmermann

Research Associate; SIAW, University of St. Gallen

