Abstract

Retaliation under the WTO Agreement: The “Sequencing Problem”

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The topic of this article is one of the biggest problems associated with retaliation under the World Trade Organization dispute settlement procedure – the sequencing issue. Namely, despite very strict, precise, applicable and tractable procedural rules in the the World Trade Organization dispute settlement system, one thing has remained unclear and unresolved thus far – the mismatch of articles 21.5 and 22 of the World Trade Organization Dispute Settlement Understanding. A critical reading of these two articles, aside from possible practical problems, is enough to conclude that these two articles must be brought in accordance; otherwise, problems in implementation may arise. More than a decade ago, such a problem occurred, involving important world trade “players” and lasting over a considerable period. In order to explore the aforementioned problem, this article will outline the procedural issues, identify the problem, indicate the substance of the problem and, finally, suggest possible solutions.
Keywords: World Trade Organization, Dispute Settlement Understanding, interpretation, compliance, retaliation, sequencing