



TABLE OF CONTENTS

FOREWORD .....	.1
EXECUTIVE SUMMARY .....	.11
I. INTRODUCTION .....	.23
II. THE WTO AGREEMENTS RELEVANT TO HEALTH .....	.25
A. INTRODUCTION .....	.25
(i) The institution .....	.25
(ii) Structure .....	.25
(iii) Objective .....	.26
(iv) Basic function .....	.26
(v) Membership and accession .....	.28
B. KEY WTO PRINCIPLES .....	.28
(i) Most-favoured-nation (MFN): treating other WTO Members equally .....	.29
(ii) National treatment: Treating foreigners and locals equally .....	.29
(iii) The MFN principle and public health .....	.30
(iv) Health exceptions in GATT and GATS .....	.30
C. TECHNICAL BARRIERS TO TRADE .....	.32
1. The TBT Agreement .....	.32
(i) Overall objective, purpose of Agreement, and scope .....	.32
(ii) Principles .....	.33
(iii) Examples as applied to health .....	.33
(iv) Use of international health standards .....	.33
(v) Review of the TBT Agreement .....	.34
2. The SPS Agreement .....	.34
(i) Rationale for the SPS Agreement .....	.34
(ii) SPS directly relevant to health .....	.35
(iii) Difference in coverage compared to TBT Agreement .....	.35
(iv) Why is it important which Agreement applies? .....	.36
(v) Scientific justification .....	.37
(vi) Provisional measures .....	.37
(vii) Review .....	.38
D. INTELLECTUAL PROPERTY AND TRADE (TRIPS) .....	.38
(i) Provisions for public health protection .....	.41
(ii) What are Member governments' obligations with respect to pharmaceutical patents under TRIPS? .....	.42



(iii) A patent is not a permit to put a product on a market	44
(iv) Research exception and "Bolar" provisions	44
(v) Compulsory licensing and government use	45
(vi) Parallel imports and "exhaustion" of rights	45
(vii) Developing countries' transition periods - Year 2000 for most	46
 E. SERVICES (GATS)	47
(i) GATS general obligations	49
(ii) Country options for GATS commitments in health services	50
 F. SOLVING DISPUTES	52
 III. SPECIFIC HEALTH ISSUES AND WTO AGREEMENTS	57
 A. INTRODUCTION	57
 B. INFECTIOUS DISEASE CONTROL	58
(i) The link between trade and infectious disease control	58
(ii) International Health Regulations (IHR) - a global regulatory framework	59
(iii) Trade rules are unlikely to restrict governments' actions to control infectious diseases, but do impose some disciplines	59
(iv) Revising the IHR to cope with new threats to health	61
 C. FOOD SAFETY	62
(i) Global incidence of food borne disease...	62
(ii) ... and the link to trade	63
(iii) The SPS Agreement is perhaps the closest "match" between a health issue (in this case food safety) and trade	65
(iv) How is the WTO "used" to address food safety concerns?	65
(v) The use of "precaution" in food safety	67
(vi) Challenges for the future	68
(vii) Safety of Genetically Modified Products (GMOs)	69
 D. TOBACCO CONTROL	71
(i) The threat	71
(ii) Openness to trade may increase consumption of tobacco	71
(iii) Tobacco control policies	72
(iv) Tobacco dispute: an example of the application of trade rules	73
(v) Links between WTO Agreements and Tobacco Policies	75
(vi) Framework Convention on Tobacco Control - a new international health treaty	76



(vii) The FCTC negotiations are a good example of the need for international cooperation	77
E. ENVIRONMENT	77
(i) The link between environment, health and trade	77
(ii) "Like products"	79
(iii) The Asbestos Case - public health takes precedence over trade	82
(iv) Domestically prohibited goods	84
(v) The WTO Committee on Trade and Environment ("the CTE")	85
(vi) Multilateral Environmental Agreements (MEAs)	86
F. ACCESS TO DRUGS AND VACCINES	87
(i) Many measures will make drug prices more affordable	88
(ii) Import duties and tariffs on pharmaceuticals	88
(iii) Impact of patent protection and the TRIPS Agreement on the availability of drugs	89
(iv) Patent protection provides incentives for R&D into new drugs	91
(v) Concern that TRIPS could lead to higher prices for some drugs	94
(vi) However, the TRIPS Agreement contains public health safeguards...	97
(vii) The right to use compulsory licensing under the TRIPS Agreement, and the issue of parallel imports: experiences of some countries	103
(viii) TRIPS and access to medicines - positions taken in some other international fora	107
(ix) WTO Discussions on TRIPS and access to drugs	108
G. HEALTH SERVICES	111
(i) The issues	111
(ii) Trade in health services provides opportunities	112
(iii) ... but there are risks	112
(iv) GATS Commitments	113
(v) Effects of country GATS commitments on health services	117
(vi) The exception for governmental services ("carve-out")	118
(vii) Trade liberalization as a risk to quality, equity and other public policy objectives?	119
(viii) GATS recognizes the right to regulate	120
(ix) but regulatory capacity may be weak or non-existent in some developing countries	121
(x) Liberalization calls for greater regulation	121
(xi) The on-going GATS negotiations provide an opportunity for input	122



H. FOOD SECURITY AND NUTRITION	124
(i) Nutrition and health	124
(ii) Food security and nutrition	124
(iii) Trade liberalization and national food security	125
(iv) Food aid	127
(v) The ongoing negotiations represent an opportunity	128
I. EMERGING ISSUES	129
1. Biotechnology	129
(i) Concern about patents	130
(ii) Food security and safety	131
(iii) The Cartagena Biosafety Protocol	132
2. Information technology	133
3. Protection of traditional medicine knowledge	134
IV. TOWARDS HEALTH AND TRADE POLICY COHERENCE	137
A. INTRODUCTION	137
B. TOWARDS POLICY COHERENCE AT NATIONAL AND INTERNATIONAL LEVELS	138
(i) Thailand	139
(ii) Canada	141
C. INTERNATIONAL HEALTH-TRADE COORDINATION BETWEEN THE WHO AND WTO	142
D. CONCLUSION	144
(i) Addressing health issues in WTO rules	145
(ii) ... and trade issues in international health rules	146
(iii) The need for evidence to inform policy	147
(iv) Negotiation and reviews	147
(v) Accession	148
(vi) Capacity-building	148
(vii) Two critical ingredients to policy coherence	149
ANNEX	151
CHARTS AND TABLES	
Chart 1 WTO Structure	27
Box 1 The definition of an SPS measure at a glance	36
Box 2 The relevance of trademarks and "undisclosed information" to health	40
Box 3 Counterfeit drugs	40

Box 4	Health applications of GATS services modes	48
Chart 2	The Panel process	55
Box 5	Specific health issues and most relevant WTO agreements	58
Box 6	Safety of imported fish during a cholera outbreak	60
Box 7	SPS and Codex	64
Box 8	EC - Hormones WTO Panel on European Community - Measures concerning meat and meat products (hormones), complaints by the United States and Canada	66
Box 9	Article 5.7 of the SPS Agreement	67
Box 10	WTO dispute: Thailand - Cigarette case	74
Box 11	United States - Standards for reformulated and conventional gasoline (WT/DS2)	80
Box 12	European Communities - Measures affecting asbestos and asbestos containing products (WT/DS135)	83
Box 13	Uganda ends "malaria taxes"	89
Box 14	Effect of the patent system in promoting the invention, development and marketing of new drugs	92
Box 15	What is the difference between vaccines and other pharmaceuticals in the context of TRIPS?	97
Box 16	WTO dispute: Canada - Patent protection of pharmaceutical products, complaint by the European Communities (WT/DS114/1)	98
Box 17	US White House Executive Order 13155, May 20, 2000 - Access to HIV/AIDS pharmaceuticals and medical technologies	104
Box 18	Declaration on the TRIPS Agreement and public health	109
Table I	WTO Members' commitments on medical, hospital and other health services, and on health insurance (number of Members), 3rd Quarter 2000	116
Box 19	Some trade and health issues in WTO bodies and other international fora	144