

THE LAW OF SUBSIDIES UNDER THE GATT/WTO SYSTEM BY MARC BENITAH [The Hague: Kluwer Law International, 2001. xii + 424 pp. Hardcover: €106.00/US\$92.00/£69.00]

Subsidies is an important area in international trade. It is also a complex and often controversial area. Professor Benitah's treatise is therefore a welcome addition to the literature on this subject.

If Prof Benitah had devoted his work to explaining the different aspects of subsidies, their effects on various parties, and the peculiar problems that they pose in international trade, it would have been valuable enough as a comprehensive work on subsidies is overdue. But he goes further. His book offers us a refreshing and innovative look at the law of subsidies and provokes us to examine it in a new light.

Through the introduction of what he calls the concept of "attenuation" of entitlements, Prof Benitah tries to show that there is a constant theme that runs through the various international legal instruments dealing with subsidies. He does this by first drawing a parallel between the treatment of subsidies in international economic law with the treatment of pollution in domestic law. The analogy is certainly a useful one for it exposes clearly the tension that permeates both relationships. Domestic judicial and legislative bodies have to weigh the "adverse affects" of pollution on certain parties against the benefits that are wrought by the industries that produce the pollution. International bodies such as the WTO have to weigh the adverse effects of subsidies on the importing country's domestic producers (who do not enjoy subsidies) against the benefits to the exporting country (whose producers are subsidised).

An important contribution of the book to the understanding of subsidies is its discussion on the effects subsidies have on consumers, particularly consumers in the importing country. The GATT/WTO system focuses the effects on domestic producers that are affected but ignores the consumers who benefit from the cheaper, albeit subsidised, imports. If one of the goals of trade liberalisation is to bring cheaper goods to consumers, then there is arguably a case for re-examining a system that is tailored to protect domestic industries from cheaper imports at a cost to consumers.

Quite apart from the treatment of subsidies per se, the book provides an insight into the dispute settlement mechanism of the WTO. Through its analysis of cases decided by GATT and WTO panels, it scrutinizes not only the legal reasoning of the panels, but the rule-making process leading up to the WTO Subsidies Agreement and the factual matrix of the case. This allows the legal dispute to be seen in context and not simply as a purely legal problem unaffected by other factors. It also enables the reader to follow the development of the jurisprudence in the area. In addition, a useful comparison is made between the legislations governing the imposition of countervailing duties in the US and EU and the domestic bodies charged with the responsibility of enforcing them.

In short, *The Law of Subsidies under the GATT/WTO System* is a groundbreaking work that will prove itself valuable to legal practitioners, trade officials and academics interested in international economic law.