

ANNUAL REPORTS (1997)

VOLUME I



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The annual reports for 1997 of the General Council, Dispute Settlement Body, Trade Policy Review Body, Sectoral Councils, Committees on Trade and Environment, Trade and Development, Regional Trade Agreements, Balance-of-Payments Restrictions, and Budget, Finance and Administration, Working Groups on the Relationship between Trade and Investment, Interaction between Trade and Competition Policy, and Transparency in Government Procurement, and the Committees and Councils under the Plurilateral Trade Agreements, are reproduced hereunder. Each report is reproduced as a separate section with its own page numbering.

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Section II: Dispute Settlement Body	WT/DSB/10 and Corr. 1
Section III: Trade Policy Review Body	WT/TPR/41 and Corr. 1
Section IV: Council for Trade in Goods <sup>1</sup>	G/L/213
Section V: Council for Trade in Services	S/C/5
Section VI: Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS)	IP/C/12
Section VII: Committee on Trade and Environment	WT/CTE/2
Section VIII: Committee on Trade and Development	WT/COMTD/13
Section IX: Committee on Balance-of-Payments Restrictions	WT/BOP/R/37
Section X: Committee on Budget, Finance and Administration	WT/BFA/34
Section XI: Committee on Regional Trade Agreements	WT/REG/3
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<sup>1</sup>The reports of the subsidiary bodies of the Council for Trade in Goods are contained in Volume II of this document.

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SECTION I

GENERAL COUNCIL



**General Council**

GENERAL COUNCIL

Annual Report (1997)

The present report has been prepared in pursuance of the Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO (WT/L/105), and sets out the actions taken by the General Council in the period since its previous annual report.<sup>1</sup>

In carrying out its tasks, the General Council has held 8 meetings since the period covered by the previous report. The minutes of these meetings, which remain the record of the General Council's work, are contained in documents WT/GC/M/17-WT/GC/M/25.

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1. WTO Logo (WT/GC/M/19)

At the General Council meeting on 24 April 1997, the Chairman recalled that Singapore had offered to hand over to the WTO for its use the logo used at the 1996 Ministerial Conference, together with the copyright thereon, and that this offer -- the only one on the table -- had received widespread support. He proposed that the General Council agree to accept Singapore's offer, and authorize the Secretariat to work out the necessary arrangements with Singapore.

The General Council so agreed (WT/L/214).<sup>2</sup>

2. Preparations for the 1998 Ministerial Conference and the commemoration of the 50th anniversary of the multilateral trading system (WT/GC/M/18, 19, 20, 21, 23, 25)

At the Ministerial Conference in December 1996, Ministers had agreed that the next Ministerial Conference would be held in Geneva and had invited the General Council to determine its dates and duration (WT/MIN(96)/SR/9). Ministers had also noted that the 50th anniversary of the multilateral trading system would occur early in 1998 and had instructed the General Council to consider how this historic event could best be commemorated (WT/MIN(96)/DEC, paragraph 23).

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<sup>2</sup>The Logo of the WTO, as adapted from the original commissioned by the Government of Singapore for the first Ministerial Conference, was officially unveiled by the Director-General at a ceremony on 9 October 1997.

At the General Council meeting on 7 February 1997, the representative of Canada proposed a short one-to-two day meeting at Ministerial level to commemorate the 50th anniversary of the multilateral trading system, and suggested that this meeting could be held back-to-back with an equally short meeting of the Ministerial Conference in 1998.

The representatives of Morocco, Cuba and New Zealand, and the Director-General and the Chairman spoke.

The General Council took note of the statements and authorized its Chairman to hold consultations on this matter.

At the General Council meeting on 24 April 1997, the Chairman announced that he had raised the question of dates of the next Ministerial Conference at an informal consultation with delegations, and that there appeared to be a widespread view that the next Conference should be held in the first semester of 1998. He intended to intensify his consultations in the near future, and invited delegations to reflect on the matter in the meantime to help expedite the consultations.

The representatives of Canada, Switzerland, Norway, Morocco, Pakistan, Japan, Korea and Cuba, and the Chairman and the Director of the Finance and General Services Division spoke.

The General Council took note of the statements and agreed that the Chairman should hold consultations on this matter.

At the General Council meeting on 30 June - 1 July 1997, the Chairman proposed, on the basis of consultations he had been holding, that the 1998 Ministerial Conference and the meeting to commemorate the 50th anniversary of the multilateral trading system be held in the period 18-20 May 1998.

The General Council so agreed.

At its meeting on 16 July 1997, the Director-General informed the General Council of points that had been raised in the many multilateral and bilateral meetings he had had in the past three months regarding the organization of the 50th anniversary commemoration meeting and the 1998 Ministerial Conference.

The Chairman spoke.

The General Council took note of the statements.

At its meeting on 22 October 1997, the Chairman informed the General Council of consultations he had been holding recently concerning preparations for the Ministerial Conference and the commemoration of the 50th anniversary of the multilateral trading system, on the basis of which he proposed that the General Council agree that the Ministerial Conference be held on 18-19 May, followed on 20 May by the commemoration of the 50th anniversary of the multilateral trading system. He further proposed that the General Council invite the Director-General to prepare a paper on the organization of the commemoration of the 50th anniversary.

The General Council took note of the statement and so agreed.

At the General Council meeting on 10 December 1997, the Chairman reported on consultations recently held on the paper prepared by the Director-General regarding the organization of the 50th anniversary commemoration event (document 6410), and on preparations for the Ministerial Conference.

On the basis of the consultations, he proposed that the General Council agree as follows: (i) that it would be desirable and important for Members to indicate to the Secretariat, by a target date of 31 January 1998, the level of their representation at the commemoration of the 50th anniversary in order to allow sufficient time for the preparation of this event; and (ii) that the report of the General Council to the 1998 Ministerial Conference consist of the 1997 Annual Reports of the General Council and its subsidiary bodies together with a brief update report of the General Council concerning developments in the first months of 1998, and that Chairpersons of subsidiary bodies be invited to report orally to the General Council on work done since December 1997.

The representatives of Argentina, Jamaica, Korea, Paraguay, Pakistan and Hong Kong, China spoke.

The General Council took note of the statements, also took note that further consultations would be resumed at an appropriate time in the following year, and agreed to the Chairman's proposals.

3. Arrangements for convening the High-Level Meeting on integrated initiatives for least-developed countries' trade development (WT/GC/M/22)

At the Ministerial Conference in December 1996, Ministers had agreed to "organize a meeting with UNCTAD and the International Trade Centre as soon as possible in 1997, with the participation of aid agencies, multilateral financial institutions and least-developed countries to foster an integrated approach to assisting these countries in enhancing their trading opportunities" (WT/MIN(96)/DEC, paragraph 14).

At its meeting on 7 October 1997, the General Council considered arrangements for convening the High-Level Meeting on integrated initiatives for least-developed countries' trade development.

The Chairman proposed that the General Council, as the WTO body instructed to conduct the functions of the Ministerial Conference in the intervals between meetings of the latter, and following the mandate given by WTO Ministers in Singapore, invite the WTO Director-General to convene the High-Level Meeting for Least-Developed Countries' Trade Development on 27-28 October in the WTO, to which would be invited WTO Members and observer governments, and all least-developed countries. Special invitations to participate should be extended to the UNCTAD and ITC secretariats, in view of the key role that they were playing in preparations for the High-Level Meeting and the importance that WTO Members, and the least-developed countries in particular, attached to UNCTAD's and ITC's full and active participation in the implementation of trade-related technical assistance activities under the Integrated Framework that would result from the High-Level Meeting. Invitations should similarly be extended to the IMF, UNDP, and World Bank which, along with the WTO, ITC and UNCTAD secretariats, were directly involved in the preparation and follow-up to the High-Level Meeting.

The representatives of the European Communities, Bangladesh and Pakistan, and the Deputy Secretary-General of UNCTAD and the Chairman spoke.

The General Council took note of the statements and agreed to the Chairman's proposal regarding the organization of the High-Level Meeting.

The Chairman then proposed that the intergovernmental organizations that had observer status in the WTO and, upon request, other intergovernmental organizations that had responsibilities related to the purposes of the High-Level Meeting should be invited to attend the High-Level Meeting as observers. Furthermore, non-governmental organizations might be invited to participate in country-specific roundtables at the High-Level Meeting by those least-developed countries that were responsible

for organizing their own country-specific roundtables, and in the thematic roundtables upon invitation from the Chairpersons of those roundtables.

The General Council agreed to the Chairman's proposals regarding the attendance of intergovernmental and non-governmental organizations at the High-Level Meeting.

4. Working Groups on the relationship between trade and investment, the interaction between trade and competition policy, and transparency in government procurement practices (WT/GC/M/18, 19)

At the Ministerial Conference in December 1996, Ministers had agreed to establish working groups on the relationship between trade and investment, the interaction between trade and competition policy, and transparency in government procurement practices (WT/MIN(96)/DEC, paragraphs 20 and 21).

At the General Council meeting on 7 February 1997, the Chairman said that since the three working groups came within the purview of the General Council, it was important for the General Council to take the necessary steps to enable them to start their work as soon as possible.

The representatives of Pakistan, Jamaica, Morocco, Uruguay, Egypt and Hong Kong spoke.

The General Council took note of the statements and agreed to authorize its Chairman to hold consultations and to propose to the General Council the names of chairpersons for the three working groups.

The representatives of Morocco, Singapore, the United States and India, and the Chairman spoke.

The General Council took note of the statements.

At the General Council meeting on 24 April 1997, the Chairman announced that in the light of his extensive consultations there appeared to be consensus on the following appointments: Mr. Krirk-Krai Jirapaet (Thailand) for the Working Group on the Relationship between Trade and Investment; Mr. Frédéric Jenny (France) for the Working Group on the Interaction between Trade and Competition Policy; and Mr. Werner Corrales Leal (Venezuela) for the Working Group on Transparency in Government Procurement. The term of office of these Chairpersons would be the calendar year of 1997, with the possibility of reappointment for another year as appropriate. The question of possible reappointment, or the appointment of new chairpersons, would be taken up on the context of consultations on the appointment of chairpersons of WTO bodies for 1998.

The General Council took note of the statement and agreed to the appointments (WT/L/215).

5. Committee on Balance-of-Payments Restrictions

(a) Consultations (WT/GC/M/18, 19, 23)

At the General Council meeting on 7 February 1997, the Chairman of the Committee on Balance-of-Payments Restrictions made an oral report on the Committee's consultation with India.

The representatives of the European Communities, the United States, Switzerland, Japan, India and Korea spoke.

The General Council took note of the statements.

At the General Council meeting on 24 April 1997, the Chairman of the Committee on Balance-of-Payments Restrictions introduced the Committee's reports on its consultations with India (WT/BOP/R/22) and Nigeria (WT/BOP/R/25).

The representatives of the United States, Australia, the European Communities, Japan, New Zealand, India and Nigeria spoke.

The General Council took note of the statements and adopted the reports in WT/BOP/R/22 and WT/BOP/R/25.

At the General Council meeting on 22 October 1997, the Chairman of the Committee on Balance-of-Payments Restrictions introduced the Committee's reports on its consultations with Pakistan (WT/BOP/R/27), India (WT/BOP/R/32), Tunisia (WT/BOP/R/31), the Czech Republic (WT/BOP/R/33), Bulgaria (WT/BOP/R/34) and Nigeria (WT/BOP/R/35), and on the simplified consultation with Bangladesh (WT/BOP/R/28).

The representatives of the European Communities, the United States, India, Egypt, Pakistan, Bangladesh, Cuba, Sri Lanka, Colombia, Brazil, Canada, Japan, Australia, Switzerland, Argentina and New Zealand spoke.

The General Council took note of the statements and that it would be desirable to hold full consultations with Bangladesh in the autumn of 1998 or in any case before May 1999, agreed that Bulgaria and Tunisia be deemed to be in compliance with their obligations, and adopted the reports in WT/BOP/R/27, WT/BOP/R/28 and WT/BOP/R/31-35.

(b) Notes on meetings (WT/GC/M/19, 23, 25)

At the General Council meeting on 24 April 1997, the Chairman of the Committee on Balance-of-Payments Restrictions drew attention to the Committee's discussion of its ongoing business reported in WT/BOP/R/23 and WT/BOP/R/24.

The General Council took note of the statement and of the information in WT/BOP/R/23 and WT/BOP/R/24.

At the General Council meeting on 22 October 1997, the Chairman of the Committee on Balance-of-Payments Restrictions drew attention to the Committee's discussion of its ongoing business reported in WT/BOP/R/26 and WT/BOP/R/29-30.

The General Council took note of the statement and of the information in WT/BOP/R/26 and WT/BOP/R/29-30.

At the General Council Meeting on 10 December 1997, the Chairman of the Committee on Balance-of-Payments Restrictions drew attention to the Committee's discussion of its ongoing business reported in WT/BOP/R/36 and WT/BOP/R/38.

The General Council took note of the statement and of the information in WT/BOP/R/36 and WT/BOP/R/38.

6. Committee on Budget, Finance and Administration  
- Reports (WT/GC/M/17, 19, 21, 23, 25)

At the General Council meeting on 26 November 1996, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in WT/BFA/28.

The General Council took note of the statement, approved the Committee's specific recommendations in paragraphs 4, 20, 23, 24, 25, 26, 27, 28, 29 and 30 of its report in WT/BFA/28, and also approved the draft Resolution referred to in paragraph 20. The General Council then adopted the Budget Committee's report in WT/BFA/28, including the recommendations contained therein and the Resolution on the revised expenditure of the WTO in 1997 and the ways and means to meet that expenditure.

At the General Council meeting on 24 April 1997, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in WT/BFA/30.

The General Council took note of the statement, approved the Committee's specific recommendations in paragraphs 8 and 10 of its report in WT/BFA/30, and adopted the report.

At the General Council meeting on 16 July 1997, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in WT/BFA/31.

The representatives of Morocco and Bangladesh spoke.

The General Council took note of the statements, approved the Committee's specific recommendations in paragraphs 12, 13, 17 and 20 of its report in WT/BFA/31, and adopted the report.

At the General Council meeting on 22 October 1997, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in WT/BFA/32.

The representatives of Morocco and the United States spoke.

The General Council took note of the statements, approved the Committee's specific recommendations in paragraphs 4, 5, 19, 32, 33 and 38 of its report in WT/BFA/32, as well as the contents of paragraph 41, and also approved the draft Resolution referred to in paragraph 19. The General Council then adopted the Budget Committee's report in WT/BFA/32, including the recommendations contained therein and the Resolution on the revised expenditure of the WTO in 1998 and the ways and means to meet that expenditure.

At the General Council meeting on 10 December 1997, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in WT/BFA/33.

The representative of Egypt referred to the text in the second sentence of paragraph 7 of the Committee's report, which he said had been added after the initial agreed text had been circulated to Committee Members. His delegation had not previously been aware of this modification and suggested that the text in question be deleted from the Committee's report to the General Council.

The representatives of Jamaica and Germany, and the Budget Committee Chairman and the Chairman spoke.

The General Council took note of the statements and of the wish of Committee Members that the text in the second sentence of paragraph 7 be considered deleted from the Committee's report before the General Council in WT/BFA/33. The General Council then approved the Budget Committee's specific recommendations in paragraph 6 of its report, and adopted the report as amended (WT/BFA/33 and Corr. 1).

7. Agreement on Preshipment Inspection - Review under Article 6 of the Agreement (WT/GC/M/25)

In November 1996, the General Council, on the basis of a recommendation from the Council for Trade in Goods, had established a working party under the Goods Council to conduct the review provided for under Article 6 of the Agreement on Preshipment Inspection, and to report to the General Council in December 1997 through the Goods Council.

At its meeting on 10 December 1997, the General Council considered the Working Party's report (G/L/214).

The representative of Jamaica and the Chairman of the Working Party spoke.

The General Council took note of the statements, approved the recommendations of the Working Party in paragraphs 1 - 9 of section B of its report, and adopted the report. The General Council agreed that the life of the Working Party be extended for one year for the purposes described in paragraph 8 of section B of its report.

8. Waivers under Article IX of the WTO Agreement (WT/GC/M/23)

At the General Council meeting on 22 October 1997, the Chairman of the Council for Trade in Goods addressed the general question of requests for waivers submitted for initial consideration to the Goods Council.

The General Council took note of the statement.

(a) EC/France - Trading arrangements with Morocco (WT/GC/M/25)

At its meeting on 10 December 1997, the General Council considered a request by EC/France (G/L/196) for an extension of a waiver previously granted for France's trading arrangements with Morocco, and a draft decision to this effect (G/C/W/96).

The Chairman of the Council for Trade in Goods reported on the consideration of this request by the Council.

The representatives of Australia and the European Communities spoke.

The General Council took note of the statements and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decision (WT/L/250).

(b) Hungary - Agricultural export subsidies (WT/GC/M/23)

At its meeting on 22 October 1997, the General Council considered a request by Hungary (G/L/183) for a waiver from its obligations under paragraph 3 of Article 3, Article 8, and paragraph 2 of Article 9 of the Agreement on Agriculture, and a draft decision to this effect (G/C/W/86).

The Chairman of the Council for Trade in Goods reported on the consideration of this request by the Council.

The representative of Mexico, and the Chairman spoke.

The General Council took note of the statements<sup>3</sup> and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decision (WT/L/238).

(c) Harmonized System

(i) Bangladesh, Bolivia and Nicaragua (WT/GC/M/19)

At its meeting on 24 April 1997, the General Council considered requests by Bangladesh (G/L/163), Bolivia (G/L/161) and Nicaragua (G/L/166) for extensions of waivers previously granted in connection with their implementation of the Harmonized System, and draft decisions to this effect (Bangladesh - G/C/W/74; Bolivia - G/C/W/72; Nicaragua - G/C/W/77).

The Chairman of the Council for Trade in Goods reported on the consideration of these requests by the Council.

The General Council took note of the report and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decisions (WT/L/209 - Bangladesh; WT/L/212 - Bolivia; and WT/L/211 - Nicaragua).

(ii) Sri Lanka (WT/GC/M/21)

At its meeting on 16 July 1997, the General Council considered a request by Sri Lanka (G/L/164) for an extension of a waiver previously granted in connection with its implementation of the Harmonized System, and a draft decision to this effect (G/C/W/73/Rev.1).

The Chairman of the Council for Trade in Goods reported on the consideration of this request by the Council.

The General Council took note of the report and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decision (WT/L/224).

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<sup>3</sup>Including the statement by Hungary on this matter at the meeting of the Council for Trade in Goods on 6 October 1997 (G/C/M/23, item 4).



(iii) Bangladesh, Nicaragua and Sri Lanka (WT/GC/M/23)

At its meeting on 22 October 1997, the General Council considered requests by Bangladesh (G/L/186), Nicaragua (G/L/187) and Sri Lanka (G/L/188) for extensions of waivers previously granted in connection with their implementation of the Harmonized System, and draft decisions to this effect (Bangladesh - G/C/W/89; Nicaragua - G/C/W/87; Sri Lanka - G/C/W/90).

The Chairman of the Council for Trade in Goods reported on the consideration of these requests by the Council, and the representative of Bangladesh spoke.

The General Council took note of the statements and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decisions (Bangladesh - WT/L/239; Nicaragua - WT/L/240; Sri Lanka - WT/L/241).

(d) Renegotiations of Schedules

(i) Senegal - Renegotiation of Schedule XLIX (WT/GC/M/19)

At its meeting on 24 April 1997, the General Council had before it a request by Senegal (G/L/165) for an extension of a waiver previously granted in connection with its renegotiation of its schedule, and a draft decision to this effect (G/C/W/76).

The Chairman of the Council for Trade in Goods informed the General Council that since the Goods Council meeting at which this request had been considered, Senegal had concluded its pending negotiations under Article XXVIII of GATT 1994. Senegal was therefore not pursuing its request on the waiver, and the General Council did not need to take further action on this item.

The General Council took note of the statement.

(ii) Zambia - Renegotiation of Schedule LXXVIII (WT/GC/M/19, 23)

At its meeting on 24 April 1997, the General Council considered a request by Zambia (G/L/162) for an extension of a waiver previously granted in connection with its renegotiation of its schedule, and a draft decision to this effect (G/C/W/75).

The Chairman of the Council for Trade in Goods reported on the consideration of this request by the Council.

The General Council took note of the report and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decision (WT/L/213).

At its meeting on 22 October 1997, the General Council considered a request by Zambia (G/L/189) for an extension of the waiver previously granted in connection with its renegotiation of its schedule, and a draft decision to this effect (G/C/W/91).

The Chairman of the Council for Trade in Goods reported on the consideration of this request by the Council.

The General Council took note of the report and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decision (WT/L/242).

(e) Decision on the introduction of Harmonized System changes into WTO schedules of tariff concessions on 1 January 1996 (WT/GC/M/19, 23)

At its meeting on 24 April 1997, the General Council considered a draft decision extending the time-limit of the Decision on the introduction of Harmonized System changes into WTO schedules of tariff concessions on 1 January 1996 (G/MA/W/12 and Corr.1).

The Chairman of the Council for Trade in Goods reported on the consideration of this matter by the Council.

The representatives of Switzerland, Trinidad and Tobago and Argentina, and the Chairman and the Director-General spoke.

The General Council took note of the statements and of the report by the Chairman of the Council for Trade in Goods, including on the consultations held on the proposal made by Switzerland (WT/GC/W/56 - G/C/W/79), and of his intention to hold further consultations with a view to finding a solution in time for the meeting of the Council for Trade in Goods on 2 June. The General Council then adopted the draft decision (WT/L/216) in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93).

At its meeting on 22 October 1997, the General Council considered a draft decision extending the time-limit of the Decision on the introduction of Harmonized System changes into WTO schedules of tariff concessions on 1 January 1996 (G/C/W/93/Rev.1)

The Chairman of the Council for Trade in Goods reported on the consideration of this matter by the Council.

The General Council took note of the report and that Cuba had requested to be withdrawn from the list of Members annexed to the draft decision and, in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement (WT/L/93), adopted the draft decision as amended (WT/L/243).

The representative of Switzerland spoke.

The General Council took note of the statement.

(f) Review of waivers pursuant to Article IX:4 of the WTO Agreement (WT/GC/M/23)

Under Article IX:4 of the WTO Agreement, "Any waiver granted for a period of more than one year shall be reviewed by the Ministerial Conference not later than one year after it is granted, and thereafter annually until the waiver terminates." The Article further provides that: "In each review, the Ministerial Conference shall examine whether the exceptional circumstances justifying the waiver still exist and whether the terms and conditions attached to the waiver have been met. The Ministerial Conference, on the basis of the annual review, may extend, modify or terminate the waiver."

At its meeting on 22 October 1997, the General Council conducted a review of the following waivers: Canada - CARIBCAN (WT/L/185); Cuba - Article XV:6 (WT/L/182); EC - The Fourth ACP-EC Convention of Lomé (WT/L/186); United States - Andean Trade Preference Act (WT/L/184); United States - Caribbean Basin Economic Recovery Act (WT/L/104); and United States - Former Trust Territory of the Pacific Islands (WT/L/183). In so doing, the General Council considered reports on the implementation of the waivers submitted by the following governments: Canada (WT/L/236), Cuba (WT/L/231), the European Communities (WT/L/235), and the United States (WT/L/232-234).

The General Council took note of the reports submitted under the waivers.

9. Action pursuant to Article X:9 of the WTO Agreement

(a) Deletion of the International Dairy Agreement from Annex 4 of the WTO Agreement (WT/GC/M/25)

At the General Council meeting on 10 December 1997, the Chairman recalled that on 30 September the International Dairy Council had decided to terminate the International Dairy Agreement "as of 1 January 1998" (IDA/8), and had requested that the Ministerial Conference delete the Agreement from Article 4 of the WTO Agreement upon its termination, in accordance with Article X:9 of the WTO Agreement. Accordingly, he proposed that the draft decision to this effect in WT/GC/W/70 be adopted.

The representative of Korea and the Chairman spoke.

The General Council took note of the statements and adopted the draft decision (WT/L/251).

(b) Deletion of the International Bovine Meat Agreement from Annex 4 of the WTO Agreement (WT/GC/M/25)

At the General Council meeting on 10 December 1997, the Chairman recalled that on 30 September the International Meat Council had decided to terminate the International Bovine Meat Agreement "at the end of 1997" (IMA/8), and had requested that the Ministerial Conference delete the Agreement from Annex 4 of the WTO Agreement upon its termination, in accordance with Article X:9 of the WTO Agreement. Accordingly, he proposed that the draft decision to this effect in WT/GC/W/71 be adopted.

The General Council so agreed (WT/L/252).

10. Accession

(a) Andorra (WT/GC/M/23, 25)

At its meeting on 22 October 1997, the General Council considered a communication from Andorra (WT/ACC/AND/1) concerning its interest in acceding to the WTO Agreement pursuant to Article XII.

The representatives of Andorra (as an observer), the European Communities, Argentina, the United States, Brunei for the ASEAN Members, Mexico, Paraguay, Venezuela, Tunisia, Chile, the Czech Republic, the Slovak Republic, Japan, Romania, Mauritius and Canada and the Chairman spoke. The representative of Cuba wished to be placed on record as welcoming and supporting Andorra's request.

The General Council took note of the statements and of the expression of support, agreed to establish a working party to examine Andorra's application, and authorized the Chairman to hold consultations on the procedures and terms of reference of the Working Party. The General Council further agreed to revert to this matter after the consultations were concluded.

The Chairman invited Andorra, on behalf of the General Council, to attend meetings of the General Council and, as appropriate, meetings of other WTO bodies as an observer during the period when the Working Party was carrying out its work.

At its meeting on 10 December 1997, the Chairman informed the General Council that in consultations he had held it had been agreed that the Working Party would carry out its work under standard terms of reference as follows: "To examine the application of the Government of Andorra to accede to the WTO Agreement under Article XII, and to submit to the General Council recommendations which may include a draft Protocol of Accession", and that Mr. B. Jonsson (Iceland) had agreed to chair the Working Party.

The General Council took note of this information.

(b) Azerbaijan (WT/GC/M/21, 23)

At its meeting on 16 July 1997, the General Council considered a communication from Azerbaijan (WT/ACC/AZE/1) concerning its interest in acceding to the WTO Agreement pursuant to Article XII.

The General Council agreed to establish a working party to examine Azerbaijan's application, and authorized its Chairman to designate the Chairperson of the Working Party in consultation with representatives of Members and with the representative of Azerbaijan.

At its meeting on 22 October 1997, the Chairman informed the General Council that he was still pursuing consultations on the designation of a chairperson for the Working Party.

The representative of Azerbaijan spoke.

The General Council took note of the statements.

(c) Georgia (WT/GC/M/19)

In July 1996, the General Council had established a working party to examine Georgia's application for accession to the WTO Agreement, and had authorized its Chairman to designate the Chairperson of the Working Party in consultation with representatives of Members and with the representative of Georgia.

At its meeting on 24 April 1997, the Chairman informed the General Council that Ms. E. Herfkens (Netherlands) had agreed to chair the Working Party.

The General Council took note of this information.

(d) Panama (WT/GC/M/19, 20)

In October 1996, the General Council had adopted a Decision (WT/ACC/PAN/20) authorizing Panama to accede to the WTO Agreement under terms set out in its Protocol of Accession (WT/ACC/PAN/21). As set out in its paragraph 7, the Protocol was open for acceptance by Panama until 30 June 1997.

At the General Council meeting on 24 April 1997, the Chairman announced that Panama had recently indicated that it might not be able to meet the time-limit of 30 June 1997 for its acceptance of the Protocol of Accession. If this proved to be the case, a draft decision proposing an extension of the time-limit would be placed before the General Council for consideration at its next meeting.

The General Council took note of this information.

At its meeting on 30 June - 1 July 1997, the General Council considered a communication from Panama requesting that the time-limit for acceptance in paragraph 7 of its Protocol of Accession be changed to 31 October 1997 (WT/GC/W/59), and a draft decision to this effect in the Annex to that document.

The General Council adopted the draft decision (WT/ACC/PAN/22).

The representative of Panama spoke.

The General Council took note of the statement.

(e) Seychelles (WT/GC/M/23)

In July 1995, the General Council had established a working party to examine Seychelles' application for accession to the WTO Agreement, and had authorized its Chairman to designate the Chairperson of the Working Party in consultation with representatives of Members and with the representative of Seychelles. In July 1996, the General Council had taken note that Mr. Ravaloson (Madagascar) had agreed to chair the Working Party.

At its meeting on 22 October 1997, the Chairman informed the General Council that, following the departure of Mr. Ravaloson (Madagascar) from Geneva, Mr. Berthet (Uruguay) had agreed to replace him as Chairman of the Working Party.

The General Council took note of this information.

11. Marrakesh Agreement Establishing the World Trade Organization  
- Extension of time-limit for acceptance of the Agreement by the Republic of the Congo  
(WT/GC/M/19)

At the General Council meeting on 24 April 1997, the Chairman announced that the Republic of the Congo had notified the WTO on 25 February 1997 of its ratification of the Marrakesh Agreement. However, the time-limit for acceptance of the Marrakesh Agreement by contracting parties to GATT 1947 eligible to become original Members expired on 1 January 1997, as provided in Article XIV:1 of the Agreement. Given that the Republic of the Congo was the only remaining contracting party to GATT 1947 eligible to become an original Member before 1 January 1997 which was not yet a Member, it was proposed that the General Council adopt the draft decision in WT/GC/W/54, which would extend retroactively the time-limit for acceptance by the Congo of the Marrakesh Agreement to 25 February 1997.

The General Council adopted the draft decision (WT/L/208).<sup>4</sup>

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<sup>4</sup>The Congo was thus deemed to be a WTO Member as of 27 March 1997, i.e. 30 days after receipt of its notification of ratification, as provided for in Article XIV:1 of the WTO Agreement.

12. Brazil - Import financing restrictions (WT/GC/M/21)

At the General Council meeting on 16 July 1997, the representative of the European Communities expressed concern at measures recently imposed by Brazil on import financing which he said had the effect of reducing the availability of short-term credit.

The representatives of Brazil and Switzerland spoke.

The General Council took note of the statements.

13. Peru - Recent customs tariff changes (WT/GC/M/19)

At its meeting on 24 April 1997, the representative of Peru informed the General Council that tariff duties on goods imported into Peru had been modified as of 13 April, and that these unilateral changes did not affect Peru's rights and obligations under the WTO Agreement.

The General Council took note of the statement.

14. Ecuador - Commitments under the Protocol of Accession (WT/GC/M/18)

At its meeting on 7 February 1997, the General Council considered a communication from the United States (WT/L/202) expressing concern that Ecuador had not implemented certain commitments in its Protocol of Accession.

The representatives of the United States, Ecuador, the European Communities, Venezuela also on behalf of Colombia, New Zealand and Switzerland spoke.

The General Council took note of the statements.

15. Frugality measures in Korea (WT/GC/M/19)

At the General Council meeting on 24 April 1997, the representative of the European Communities expressed concern at the impact on Community exports of the so-called frugality campaign in Korea, which affected not only trade in goods but also trade in services.

The representatives of the United States and Korea spoke.

The General Council took note of the statements.

16. United States - Recent action with regard to Korea under Section 301 of the Omnibus Trade and Competitiveness Act of 1988 (WT/GC/M/23)

At the General Council meeting on 22 October 1997, the representative of Korea expressed concern at recent US action identifying Korea's automobile market practice as a "priority foreign country practice" under Section 301 of the Omnibus Trade and Competitiveness Act of 1988, and reserved Korea's rights under the WTO Agreements in this connection.

The General Council took note of the statement.

17. Accreditation of Permanent Representatives to the WTO (WT/GC/M/21, 23)

At the General Council meeting on 16 July 1997, the Chairman said that this matter had been discussed at an informal meeting on 23 June on the basis of a text circulated by the Secretariat at his request (WT/GC/W/61), and at a further informal meeting on 10 July on the basis of a revised text by the Secretariat (WT/GC/W/61/Rev.1). It appeared that additional time was needed to settle certain aspects of the issue and to allow for further reflection by some delegations. He hoped that, following further work on the procedures, it would be possible to take a decision thereon after the summer break.

The representatives of Switzerland, Tunisia, Paraguay, Japan, Uruguay, Singapore on behalf of the ASEAN Members, Canada, Chile and Hungary spoke.

The General Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 22 October 1997, the Chairman informed the General Council that a revised text on accreditation procedures (WT/GC/W/61/Rev.2) had been considered at an informal meeting on 2 October, and that following the comments made at that meeting he had undertaken to circulate a further revised text with a view to seeking agreement thereon. However, it had not proved possible to reach a consensus on this text, and he proposed therefore to continue consultations with interested delegations before submitting a further revised proposal. He had, in the meantime, requested the Secretariat to circulate a note on the existing accreditation practices with regard to international intergovernmental organizations.

The General Council took note of the statement and agreed to revert to this matter at a future meeting.

18. Institutional reform and restructuring of the Secretariat<sup>5</sup> (WT/GC/M/19, 23, 25)

At the General Council meeting on 24 April 1997, the Chairman said that a number of delegations had been of the view that, in the light of the first two years of operation of the WTO Secretariat, consideration should be given to how its functioning and operational efficiency might be enhanced to meet the challenges facing the Organization. The view had also been expressed that the number of Deputy Directors-General should be reduced at an appropriate time. He drew attention to a draft decision on the WTO Secretariat and senior management structure (WT/GC/W/57), which had resulted from broad-based informal consultations on this matter.

The representatives of Pakistan, Singapore on behalf of the ASEAN Members, Mexico, Hong Kong, India, Korea, Colombia, New Zealand, Trinidad and Tobago, Peru, Argentina, Morocco, Switzerland, Norway, Venezuela and Tunisia spoke.

The General Council took note of the statements and adopted the draft decision on the WTO Secretariat and Senior Management Structure (WT/L/207).

The Director-General spoke.

The General Council took note of the statement.

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<sup>5</sup>Some discussion relating to this matter is carried under sub-point 28(b) - "Offices of the Deputy Directors-General".

At its meeting on 22 October 1997, the Chairman informed the General Council that the report requested of the Director-General on this matter by the Decision of 24 April 1997 (WT/L/207) had recently been circulated to delegations, and that he intended to hold consultations thereon in the near future.

The General Council took note of this information.

At the General Council meeting on 10 December 1997, the Chairman said that the Director-General's report had been discussed briefly at informal consultations on 2 December, at which he had invited delegations to give careful consideration to the report and had indicated his intention to hold further consultations on this matter early in the following year.

The General Council took note of this information.

19. Scheduling of meetings of WTO bodies (WT/GC/M/18)

At the General Council meeting on 7 February 1997, the Chairman said that concerns expressed by a number of delegations about the excessive number of meetings and their ability to follow them pointed to the need to further intensify efforts to rationalize work in the WTO through a stricter adherence to the guidelines on arrangements for scheduling of meetings (WT/L/106). He intended to suggest to the future Chairperson of the General Council to take this matter into account in consultation with chairpersons of other WTO bodies to ensure that the guidelines were applied to the fullest extent possible and to seek practical solutions to the problems encountered.

The representative of Tanzania spoke.

The General Council took note of the statements.

20. Follow-up to paragraph 22 of the Singapore Ministerial Declaration (WT/GC/M/19)

At the General Council meeting on 24 April 1997, the representative of Egypt expressed the hope that informal consultations on ways to minimize the burdens on delegations, especially those with more limited resources, in the organization of the WTO's work referred to in paragraphs 20 and 21 of the Singapore Ministerial Declaration (WT/MIN(96)/DEC), would be continued.

The Chairman spoke.

The General Council took note of the statements.

21. Frequency of meetings of WTO bodies (WT/GC/M/23, 25)

At the General Council meeting on 22 October 1997, the representative of Egypt expressed concern at the frequency of meetings of WTO bodies, and urged consideration of this issue by the General Council to ensure strict adherence to the guidelines on the arrangements for scheduling of meetings of WTO bodies (WT/L/106) and the provisions of paragraph 22 of the Singapore Ministerial Declaration in this regard (WT/MIN(96)/DEC).

The representatives of Jamaica, Brunei on behalf of the ASEAN Members, India and Cuba spoke.



The Chairman proposed that he hold structured consultations on this matter. The consultations, open to all, would be held as soon as possible and would take into account the suggestions made by Egypt on how to address this issue. The Secretariat would be requested to prepare some additional information for circulation to Members on this matter.

The General Council took note of the statements and so agreed.

At its meeting on 10 December 1997, the Chairman informed the General Council of informal consultations he had held recently on this matter.

The General Council took note of the statement.

22. Supply of information to the integrated data base for personal computers (WT/GC/M/21)

At its meeting on 16 July 1997, the General Council considered a draft decision on the supply of information to the integrated data base for personal computers (G/C/W/82).

The Chairman of the Council for Trade in Goods reported on the consideration of this matter by the Council.

The General Council took note of the statement and adopted the draft decision (WT/L/225).

23. Issuance of a Daily Bulletin (WT/GC/M/21, 25)

At its meeting on 16 July 1997, the Chairman, on the basis of consultations he had held regarding the possibility of issuing a daily bulletin to assist delegations in following meetings at the WTO, informed the General Council that: (i) the bulletin would be issued in English only and placed in the pigeon holes assigned to delegations at the WTO before the close-of-business on each working day. It would indicate the meetings to be held the following day, and contain a brief factual description of the results of formal meetings held the previous day; (ii) the bulletin would not be made available to the public and the press; and (iii) the bulletin would be circulated on a trial basis for three months starting in September 1997, and would be reviewed in the light of experience and financial implications, if any.

The representatives of Côte d'Ivoire and Venezuela spoke.

The General Council took note of the statements.

At the General Council meeting on 10 December 1997, the Chairman proposed that, in light of the generally positive experience thus far with the issuance of the Daily Bulletin, the Bulletin continue to be issued for a further trial period of three months in English only, since its issuance in French and Spanish would have financial implications that would have to be examined by the Committee on Budget, Finance and Administration.

The General Council took note of the statement and so agreed.

24. Secretariat efforts to improve transparency and general contact with the public (WT/GC/M/25)

At its meeting on 10 December 1997, the Director-General informed the General Council of efforts being made by the Secretariat to improve transparency and general contact with the public.

The representatives of the United States, Switzerland and Pakistan spoke.

The General Council took note of the statements.

25. Status of the collaboration between the WTO and ILO Secretariats pursuant to paragraph 4 of the Singapore Ministerial Declaration (WT/GC/M/21)

At the General Council meeting on 16 July 1997, the representative of Norway recalled the provisions of paragraph 4 of the Singapore Ministerial Declaration (WT/MIN(96)/DEC) and requested the Director-General for information as to the status of the collaboration between the WTO and ILO secretariats and whether the WTO Secretariat had received any information on the issue of the ILO's work on core labour standards that could be shared with Members.

The Director-General, and the representatives of the United States, Egypt, Pakistan, Brazil, Morocco, India, Peru, Australia, Singapore on behalf of the ASEAN Members, Canada, Japan, Cuba, Colombia, the European Communities and Switzerland, and the Chairman spoke.

The General Council took note of the statements.

26. Arrangements for effective cooperation with other intergovernmental organizations

(a) Office International des Epizooties (WT/GC/M/23)

At its meeting on 22 October 1997, the General Council considered draft texts of an exchange of letters proposed as the basis for establishing relations between the WTO and the Office International des Epizooties (G/SPS/W/61), which had earlier been approved by the General Session of the OIE and by the WTO Committee on Sanitary and Phytosanitary Measures and the Council for Trade in Goods.

The General Council approved the draft texts of the exchange of letters.

(b) IMF and World Bank (WT/GC/M/23, 25)

At the General Council meeting on 22 October 1997, the Chairman recalled that under the Decision approving the Agreements between the WTO and the IMF and World Bank (WT/L/194), the Director-General was to hold consultations with Members under the auspices of the General Council Chairman, and that these consultations should include reports on the coherence consultations between the Heads of the three organizations as well as on other matters. He informed the General Council that a first report was being prepared, and that the consultations with Members would be held in the near future.

The General Council took note of this information.

At its meeting on 10 December 1997, the Chairman informed the General Council that the Director-General had held consultations with Members on 2 December under the auspices of the Chairman of the General Council on matters relating to the implementation of the Agreements with the IMF and World Bank, in the course of which the Director-General's report on the implementation of the Agreements (WT/GC/W/68) had been considered.

The representatives of Jamaica, Pakistan, the United States, India, Argentina, Korea, Norway, Morocco and Hong Kong, China, and the Director-General and the Chairman spoke.

The General Council took note of the statements and of the Director-General's report, and agreed that the idea of broad discussions early the following year on the matters raised by Members be pursued. The General Council also agreed that the Secretariat compile the references in the WTO Agreements to the IMF and its Articles of Agreement.

27. International Trade Centre UNCTAD/WTO  
- Reports of the Joint Advisory Group (WT/GC/M/18, 21)

At its meeting on 7 February 1997, the General Council considered the report of the Joint Advisory Group of the International Trade Centre UNCTAD/WTO on its twenty-ninth session (ITC/AG(XXIX)/157).

The Vice-Chairman of the Group introduced the report. The representatives of Egypt, Jamaica, India, Singapore on behalf of the ASEAN Members, and Japan, and the Executive Director of the ITC and the Chairman spoke.

The General Council took note of the statements and adopted the report.

At its meeting on 16 July 1997, the General Council considered the report of the Joint Advisory Group of the International Trade Centre UNCTAD/WTO on its thirtieth session (ITC/AG(XXX)/164).

The Chairman of the Group introduced the report, and the representative of Pakistan spoke.

The General Council took note of the statements and adopted the report.

28. Administrative matters

(a) Conditions of service of WTO staff (WT/GC/M/18, 19, 20, 21, 23, 24)

In November 1996, the General Council had decided that it would in 1997 continue its consideration of the draft decision of 18 September 1996 on conditions of service of WTO staff, with a view to reaching a final conclusion by 30 June 1997 at the latest (WT/L/197).

At the General Council meeting on 7 February 1997, the Chairman proposed the establishment of an open-ended working group to assist the General Council in meeting the 30 June deadline for a final conclusion to this matter, with terms of reference that he read out.

The representatives of Egypt, Germany, Morocco, Norway, the United States, Uruguay, Jamaica, Hong Kong, Canada, Haiti, Singapore on behalf of the ASEAN Members, Mexico and Korea, and the Director-General and the Chairman spoke.

The General Council took note of the statements, agreed to the Chairman's proposal regarding the establishment and terms of reference of a working group to study this matter, and authorized the Chairman to designate the Chairman of the Working Group in consultation with Members.<sup>6</sup> The General

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<sup>6</sup>On the basis of his consultations, the Chairman subsequently designated Mr. Morjane (Tunisia) as Chairman of the Working Group (WT/L/205).

Council also agreed that the Chairman should hold further consultations on the question of participation of the WTO Staff Council as an observer in the Working Group.

At the General Council meeting on 24 April 1997, the Chairman of the Working Group on conditions of service reported on the work undertaken by the Group thus far.

The Director-General expressed concern that work in the Group had thus far not proceeded as well or as expeditiously as expected. He suggested that, in order to facilitate consensus, Members first take the political and institutional decision, and then address the budgetary aspects of establishing an independent Secretariat.

The representatives of Norway, Hong Kong, Iceland, Nigeria, Brazil, the Czech Republic, Japan, Turkey, Australia, Singapore on behalf of the ASEAN Members, Korea, France, Switzerland, Belgium, the United Kingdom, Germany, India, Italy and Morocco spoke.

The General Council took note of the statements.

At its meeting on 30 June - 1 July 1997, the General Council had before it a draft decision on conditions of service of WTO staff (WT/GC/W/63) prepared by the Chairman of the Working Group on conditions of service. Following further informal consultations during the course of the meeting, the General Council considered a revised text of the draft decision (WT/GC/W/63/Rev.2).

The representatives of the United States, Germany, the United Kingdom, Paraguay on behalf of the Latin American and Caribbean Group (GRULAC), and Nigeria spoke.

The General Council took note of the statements and adopted the draft decision in WT/GC/W/63/Rev.2.<sup>7</sup>

The Chairman then read the following statement: "In light of the views expressed by some Members, subject to your agreement I propose to request the Director-General to contact the International Civil Service Commission as soon as possible in order to explore the possibilities for implementing reforms in WTO conditions of service, taking into account the different options raised by Members. The Director-General will report back to the General Council not later than October 1997 on the results of these consultations." He added that he had discussed this matter with the Director-General, and the latter was ready to respond to this request.

The General Council took note of this statement, and of further statements by the Chairman and the representative of Morocco.

At the General Council meeting on 16 July 1997, the Chairman recalled that the Working Group on Conditions of Service established in February had been asked to submit its final report by the end of May 1997. By their Decision on conditions of service of WTO staff of 1 July (WT/L/223), Members had implicitly extended the 30 June deadline for a final conclusion to this matter established in November 1996 (WT/L/197) by agreeing that the General Council would consider this matter further not later than October 1997. Since much technical work was still required in connection with the question of conditions of service, he wished to confirm that the original mandate of the Group was also extended so that it might pursue its work as appropriate in light of the 1 July Decision.

The General Council took note of the statement.

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<sup>7</sup>The Decision was subsequently also adopted by the Executive Committee of the Interim Commission for the International Trade Organization (ICITO), and circulated as WT/L/223.

The Chairman then informed the General Council of his decision, pursuant to paragraph 2 of the 1 July Decision on conditions of service (WT/L/223), and in consultation with the Chairman of the Working Group on Conditions of Service, to designate Mr. Christopher Daykin, the Government Actuary of the United Kingdom, to prepare the second opinion on the calculations of the WTO consulting actuary with regard to the proposed WTO pension plan.

The General Council took note of this information.

At the General Council meeting on 22 October 1997, the Chairman noted that the additional information on this matter that Members had requested at the General Council meeting on 30 June-1 July had since been received from the UN Joint Staff Pension Fund, the UK Government Actuary and the International Civil Service Commission. It was his understanding that certain governments were still considering this matter and were not yet in a position to join in a consensus. He therefore proposed that, notwithstanding the deadline of October 1997 set by the General Council for a decision, the General Council agree to defer further consideration of this matter to a future meeting to be convened by the second week of November at the latest.

The General Council so agreed.

The Chairperson of the WTO Staff Council, and the Director-General spoke.

The General Council took note of the statements.

At the General Council meeting on 14 November 1997, the representative of the United States indicated that his authorities could in principle accept the establishment of the WTO Secretariat on an independent basis, and specified conditions which the United States would expect to see reflected in the package prior to a final decision.

The representatives of Morocco, the Netherlands, Japan and Hong Kong, China, and the Director-General and Mr. Lavorel, Deputy Director-General, spoke.

In the light of the statements that had been made, the Chairman invited the Chairman of the Working Group on Conditions of Service to prepare a revised draft decision for the consideration of Members, taking into account the latest developments. He proposed that the meeting be adjourned in the meantime and that it be reconvened at the earliest possible date with a view to taking a decision on this matter.

The General Council took note of the statements and so agreed.<sup>8</sup>

(b) Offices of the Deputy Directors-General (WT/GC/M/18, 19)

At its meeting in April 1996, the General Council had agreed that the contracts of the three Deputy Directors-General that were due to expire on 31 July 1996 be extended for one year, and that the Director-General initiate consultations on further renewals or new appointments early in 1997, well in advance of the date of expiration of their terms of office.

At the General Council meeting on 7 February 1997, the Director-General, in accordance with the procedures for the future appointments of the Deputy Directors-General (BISD 34S/173), informed the General Council of the initiation of his consultations on the posts of the Deputy Directors-General.

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<sup>8</sup>The discussion at the reconvened meeting will be reflected in an addendum to the present report.

The representatives of Morocco, Pakistan, Singapore on behalf of the ASEAN Members, and Mexico, and the Chairman spoke.

The General Council took note of the statements.

At the General Council meeting on 24 April 1997, the Director-General announced that he had decided to extend the present contracts of the four Deputy Directors-General until 30 April 1999, the date on which he would leave office. He believed that in taking his decision he was not touching on Members' freedom of action to change the present senior management structure<sup>9</sup> and the timetable for implementing that change.

The representatives of the European Communities, Colombia and Mexico, and the Chairman spoke.

The General Council took note of the statements and of the Director-General's announcement.

29. Observer status

(a) International intergovernmental organizations (WT/GC/M/17, 18, 23, 25)

At the General Council meeting on 26 November 1996, the Chairman said it was his understanding that, pending agreement on the organizations to be accorded observer status in the General Council in accordance with the guidelines for such status agreed on 18 July 1996<sup>10</sup>, the United Nations, UNCTAD, IMF, World Bank, FAO, WIPO and OECD would be invited to the next meeting of the General Council.

The General Council took note of this information.

At the General Council meeting on 7 February 1997, the Chairman noted that the IMF and the World Bank had been given observer status in the General Council and other WTO bodies as provided for in their recently concluded respective Agreements with the WTO (WT/L/195), and proposed the following with regard to other international intergovernmental organizations that had requested observer status: (a) that the organizations that had ad hoc observer status in the General Council, namely, the United Nations, UNCTAD, FAO, WIPO and OECD be granted observer status immediately; (b) that the Chairman consult on the international intergovernmental organizations whose requests for observer status had not yet been considered; and (c) that the General Council invite other WTO bodies to proceed in a similar way with regard to observer status for international intergovernmental organizations.

The representatives of Jamaica, the United States and Morocco spoke.

The General Council took note of the statements and agreed to the Chairman's proposal.

At the General Council meeting on 22 October 1997, the representative of Egypt expressed concern at the inconsistency in dealing with requests for observer status from certain international organizations in various WTO bodies, and requested information from the Chairman on his efforts to find an acceptable solution soon to this issue.

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<sup>9</sup>See point 18 - "Institutional reform and restructuring of the Secretariat".

<sup>10</sup>The guidelines are reproduced as Annex 3 of WT/L/161.

The representatives of Brunei on behalf of the ASEAN Members, Bangladesh and Argentina, and the Chairman spoke. The Chairman said that he would reactivate broad informal consultations with delegations on this matter as soon as possible.

The General Council took note of the statements.

At the General Council meeting on 10 December 1997, the Chairman reported that he had recently held consultations on this matter, and that further consultations would need be held early the following year. In the meantime, he proposed that the International Trade Centre, as a joint subsidiary organ of the WTO and UNCTAD, be invited, as appropriate, to attend meetings of those WTO bodies it wished to attend without having to submit a request for observer status.

The General Council took note of the statement and so agreed.

(b) Holy See (WT/GC/M/19, 21)

At the General Council meeting on 24 April 1997, the Chairman recalled that in informal consultations he had informed delegations of informal enquiries from the Vatican regarding the possibility of being allowed to observe meetings of the General Council, and had invited all to reflect on this matter and to inform him by the time of that meeting whether they would have any difficulty in considering, at a future meeting, a formal request from the Vatican. He announced that no Member had until then indicated any difficulty in considering such a request.

The General Council took note of this information.

At its meeting on 16 July 1997, the General Council considered a communication from the Holy See requesting observer status in the Ministerial Conference and the General Council (WT/L/221).

The representatives of India and Paraguay, and the Chairman spoke.

The General Council took note of the statements and agreed to grant the Holy See observer status at meetings of the Ministerial Conference and the General Council. Taking into account the uniqueness of the Holy See's situation, the General Council further agreed to waive the requirement concerning the intention to initiate accession negotiations set out in Annex 2 of the Rules of Procedure (WT/L/161), on the understanding that this did not constitute a precedent for future decisions on requests for observer status.

The representatives of Egypt, Bangladesh, Pakistan, Paraguay on behalf of the Latin American and Caribbean Group (GRULAC), and Indonesia, and the observer from the Holy See, and the Director-General and the Chairman spoke.

The General Council took note of the statements.

(c) Ethiopia (WT/GC/M/23)

At its meeting on 22 October 1997, the General Council considered a request from Ethiopia (WT/L/229) for observer status in the General Council and its subsidiary bodies, and agreed to grant the request.

The representatives of Ethiopia (as an observer), Morocco on behalf of the African Group, Egypt, Kenya, India, Brunei on behalf of the ASEAN Members, and Bangladesh spoke.

The General Council took note of the statements.

30. Appointment of officers to WTO bodies (WT/GC/M/18)

At the General Council meeting on 7 February 1997, the Chairman said that in accordance with the guidelines for appointment of officers to WTO bodies (WT/L/31), he had held consultations on this matter, and considered that there was a consensus on the following slate of names:

Chairperson of the General Council	Mr. C. Lafer (Brazil)
Chairperson of the Dispute Settlement Body	Mr. W. Armstrong (New Zealand)
Chairperson of the Trade Policy Review Body	Mr. M. Akram (Pakistan)
Chairperson of the Council for Trade in Goods	Mr. T. Johannessen (Norway)
Chairperson of the Council for TRIPS	Mrs. C. Luz Guarda (Chile)
Chairperson of the Council for Trade in Services	Mr. J. Yung Sun (Korea)
Chairperson of the Committee on Trade and Environment	Mr. B. Ekblom (Finland)
Chairperson of the Committee on Trade and Development	Mr. D. Baichoo (Mauritius)
Chairperson of the Committee on Budget, Finance and Administration	Mr. K. Morjane (Tunisia)
Chairperson of the Committee on Balance-of-Payments Restrictions	Mr. P.R. Jenkins (United Kingdom)
Chairperson of the Committee on Regional Trading Arrangements	Mr. J. Weekes (Canada)

The representatives of Hong Kong, Singapore on behalf of the ASEAN Members, and Tanzania spoke.

The General Council took note of the statements and of the consensus on the above slate of names.

31. Election of Chairperson (WT/GC/M/18)

At the General Council meeting on 7 February 1997, the Chairman, as the outgoing presiding officer of the General Council, made a statement (WT/GC(97)/ST/1).

The General Council then unanimously elected Mr. Lafer (Brazil) to the Chair.

32. Review of WTO activities<sup>11</sup> (WT/GC/M/25)

33. Annual overview of developments in international trade and the trading system<sup>11</sup> (WT/GC/M/25)

At its meeting on 10 December 1997, the General Council conducted a review of WTO activities in pursuance of the Decision concerning procedures for the overview of WTO activities and for reporting under the WTO (WT/L/105), as well as an overview of developments in international trade and the

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<sup>11</sup>At the Chairman's suggestion the matters under points 32 and 33 were taken up together and the discussion thereof is reflected accordingly in the Minutes of the meeting.



trading system as required under paragraph G of the Trade Policy Review Mechanism. In so doing, the General Council considered annual reports for 1997 from WTO bodies and an annual report by the Director-General on developments in international trade and the trading system (WT/TPR/OV/3 and Corr. 1).

The Chairpersons of the respective WTO bodies presented the annual reports submitted by those bodies.

The General Council agreed to the composition of the Textiles Monitoring Body as proposed by the Chairman of the Council for Trade in Goods (WT/L/253), and also agreed to a proposal by the Director-General that the Chairman of the TMB, Mr. Szepesi, be reappointed for a further period of three years as of 1 January 1998.

The representatives of Ecuador, Colombia, Bolivia, Brunei for the ASEAN Members, Egypt, India, Pakistan, the United States, the European Communities, Canada, Norway, Mexico and Hong Kong, China, and the Chairman then spoke.

The General Council took note of the statements, adopted the report of the Committee on Trade and Development and took note of the reports of the other WTO bodies.

The Chairman of the Trade Policy Review Body and the Director-General then spoke.

The General Council took note of the statements.

The General Council next heard statements on both these points from representatives<sup>12</sup>. The General Council then agreed that the review of WTO activities and the overview of developments in international trade and the trading system for 1997 had been conducted. It further agreed that the Chairman would consult with delegations on the possibility of convening an informal meeting early the following year for the purposes of holding a policy discussion to deal with the matters raised by delegations relating to the conduct of the end-of-year reviews in the General Council.

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<sup>12</sup>The statements were subsequently circulated as documents in the WT/GC(97)/ST/- series.



SECTION II

DISPUTE SETTLEMENT BODY



**Dispute Settlement Body**

DISPUTE SETTLEMENT BODY

Annual Report (1997)

The present report has been prepared in pursuance of the Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO (WT/L/105), and sets out the actions taken by the Dispute Settlement Body (DSB) in the period since its previous annual report<sup>1</sup>.

In carrying out its task, the DSB has held 14 meetings since the period covered by the previous report. The minutes of these meetings, which remain the record of the DSB's work, are contained in documents WT/DSB/M/26-WT/DSB/M/39.

The following subjects are included in the report:

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<sup>1</sup>WT/DSB/8, WT/DSB/8/Add.1, WT/DSB/8/Corr.1 and WT/DSB/8/Add.1/Corr.1.

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1. Election of Chairperson (WT/DSB/M/28, 29)

At the DSB meeting on 22 January 1997, the Chairman proposed that the DSB formally elect its Chairperson at its next meeting, following the meeting of the General Council, since informal consultations on a slate of names for appointment as chairpersons to WTO bodies were under way.

The DSB so agreed.

At its meeting on 25 February 1997, the DSB elected Mr. Wade Armstrong (New Zealand) as Chairman by acclamation.

2. Chairmanship of the Appellate Body (WT/DSB/M/29)

At the DSB meeting on 25 February 1997, the Chairman recalled that delegations had been invited to provide their views with regard to the intention of the Appellate Body members to amend Rule 5(2) of the Working Procedures for Appellate Review so as to allow for a term of two years rather than one for the first Chairman of the Appellate Body. He said that in the absence of comments, a revised and consolidated version of the Working Procedures including the amendment and the Rules of Conduct for the DSU, adopted by the DSB in December 1996, would be circulated in document WT/AB/WP/3.

The DSB took note of this information.

3. Terms of office of Appellate Body members (Article 17.2 of the DSU) (WT/DSB/M/35)

At the DSB meeting on 25 June 1997, the Chairman stated that during the consultations on the issue of expiry of the initial two-year terms of three of the seven Appellate Body members in December 1997, delegations had indicated their acceptance that three Appellate Body members to be determined by lot pursuant to Article 17.2 of the DSU, would be reappointed for a final term of four years. He proposed to suspend the meeting in order to undertake the drawing of lots to determine the three Appellate Body members. Upon the resumption of the meeting, the Chairman proposed that

the DSB agree to reappoint Mr. Claus-Dieter Ehlermann, Mr. Florentino P. Feliciano and Mr. Julio Lacarte-Muró for a final term of four years commencing on 11 December 1997.

The DSB so agreed.

4. Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes (WT/DSB/M/26, 27)

At the DSB meeting on 20 November 1996, the Chairman of the Informal Group on the Rules of Conduct, Mr. W. Armstrong (New Zealand), reported on the results of two-year negotiations on the Rules of Conduct. He said that following the extensive consultations and meetings, it appeared that a consensus had been reached on the text of the Rules of Conduct which had been circulated in document WT/DSB/RC/W/1.

The representatives of Norway, India, Pakistan and Brazil spoke.

The DSB took note of the statements, of the consensus in favour of adoption of the Rules of Conduct and agreed to revert to this matter at its next regular meeting in order to formally adopt the Rules of Conduct.

At its meeting on 3 December 1996, the DSB adopted the Rules of Conduct contained in document WT/DSB/RC/W/1.<sup>2</sup>

5. Indicative list of governmental and non-governmental panelists (WT/DSB/M/26, 28, 33, 35, 37, 38, 39)

At its meeting on 20 November 1996, the DSB approved the names contained in WT/DSB/W/43 proposed for inclusion on the indicative list in accordance with Article 8.4 of the DSU.

At its meeting on 22 January 1997, the DSB approved the names contained in WT/DSB/W/46 proposed for inclusion on the indicative list in accordance with Article 8.4 of the DSU.

The Chairman recalled that pursuant to the proposal for the administration of the indicative list (WT/DSB/5, annex, para. 5), the list should be updated every two years and Members were required to submit timely updated curricula vitae of persons to be included therein.

The DSB took note of this information.

At its meeting on 23 May 1997, the DSB approved the names contained in WT/DSB/W/53 proposed for inclusion on the indicative list in accordance with Article 8.4 of the DSU.

At its meeting on 25 June 1997, the DSB approved the names contained in WT/DSB/W/56 proposed for inclusion on the indicative list in accordance with Article 8.4 of the DSU.

The Chairman recalled the announcement made in January 1997 concerning the updating of the indicative list. He also informed the DSB of the Secretariat's arrangements for making the curricula vitae of persons included on the indicative list available on the Document Dissemination Facility.

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<sup>2</sup>Subsequently circulated as document WT/DSB/RC/1.



The DSB took note of this information.

At its meeting on 25 September 1997, the DSB approved the names contained in WT/DSB/W/60 proposed for inclusion on the indicative list in accordance with Article 8.4 of the DSU.

The Chairman stated that in order to enable the Secretariat to update the indicative list, Members were invited to submit the updated curricula vitae of persons to be included therein. He drew Members' attention to document WT/DSB/W/58 which outlined the procedure for submission for the updated indicative list.

The DSB took note of this information.

At its meeting on 16 October 1997, the DSB approved the names contained in WT/DSB/W/62 proposed for inclusion on the indicative list in accordance with Article 8.4 of the DSU. The Chairman drew attention to the fact that the proposal concerning the name from the United Kingdom should appear under the heading "European Communities".<sup>3</sup>

At its meeting on 18 November 1997, the DSB approved the names contained in WT/DSB/W/65 and 67. The Chairman drew attention to a preliminary update of the indicative list of panelists circulated in document WT/DSB/W/66 and Add.1. He urged delegations that had not yet submitted updated curricula vitae to do so by 1 December 1997. Thereafter, the Secretariat will finalize the updated list.

The DSB took note of this information.

6. Practice that has developed under Article 6.1 of the DSU (WT/DSB/M/29)

At the DSB meeting on 25 February 1997, the representative of the United States requested the Chairman to initiate consultations with interested delegations on the practice that has developed under Article 6.1 of the DSU.

The representatives of Argentina, Uruguay, India, Mexico, the European Communities, Japan, Hong Kong and Peru spoke.

The DSB took note of the statements.

7. Requests to be joined in consultations under Article 4.11 of the DSU (WT/DSB/M/27)

At the DSB meeting on 3 December 1996, the representative of the European Communities expressed his delegation's concern with regard to Indonesia's refusal to allow the Communities to be joined in consultations requested by Japan (WT/DS55/1) and the United States (WT/DS59/1) concerning Indonesia's measures in the automobile industry.

The representatives of the United States and Japan spoke.

The DSB took note of the statements.

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<sup>3</sup>A corrigendum to this effect was made available in the meeting room (WT/DSB/W/62/Corr.1).

8. Application of Article 4.11 of the DSU (WT/DSB/M/37)

At the DSB meeting on 25 September 1997, the United States drew attention to the procedural issue concerning the application of Article 4.11 of the DSU in the context of the consultations held by some Members on India's quantitative restrictions.<sup>4</sup>

The representatives of the United States, India, Canada, New Zealand as well as of Hong Kong, China, and Australia spoke.

The DSB took note of the statements.

9. Confidentiality of panel and Appellate Body reports (WT/DSB/M/34)

At the DSB meeting on 12 June 1997, the representative of Norway expressed concern with regard to the leaking of panel and Appellate Body reports which, in his delegation's view, had become a rule rather than an exception. Norway, which supported transparency in the area of dispute settlement, suggested that the problem of leakages could be considered in the context of the review of the DSU in 1998.

The representatives of Jamaica and Mexico spoke.

The DSB took note of the statements.

10. Statement by the outgoing Chairman of the DSB (WT/DSB/M/28)

At the DSB meeting on 22 January 1997, the outgoing Chairman of the DSB Mr. C. Lafer (Brazil) made a concluding statement which had been subsequently circulated in WT/DSB(97)ST/1.

11. Letter from the World Wide Fund for Nature to the Chairman of the Panel on "United States - Import Prohibition of Certain Shrimp and Shrimp Products" (WT/DSB/M/37)

At the DSB meeting on 25 September 1997, Brazil drew attention to a letter from the World Wide Fund for Nature which contained a copy of a brief that had been sent to the panel on "United States - Import Prohibition of Certain Shrimp and Shrimp Products". Brazil was concerned with the fact that this information had been sent directly to the panel.

The representatives of Brazil, Thailand, on behalf of ASEAN countries, the United States, Argentina, Japan, India, Venezuela, the European Communities, Mexico, the Chairman and Jamaica spoke.

The DSB took note of the statements.

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<sup>4</sup>India - Quantitative restrictions on imports of agricultural, textile and industrial products - request for consultations by the United States (WT/DS90/1), Australia (WT/DS91/1), Canada (WT/DS92/1), New Zealand (WT/DS93/1), Switzerland (WT/DS94/1) and the EC (WT/DS96/1).

12. Adoption of the 1997 Draft Annual Report of the DSB (WT/DSB/M/39)

At the DSB meeting on 18 November 1997, the Chairman submitted for adoption a draft text of the 1997 Annual Report of the DSB contained in WT/DSB/W/64 and Corr.1. He proposed that following its adoption, the Secretariat be authorized to update the Annual Report under its own responsibility in order to include actions taken by the DSB at the present meeting. He also said that the updated Annual Report be submitted for consideration by the General Council at its meeting on 10 December.

The DSB adopted its Annual Report contained in WT/DSB/W/64 and Corr.1 on the understanding that it would be further updated by the Secretariat as proposed by the Chairman.

13. Review of the DSU (WT/DSB/M/39)

At the DSB meeting on 18 November 1997, the Chairman made a statement concerning the Decision on the Application and Review of the Understanding on Rules and Procedures Governing the Settlement of Disputes. He invited delegations to put forward their views on procedural matters for undertaking the DSU review which would serve as a basis for informal consultations and would enable him to report back to the DSB on this matter early next year.

The DSB took note of this information.

14. Recourse to dispute settlement procedures

(a) Argentina

(i) Measures affecting imports of footwear, textiles, apparel and other items (WT/DSB/M/28, 29)

At its meeting on 22 January 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint regarding Argentina's measures on imports of footwear, textiles, apparel and other items (WT/DS56/5).

The representatives of the United States and Argentina spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 February 1997, the DSB again considered this matter.

The representatives of the United States, Argentina and Hungary spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representatives of the European Communities and India reserved their third-party rights to participate in the Panel proceedings.<sup>5</sup>

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<sup>5</sup>After the meeting Hungary reserved its third-party rights.

(ii) Measures affecting textiles and clothing (WT/DSB/M/37, 38)

At its meeting on 25 September 1997, the DSB considered a request by the European Communities for the establishment of a panel to examine their complaint with regard to certain measures taken by Argentina concerning the textiles, clothing and footwear sectors (WT/DS77/3).

The representatives of the European Communities, Argentina, Uruguay and Brazil spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 16 October 1997, the DSB again considered this matter. The European Communities submitted a revised text of their request for the establishment of a panel (WT/DS77/3/Rev.1) which reflected the concerns raised by Argentina at the DSB meeting on 25 September.<sup>6</sup>

The representatives of the European Communities, Argentina and the United States spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representative of the United States reserved his Government's third-party rights to participate in the Panel proceedings.

(b) Australia  
- Measures affecting importation of salmon (WT/DSB/M/30, 31)

At its meeting on 20 March 1997, the DSB considered a request by Canada for the establishment of a panel to examine its complaint with regard to Australia's measures affecting importation of salmon (WT/DS18/2).

The representatives of Canada, Australia and the United States spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 10 April 1997, the DSB again considered this matter.

The representatives of Canada and Australia spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU, it being understood that if the parties could not agree on the terms of reference for the Panel, the standard terms of reference as provided for in Article 7.1 of the DSU would apply.

The representatives of the European Communities and the United States reserved their third-party rights to participate in the Panel proceedings.<sup>7</sup>

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<sup>6</sup>After the meeting a corrigendum revising the title of the request was circulated in WT/DS77/3/Rev.1/Corr.1.

<sup>7</sup>After the meeting India and Norway reserved their third-party rights.

(c) Brazil(i) Export financing programme for aircraft (WT/DSB/M/28)

At the DSB meeting on 22 January 1997, the representative of Canada reported on the status of consultations held pursuant to Article 4 of the Subsidies Agreement with Brazil regarding its export subsidies under PROEX<sup>8</sup> (WT/DS46).

The representatives of Canada and Brazil spoke.

The DSB took note of the statements.

(ii) Measures affecting desiccated coconut (WT/DSB/M/30)

In March 1996, the DSB had established a panel to examine this matter at the request of the Philippines.<sup>9</sup> In December 1996, the Philippines had notified its decision to appeal against certain issues of law and legal interpretations developed by the panel.

At its meeting on 20 March 1997, the DSB considered the Appellate Body Report in WT/DS22/AB/R and the Panel Report in WT/DS22/R pertaining to the complaint by the Philippines.

The representatives of Brazil, the Philippines, the United States, Indonesia, Mexico, Malaysia and Sri Lanka spoke.

The DSB took note of the statements, and adopted the Appellate Body Report in WT/DS22/AB/R and the Panel Report in WT/DS22/R, as upheld by the Appellate Body Report.<sup>10</sup>

(iii) Measures affecting imports of textiles from Hong Kong (WT/DSB/M/32)

At the DSB meeting on 30 April 1997, the representative of Hong Kong reported on the status of Hong Kong's dispute with Brazil on the latter's restrictions on imports of certain textiles fabrics, which had been considered by the Textiles Monitoring Body pursuant to the Agreement on Textiles and Clothing.

The representatives of Hong Kong and Brazil spoke.

The DSB took note of the statements.

(d) Canada- Certain measures concerning periodicals (WT/DSB/M/36, 37)

In June 1996, the DSB had established a panel to examine this matter at the request of the United States.<sup>11</sup> In April 1997, Canada had notified its decision to appeal certain issues of law and legal interpretations developed by the panel.

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<sup>8</sup>Programa de Financiamento às Exportações.

<sup>9</sup>WT/DSB/M/12.

<sup>10</sup>WT/DS22/11/Rev.2.

<sup>11</sup>WT/DSB/M/19.

At its meeting on 30 July 1997, the DSB considered the Appellate Body Report in WT/DS31/AB/R and the Panel Report in WT/DS31/R and Corr.1 pertaining to the complaint by the United States.

The representatives of Canada, the United States and Switzerland spoke.

The DSB took note of the statements and adopted the Appellate Body Report in WT/DS31/AB/R and the Panel Report in WT/DS31/R and Corr.1, as modified by the Appellate Body Report.

At the DSB meeting on 25 September 1997, Canada announced that pursuant to Article 21.3(b) of the DSU, the United States and Canada, the parties to this dispute, had agreed that a reasonable period of time for Canada to bring its measures into compliance with the DSB's recommendations would be 15 months, beginning from 30 July 1997.

The representative of the United States spoke.

The DSB took note of the statements.

- (e) Chile
  - Taxes on alcoholic beverages (WT/DSB/M/38, 39)

At its meeting on 16 October 1997, the DSB considered a request by the European Communities for the establishment of a panel to examine their complaint with regard to the Special Sales Tax on spirits in Chile (WT/DS87/5).

The representatives of the European Communities, Chile, Mexico and the United States spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 18 November 1997, the DSB again considered this matter.

The representatives of the European Communities, Chile and Peru spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representatives of Canada, Mexico, Peru and the United States reserved their third-party rights to participate in the Panel proceedings.

- (f) European Communities
  - (i) Customs classification of some computer equipment (WT/DSB/M/29,30)

At its meeting on 25 February 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint with regard to the Regulation by the Commission of the European Communities which had reclassified certain local area network adapter equipment and certain types of personal computers. As a result of this Regulation, the United States' products had become subject to duties in excess of the bound rates in the EC Schedules (WT/DS62/4).

The representatives of the United States and the European Communities spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representatives of India, Japan, Korea and Singapore reserved their third-party rights to participate in the Panel proceedings.

At its meeting on 20 March 1997, the DSB considered two requests by the United States with regard to the reclassification by customs authorities of Ireland (WT/DS68/2) and the United Kingdom (WT/DS67/3) of certain computer equipment which had resulted in duties higher than the bound rates under the EC Schedules.

The representatives of the United States and the European Communities spoke.

At the request of the parties to the dispute, the Chairman proposed that the DSB agree to modify the terms of reference of the panel established at its meeting on 25 February 1997 pursuant to the United States request contained in WT/DS62/4, so that the panel requests submitted for consideration at the present meeting (WT/DS67/3 and WT/DS68/2) be incorporated into the mandate of the existing panel. He also proposed that the DSB agree not to establish separate panels pursuant to the United States requests contained WT/DS67/3 and WT/DS68/2 and take note that the parties had agreed that the panel established on 25 February 1997, with the terms of reference as modified at the present meeting would be able to consider and rule upon any matter that might have been considered if separate panels had been established, and that the modification of the terms of reference of the panel established on 25 February 1997, was without prejudice to the interpretation of the Communities and their member States of Article 4.3 of the DSU with regard to the 30-day period referred to in the second sentence of that paragraph.

The DSB so agreed.

(ii) Duties on imports of grains (WT/DSB/M/27, 28, 29, 31, 32)

At the DSB meeting on 3 December 1996, prior to the adoption of the proposed agenda, the United States withdrew the item concerning its request for the establishment of a panel with regard to the European Communities' duties on imports of grains (WT/DS13/2 and Add.1).

At the DSB meeting on 22 January 1997, the representative of the United States expressed his country's concern with respect to the continued delay by the European Communities to fully implement its tariff concessions on grains. A renewal of a request for a panel on this matter was under serious consideration by his Government.

The representatives of the United States and the European Communities spoke.

The DSB took note of the statements.

At its meeting on 25 February 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint regarding the European Communities' duties on imports of grains (WT/DS13/5).

The representatives of the United States and the European Communities spoke.

The DSB took note and agreed to revert to this matter.

At its meeting on 10 April 1997, the DSB considered a fresh request by the United States for the establishment of a panel to examine its complaint regarding the European Communities' duties on imports of grains (WT/DS13/6).

The representative of the United States and the European Communities spoke.

The DSB took note of the statements and agreed to revert to this matter at its next meeting to be held on 30 April 1997.

At the DSB meeting on 30 April 1997, prior to the adoption of the agenda, the representative of the United States withdrew the item concerning the United States' request for the establishment of a panel (WT/DS13/6).<sup>12</sup>

(iii) Measures affecting butter products (WT/DSB/M/39)

At its meeting on 18 November 1997, the DSB considered a request by New Zealand for the establishment of a panel to examine its complaint regarding the European Communities' decision that New Zealand butter manufactured by the Ammix butter-making process and the spreadable butter-making process be excluded from eligibility for entry into the Communities under New Zealand's country-specific tariff quota established by the EC's Schedule (WT/DS72/2).

The representatives of New Zealand and the European Communities spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representative of the United States reserved her Government's third-party rights to participate in the Panel proceedings.

(iv) Measures affecting importation of certain poultry products  
(WT/DSB/M/35, 36)

At its meeting on 25 June 1997, the DSB considered a request by Brazil for the establishment of a panel to examine its complaint with regard the European Communities' regime for the importation of certain poultry products and the implementation by the Communities of the tariff-rate quota on these products agreed in bilateral negotiations pursuant to Article XXVIII:4 of GATT 1994 (WT/DS69/2).

The representatives of Brazil and the European Communities spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 30 July 1997, the DSB again considered this matter.

The representatives of Brazil and the European Communities spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representatives of Thailand and the United States reserved their third-party rights to participate in the Panel proceedings.

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<sup>12</sup>Subsequently, the United States informed the DSB that it was withdrawing its request for the establishment of a panel in the view of the fact that the Communities had adopted regulations implementing an agreement reached on this matter (WT/DS13/8).



- (v) Regime for the importation, sale and distribution of bananas  
(WT/DSB/M/37, 38, 39)

In May 1996, the DSB had established a panel to examine this matter at the requests of Ecuador, Guatemala, Honduras, Mexico and the United States.<sup>13</sup> In June 1997, the Communities notified their decision to appeal against certain issues of law and legal interpretations developed by the panel.

At its meeting on 25 September 1997, the DSB considered the Appellate Body Report in WT/DS27/AB/R and the Panel Reports in WT/DS27/R/ECU, WT/DS27/R/GTM - WT/DS27/R/HND, WT/DS27/R/MEX and WT/DS27/R/USA, pertaining to the complaints by Ecuador, Guatemala, Honduras, Mexico and the United States.

The representatives of Guatemala, the European Communities, Ecuador, Mexico, Côte d'Ivoire, Jamaica, Honduras, Nicaragua, Senegal, Costa Rica, Colombia, Japan, the United States, Panama, Argentina and Australia spoke. A statement received from Saint Lucia was made available to delegations.

The DSB took note of the statements and adopted the Appellate Body Report in WT/DS27/AB/R and the Panel Reports in WT/DS27/R/ECU, WT/DS27/R/GTM - WT/DS27/R/HND, WT/DS27/R/MEX, WT/DS27/R/USA, as modified by the Appellate Body Report.

At the DSB meeting on 16 October 1997, in accordance with Article 21.3 of the DSU, the European Communities informed the DSB of their intentions to comply with the DSB's recommendations on this matter.

The representatives of the European Communities, Guatemala, the United States, Honduras, Ecuador, Mexico and Côte d'Ivoire spoke.

The DSB took note of the statements and of the information provided by the European Communities regarding their intention to implement the DSB's recommendations.

At the DSB meeting on 18 November 1997, the representative of the European Communities pointed out that in a joint communication Ecuador, Guatemala, Honduras, Mexico and the United States<sup>14</sup> had requested that the "reasonable period of time" with regard to the implementation of the DSB's recommendations be determined through binding arbitration pursuant to Article 21.3(c) of the DSU. He said that in the Communities' understanding the complainants had not raised any objection during the consultations held on this matter as to the period for implementation proposed by the Communities (until 1 January 1999). It was therefore the Communities' intention to further consult with the complainants to clarify the subject of arbitration.

The DSB took note of the statement.

Also, at the DSB meeting on 18 November 1997, the representative of the European Communities drew attention to a request for consultations by Panama with regard to the Communities' banana import regime (WT/DS105/1). In his view, this request raised a systemic issue since this matter had already been examined by the Panel and the Appellate Body.

The representatives of India, Panama, Argentina, Jamaica and Uruguay spoke.

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<sup>13</sup>WT/DSB/M/16.

<sup>14</sup>Subsequently circulated in document WT/DS27/13.

The DSB took note of the statements.

- (g) Guatemala  
- Anti-dumping investigation regarding portland cement from Mexico  
(WT/DSB/M/29, 30)

At its meeting on 25 February 1997, the DSB considered a request by Mexico for the establishment of a panel to examine the consistency of Guatemala's anti-dumping investigation with regard to imports of portland cement from Mexico (WT/DS60/2).

The representatives of Mexico and Guatemala spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 20 March 1997, the DSB again considered this matter.

The representatives of Mexico and Guatemala spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representatives of Canada and the United States reserved their third-party rights to participate in the Panel proceedings.<sup>15</sup>

- (h) Hungary  
- Export subsidies in respect of agricultural products (WT/DSB/M/28, 29, 36)

At its meeting on 22 January 1997, the DSB considered the requests by Australia (WT/DS35/4), New Zealand (WT/DS35/5), the United States (WT/DS35/6) and Argentina (WT/DS35/7) to examine their complaints with regard to Hungary's export subsidies on agricultural products.

The representatives of Australia, New Zealand, the United States, Argentina and Hungary spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 February 1997, the DSB again considered this matter.

The representatives of Australia, New Zealand, the United States, Argentina and Hungary spoke.

The DSB took note of the statements and agreed to establish a single panel pursuant to Article 9.1 of the DSU and to the Chairman's proposal that the parties to the dispute consult and draw-up the terms of reference of the Panel in accordance with Article 7 of the DSU.

The representatives of Canada, Japan, Thailand and Uruguay reserved their third-party rights to participate in the Panel proceedings.

At the DSB meeting on 30 July 1997, the representative of Australia, speaking also on behalf of Argentina, New Zealand and the United States, announced that the parties to the dispute had agreed

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<sup>15</sup>After the meeting El Salvador and Honduras reserved their third-party rights.

that Hungary would seek a waiver under Article IX of the WTO Agreement regarding its export subsidies on agricultural products.

The DSB took note of the statement.

- (i) India  
(i) Patent protection for pharmaceutical and agricultural chemical products  
(WT/DSB/M/26, 37, 38)

At its meeting on 20 November 1996, the DSB considered a request by the United States for the establishment of a panel to examine its complaint with regard to India's failure either to provide patent protection for pharmaceutical and agricultural chemical products or to comply with the obligations under Article 70.8 and 70.9 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (WT/DS50/4).

The representatives of the United States and India spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representative of the European Communities reserved third-party rights to participate in the Panel proceedings.

At its meeting on 25 September 1997, the DSB considered a request by the European Communities for the establishment of a panel to examine their complaint regarding the absence in India of either patent protection for pharmaceutical and agricultural chemical products or formal systems that permit the filing of patent applications for pharmaceutical and agricultural chemical products and provide exclusive marketing rights in such products (WT/DS79/2).

The representatives of the European Communities, India and Argentina spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 16 October 1997, the DSB again considered this matter.

The representatives of the European Communities, India, and the United States spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representative of the United States reserved his Government's third-party rights to participate in the Panel proceedings.

- (ii) Quantitative restrictions on imports of agricultural, textile and industrial products (WT/DSB/M/38, 39)

At its meeting on 16 October 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint with regard to quantitative restrictions maintained by India on importation of a large number of agricultural, textile and industrial products (WT/DS90/8).<sup>16</sup>

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<sup>16</sup>A corrigendum to this document was subsequently circulated in WT/DS90/8/Corr.1.

The representatives of the United States, India, the European Communities, Japan and Switzerland spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 18 November 1997, the DSB again considered this matter.

The representatives of the United States, India, the European Communities and Brazil spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

- (j) Indonesia  
- Certain measures affecting the automobile industry  
(WT/DSB/M/32, 33, 34, 35, 36)

At its meeting on 30 April 1997, the DSB considered a request by Japan for the establishment of a panel to examine its complaint with regard to the Indonesian national-car programme (WT/DS55/6 - WT/DS64/4).

The representatives of Japan, Indonesia and the European Communities spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 23 May 1997, the DSB considered a request by the European Communities for the establishment of a panel to examine their complaint with regard to the Indonesian national-car programme (WT/DS54/6).

The representatives of the European Communities, Indonesia, Japan and Korea spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 12 June 1997, the DSB again considered Japan's request for the establishment of a panel to examine its complaints with regard to the Indonesian national-car programme.

The representative of Japan spoke.

The DSB took note of the statement and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

At the same meeting the DSB also considered the European Communities' request for the establishment of a panel to examine their complaint with regard to the Indonesian national-car programme.

The representative of the European Communities spoke.

The DSB took note of the statement and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representative of Japan reserved his Government's third-party rights to participate in the Panel proceedings.

Pursuant to the Communities' request, the Chairman proposed that the DSB agree to initiate the procedures provided for under Annex V of the Subsidies Agreement and to designate a representative to perform this task.

The DSB so agreed.

The DSB also agreed to the Chairman's proposal that pursuant to Article 9 of the DSU, the complaints by Japan and the European Communities be examined by a single panel.<sup>17</sup>

The representative of Jamaica spoke.

The DSB took note of the statement.

At its meeting on 25 June 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint with regard to the Indonesian national-car programme (WT/DS59/6).

The representatives of the United States and Indonesia spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 30 July 1997, the DSB again considered the United States' request for the establishment of a panel on this matter.

The representatives of the United States, Indonesia, the European Communities and Japan spoke.

The DSB took note of the statements, agreed to accept the United States' request for the establishment of a panel with standard terms of reference, and agreed that as provided for in Article 9 of the DSU with respect to multiple complainants, the panel established on 12 June 1997, to examine the complaints by the European Communities (WT/DS54/6) and Japan (WT/DS55/6 - WT/DS64/4) would also examine the complaint of the United States as contained in WT/DS59/6. The DSB also took note of the Chairman's statement concerning the procedures under Annex V of the Subsidies Agreement in relation to the request by the United States.

- (k) Japan
  - (i) Taxes on alcoholic beverages (WT/DSB/M/26)

In September 1995, the DSB had established a single panel in accordance with Article 9.1 of the DSU to examine this matter at the request of the European Communities, Canada and the United States.<sup>18</sup> In November 1996, the DSB had adopted the Appellate Body Report (WT/DS8/AB/R, WT/DS10/AB/R, WT/DS11/AB/R) and the Panel Report (WT/DS8/R, WT/DS10/R, WT/DS11/R) as modified by the Appellate Body Report.<sup>19</sup>

At the DSB meeting on 20 November 1996, Japan informed the DSB that pursuant to Article 21.3 of the DSU it intended to consult with the parties to the dispute regarding a reasonable period of time for implementation of the DSB's recommendations (WT/DS8/11, WT/DS10/11, WT/DS11/8).

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<sup>17</sup>After the meeting India, Korea and the United States reserved their third-party rights.

<sup>18</sup>WT/DSB/M/7.

<sup>19</sup>WT/DSB/M/25.

The representatives of Japan, Canada, the European Communities and the United States spoke.

The DSB took note of the statements and of the information provided by Japan regarding its intentions to implement the DSB's recommendations.

(ii) Measures affecting agricultural products (WT/DSB/M/38, 39)

At its meeting on 16 October 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint with regard to the prohibition by Japan, under quarantine measures, of imports of agricultural products (WT/DS76/2).

The representatives of the United States and Japan spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 18 November 1997, the DSB again considered this matter.

The representatives of the United States and Japan spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU. The Chairman invited the parties to the dispute to consult on the terms of reference in accordance with Article 7.1 of the DSU.

The representatives of the European Communities and Hungary reserved their third-party rights to participate in the Panel proceedings.

(l) Korea  
- Taxes on alcoholic beverages (WT/DSB/M/37, 38)

At its meeting on 25 September 1997, the DSB considered the requests by the European Communities (WT/DS75/6) and the United States (WT/DS84/4) to examine their complaints with regard to internal taxes imposed by Korea on certain alcoholic beverages pursuant to its Liquor Tax Law and Education Tax Law.

The representatives of the European Communities, the United States, Korea and Mexico spoke.

The DSB took note of the statements and agreed to revert to this matter.

At its meeting on 16 October 1997, the DSB again considered this matter.

The representatives of the European Communities, the United States, Korea and Mexico spoke.

The DSB took note of the statements and agreed to establish a single panel pursuant to Article 9 of the DSU, with standard terms of reference.

The representatives of Canada and Mexico reserved their third-party rights to participate in the Panel proceedings.

- (m) Pakistan  
- Patent protection for pharmaceutical and agricultural chemical products (WT/DSB/M/29)

At the DSB meeting on 25 February 1997, the United States informed Members that the parties to the dispute would shortly notify the DSB in writing of the terms of settlement with regard to this matter.<sup>20</sup>

The representatives of the United States and Pakistan spoke.

The DSB took note of the statements.

- (n) Turkey  
- Taxation of foreign film revenues (WT/DSB/M/28, 29)

At its meeting on 22 January 1997, the DSB considered a request by the United States for the establishment of a panel to examine its complaint with regard to Turkey's taxation of revenues generated from the showing of foreign films (WT/DS43/2).

The representatives of the United States and Turkey spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 February 1997, the DSB again considered this matter.

The representatives of the United States and Turkey spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representative of Canada reserved his Government's third-party right to participate in the Panel proceedings.

- (o) United States  
(i) Anti-dumping duty on dynamic random access memory semiconductors (DRAMS) of one megabyte or above from Korea (WT/DSB/M/39)

At its meeting on 18 November 1997, the DSB considered a request by Korea for the establishment of a panel to examine its complaint with regard to a decision by the US Department of Commerce not to revoke the anti-dumping duty on dynamic random access memory semiconductors (DRAMS) of one megabyte or above originating from Korea (WT/DS99/2).

The representatives of Korea, the United States and Japan spoke.

The DSB took note of the statements and agreed to revert to this matter.

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<sup>20</sup>Subsequently circulated as document WT/DS36/4.

(ii) Import prohibition of certain shrimp and shrimp products  
(WT/DSB/M/28, 29, 30, 31)

At its meeting on 22 January 1997, the DSB considered a joint request by Malaysia and Thailand for the establishment of a panel to examine their complaints with regard to the United States' embargo on the importation of certain shrimp and shrimp products (WT/DS58/6).

The representative of Thailand, speaking also on behalf of Malaysia, and the representatives of the United States, the Philippines, Pakistan, Australia, India, Hong Kong, Mexico, Singapore, Colombia, the European Communities and Ecuador spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 February 1997, the DSB again considered this matter. It also considered a request by Pakistan for the establishment of a panel to examine its complaint with regard to the United States' embargo on the importations of certain shrimp and shrimp products (WT/DS58/7).

The representative of Thailand, speaking also on behalf of Malaysia and the representatives of Pakistan and the United States spoke.

The DSB took note of the statements and agreed to establish a single panel pursuant to Article 9.1 of the DSU with standard terms of reference.

The representatives of Australia, Colombia, the European Communities, Guatemala, Hong Kong, India, Japan, Mexico, Nigeria, the Philippines, Singapore and Sri Lanka reserved their third-party rights to participate in the Panel proceedings.<sup>21</sup>

At its meeting on 20 March 1997, the DSB considered a request by India for the establishment of a panel to examine its complaint concerning the United States' import prohibitions of certain shrimp and shrimp products (WT/DS58/8).

The representatives of India and the United States spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 10 April 1997, the DSB again considered India's request for the establishment of a panel (WT/DS58/8).

The representatives of India and the United States spoke.

The DSB took note of the statements and agreed to establish a panel as requested by India with standard terms of reference, and agreed that pursuant to Article 9 of the DSU in respect of multiple complainants, the panel established on 25 February 1997 to examine the complaints by Malaysia, Thailand and Pakistan would also examine India's complaint as contained in WT/DS58/8.

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<sup>21</sup>After the meeting Costa Rica, Ecuador and Senegal reserved their third-party rights.



In addition to those delegations that had reserved their third-party rights to participate in the Panel established at the requests of Malaysia, Thailand and Pakistan, the representative of Venezuela reserved his Government's third-party rights.

(iii) Imposition of anti-dumping duties on imports of colour television receivers from Korea (WT/DSB/M/39)

At its meeting on 18 November 1997, the DSB considered a request by Korea for the establishment of a panel to examine its complaint with regard to the imposition of anti-dumping duties by the United States on imports of colour television receivers from Korea (WT/DS89/7).

The representatives of Korea, the United States, Thailand and Mexico spoke.

The DSB took note of the statements and agreed to revert to this matter.

(iv) Measure affecting imports of woven wool shirts and blouses from India (WT/DSB/M/29, 32, 33)

In April 1996, the DSB had established a panel to examine this matter at the request of India.<sup>22</sup>

At the DSB meeting on 25 February 1997, the Chairman informed Members that India had notified the DSB of its decision to appeal the Panel Report in WT/DS33/R.

The representative of India spoke.

The DSB took note of the statements and agreed to refer this matter to the Appellate Body for consideration.

At the DSB meeting on 30 April 1997, the Chairman proposed to reschedule the next regular meeting of the DSB in order to be able to consider the adoption of the Appellate Body Report (WT/DS33/AB/R) and the Panel Report (WT/DS33/R) within the time-period required under Article 17.14 of the DSU, so as to avoid convening two meetings within a five-day period.

The DSB took note of the statement and agreed to the Chairman's proposal.

At its meeting on 23 May 1997, the DSB considered the Appellate Body Report in WT/DS33/AB/R and the Panel Report in WT/DS33/R pertaining to the complaint by India.

The representatives of India, the United States, Hong Kong and Costa Rica spoke.

The DSB took note of the statements and adopted the Appellate Body Report in WT/DS33/AB/R and the Panel Report in WT/DS33/R, as upheld by the Appellate Body Report.

(v) Measures affecting textiles and apparel products (WT/DSB/M/36)

At the DSB meeting on 30 July 1997, the representative of Hong Kong, China raised concerns with regard to his delegation's request to be joined in the consultations requested by the European Communities with the United States (WT/DS85/1). He drew Members' attention to the need to balance

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<sup>22</sup>WT/DSB/M/14.

the interests of third parties vis-à-vis the parties directly involved in a dispute and proposed that this could be considered during the review of the DSU.

The representatives of Hong Kong, China as well as of India, Pakistan, Switzerland, the Dominican Republic, Japan, Honduras and Argentina spoke.

The DSB took note of the statements.

- (vi) Restrictions on imports of cotton and man-made fibre underwear (WT/DSB/M/29, 30, 31)

In March 1996, the DSB had established a panel to examine this matter at the request of Costa Rica.<sup>23</sup> In November 1996, Costa Rica had notified its decision to appeal against one aspect of the Panel Report.

At its meeting on 25 February 1997, the DSB considered the Appellate Body Report in WT/DS24/AB/R and the Panel Report in WT/DS24/R pertaining to the complaint by Costa Rica.

The representatives of Costa Rica, the United States, India and Hong Kong spoke.

The DSB took note of the statements and adopted the Appellate Body Report in WT/DS24/AB/R and the Panel Report in WT/DS24/R, as modified by the Appellate Body Report.

At the DSB meeting on 20 March 1997, the representative of the United States informed the DSB of his country's intentions in respect of implementation of the DSB's recommendations pursuant to Article 21.3 of the DSU.

The representatives of the United States and Costa Rica spoke.

The DSB took note of the statements.

At the DSB meeting on 10 April 1997, the representative of the United States announced that the measure which had been the subject of examination by the Panel (WT/DS24/R) and the Appellate Body (WT/DS24/AB/R) had been allowed to expire on 28 March 1997, thereby terminating this dispute.

The representatives of the United States and Costa Rica spoke.

The DSB took note of the statements.

- (vii) Standards for reformulated and conventional gasoline (WT/DSB/M/27)

In April 1995, the DSB had established a panel to examine this matter at the request of Venezuela.<sup>24</sup> In May 1995, the DSB had established a panel to examine the same matter at the request of Brazil.<sup>25</sup> The parties to the dispute had agreed that these two complaints be examined by a single panel in accordance with Article 9 of the DSU. In February 1996, the United States had notified the DSB of its decision to appeal certain issues of law and legal interpretations developed by the panel.

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<sup>23</sup>WT/DSB/M/12.

<sup>24</sup>WT/DSB/M/3.

<sup>25</sup>WT/DSB/M/5.

In May 1996, the DSB had adopted the Appellate Body Report (WT/DS2/AB/R) and the Panel Report (WT/DS2/R) as modified by the Appellate Body Report.<sup>26</sup>

At the DSB meeting on 3 December 1996, Venezuela announced that a reasonable period of time for implementation of the DSB's recommendations on "United States - Standards for reformulated and conventional gasoline" would be 15 months, starting retroactively from 20 May 1996.

The representatives of Venezuela, the United States and Brazil spoke.

The DSB took note of the statements.

(viii) The Cuban Liberty and Democratic Solidarity Act (WT/DSB/M/26)

At its meeting on 20 November 1996, the DSB considered a request by the European Communities and their member States for the establishment of a panel to examine their complaint regarding the United States' legislation, the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, and related measures (WT/DS38/2 and Corr.1).

The representatives of the European Communities, the United States, New Zealand, Cuba and Norway spoke.

The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

The representatives of Canada and Mexico reserved their third-party rights to participate in the Panel proceedings.<sup>27</sup>

15. Surveillance of implementation of recommendations adopted by the DSB

Matters considered by the DSB under this item are included on the agenda pursuant to Article 21.6 of the DSU which provides that: "Unless the DSB decides otherwise, the issue of implementation of the recommendations or rulings shall be placed on the agenda of the DSB meeting after six months following the date of establishment of the reasonable time-period pursuant to paragraph 3 and shall remain on the DSB's agenda until the issue is resolved. At least 10 days prior to each such DSB meeting, the Member concerned shall provide the DSB with a status report in writing of its progress in the implementation of the recommendations or rulings."

- (a) United States  
- Standards for reformulated and conventional gasoline  
(WT/DSB/M/28, 29, 30, 32, 33, 35, 36, 37)

At its meeting on 22 January 1997, the DSB considered the first status report by the United States on the implementation of the DSB's recommendations on this matter (WT/DS2/10).

The representatives of the United States, Brazil and Venezuela spoke.

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<sup>26</sup>WT/DSB/M/17.

<sup>27</sup>After the meeting Japan, Malaysia and Thailand reserved their third-party rights.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 February 1997, the DSB considered the second status report by the United States contained in WT/DS2/10/Add.1.

The representatives of the United States, Brazil and Venezuela spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 20 March 1997, the DSB considered the third status report by the United States contained in WT/DS2/10/Add.2.

The representatives of the United States, Brazil and Venezuela spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 30 April 1997, the DSB considered the fourth status report by the United States contained in WT/DS2/10/Add.3.

The representatives of the United States, Venezuela and Brazil spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 23 May 1997, the DSB considered the fifth status report by the United States contained in WT/DS2/10/Add.4.

The representatives of the United States, Brazil, the European Communities and Venezuela spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 June 1997, the DSB considered the sixth status report by the United States contained in WT/DS2/10/Add.5.

The representatives of the United States, Venezuela, the European Communities and Brazil spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 30 July 1997, the DSB considered the seventh status report by the United States contained in WT/DS2/10/Add.6.

The representatives of the United States, Brazil, Venezuela, and the European Communities spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 25 September 1997, the DSB considered this matter in order to discuss the final status report by the United States circulated on 26 August 1997 in document WT/DS2/10/Add.7.

The representatives of Brazil, Venezuela, the United States, Norway and the European Communities spoke.

The DSB took note of the statements and agreed to revert to this matter.

- (b) Japan  
- Taxes on alcoholic beverages (WT/DSB/M/37, 38, 39)

At its meeting on 25 September 1997, the DSB considered the first status report by Japan on the implementation of the DSB's recommendations on this matter (WT/DS8/18, WT/DS10/18, WT/DS11/16).

The representatives of Japan, the United States, Canada and the European Communities spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 16 October 1997, the DSB considered the second status report by Japan contained in WT/DS8/18/Add.1, WT/DS10/18/Add.1, WT/DS/11/16/Add.1.

The representatives of Japan, the United States and Canada spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

At its meeting on 18 November 1997, the DSB considered the third status report by Japan contained in WT/DS8/18/Add.2, WT/DS10/18/Add.2, WT/DS11/16/Add.2.

The representatives of Japan, Canada and the United States spoke.

The DSB took note of the statements and agreed to revert to this matter at its next regular meeting.

ANNEX

OVERVIEW OF THE STATE OF PLAY OF WTO DISPUTES

The attached overview, which reflects the state of play of WTO disputes from 1 January 1995 to 31 October 1997, has been prepared by the Secretariat on its own responsibility. **Section I** summarizes the developments from the initial requests for consultations until the establishment of panels, including the cases where mutually agreed solutions were found. **Section II** deals with the stage from the establishment of panels, circulation of panel reports, appeals and reports of the Appellate Body and finally the adoption of the reports. **Section III** covers the stage dealing with the monitoring of the DSB's recommendations.

SECTION I

REQUESTS FOR CONSULTATIONS, MUTUALLY AGREED SOLUTIONS  
AND PANELS ESTABLISHED

(1 January 1995 - 31 October 1997)

<b>Dispute</b>	<b>Request for Consultations (date of circulation)</b>	<b>Date of Receipt of the Request for Consultation</b>	<b>Expiration of Consultation Period</b>	<b>Request to Join Consultations</b>	<b>Mutually Agreed Solution</b>	<b>Request for Establishment of a Panel</b>	<b>Panel Established</b>
1. Malaysia - Prohibition of Imports of Polyethylene and Polypropylene	13.01.95 Singapore <b>WT/DS1/1</b>	10.01.95	11.03.95		19.07.95 <b>DSB/M/6</b> (withdrawal of request)	17.03.95 Singapore <b>WT/DS1/2</b>	
2. United States - Standards for Reformulated and Conventional Gasoline	02.02.95 Venezuela <b>WT/DS2/1</b>	24.01.95	25.03.95			27.03.95 Venezuela <b>WT/DS2/2</b>	10.04.95 <b>WT/DSB/M/3</b>
3. Korea - Measures Concerning the Testing and Inspection of Agricultural Products	06.04.95 US <b>WT/DS3/1</b>	04.04.95	03.06.95	09.06.95 Japan <b>WT/DS3/2</b>			
4. United States - Standards for Reformulated and Conventional Gasoline	12.04.95 Brazil <b>WT/DS4/1</b>	10.04.95	09.06.95			22.05.95 Brazil <b>WT/DS4/2</b>	31.05.95 <b>WT/DSB/M/5</b>

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
5. Korea - Measures Concerning the Shelf-Life of Products	05.05.95 US WT/DS5/1	03.05.95	02.07.95	24.05.95 Canada WT/DS5/2 09.06.95 Japan WT/DS5/4	31.07.95 WT/DS5/5 & Corr.1 24.11.95 Add.1 22.04.96 Add.1/Rev.1 22.04.96 Add.2 22.04.96 Add.3 19.07.96 Add.4 20.09.96 Add.5		
6. United States - Imposition of Import Duties on Automobiles from Japan under Sections 301 and 304 of the Trade Act of 1974	22.05.95 Japan WT/DS6/1	17.05.95	16.07.95	02.06.95 EC WT/DS6/2 12.06.95 Australia WT/DS6/3	19.07.95 WT/DSB/M/6		
7. EC - Trade Description of Scallops	24.05.95 Canada WT/DS7/1	19.05.95	18.07.95	09.06.95 Chile WT/DS7/2 09.06.95 Iceland WT/DS7/3 09.06.96 Japan WT/DS7/4 12.06.95 Peru WT/DS7/5	19.07.96 WT/DS7/12	10.07.95 Canada WT/DS7/7 & Corr.1	19.07.95 WT/DSB/M/6



Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
8. Japan - Taxes on Alcoholic Beverages	29.06.95 EC WT/DS8/1	21.06.95	20.08.95	17.07.95 US WT/DS8/2 17.07.95 Canada WT/DS8/3		15.09.95 EC WT/DS8/5	27.09.95 WT/DSB/M/7
9. EC - Duties on Imports of Cereals	10.07.95 Canada WT/DS9/1	30.06.95	29.08.95			15.09.95 Canada WT/DS9/2	11.10.95 WT/DSB/M/8
10. Japan - Taxes on Alcoholic Beverages	17.07.95 Canada WT/DS10/1	07.07.95	05.09.95	21.07.95 US WT/DS10/2 27.07.95 EC WT/DS10/3		15.09.95 Canada WT/DS10/5	27.09.95 WT/DSB/M/7
11. Japan - Taxes on Alcoholic Beverages	17.07.95 US WT/DS11/1	07.07.95	05.09.95			15.09.95 USA WT/DS11/2 & Corr. 1	27.09.95 WT/DSB/M/7
12. EC - Trade Description of Scallops	25.07.95 Peru WT/DS12/1	18.07.95	15.09.95	09.08.95 Canada WT/DS12/3 11.08.95 Chile WT/DS12/2 & Rev.1 17.08.95 Japan WT/DS12/5	19.07.96 WT/DS12/12	15.09.95 Peru WT/DS12/6 Annex 22.09.95 Peru WT/DS12/7	11.10.95 WT/DSB/M/8

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
13. EC - Duties on Imports of Grains	26.07.95 US WT/DS13/1	19.07.95	17.09.95		02.05.97 WTDS13/8 (withdrawal of request)	29.09.95 US WT/DS13/2 22.11.96 WT/DS13/2/ Add.1 13.02.97 WT/DS13/5 27.03.97 WT/DS13/6	
14. EC - Trade Description of Scallops	31.07.95 Chile WT/DS14/1	24.07.95	22.09.95	07.08.95 Canada WT/DS14/2 11.08.95 Peru WT/DS14/3 17.08.95 Japan WT/DS14/4	19.07.96 WT/DS14/11	15.09.95 Chile WT/DS14/5 Annex 27.09.95 Chile WT/DS14/6 Annex	11.10.95 WT/DSB/M/8
15. Japan - Measures Affecting the Purchase of Telecommunications Equipment	24.08.95 EC WT/DS15/1	18.08.95	17.10.95	31.08.95 US WT/DS15/2			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
16. EC - Regime for the Importation, Sale and Distribution of Bananas	04.10.95 Guatemala Honduras Mexico US WT/DS16/1	28.09.95	26.11.95	13.10.95 St. Lucia WT/DS16/2 20.10.95 Colombia WT/DS16/3 24.10.95 Dominican Republic WT/DS16/4 25.10.95 Venezuela WT/DS16/5 20.10.95 Nicaragua WT/DS16/6 30.10.95 Costa Rica WT/DS16/7			
17. EC - Duties on Imports of Rice	11.10.95 Thailand WT/DS17/1	05.10.95	04.12.95				
18. Australia - Measures Affecting Importation of Salmon	11.10.95 Canada WT/DS18/1	05.10.95	04.12.95			10.03.97 WT/DS18/2	10.04.97 WT/DSB/M/31
19. Poland - Import Regime for Automobiles	18.10.95 India WT/DS19/1	28.09.95	27.11.95			11.09.96 WT/DS19/2	

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
20. Korea - Measures Concerning Bottled Water	22.11.95 Canada <b>WT/DS20/1</b>	08.11.95	08.01.96	30.11.95 US <b>WT/DS20/2</b> 14.12.95 EC <b>WT/DS20/4</b>	24.04.96 <b>WT/DS20/6</b>		
21. Australia - Measures Affecting the Importation of Salmonids	23.11.95 US <b>WT/DS21/1</b>	20.11.95	19.01.96	13.12.95 Canada <b>WT/DS21/2</b>			
22. Brazil - Measures Affecting Desiccated Coconut	20.12.95 Philippines <b>WT/DS22/1</b>	30.11.96	29.01.96			08.02.96 Philippines <b>WT/DS22/5</b>	05.03.96 <b>WT/DSB/M/12</b>
23. Venezuela - Anti-Dumping Investigation in Respect of Imports of Certain Oil Country Tubular Goods OCTG	04.01.96 Mexico <b>WT/DS23/1</b>	05.12.95	03.02.96		26.05.97 <b>WT/DS23/3</b> (termination of investigation)		
24. United States - Restriction on Imports of Cotton and Man-Made Fibre Underwear	15.01.96 Costa Rica <b>WT/DS24/1</b>	22.12.95	20.02.96			27.02.96 Costa Rica <b>WT/DS24/2</b>	05.03.96 <b>WT/DSB/M/12</b>
25. EC - Implementation of the Uruguay Round Commitments Concerning Rice	19.01.96 Uruguay <b>WT/DS25/1</b>	14.12.95	12.02.96				

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
26. EC - Measures Concerning Meat and Meat Products (Hormones)	31.01.96 US WT/DS26/1	26.01.96	26.03.96	08.02.96 New Zealand WT/DS26/2 09.02.96 Australia WT/DS26/3 13.02.96 Canada WT/DS26/4		25.04.96 US WT/DS26/6	20.05.96 WT/DSB/M/17
27. EC - Regime for the Importation, Sale and Distribution of Bananas	13.02.96 Ecuador Guatemala Honduras Mexico US WT/DS27/1	05.02.96	05.04.96	28.02.96 Dominican Republic WT/DS27/2 28.02.96 St. Lucia WT/DS27/3 28.02.96 Nicaragua WT/DS27/4 01.03.96 Jamaica WT/DS/27/5		12.04.96 Ecuador, Guatemala, Honduras, Mexico, US WT/DS27/6	08.05.96 WT/DSB/M/16
28. Japan - Measures Concerning Sound Recordings	14.02.96 US WT/DS28/1	09.02.96	09.04.96	28.02.96 EC WT/DS28/2	05.02.97 WT/DS28/4		

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
29. Turkey - Restrictions on Imports of Textile and Clothing Products	15.02.96 Hong Kong <b>WT/DS29/1</b>	12.02.96	12.04.96	01.03.96 EC <b>WT/DS29/2</b> 28.02.06 Malaysia Philippines Thailand <b>WT/DS29/3</b> 28.02.96 Peru <b>WT/DS29/4</b> 29.02.96 India <b>WT/DS29/5</b> 01.03.96 Brazil <b>WT/DS29/7</b> 01.03.96 Canada <b>WT/DS29/8</b>			
30. Brazil - Countervailing Duties on Imports of Desiccated Coconut and Coconut Milk Powder from Sri Lanka	05.03.96 Sri Lanka <b>WT/DS30/1</b>	23.02.96	23.04.96				
31. Canada - Certain Measures Concerning Periodicals	14.03.96 US <b>WT/DS31/1</b>	11.03.96	10.05.96			24.05.96 US <b>WT/DS31/2</b>	19.06.96 <b>WT/DSB/M/19</b>
32. United States - Measures Affecting Imports of Women's and Girls' Wool Coats					30.04.96 <b>WT/DS32/2</b>	15.03.96 India <b>WT/DS32/1</b>	17.04.96 <b>WT/DSB/M/14</b>

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
33. United States - Measures Affecting Imports of Woven Wool Shirts and Blouses						15.03.96 India <b>WT/DS33/1 and Corr.1</b>	17.04.96 <b>WT/DSB/M/14</b>
34. Turkey - Restrictions on Imports of Textile and Clothing Products	25.03.96 India <b>WT/DS34/1</b>	21.03.96	20.05.96				
35. Hungary - Export Subsidies in Respect of Agricultural Products	02.04.96 Argentina Australia Canada New Zealand Thailand US <b>WT/DS35/1</b>	27.03.96	26.05.96	12.04.96 Japan <b>WT/DS35/2</b>		10.01.97 Australia <b>WT/DS35/4</b> 10.01.97 New Zealand <b>WT/DS/35/5</b> 10.01.97 US <b>WT/DS35/6</b> 10.01.97 Argentina <b>WT/DS35/7</b>	25.02.97 <b>WT/DSB/M/29</b>
36. Pakistan - Patent Protection for Pharmaceutical and Agricultural Chemical Products	06.05.96 US <b>WT/DS36/1</b>	30.04.96	29.06.96	28.05.96 EC <b>WT/DS36/2</b>	07.03.97 <b>WT/DS36/4</b>	04.07.96 US <b>WT/DS36/3</b>	
37. Portugal - Patent Protection under the Industrial Property Act	06.05.96 US <b>WT/DS37/1</b>	30.04.96	29.06.96		15.10.96 <b>WT/DS37/2 &amp; Corr.1</b>		
38. United States - The Cuban Liberty and Democratic Solidarity Act	13.05.96 EC <b>WT/DS38/1</b>	03.05.96	02.07.96			08.10.96 EC <b>WT/DS38/2</b> 14.10.96 <b>Corr.1</b>	20.11.96 <b>WT/DSB/M/26</b>

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
39. United States - Tariff Increases on Products from the European Communities	29.05.96 EC <b>WT/DS39/1</b>	18.04.96	17.06.96			24.06.96 EC <b>WT/DS39/2</b>	
40. Korea - Laws, Regulations and Practices in the Telecommunications Procurement Sector	20.05.96 EC <b>WT/DS40/1</b>	09.05.96	08.07.96		29.10.97 <b>WT/DS40/2</b>		
41. Korea - Measures Concerning Inspection of Agricultural Products	31.05.96 US <b>WT/DS41/1</b>	24.05.96	23.07.96				
42. Japan - Measures Concerning Sound Recordings	04.06.96 EC <b>WT/DS42/1</b>	28.05.96	27.07.96	11.06.96 US <b>WT/DS42/2</b>			
43. Turkey - Taxation of Foreign Film Revenues	17.06.96 US <b>WT/DS43/1</b>	12.06.96	11.08.96		24.07.97 <b>WT/DS43/3</b>	10.01.97 US <b>WT/DS43/2</b>	25.02.97 <b>WT/DSB/M/29</b>
44. Japan - Measures Affecting Consumer Photographic Film and Paper	21.06.96 US <b>WT/DS44/1</b>	13.06.96	12.08.96			20.09.96 US <b>WT/DS44/2</b>	16.10.96 <b>WT/DSB/M/24</b>
45. Japan - Measures Affecting Distribution Services	20.06.96 US <b>WT/DS45/1</b> 24.09.96 <b>Add.1</b>	13.06.96	12.08.96				



Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
46. Brazil - Export Financing Programme for Aircraft	21.06.96 Canada <b>WT/DS46/1</b>	19.06.96	18.08.96			17.09.96 Canada <b>WT/DS46/2</b> 04.10.96 <b>WT/DS46/4</b>	
47. Turkey - Restrictions on Imports of Textile and Clothing Products	26.06.96 Thailand <b>WT/DS47/1</b>	20.06.96	19.08.96				
48. European Communities - Measures Affecting Livestock and Meat (Hormones)	08.07.96 Canada <b>WT/DS48/1</b>	28.06.96	27.08.96	22.07.96 Australia <b>WT/DS48/2</b> 23.07.96 US <b>WT/DS48/3</b> 23.07.96 New Zealand <b>WT/DS48/4</b>		17.09.96 Canada <b>WT/DS48/5</b>	16.10.96 <b>WT/DSB/M/24</b>
49. United States - Anti-Dumping Investigation Regarding Imports of Fresh or Chilled Tomatoes from Mexico	08.07.96 Mexico <b>WT/DS49/1</b>	01.07.96	30.08.96				
50. India - Patent Protection for Pharmaceutical and Agricultural Chemical Products	09.07.96 US <b>WT/DS50/1</b>	02.07.96	31.08.96	22.07.96 EC <b>WT/DS50/2</b>		08.11.96 US <b>WT/DS50/4</b>	20.11.96 <b>WT/DSB/M/26</b>

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
51. Brazil - Certain Automotive Investment Measures	06.08.96 Japan WT/DS51/1	30.07.96	28.09.96	13.08.96 Korea WT/DS51/2 15.08.96 EC WT/DS51/3 15.08.96 US WT/DS51/4 19.08.96 Canada WT/DS51/6			
52. Brazil - Certain Measures Affecting Trade and Investment in the Automotive Sector	14.08.96 US WT/DS52/1	09.08.96	08.10.96	19.08.96 Canada WT/DS52/2 19.08.96 Japan WT/DS52/3 28.08.96 Korea WT/DS52/4 02.09.96 EC WT/DS52/5			
53. Mexico - Customs Valuation of Imports	09.09.96 EC WT/DS53/1	27.08.96	26.10.96	18.09.96 Norway WT/DS53/2 30.09.96 Switzerland WT/DS53/3			

<b>Dispute</b>	<b>Request for Consultations (date of circulation)</b>	<b>Date of Receipt of the Request for Consultation</b>	<b>Expiration of Consultation Period</b>	<b>Request to Join Consultations</b>	<b>Mutually Agreed Solution</b>	<b>Request for Establishment of a Panel</b>	<b>Panel Established</b>
54. Indonesia - Certain Measures Affecting the Automobile Industry	14.10.96 EC WT/DS54/1	03.10.96	02.12.96	23.10.96 US WT/DS54/2 28.10.96 Japan WT/DS54/3 29.10.96 Korea WT/DS54/4 30.10.96 Canada WT/DS54/5		12.05.97 EC WT/DS54/6	12.06.97 EC WT/DSB/M/34
55. Indonesia - Certain Measures Affecting the Automobile Industry	10.10.96 Japan WT/DS55/1	04.10.96	03.12.96	23.10.96 US WT/DS55/2 25.10.96 EC WT/DS55/3 30.10.96 Korea WT/DS55/4 29.10.96 Canada WT/DS55/5		18.04.97 Japan WT/DS55/6 - WT/DS64/4	12.06.97 WT/DSB/M/34
56. Argentina - Measures Affecting Imports of Footwear, Textiles, Apparel and Other Items	15.10.96 US WT/DS56/1	04.10.96	03.12.96	29.10.96 Hungary WT/DS56/2 04.11.96 EC WT/DS56/3		10.01.97 US WT/DS56/5	25.02.97 WT/DSB/M/29

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
57. Australia - Textile, Clothing and Footwear Import Credit Scheme	09.10.96 US <b>WT/DS57/1</b>	07.10.96	06.11.96				
58. United States - Import Prohibition of Certain Shrimp and Shrimp Products	14.10.96 India, Malaysia, Pakistan, Thailand <b>WT/DS58/1</b>	08.10.96	07.12.96	30.10.96 Hong Kong <b>WT/DS58/2</b> 30.10.96 EC <b>WT/DS58/3</b> 01.11.96 Japan <b>WT/DS58/4</b> 06.11.96 Australia <b>WT/DS58/5</b>		10.01.97 Malaysia Thailand <b>WT/DS58/6</b> 07.02.97 Pakistan <b>WT/DS58/7</b> 04.03.97 India <b>WT/DS58/8</b>	25.02.97 <b>WT/DSB/M/29</b> (Malaysia, Thailand, Pakistan) 10.04.97 <b>WT/DSB/M/31</b> India
59. Indonesia - Certain Measures Affecting the Automobile Industry	15.10.96 US <b>WT/DS59/1</b>	08.10.96	07.12.96	28.10.96 Japan <b>WT/DS59/2</b> 30.10.96 EC <b>WT/DS59/3</b> 30.10.96 Korea <b>WT/DS59/4</b> 31.10.96 Canada <b>WT/DS59/5</b>		13.06.97 US <b>WT/DS59/6</b>	30.07.97 <b>WT/DSB/M/36</b>
60. Guatemala - Anti-Dumping Investigation Regarding Imports of Portland Cement from Mexico	24.10.96 Mexico <b>WT/DS60/1</b>	17.10.96	16.12.96			13.02.97 Mexico <b>WT/DS60/2</b>	20.03.97 <b>WT/DSB/M/30</b>

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
61. United States - Import Prohibition of Certain Shrimp and Shrimp Products	04.11.96 Philippines <b>WT/DS61/1</b>	25.10.96	24.12.96	19.11.96 Australia <b>WT/DS61/2</b> 22.11.96 Japan <b>WT/DS61/3</b>			
62. European Communities - Customs Classification of Some Computer Equipment	14.11.96 US <b>WT/DS62/1</b>	08.11.96	07.01.97	28.11.96 Korea <b>WT/DS62/2</b> 29.11.96 Canada <b>WT/DS62/3</b>		13.02.97 US <b>WT/DS62/4</b>	25.02.97 <b>WT/DSB/M/29</b>
63. United States - Anti-Dumping Measures on Imports of Solid Urea from the Former German Democratic Republic	09.12.96 EC <b>WT/DS63/1</b>	28.11.96	27.01.97				
64. Indonesia - Certain Measures Affecting the Automobile Industry	05.12.96 Japan <b>WT/DS64/1</b>	29.11.96	28.01.97	17.12.96 US <b>WT/DS64/2</b> 18.12.96 EC <b>WT/DS64/3</b>		18.04.97 Japan <b>WT/DS55/6- WT/DS64/4</b>	12.06.97 <b>WT/DSB/M/34</b>
65. Brazil - Certain Measures Affecting Trade and Investment in the Automotive Sector	17.01.97 US <b>WT/DS65/1</b>	10.01.97	11.03.97				
66. Japan - Measures Affecting Imports of Pork	22.01.97 EC <b>WT/DS66/1</b>	15.01.97	16.03.97	31.01.97 Canada <b>WT/DS66/2</b>			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
67. European Communities: UK - Customs Classification of Some Computer Equipment	20.02.97 US <b>WT/DS67/1</b>	14.02.97	15.04.97	04.03.97 Korea <b>WT/DS67/2</b>		10.03.97 US <b>WT/DS67/3</b>	20.03.97 DSB decided that this dispute will be examined by the panel established on 25 February 1997 ( <b>WT/DSB/M/30</b> )
68. European Communities: Ireland - Customs Classification of Some Computer Equipment	19.02.97 US <b>WT/DS68/1</b>	14.02.97	15.04.97			10.03.97 US <b>WT/DS68/2</b>	20.03.97 DSB decided that this dispute will be examined by the panel established on 25 February 1997 ( <b>WT/DSB/M/30</b> )
69. European Communities - Measures Affecting Importation of Certain Poultry Products	04.03.97 Brazil <b>WT/DS69/1</b>	24.02.97	25.04.97			12.06.97 Brazil <b>WT/DS69/2</b>	30.07.97 <b>WT/DSB/M/36</b>
70. Canada - Measures Affecting the Export of Civilian Aircraft	14.03.97 Brazil <b>WT/DS70/1</b>	10.03.97	09.04.97				
71. Canada - Measures Affecting the Export of Civilian Aircraft	14.03.97 Brazil <b>WT/DS71/1</b>	10.03.97	09.05.97				
72. European Communities - Measures Affecting Butter Products	03.04.97 New Zealand <b>WT/DS72/1</b>	24.03.97	23.05.97				

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
73. Japan - Procurement of a Navigation Satellite	01.04.97 EC <b>WT/DS73/1</b>	26.03.97	25.05.97	11.04.97 US <b>WT/DS73/2</b>	14.08.97 <b>WT/DS73/4</b> <b>/Rev.1</b>		
74. Philippines - Measures Affecting Pork and Poultry	07.04.97 US <b>WT/DS74/1</b>	01.04.97	31.05.97	22.04.97 EC <b>WT/DS74/2</b> 24.04.97 Canada <b>WT/DS74/3</b>			
75. Korea - Taxes on Alcoholic Beverages	09.04.97 EC <b>WT/DS75/1</b>	02.04.97	01.06.97	22.04.97 US <b>WT/DS75/2</b> 24.04.37 Canada <b>WT/DS75/3</b>		15.09.97 EC <b>WT/DS75/6</b>	16.10.97 <b>WT/DSB/M/38</b>
76. Japan - Measures Affecting Agricultural Products	09.04.97 US <b>WT/DS76/1</b>	07.04.97	06.06.97			06.10.97 US <b>WT/DS76/2</b>	
77. Argentina - Measures Affecting Textiles and Clothing	28.04.97 EC <b>WT/DS77/1</b>	21.04.97	20.06.97	14.05.97 US <b>WT/DS77/2</b>		15.09.97 EC <b>WT/DS77/3</b> 06.10.97 <b>Rev.1</b> 16.10.97 <b>Rev.1/Corr.1</b>	16.10.97 <b>WT/DSB/M/38</b>
78. United States - Safeguard Measure Against Imports of Broom Corn Brooms	01.05.97 Colombia <b>WT/DS78/1</b>	28.04.97	27.06.97				

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
79. India - Patent Protection for Pharmaceutical and Agricultural Chemical Products	06.05.97 EC <b>WT/DS79/1</b>	28.04.97	27.06.97			15.09.97 EC <b>WT/DS79/2</b>	16.10.97 <b>WT/DSB/M/38</b>
80. Belgium - Measures Affecting Commercial Telephone Directory Services	13.05.97 US <b>WT/DS80/1</b>	02.05.97	01.07.97				
81. Brazil - Certain Measures Affecting Trade and Investment in the Automotive Sector	20.05.97 EC <b>WT/DS81/1</b>	07.05.97	06.07.97				
82. Ireland - Measures Affecting the Grant of Copyright and Neighbouring Rights	22.05.97 US <b>WT/DS82/1</b>	14.05.97	13.07.97				
83. Denmark - Measures Affecting the Enforcement of Intellectual Property Rights	21.05.97 US <b>WT/DS83/1</b>	14.05.97	13.07.97				
84. Korea - Taxes on Alcoholic Beverages	28.05.97 US <b>WT/DS84/1</b>	23.05.97	22.07.97	02.06.97 Canada <b>WT/DS/84/2</b> 13.06.97 EC <b>WT/DS84/3</b>		15.09.97 US <b>WT/DS84/4</b>	16.10.97 <b>WT/DSB/M/38</b>



Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
85. United States - Measures Affecting Textiles and Apparel Products	03.06.97 EC <b>WT/DS85/1</b>	22.05.97	21.07.97	11.06.97 Switzerland <b>WT/DS85/2</b> 18.06.97 Honduras <b>WT/DS85/3</b> 17.06.97 Hong Kong <b>WT/DS85/4</b> 18.06.97 Pakistan <b>WT/DS85/5</b> 18.06.97 India <b>WT/DS85/6</b> 19.06.97 Japan <b>WT/DS85/7</b> 25.06.97 Dominican Republic <b>WT/DS85/8</b>			
86. Sweden - Measures Affecting the Enforcement of Intellectual Property Rights	02.06.97 US <b>WT/DS86/1</b>	28.05.97	27.07.97				

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
87. Chile - Taxes on Alcoholic Beverages	11.06.97 EC WT/DS87/1	04.06.97	03.08.97	30.06.97 Peru WT/DS87/2 25.06.97 US WT/DS87/3 30.06.97 Mexico WT/DS87/4		06.10.97 EC WT/DS87/5	
88. United States - Measure Affecting Government Procurement	26.06.97 EC WT/DS88/1	20.06.97	19.08.97	02.07.97 Japan WT/DS88/2			
89. United States - Imposition of Anti-Dumping Duties on Imports of Colour Television Receivers from Korea	16.07.97 Korea WT/DS89/1 04.08.97 WT/DS89/1 and Corr.1	10.07.97	09.09.97	28.07.97 Mexico WT/DS89/2 01.08.97 Thailand WT/DS89/3 01.08.97 Japan WT/DS89/4 04.08.97 HongKong, China WT/DS89/5 04.08.97 EC WT/DS89/6			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
90. India - Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	22.07.97 US WT/DS90/1	15.07.97	13.09.97	30.07.97 Japan WT/DS90/2 05.08.97 EC WT/DS90/3 05.08.97 Canada WT/DS90/4 05.08.97 Australia WT/DS90/5 05.08.97 Switzerland WT/DS90/6 08.08.97 New Zealand WT/DS90/7		06.10.97 US WT/DS90/8	

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
91. India - Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	22.07.97 Australia <b>WT/DS91/1</b>	16.07.97	14.09.97	30.07.97 Japan <b>WT/DS91/2</b> 05.08.97 US <b>WT/DS91/3</b> 05.08.97 EC <b>WT/DS91/4</b> 05.08.97 Canada <b>WT/DS91/5</b> 05.08.97 Switzerland <b>WT/DS91/6</b> 08.08.97 New Zealand <b>WT/DS91/7</b>			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
92. India - Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	22.07.97 Canada WT/DS92/1	16.07.97	14.09.97	30.07.97 Japan WT/DS92/2 05.08.97 US WT/DS92/3 05.08.97 EC WT/DS92/4 05.08.97 Australia WT/DS92/5 05.08.97 Switzerland WT/DS92/6 08.08.97 New Zealand WT/DS92/7			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
93. India - Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	22.07.97 New Zealand WT/DS93/1	16.07.97	14.09.97	30.07.97 Japan WT/DS93/2 05.08.97 US WT/DS93/3 05.08.97 EC WT/DS93/4 05.08.97 Canada WT/DS93/5 05.08.97 Australia WT/DS93/6 05.08.97 Switzerland WT/DS93/7			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
94. India - Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products	23.07.97 Switzerland <b>WT/DS94/1</b> 05.08.97 <b>WT/DS94/1</b> <b>and Corr.1</b>	17.07.97	15.09.97	30.07.97 Japan <b>WT/DS94/2</b> 05.08.97 US <b>WT/DS94/3</b> 05.08.97 EC <b>WT/DS94/4</b> 05.08.97 Canada <b>WT/DS94/5</b> 05.08.97 Australia <b>WT/DS94/6</b> 08.08.97 New Zealand <b>WT/DS94/7</b>			
95. United States - Measure Affecting Government Procurement	21.07.97 Japan <b>WT/DS95/1</b>	18.07.97	16.09.97	30.07.97 EC <b>WT/DS95/2</b>			

Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
96. India - Quantitative Restrictions on Imports of Agricultural, Textiles and Industrial Products	24.07.97 EC WT/DS96/1	18.07.97	16.09.97	30.07.97 Japan WT/DS96/2 05.08.97 US WT/DS96/3 05.08.97 Canada WT/DS96/4 05.08.97 Australia WT/DS96/5 05.08.97 Switzerland WT/DS96/6 08.08.97 New Zealand WT/DS96/7			
97. United States - Countervailing Duty Investigation of Imports of Salmon from Chile	12.08.97 Chile WT/DS97/1	05.08.97	04.10.97				
98. Korea - Definitive Safeguard Measure on Imports of Certain Dairy Products	15.08.97 EC WT/DS/98/1	12.08.97	11.10.97	03.09.97 Australia WT/DS98/2			
99. United States - Anti-Dumping Duty on Dynamic Random Access Memory Semiconductors (DRAMS) of One Megabyte or Above from Korea	15.08.97 Korea WT/DS99/1 25.08.97 WT/DS99/1 and Corr.1	14.08.97	13.10.97				



Dispute	Request for Consultations (date of circulation)	Date of Receipt of the Request for Consultation	Expiration of Consultation Period	Request to Join Consultations	Mutually Agreed Solution	Request for Establishment of a Panel	Panel Established
100. United States - Measures Affecting Imports of Poultry Products	25.08.97 EC <b>WT/DS100/1</b>	18.08.97	17.10.97				
101. Mexico - Anti-dumping Investigation of High-Fructose Corn Syrup (HFCS) from the United States	15.09.97 US <b>WT/DS101/1</b>	04.09.97	03.11.97				
102. Philippines - Measures Affecting Pork and Poultry	09.10.97 US <b>WT/DS102/1</b>	07.10.97	06.12.97	23.10.97 Canada <b>WT/DS102/3</b> 28.10.97 EC <b>WT/DS102/4</b>			
103. Canada - Measures Affecting the Importation of Milk and the Exportation of Dairy Products	13.10.97 US <b>WT/DS103/1</b>	08.10.97	07.12.97	24.10.97 Japan <b>WT/DS103/2</b> 27.10.97 Australia <b>WT/DS103/3</b>			
104. European Communities - Measures Affecting the Exportation of Processed Cheese	13.10.97 US <b>WT/DS104/1</b>	08.10.97	07.12.97	24.10.97 Japan <b>WT/DS104/2</b> 27.10.97 Australia <b>WT/DS104/3</b> 28.10.97 Canada <b>WT/DS104/4</b>			
105. European Communities - Regime for the Importation, Sale and Distribution of Bananas	25.10.97 Panama <b>WT/DS105/1</b>	24.10.97	23.12.97				

SECTION II  
PANEL AND APPELLATE BODY REPORTS

Circulation and Adoption  
(1 January 1995 - 31 October 1997)

Dispute	Panel Established	Panel Report Circulated	Expiration of 20-Day Period	Expiration of 60-Day Period	Notice of Appeal	Panel Report Adopted	Appellate Report Circulated	Expiration of 30-Day Period	Appellate Report Adopted
1. US - Standards for Reformulated and Conventional Gasoline	10.04.95 Venezuela <b>WT/DS2</b> 31.05.95 Brazil <b>WT/DS4</b>	29.01.96 <b>WT/DS2/R</b>	18.02.96	29.03.96	21.02.96 US <b>WT/DS2/6</b>	20.05.96 <b>WT/DS2/9</b>	29.04.96 <b>WT/DS2/AB/R</b>	29.05.96	20.05.96 <b>WT/DS2/9</b>
2. Japan - Taxes on Alcoholic Beverages	27.09.95 EC <b>WT/DS8</b> Canada <b>WT/DS10</b> US <b>WT/DS11</b>	11.07.96 EC <b>WT/DS8/R</b> Canada <b>WT/DS10/R</b> US <b>WT/DS11/R</b>	31.07.96	09.09.96	08.08.96 Japan <b>WT/DS8/9</b> <b>WT/DS10/9</b> <b>WT/DS11/6</b>	01.11.96 <b>WT/DS8/11</b> <b>WT/DS10/11</b> <b>WT/DS11/8</b>	04.10.96 <b>WT/DS8/AB/R</b> <b>WT/DS10/AB/R</b> <b>WT/DS11/AB/R</b>	03.11.96	01.11.96 <b>WT/DS8/11</b> <b>WT/DS10/11</b> <b>WT/DS11/8</b>
3. EC - Trade Description of Scallops	19.07.95 Canada <b>WT/DS7</b>	05.08.96 <b>WT/DS7/R</b>							
4. EC - Trade Description of Scallops	11.10.95 Peru <b>WT/DS12</b> Chile <b>WT/DS14</b>	05.08.96 <b>WT/DS12/R</b> <b>WT/DS14/R</b>							
5. Brazil - Measures Affecting Desiccated Coconut	05.03.96 Philippines <b>WT/DS22</b>	17.10.96 <b>WT/DS22/R</b>	06.11.96	16.12.96	16.12.96 Philippines <b>WT/DS22/8</b>	20.03.97 <b>WT/DS22/11</b> <b>/Rev.2</b>	21.02.97 <b>WT/DS22/AB/R</b>	23.03.97	20.03.97 <b>WT/DS22/11</b> <b>Rev.2</b>

Dispute	Panel Established	Panel Report Circulated	Expiration of 20-Day Period	Expiration of 60-Day Period	Notice of Appeal	Panel Report Adopted	Appellate Report Circulated	Expiration of 30-Day Period	Appellate Report Adopted
6. US - Restrictions on Imports of Cotton and Man-Made Fibre Underwear	05.03.96 Costa Rica WT/DS24	08.11.96 WT/DS24/R	28.11.96	07.01.97	11.11.96 Costa Rica WT/DS24/5	25.02.97 WT/DS24/8	10.02.97 WT/DS24/AB/R	12.03.97	25.02.97 WT/DS24/8
7. US - Measure Affecting Imports of Woven Wool Shirts and Blouses from India	17.04.96 India WT/DS33	06.01.97 WT/DS33/R	26.01.97	07.03.97	24.02.97 WT/DS33/3	23.05.97 WT/DS33/5	25.04.97 WT/DS33/AB/R and Corr.1	25.05.97	23.05.97 WT/DS33/5
8. Canada - Certain Measures Concerning Periodicals	19.06.96 US WT/DS31	14.03.97 WT/DS31/R and Corr.1	03.04.97	13.05.97	29.04.97 WT/DS31/5	30.07.97 WT/DS31/7	30.06.97 WT/DS31/AB/R	31.07.97	30.07.97 WT/DS31/7
9. EC - Regime for the Importation, Sale and Distribution of Bananas	08.05.96 Ecuador, Guatemala, Honduras, Mexico, US WT/DS27	22.05.97 WT/DS27/R/ECU WT/DS27/R/GTM WT/DS27/R/HND WT/DS27/R/MEX WT/DS27/R/USA	11.06.97	21.07.97	11.06.97 WT/DS27/9	25.09.97 WT/DS27/12	09.09.97 WT/DS27/AB/R	09.10.97	25.09.97 WT/DS27/12
10. EC Measures Concerning Meat and Meat Products (Hormones)	20.05.96 US WT/DS26 16.10.96 Canada WT/DS48	18.08.97 WT/DS26/R/USA WT/DS48/R/CAN	07.09.97	17.10.97	24.09.97 WT/DS26/9 WT/DS48/7				
11. India - Patent Protection for Pharmaceutical and Agricultural Chemical Products	20.11.96 US WT/DS50	05.09.97 WT/DS50/R	25.09.97	04.11.97	15.10.97 WT/DS50/6				

SECTION III

IMPLEMENTATION OF DSB RECOMMENDATIONS  
(1 January 1995 - 31 October 1997)

<b>Dispute</b>	<b>Adoption of Panel/Appellate Body Reports</b>	<b>Notification of Intentions on Implementation of DSB Recommendations</b> <i>(Within 30 days after the date of adoption of the panel/Appellate Body report)</i>	<b>Date of Determination of Reasonable Period of Time</b>	<b>Reasonable Period of Time</b> <b>(DSU Art. 21.3)</b>	<b>Surveillance by DSB (Art. 21.6)*</b>
1. US - Standards for Reformulated and Conventional Gasoline	20.05.96 <b>WT/DS2/9</b>	19.06.96 <b>WT/DSB/M/19</b>	03.12.96 <b>WT/DSB/M/27</b>	20.05.96 - 20.08.97 (15 months)	<b>WT/DS2/10</b> <b>WT/DS2/10/Add.1</b> <b>WT/DS2/10/Add.2</b> <b>WT/DS2/10/Add.3</b> <b>WT/DS2/10/Add.4</b> <b>WT/DS2/10/Add.5</b> <b>WT/DS2/10/Add.6</b> <b>WT/DS2/10/Add.7</b>
2. Japan - Taxes on Alcoholic Beverages	01.11.96 <b>WT/DS8/11</b> <b>WT/DS10/11</b> <b>WT/DS11/8</b>	20.11.96 <b>WT/DSB/M/26</b>	14.02.97 <b>WT/DS8/15</b> <b>WT/DS10/15</b> <b>WT/DS11/13</b>	01.11.96 - 01.02.98 (15 months)	<b>(WT/DS8/18-</b> <b>WT/DS10/18-</b> <b>WT/DS11/16)</b>  <b>(WT/DS8/18/Add.1-</b> <b>WT/DS10/18/Add.1-</b> <b>WT/DS11/16/Add.1)</b>
3. US - Restrictions on Imports of Cotton and Man-made Fibre Underwear	25.02.97 <b>WT/DS24/8</b>	20.03.97 <b>WT/DSB/M/30</b>			The measure expired on 28.03.97 <b>WT/DSB/M/31</b>
4. Brazil - Measures Affecting Desiccated Coconut	20.03.97 <b>WT/DS22/11/Rev.2</b>				N.A.
5. US - Measure Affecting Imports of Woven Wool Shirts and Blouses from India	23.05.97 <b>WT/DS33/5</b>				The restraint rescinded on 03.12.96 <b>WT/DSB/M/33</b>

<b>Dispute</b>	<b>Adoption of Panel/Appellate Body Reports</b>	<b>Notification of Intentions on Implementation of DSB Recommendations (Within 30 days after the date of adoption of the panel/Appellate Body report)</b>	<b>Date of Determination of Reasonable Period of Time</b>	<b>Reasonable Period of Time (DSU Art. 21.3)</b>	<b>Surveillance by DSB (Art. 21.6)*</b>
6. Canada - Certain Measures Concerning Periodicals	30.07.97 <b>WT/DS31/7</b>	29.08.97 <b>WT/DS31/8</b>	25.09.97 <b>WT/DSB/M/37</b>	30.07.97 - 30.10.98 (15 months)	
7. EC - Regime for the Importation, Sale and Distribution of Bananas	25.09.97 <b>WT/DS27/12</b>	16.10.97 <b>WT/DSB/M/38</b>			

\*Six months after the reasonable period of time is established.



**Dispute Settlement Body**

DISPUTE SETTLEMENT BODY

Annual Report (1997)

Corrigendum

Item 14(f)(v): European Communities - Regime for the importation, sale and distribution of bananas

Page 13

Fifth paragraph, second line should read: "...European Communities informed the DSB of their intentions in respect of implementation of the DSB's recommendations ..."

Seventh paragraph, second line should read: "...Communities regarding their intentions in respect of the implementation of the DSB's recommendations."





SECTION III

TRADE POLICY REVIEW BODY



**Trade Policy Review Body**

TRADE POLICY REVIEW MECHANISM

REPORT OF THE TRADE POLICY REVIEW BODY FOR 1997

Chairman: H.E. Mr. Munir Akram (Pakistan)

1. The Trade Policy Review Mechanism has now been in existence for seven and a half years. The Marrakesh Agreement envisages an appraisal of its operation at the latest in 1999 ("not more than five years after the entry into force of the Agreement Establishing the WTO"). Members, however, have kept the Mechanism under frequent review since its inception and a number of procedural improvements have been introduced.

2. This report by the Trade Policy Review Body seeks to provide the Body's annual assessment of the extent to which the TPRM is fulfilling its stated objectives and its utility to Members. It also discusses programmes and challenges for the future. A table of Trade Policy Reviews to the end of 1997 and the draft programme for 1998 are annexed.

3. The TPRB is grateful to the former Chairperson, Ambassador Anne Anderson (Ireland), and to the present Chairman of the General Council, Ambassador Celso Lafer (Brazil), for having chaired two meetings of the Body in the unavoidable absence of the Chairperson.

Fulfilling its Objectives

4. In framing their expectations of the TPRM, Members are guided by the objectives stated in Annex 3 to the Marrakesh Agreement:

"to contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of the multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of Members."

5. By the end of 1997, 87 reviews have been conducted, covering 61 Members counting the European Union as one (Annex I). The TPRM spotlight has, as noted in the TPRB's report to the Singapore Ministerial Conference (WT/TPR/27), effectively focused on the significant members in the WTO trading system and has illuminated the most salient trends. However, the Mechanism has to run to keep up with the increasing membership of the WTO: since the report to Singapore, membership (counting the EU as one) has risen from 108 to 117 and 32 Governments are in the process of accession.

6. During 1997, eight reviews have been conducted, for Fiji, Cyprus, Paraguay, Benin, Chile, Mexico, Malaysia and the European Union. Four of these have been first-time reviews for the Members

concerned; the others were repeat reviews, the fourth overall in the case of the EU. The review of the EU was the first to be conducted under the "interim review" framework agreed by the TPRB in 1996; as such, it focused on developments in trade policies in the past two years and on selected sectoral issues, rather than being comprehensive in coverage.

7. A number of reviews have been rescheduled either within the 1997 programme or, as noted in Annex II, from 1997 into 1998, for various reasons. Postponement of reviews is always undesirable, due to the effects on the overall programme and frequency of reviews.

8. The programme of reviews for 1998 (Annex II) contains, in addition to the reviews carried over from 1997, provision for reviews of fifteen Members. These comprise one member on the two-year cycle, four reviews on the four-year cycle, five reviews on the 6-year cycle and five reviews of least-developed countries.

9. Generally speaking, procedures for reviews have run smoothly. In most cases, questionnaires have been answered and information provided within, or close to, the appropriate time frames; missions have been productive; and pertinent comments have been supplied on Secretariat drafts, giving the Secretariat the possibility of correcting misunderstandings or inaccuracies. The result has been that the content and style of the reviews continues to improve. The continued active cooperation of delegations and the authorities in capitals is an essential part of the TPR process, without which it would lose a great deal of its authority.

10. In this connection, four other aspects may be stressed. It is recognized that the Secretariat reports and the policy statements by Members complement each other well and provide a firm basis for the discussions in the TPRB. The process has also been favoured with expert discussants who have consistently highlighted, in an effective manner, the principal issues for discussion in each Review. Questions posed by Members in the meetings have been concrete, specific and pertinent. And the level of composition of delegations from members under review continues to be strong, with leadership often at Ministerial or Deputy Ministerial level, or in other cases senior official level, and with delegations including substantial expertise from capitals. All these elements are important in maintaining the strength and credibility of the review process.

#### Utility to Members

11. As noted in the 1996 Report of the TPRB, there is a clear value for WTO Members in having a forum, separated from the legal, dispute-related work of the WTO, where they can openly discuss all aspects of each other's trade policies and practices, elicit information and register concerns. The TPRM permits not only the "peer pressure" envisaged in its origins but also an assessment by the whole WTO membership of the systemic effects of their trade policies and practices. The mechanism can also provide a valuable input into national policy making, by serving as an independent, objective assessment which can assist governments in pursuing desirable trade policy reforms. Members have also commented on the extent to which the experience of review has helped to strengthen inter-agency discussion and co-operation in their own countries. The TPRM may, in addition, illuminate areas of WTO obligations which may have received insufficient attention and help to ensure that these are addressed; and for developing countries, the mechanism may be an effective contribution to technical assistance efforts.

12. In its report to the Singapore Ministerial Conference, the TPRB noted that, in reviewing a cross-section of countries each year, the TPRM inevitably shows up wider patterns which influence policy approaches in individual Members. The Secretariat has traced these wider patterns in the chapters dealing with "Developments in Trade Policy" in the Annual Reports of the WTO for 1996 and 1997.

The Annual Overview of Developments in the International Trading System, provided for in Section G of the Agreement on the TPRM, may also be used to develop a structured approach to the composite picture emerging from individual reviews and to identify wider themes for consideration by WTO members and committees.

#### Principal Themes Emerging from 1997 Reviews

13. Each review is specific, and the issues raised in each meeting are necessarily peculiar to the Members concerned. Nevertheless, during the year, a number of common themes have arisen during reviews.

- The macroeconomic and structural context for trade policies, and the relationship among these elements, have consistently been an important theme. In this field, Members have been concerned with the direction of economic and trade reforms, and their effects; the transparency of policy making; the effects of specific incentives on trade, investment, and competition conditions; and any possible reversals stemming from deterioration in economic performance.
- The balance among unilateral (autonomous), bilateral, regional and multilateral strands of trade policy making has been a major theme. Virtually all Members reviewed in 1997 are members of, or potential adherents to, significant regional arrangements. The priority given to, and the relative pace of, regional and multilateral liberalization have been important systemic concerns.
- Generally, there has been a closer link than previously between the discussion of individual Members' trade policies and practices and the implementation of WTO Agreements. Attention has been paid to specific WTO-related aspects of trade policies, inter alia, fulfilment of notification requirements; the evolution of tariffs, including measures introduced under "ceiling" bindings; participation, or moves toward participation, in particular WTO Agreements, including the use of anti-dumping measures, introduction by developing countries of WTO customs valuation methods, and implementation of TRIPS; adaptation of national legislation to WTO requirements, particularly where regional agreements are also concerned; and Government procurement and State trading.
- Sectoral elements of policy discussed in TPRB meetings have included price-related and health measures in agriculture; provisions applied to the automotive sector; and measures related to services, including telecommunications and financial services. The inter-sectoral effects of protective measures have also been highlighted.

#### Coverage of Least-Developed Countries

14. In its Report to Singapore, the TPRB noted that "The question of completing the coverage of TPRs, particularly to the smaller developing and least-developed countries, is one which will require particular attention in the preparation of the TPRB timetable."

15. Up to 1997, the TPRM has covered ten least developed countries (LDCs). For LDCs, the reviews may provide initial contact with the WTO processes, or deepen such contact over an extended period; give a useful occasion for presentation of their trade policies and needs to the other Members of the WTO; and be a gateway to continuing technical cooperation. The Secretariat has, as requested in 1996, attempted to group reviews of LDCs, as well as certain other developing countries, to the extent feasible and logical; the programme for 1998 includes "grouped" reviews of Burkina Faso, Togo, and Mali among LDCs, of the Southern African Customs Union, which includes one LDC (Lesotho), and of Trinidad and Tobago and Jamaica.

16. According to the Agreement on the TPRM, least developed countries are subject to review every six years, or at a longer interval. The conclusions of the High Level Meeting of October 1997 encourage LDCs to seek trade policy reviews and encourage the WTO to accommodate such requests. Out of the 29 LDCs that are currently WTO Members, TPRs have so far covered, are in progress for, or have been requested by, thirteen LDCs (Bangladesh, Benin, Burkina Faso, Central African Republic, Chad, Guinea, Guinea-Bissau, Lesotho, Mali, Uganda, Solomon Islands, Togo and Zambia). Thus sixteen LDC members of the WTO remain to be reviewed: Angola, Burundi, Democratic Republic of Congo, Djibouti, The Gambia, Haiti, Madagascar, Maldives, Malawi, Mauritania, Mozambique, Myanmar, Niger, Rwanda Sierra Leone and Tanzania.

#### The balance of demands and resources

17. The programme of reviews for 1998 is a substantial increase from 1997 and, indeed, from previous years. As noted above, new requests for reviews have already resulted from the High Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, and more are bound to follow. The continuing challenge is to ensure maximum effectiveness of the human and financial resources used in these circumstances, while maintaining quality.

18. Additional reviews requested have, in some cases, been carried out with the assistance of consultants, under the close supervision of the Secretariat. This has been done in three cases, covering nine Members (Botswana, Lesotho, Namibia and Swaziland in the SACU joint review; Burkina Faso, Guinea, Mali and Togo; and the Solomon Islands). Funding for these consultancies has been provided on a project or trust fund basis from the United Kingdom, Denmark and Australia.

#### Enhancing awareness of the TPRM

19. During the year, progress has been made in enhancing awareness of the TPRM outside the Geneva circle. Documents distributed for reviews are now more readily available to all delegations in electronic format through the Secretariat's Document Management System. Press briefings are regularly held by the Chair and in some cases by the Members under review. The Summary Observations by the Secretariat, the WTO press release, and the Closing Remarks by the Chair are made available on the WTO Internet home page (<http://www.wto.org>). The process of post-meeting publication has been accelerated, achieving publication of reports by the WTO Secretariat, at least in English, within, on average, two months of TPRB meetings. In addition, TPRs are being made available on-line under the Financial Times Information Service network from the end of November 1997. Discussions are also being pursued with an international publishing company to publish and market Trade Policy Reviews on behalf of the WTO. There is, moreover, a substantial bibliography of academic and journal publications concerning the TPRM, which shows that access to and awareness of the mechanism is growing.

### Conclusion

20. During 1997, the TPRM has continued to fulfil its role as an effective exercise in transparency and evaluation of the full range of Members' trade policies. The participation of Members under review has been generally satisfactory, although the postponement of reviews is regretted; adherence to the schedule of reviews, once established, should be taken as a priority by the Members and Secretariat.

21. The expansion of the Mechanism to deal effectively with questions of services, intellectual property and other issues in the WTO agenda has continued. The programme for 1998, comprising 17 review meetings covering 24 members, shows the increasing interest taken in the Mechanism by many Members, including least-developed countries. Taking into account the limited resources of the Secretariat and the growing number of requests for reviews, it is necessary to keep the efficient functioning of the Mechanism under review.

Annex ITrade Policy Reviews Conducted, 1989-1997

Europe/Middle East	Asia/Pacific	Africa	America
Austria <sup>1a</sup>	Australia (2) <sup>a</sup>	Bénin <sup>b</sup>	Argentina <sup>a</sup>
Czech Republic <sup>b</sup>	Bangladesh <sup>a</sup>	Cameroon <sup>a</sup>	Brazil (2) <sup>c</sup>
Cyprus <sup>b</sup>	Fiji <sup>b</sup>	Côte d'Ivoire <sup>b</sup>	Bolivia <sup>a</sup>
European Union (4) <sup>c</sup>	Hong Kong, China (2) <sup>a</sup>	Egypt <sup>a</sup>	Canada (4) <sup>c</sup>
Finland <sup>1a</sup>	India <sup>a</sup>	Ghana <sup>a</sup>	Chile <sup>c</sup>
Hungary <sup>a</sup>	Indonesia (2) <sup>a</sup>	Kenya <sup>a</sup>	Colombia (2) <sup>c</sup>
Iceland <sup>a</sup>	Japan (3) <sup>a</sup>	Mauritius <sup>b</sup>	Costa Rica <sup>b</sup>
Israel <sup>a</sup>	Korea (2) <sup>c</sup>	Morocco (2) <sup>c</sup>	Dominican Republic <sup>b</sup>
Norway (2) <sup>c</sup>	Macau <sup>a</sup>	Nigeria <sup>a</sup>	El Salvador <sup>b</sup>
Poland <sup>a</sup>	Malaysia (2) <sup>a</sup>	Senegal <sup>a</sup>	Mexico (2) <sup>c</sup>
Romania <sup>a</sup>	New Zealand (2) <sup>c</sup>	South Africa <sup>a</sup>	Paraguay <sup>b</sup>
Slovakia <sup>b</sup>	Pakistan <sup>a</sup>	Tunisia <sup>a</sup>	Peru <sup>a</sup>
Sweden <sup>1 (2)<sup>a</sup></sup>	Philippines <sup>a</sup>	Uganda <sup>b</sup>	United States (4) <sup>c</sup>
Switzerland (2) <sup>c</sup>	Singapore (2) <sup>c</sup>	Zambia <sup>b</sup>	Uruguay <sup>a</sup>
Turkey <sup>a</sup>	Sri Lanka <sup>b</sup>	Zimbabwe <sup>a</sup>	Venezuela <sup>b</sup>
	Thailand (2) <sup>c</sup>		
15	16	15	15

a Reviewed under GATT 1947.

b Reviewed under the WTO.

c Reviewed under GATT 1947 and the WTO.

1 Included in EU from 1995.

( ) Figures in brackets show the number of reviews where this is greater than 1.



Annex IIProgramme of trade policy reviews for 1998

Reviews on the two-year cycle:	Canada (interim), Japan <sup>1</sup>
Reviews on the four-year cycle:	Australia, Hong Kong China, Hungary <sup>1</sup> , India <sup>1</sup> , Indonesia, Southern African Customs Union <sup>1</sup> , Turkey
Reviews on the six-year cycle:	Argentina, Ghana, Jamaica with Trinidad and Tobago (grouped review) <sup>1</sup> , Nigeria <sup>1</sup> , Uruguay
Reviews of LDCs:	Burkina Faso with Mali and Togo (grouped review), Guinea, Solomon Islands

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<sup>1</sup>Rescheduled from 1997 programme



**Trade Policy Review Body**

REPORT OF THE TRADE POLICY REVIEW BODY FOR 1997

Corrigendum

Please note the following corrections to be made to document WT/TPR/41:

1. Paragraph 5, line 1: the figure "87" should read "88"
2. Paragraph 8, line 2: "fifteen" should read "thirteen"  
line 3: "five" should read "three"
3. Paragraph 15, first sentence should read as follows:  
  
"Up to 1997, the TPRM has covered four least developed countries (LDCs); a further six LDCs are to be reviewed in 1998".
4. Annex I: insert the figure (2) after Chile in column 4.



SECTION IV

COUNCIL FOR TRADE IN GOODS



**Council for Trade in Goods**

REPORT (1997) OF THE COUNCIL FOR TRADE IN GOODS

In accordance with the "Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO" (WT/L/105), the Council for Trade in Goods is to report "in November each year to the General Council on the activities in the Council as well as in the subsidiary bodies". The reports are to be "factual in nature, containing an indication of actions and decisions taken, with cross references to reports of subordinate bodies and could follow the model of the GATT 1947 Council reports to the CONTRACTING PARTIES".

Since the last annual report, the Council for Trade in Goods met on 29 November 1996, 27 January, 12 February, 11 March, 14 April, 11 June, 14 and 21 July, 6, 16 and 20 October, 7, 13 and 19 November and 8 December 1997. The minutes of these meetings are contained in documents G/C/M/16 to 28.

The following subject matters which were raised and/or acted upon in the Council are included in the report:

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1. Chairperson of the Committee on Agriculture (G/C/M/16)

1.1 At its meeting of 29 November 1996, the Council took note of the resignation of Ambassador D. Tulalamba as Chairman of the Committee on Agriculture, and of the election of Mrs. Tantraporn as interim Chairperson of that Committee to perform the functions of the Chairperson, pending the election of a new Chairperson for 1997.

2. Election of Chairperson for the Council for Trade in Goods (G/C/M/17)

2.1 At its resumed meeting of 12 February 1997, the Council elected Ambassador Johannessen (Norway) as its Chairman for 1997.

3. Appointment of Officers for the subsidiary bodies of the Council (G/C/M/17)

3.1 At its resumed meeting of 12 February 1997, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies: Committee on Agriculture: H.E. Mr. Nestor Osorio Londoño (Colombia); Committee on Anti-Dumping Practices: Mr. Kajit Sukhum (Thailand); Committee on Customs Valuation: Mr. Tullio Di Pietro (Italy); Committee on Import Licensing Procedures: Mr. Tomasz Jodko (Poland); Committee on Market Access: Mr. Moha Ouali Tagma (Morocco); Committee on Rules of Origin: Mrs. Lourdes A. Berrig (Philippines); Committee on Safeguards: Mr. Seiichi Nagatsuka (Japan); Committee on Subsidies and Countervailing Measures: Mr. Gilles Gauthier (Canada); Committee on Technical Barriers to Trade (TBT): Mr. Timothy H.M. Tong (Hong Kong, China); Committee on Trade-Related Investment Measures: Mr. Javier Paulinich (Peru). The Council appointed the following nominated persons as Chairpersons: Mr. Alex Thiermann (United States) for the Committee on Sanitary and Phytosanitary Measures; Ms Vibeke Roosen (Denmark) for the Working Party on State Trading Enterprises; Mr. Chiedu Osakwe (Nigeria) for the Working Party on Preshipment Inspection.

4. Chairperson of the Working Party on State Trading Enterprises (G/C/M/19 and 20)

4.1 At its meeting of 14 April 1997, the Council was informed that the Chairperson of the Working Party would be unable to continue as Chairperson of that body. The Council Chairman had initiated consultations concerning a new Chairperson, and in the meantime to allow continuation of work the Council agreed that the Working Party's 1996 Chairman should continue to chair the informal meetings of the Working Party until a new Chairperson was appointed by the Council.

4.2 At its meeting of 11 June 1997, the Council appointed Mr. Jacques Teyssier D'Orfeuill (France) as Chairman of the Working Party on State-Trading Enterprises.

5. Observer status for International Intergovernmental Organizations (G/C/M/17 and 18)

5.1 At its meeting of 27 January 1997, the Council took note that by virtue of the Agreements between the WTO and the International Monetary Fund (IMF) and the World Bank, observer status had been granted to these organizations. The Council also granted observer status to Food and Agriculture Organization (FAO), International Textiles and Clothing Bureau (ITCB), Organization for Economic Cooperation and Development (OECD), United Nations (UN), United Nations Conference on Trade and Development (UNCTAD) and the World Customs Organization (WCO). The Council agreed that these Organizations be notified on the basis on which observer status was being granted and of the fact that the WTO reserved the right to expect reciprocal observer rights in these Organizations. As concerned the international intergovernmental organizations whose requests for observer status were pending (category II in document G/L/140), it was agreed that the Chairman should hold consultations on those requests.

5.2 At that meeting, the Council noted the Chairman's understanding that it would be for the subsidiary bodies of the Council to decide if they needed a Vice-Chairperson in cases where the option existed, and for the respective Chairperson to hold consultations if that was found to be the case.

5.3 At its meeting of 11 March 1997, the Council agreed that the Chairman continue these informal consultations and report back to the Council when the matter was sufficiently advanced to take decisions.

6. Rules of procedure of the Committee on Sanitary and Phytosanitary Measures (G/C/M/19 and 20)

6.1 At its meeting of 14 April 1997, the Council considered the rules of procedure of the Committee on Sanitary and Phytosanitary Measures (G/SPS/W/48 and Corr. 1), which were subsequently circulated in document G/SPS/W/48/Rev.1, and approved by the Council at its meeting of 11 June 1997.

7. Recommendations from the Working Group on Notification Obligations and Procedures (Paragraphs 65 and 76 of G/L/112)

(a) GATT 1947 CONTRACTING PARTIES Resolution on Liquidation of Strategic Stocks (G/C/M/18)

7.1 At its meeting of 11 March 1997, the Council agreed to maintain the Resolution on Liquidation of Strategic Stocks (BISD 3S/51) which had been referred by the Working Group on Notification Obligations and Procedures to the Goods Council (paragraph 65 of G/L/112) in order to determine whether it was redundant in the current situation.

(b) Preparation of general guidelines for the bodies under the Council's purview, providing for the regular review of questionnaires and formats and of the situation as regards compliance with notification obligations (G/C/M/18)

7.2 After having considered the recommendation by the Working Group on Notification Obligations and Procedures on the preparation of general guidelines (paragraph 76 of G/L/112) at its meeting of 11 March 1997, the Council agreed that the Secretariat prepare for consideration at a future meeting, a non-paper identifying elements which might be included in general guidelines relating to questionnaires or formats for notifications pertaining to the various Committees, and which could have the effect of improving compliance with notification obligations.

8. Status of notifications under the provisions of the Agreements in Annex 1A of the WTO Agreement (G/C/M/22)

8.1 At its meeting of 21 July 1997, the Council took note of the information provided in document G/L/112/Add.2 concerning the status of notifications under the provisions of the Agreements in Annex 1A of the WTO Agreement.

9. Decision on Establishment of Consolidated Loose-Leaf Schedules (G/C/M/16)

9.1 At its meeting of 29 November 1996, the Council adopted the Decision on the "Establishment of Consolidated Loose-Leaf Schedules" (G/C/W/63).

10. Decision on the Ad Personam Status of TMB members (G/C/M/17)

10.1 At its meeting of 27 January 1997, the Council adopted the Decision on the "Ad Personam Status of TMB members" (G/C/W/20/Rev.1).

11. Decision on Supply of Information to the Integrated Data Base for Personal Computers (G/C/M/21)

11.1 At its meeting 14 July 1997, the Council approved the Decision on the "Supply of Information to the Integrated Data Base for Personal Computers" (G/C/W/82).

12. Draft Agreement between the WTO and the Office International des Epizooties (OIE) (G/C/M/22)

12.1 At its meeting of 21 July 1997, the Council approved the draft Agreement between the WTO and the Office International des Epizooties (OIE) (G/SPS/W/61), and agreed to transmit it for approval to the General Council.

13. Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/C/M/19)

13.1 At its meeting of 14 April 1997, the Council took note of the communications (G/L/159 and 169) forwarded by the participants to the Declaration on Trade in Information Technology Products (ITA).

14. Trade Facilitation (paragraph 21 of the Singapore Ministerial Declaration) (WT/MIN(96)Dec) (G/C/M/16, 17, 18, 20, 22, 23 and 28)

14.1 At its meeting of 29 November 1996, the Council took note of a communication from the European Communities on "Elements of the WTO Programme on Trade Facilitation" (G/C/W/67).

14.2 Pursuant to the directive by Ministers in paragraph 21 of the Singapore Ministerial Declaration, the Council, at its meeting of 27 January 1997, agreed that firstly the Secretariat should start an information gathering exercise in respect of the work done or being done on the subject of trade facilitation in various organizations. Secondly, at its next formal meeting, the Secretariat would inform the Council of the organizations from which information had been gathered until that point in time as well as areas of trade facilitation in respect of which those organizations had undertaken or were undertaking work. Thirdly, the Secretariat should present the results of the information gathering exercise to the Council in May 1997.

14.3 At its meeting of 11 March 1997, the Council took note of the Secretariat document G/C/W/70 which contained preliminary information on those organizations having undertaken or undertaking work on trade facilitation.

14.4 At its meeting of 11 June 1997, the Council took note of document G/C/W/80 which contained a compilation by the Secretariat of the work already done on the subject of trade facilitation in other international organizations, including certain non-governmental organizations.

14.5 At its meeting of 21 July 1997, the Council took note of the Chairman's statement that oral statements and written contributions by delegations, as well as the Secretariat document (G/C/W/80) would provide a good basis for discussions at the Council's next meeting to building up a consensus on how the Council should handle this matter.

14.6 At its meeting of 6 October 1997, the Council took note of communications from the European Communities (G/C/W/85) and from Switzerland (G/C/W/92) on the subject and agreed that the Chairman undertake informal consultations in order to determine the next step in the process.

14.7 At the meeting of 19 November and the resumed meeting of 8 December 1997, the Council agreed to the Chairman's proposal to have a WTO Symposium on Trade Facilitation early in 1998. The objective of the symposium would be to help identify the main areas where traders face obstacles when moving goods across borders, and in this respect to provide a direct interface between the practical level (traders) and the trade policy level (officials in capitals and in Geneva). Participants would involve trade policy officials and technical experts from Members, as well as relevant intergovernmental organizations, including UN/ECE, ITC, UNCTAD and the WCO; in consultation with delegations and the International Chamber of Commerce (ICC), the Secretariat would coordinate input from the private sector and other nongovernmental organizations.

15. Periodic Reports of the Committee on Market Access (G/C/M/19 and 23)

15.1 At its meetings of 14 April and 6 October 1997, the Council took note of the oral reports made by the Chairman of the Market Access Committee on the situation with respect to requests for waiver extensions and/or waivers made in connection with the transposition or renegotiation of schedules of tariff concessions and/or in connection with the introduction of harmonized system changes into schedules of tariff concessions on 1 January 1996. The Council also took note of the written reports summarizing the activities of the Committee in 1997 (G/MA/57 and 58).

16. Waivers under Article IX of the WTO Agreement

(a) Harmonized System - Requests for extensions of waivers from Bangladesh, Bolivia, Guatemala, Nicaragua and Sri Lanka (G/C/M/19, 20, 21, 23 and 28)

16.1 At its meeting of 14 April 1997, the Council considered requests by Bangladesh (G/L/163), Bolivia (G/L/161), Nicaragua (G/L/166) and Sri Lanka (G/L/164) for an extension until 31 October 1997 of waivers already granted in connection with the transposition of their schedules into the Harmonized System.

16.2 The Council approved the texts of the draft decisions on the waiver extensions in G/C/W/74 (Bangladesh), G/C/W/72 (Bolivia) and G/C/W/77 (Nicaragua) and agreed to transmit them to the General Council for adoption. The Council agreed to revert to Sri Lanka's request at its next meeting in light of New Zealand's statement.

16.3 At its meeting of 11 June 1997, the Council agreed to revert to Sri Lanka's request for a waiver extension at its next meeting.

16.4 At its meeting of 14 July 1997, the Council approved the text of the draft decision contained in document G/C/W/73/Rev.1 granting Sri Lanka a waiver extension until 31 October 1997, and agreed to transmit it to the General Council for adoption.

16.5 At its meeting of 6 October 1997, the Council considered requests by Bangladesh (G/L/186), Guatemala (G/L/185), Nicaragua (G/L/187) and Sri Lanka (G/L/188) for an extension until 30 April 1998 of waivers already granted in connection with the transposition of their schedules into the Harmonized System.

16.6 The Council approved the texts of the draft decisions on the waiver extensions in G/C/W/89 (Bangladesh), G/C/W/87 (Nicaragua) and G/C/W/90 (Sri Lanka), and agreed to transmit them to the General Council for adoption. The Council took note that Guatemala no longer needed to request a waiver extension having reached agreement with the trading partner maintaining a reservation. New Zealand reserved its position on the final decision on Sri Lanka's request for a waiver extension.

(b) Senegal - Renegotiation of Schedule XLIX (G/C/M/19)

16.7 At its meeting of 14 April 1997, the Council considered a request by Senegal (G/L/165) for an extension, until 31 October 1997, of the waiver granted to it in connection with the renegotiation of its Schedule. The Council approved the text of the draft decision (G/C/W/76) and agreed to transmit it to the General Council for adoption. At the same time, the Council was informed that Senegal might not need the waiver extension if agreement was reached with a trading partner with whom negotiations were pending<sup>1</sup>.

(c) Zambia - Renegotiation of Schedule LXXVIII (G/C/M/19 and 23)

16.8 At its meeting of 14 April 1997, the Council considered a request by Zambia (G/L/162) for an extension, until 31 October 1997, of the waiver granted to it in connection with the renegotiation of its Schedule. The Council approved the text of the draft decision (G/C/W/75), and agreed to transmit it to the General Council for adoption.

16.9 At its meeting of 6 October 1997, the Council considered a request by Zambia (G/L/189) for an extension, until 30 April 1998, of the waiver granted to it in connection with the renegotiation of its Schedule. The Council approved the text of the draft decision (G/C/W/91), and agreed to transmit it to the General Council for adoption.

(d) Decision on the Introduction of Harmonized System (HS) Changes into WTO Schedules of Tariff Concessions on 1 January 1996 - Extension of the time-limit (G/C/M/19 and 23)

16.10 At its meeting of 14 April 1997, the Council approved the text of the draft decision (G/MA/W/12 and Corr. 1) granting an extension of individual waivers to Members listed in the annex to that document until 31 October 1997, and agreed to transmit it to the General Council for adoption. These waivers had been requested by those Members finding it necessary to consult or negotiate under Article XXVIII of GATT 1994 as a result of the HS96 changes introduced in their schedules. The Council also took note of the Swiss communication contained in document G/C/W/79-WT/GC/W/56 identifying Switzerland's concerns on the question of "general reservations" and "delays in the transposition of schedules". The Council agreed that the Chairman should hold consultations on the Swiss proposal<sup>2</sup>.

16.11 At its meeting of 6 October 1997, the Council approved the text of the draft decision (G/C/W/93/Rev.1) granting an extension of the individual waivers to Members listed in the annex<sup>3</sup> to that document until 30 April 1998, and agreed to transmit it to the General Council for adoption.

(e) Hungary - Agricultural Export Subsidies (G/C/M/23)

16.12 At its meeting of 6 October 1997, the Council considered Hungary's request for a waiver (G/L/183) from its obligations under paragraph 3 of Article 3, under Article 8, and under paragraph 2 of Article 9 of the Agreement on Agriculture for a period ending on 31 December 2001. The Council approved the text of the draft decision (G/C/W/86) granting the waiver, and agreed to transmit it to the General Council for adoption subject to consultations being carried out between Hungary and Egypt.

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<sup>1</sup>The waiver extension was not required as Senegal reached agreement with the trading partner concerned before the General Council meeting when the final decision on the request for waiver extension was to be adopted.

<sup>2</sup>See also section 17 of this document.

<sup>3</sup>Cuba requested to be removed from the annexed list following the conclusion of negotiations with its trading partners.

f) France - Trading Arrangements with Morocco (G/C/M/28)

16.13 At its meeting of 19 November 1997, the Council considered the request for a waiver extension from the European Communities (G/L/196). This waiver applied to the provisions of paragraph 1 of Article I of the GATT to the extent necessary to permit France to apply duty-free tariff quotas to a number of products originating in parts of the territory of Morocco not covered by paragraphs 2 and 4 of Article I of GATT 1994. The Council approved the text of the draft decision (G/C/W/96) granting this waiver extension and agreed to transmit it to the General Council for adoption.

17. HS96 Changes and Article II of GATT 1994 - Rectifications and Modifications to Schedules of Tariff Concessions and their Certification (G/C/M/20, 22 and 23)

17.1 At its meeting of 11 June 1997, the Council agreed that the Chairman continue his consultations on a paper submitted by Switzerland on "HS96 changes and Article II of GATT 1994" (WT/GC/W/56 - G/C/W/79), and submit a proposal for a solution to the Council in the near future.

17.2 At its meeting of 21 July 1997, the Council took note of the overview provided by the Chairman of the situation as it stood with respect to his ongoing informal consultations on the subject of rectifications and modifications to schedules of concessions and their certification. The Council agreed that the Chairman carry on informal consultations with a view to clarifying as many legal, technical and other matters before its next meeting.

17.3 At its meeting of 6 October 1997, the Council took note of the report made by the Chairman on the situation and the progress made in the context of informal consultations on the subject of rectifications and modifications to schedules of concessions and their certification. The Council took note of a statement by the Chairman concerning the issue of "general reservations" and agreed that the Chairman should continue informal consultations. The Council also took note of the Chairman's plan to address the long-term elements of this subject in greater depth in a paper he would have circulated by the Secretariat.

18. Major review of the implementation of the Agreement on Textiles and Clothing (ATC) during the first stage of the integration process pursuant to paragraph 11 of Article 8 of the ATC (G/C/M/23, 24, 25, 26, 27 and 28)

18.1 At its meeting of 6 October 1997, the Council began its major review of the implementation of the ATC during the first stage of the integration process pursuant to paragraph 11 of Article 8 of the ATC. The Council took note of the statement made by the Chairman of the Textiles Monitoring Body (TMB) on behalf of that body, introducing the comprehensive report of the TMB (G/L/179)<sup>4</sup> which had been prepared in accordance with Article 8.11 of the ATC in order to assist the Council in its major review. The representative of Hong Kong, China, introduced a non-paper<sup>5</sup>, on elements for consideration in the review. A number of delegations presented their overall views and perspective on the review process.

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<sup>4</sup>The Secretariat had also circulated a compilation of textiles and clothing trade statistics in document G/L/184, setting out information on recent trends in world trade of these products, prepared at the request of the TMB, as a background paper.

<sup>5</sup>Subsequently circulated in document G/C/W/95.

18.2 At its meeting of 16 October 1997, the Council continued its major review. The representative of Colombia, on behalf of WTO Members which are also ITCB members, introduced a non-paper<sup>6</sup> of a technical nature which analysed the different integration programmes. A number of delegations expressed their views with respect to the process of integration of products into GATT 1994 rules and disciplines.

18.3 At its meeting of 20 October 1997, the Council continued its major review. The representative of Colombia, on behalf of WTO Members which are also ITCB members, introduced a non-paper<sup>7</sup> concerning the application of the transitional safeguard mechanism in Article 6 of the ATC. A number of delegations gave their views on the application of the safeguard mechanism in the first phase of the ATC.

18.4 At its meeting of 7 November 1997, the Council continued its major review. The representative of Colombia, on behalf of WTO members which are also ITCB members, introduced a non-paper<sup>8</sup> which assessed the application of strengthened GATT rules and disciplines. A number of delegations expressed views on trade policy measures such as anti-dumping actions and/or administrative formalities and their effect on market access.

18.5 At its meeting of 13 November 1997, the Council discussed other aspects of the implementation of the ATC. Some Members provided summaries and overall comments and there was an exchange of views on how the Council might conclude its review.

18.6 At its meeting of 19 November 1997, the Council agreed to the Chairman's proposal to hold further informal consultations in order to arrive at a generally acceptable way for concluding the review. The Council also agreed to the Chairman's proposal to suspend the meeting, and resume it on 4 December 1997<sup>9</sup>.

18.7 At its resumed meeting of 8 December 1997, the Chairman reported that he had held a series of informal meetings with a large number of delegations to examine the outcome of the formal meetings with a view to developing a broadly acceptable summary of the main points raised in the discussions and a set of conclusions flowing from the review. However, in spite of the lengthy consultations and determined efforts by many delegations, the views of Members remained far apart on the progress made in the ATC implementation process in the first stage. It was, therefore, not possible to arrive at sufficient common ground to develop such a summary of discussions or conclusions that would attract the consensus of Members. In the discussions that followed, there were divergent views as to whether the requirement in the ATC to conduct a review had been met. Accordingly, it was decided that this outcome would be included in the Council's report to the General Council.

18.8 As regards the composition of the Textiles Monitoring Body, it was noted that the General Council's Decision set the initial period as 1 January 1995 to 31 December 1997.<sup>10</sup> Accordingly, the Chairman had been conducting consultations with a view to establishing the composition for the next period, beginning on 1 January 1998. He informed the Council that these consultations were continuing

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<sup>6</sup>Subsequently circulated in document G/C/W/99.

<sup>7</sup>Subsequently circulated in document G/C/W/100.

<sup>8</sup>Subsequently circulated in document G/C/W/101.

<sup>9</sup>As the consultations required additional time, the meeting was resumed only on 8 December 1997.

<sup>10</sup>Document WT/L/26.



and were nearing conclusion. The Council agreed that the Chairman would report on the outcome of these consultations directly to the General Council.

18.9 Dr. C. Kim, Deputy Director-General, informed the Council that he was conducting consultations on the chairmanship of the TMB on behalf of the Director-General. These consultations were continuing and were close to conclusion. The General Council would be informed of the outcome.

19. Customs Unions and Free-Trade Areas: regional agreements

(a) Free Trade Agreement between the Government of Canada and the Government of the State of Israel (G/C/M/17)

19.1 At its meeting of 27 January 1997, the Council took note of the notification (WT/REG31/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG31/2).

(b) Free Trade Agreement between Slovenia and Estonia (G/C/M/18)

19.2 At its meeting of 11 March 1997, The Council took note of the notification (WT/REG37/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG37/2).

(c) Notification of Free Trade Agreements between the Czech Republic and the Slovak Republic on the one side and Bulgaria, Estonia, Latvia, Lithuania and the State of Israel on the other (G/C/M/19)

19.3 At its meeting of 14 April 1997, the Council took note of the information provided on these Agreements by the representative of the Czech Republic speaking also on behalf of the other parties to the Agreements.

(d) Agreement between European Community and the Faroe Islands (Government of Denmark) (G/C/M/20)

19.4 At its meeting of 11 June 1997, the Council took note of the notification (WT/REG21/N/2) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG21/1/Rev.1).

(e) Free-Trade Agreement between the Czech Republic and the Republic of Bulgaria (G/C/M/20)

19.5 At its meeting of 11 June 1997, the Council took note of the notification (WT/REG41/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG41/1).

(f) Free-Trade Agreement between the Slovak Republic and the Republic of Bulgaria (G/C/M/20)

19.6 At its meeting of 11 June 1997, the Council took note of the notification (WT/REG42/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG42/1).

(g) Israel-Turkey Free Trade Area Agreement (G/C/M/20)

19.7 At its meeting of 11 June 1997, the Council was informed that the notification on the Israel-Turkey Free Trade Area Agreement would be submitted by the parties to the Agreement in the near future.

(h) Euro-Mediterranean Interim Association Agreement on Trade and Co-operation between the European Community and the Palestine Liberation Organization for the benefit of the Palestinian Authority of the West Bank (G/C/M/22)

19.8 At its meeting of 21 July 1997, the Council took note of the notification (WT/REG43/N/1 and Corr. 1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG43/1). The representative of Israel expressed reservations with the substance of the Agreement itself as well as its inclusion in the Council's agenda. The representative of Egypt stated that there was no inconsistency between this interim Agreement and obligations deriving from other Agreements.

(i) Free Trade Agreement between Canada and Chile (G/C/M/23)

19.9 At its meeting of 6 October 1997, the Council took note of the notification (WT/REG38/N/1 and Add. 1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG38/1).

(j) Free Trade Agreement between Romania and the Republic of Moldova (G/C/M/23)

19.10 At its meeting of 6 October 1997, the Council took note of the notification (WT/REG44/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG44/1 and 2).

(k) Interim Agreement between the European Communities and the Republic of Slovenia (G/C/M/28)

19.11 At its meeting of 19 November 1997, the Council took note of the notification (WT/REG32/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG32/1).

(l) Free Trade Agreement between the Republic of Slovenia and the Republic of Bulgaria (G/C/M/28)

19.12 At its meeting of 19 November 1997, the Council took note of the notification (WT/REG33/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG33/1).

(m) Free Trade Agreement between the Czech Republic and the Republic of Latvia (G/C/M/28)

19.13 At its meeting of 19 November 1997, the Council took note of the notification made by the Czech Republic (WT/REG45/N/1) on this Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement (WT/REG45/1).

(n) Free Trade Agreement between the Czech Republic and the Republic of Lithuania (G/C/M/28)

19.14 At its meeting of 19 November 1997, the Council took note of the notification made by the Czech Republic (WT/REG46/N/1) on this Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement ((WT/REG46/1).

(o) Free Trade Agreements between the Slovak Republic on the one side and the Republics of Latvia and Lithuania on the other (G/C/M/28)

19.15 At its meeting of 19 November 1997, the Council was informed that the texts of these Agreements had been notified to the Secretariat.

20. Issues raised under "other business" concerning Members' trade practices

(a) Korea - Tariff Measures by Ecuador against certain suppliers (G/C/M/16)

20.1 At the Council meeting of 29 November 1996, the representative of Korea expressed concern at the tariff increase by Ecuador on a range of textile products imported from Korea and other Members. The Council took note of this statement and of the statements made by the representatives of Hong Kong, China and Ecuador.

(b) EC - Korea's "Frugality Campaign" (G/C/M/18)

20.2 At the Council meeting of 11 March 1997, the representative of the European Communities expressed concern that the "frugality campaign" which had been running in Korea since mid-1996 had intensified. The Council took note of this statement and of the statements made by the representatives of the United States, India and Korea.

(c) United States - US Request for Consultations concerning Restrictive Business Practices in the Japanese Photographic Film and Paper Market (G/C/M/20)

20.3 At the Council meeting of 11 June 1997, the representative of the United States urged Japan to enter into consultations without further delay pursuant to the CONTRACTING PARTIES Decision on "Restrictive Business Practices: Arrangements for Consultations" (BISD 9S/38). The Council took note of this statement and of the statements made by the representatives of the European Communities and Japan.

(d) United States - Brazil Import Financing Restrictions (G/C/M/20)

20.4 At the Council meeting of 11 June 1997, the representative of the United States expressed concern at Brazil's import financing restrictions. The Council took note of this statement and of the statements made by the representatives of Switzerland, the European Communities and Brazil.

(e) Korea - Price Range or Range of Value System applied by Argentina (G/C/M/20)

20.5 At the Council meeting of 11 June 1997, the representative of Korea expressed concern at the "Price Range or Range of Value System" which had recently been introduced by Argentina. The Council took note of this statement and of the statement made by the representative of Argentina.

- (f) Korea - US identification of Korea's "barriers" to imported automobiles as a Priority Foreign Country Practice (G/C/M/23)

20.6 At the Council meeting of 6 October 1997, the representative of Korea expressed concern at the US Government's decision to identify Korea's "barriers" to imported automobiles as a Priority Foreign Country Practice under the so-called "super 301" procedures. The Council took note of this statement.

- (g) United States - Mercosur Common External Tariff (G/C/M/28)

20.7 At the Council meeting of 19 November 1997, the representative of the United States expressed concern at Mercosur's reported intention to increase its common external tariff by 3 per cent. The Council took note of this statement and of the statement made by the representative of Uruguay.

21. Consideration of annual reports of subsidiary bodies of the Council for Trade in Goods (G/C/M/28)

21.1 At its meeting of 19 November 1997, the Council took note of the reports from the following subsidiary bodies: Committees on Anti-Dumping Practices (G/L/204), Customs Valuation (G/L/205), Import Licensing (G/L/203), Safeguards (G/L/200), Sanitary and Phytosanitary Measures (G/L/197), Subsidies and Countervailing Measures (G/L/201), Technical Barriers to Trade (G/L/207), Trade-Related Investment Measures (G/L/193), the Independent Entity (G/L/208), the Textiles Monitoring Body (G/L/206), the Working Party on State Trading Enterprises (G/L/198).

21.2 At its resumed meeting of 8 December 1997, the Council took note of the reports from the Committees on Agriculture (G/L/211), Market Access (G/L/215), Rules of Origin (G/L/210), the Committee of Participants on the Expansion of Trade in Information Technology Products (G/L/216). The Council also took note of the report of the Working Party on Preshipment Inspection (G/L/214), approved the recommendations contained therein, and agreed to forward the report to the General Council for adoption.

22. Adoption of the annual report of the Council for Trade in Goods to the General Council (G/C/M/28)

22.1 At its meeting of 19 November 1997, the Council examined the annual report (1997) of the Council for Trade in Goods (G/C/W/98) to the General Council, and agreed to consider it for adoption at its resumed meeting of 8 December 1997 when an updated version of the report<sup>11</sup> would be available reflecting the work done by the Council at its 7 and 13 November 1997 meetings, and the present meeting.

22.2 At its resumed meeting of 8 December 1997, the Council adopted the annual report contained in document G/C/W/98/Rev.1 subject to the updating that needed to be done in order to reflect the work of the Council at that meeting<sup>12</sup>.

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<sup>11</sup>Circulated in document G/C/W/98/Rev.1.

<sup>12</sup>Subsequently circulated in document G/L/213.

SECTION V

COUNCIL FOR TRADE IN SERVICES



**Council for Trade in Services**

COUNCIL FOR TRADE IN SERVICES

Report to the General Council on Activities During 1997

1. The Council for Trade in Services has held five meetings during 1997. Reports on the meetings are contained in documents S/C/M/17-21 and should be read in conjunction with this report. The Council addressed the following matters:

I. THE IMPLEMENTATION OF THE WORK PROGRAMME APPROVED AT THE SINGAPORE MINISTERIAL CONFERENCE

2. At the Ministerial conference in Singapore, Ministers endorsed the recommendations of the Council for Trade in Services concerning its future work. The recommendations contained three items: (i) exchange of information programme; (ii) Article VI:4 work programme; and (iii) guidelines for the future negotiations mandated by Article XIX of the GATS.

(i) Exchange of Information Programme

3. Ministers agreed that the Council for Trade in Services should develop an information exchange programme, as part of the requisite work to facilitate the negotiation of progressive liberalization of trade in services as mandated in Article XIX of the GATS. In discussing this item it was noted that the exchange of information might take place at three levels. The first level would involve an exchange of the sources of information on services regulations available at the national level, which might include the designation of agencies, regulatory authorities or other sources capable of providing this type of information. At the second level, Members might wish to exchange information bilaterally, possibly in the form of questions and answers which could then be circulated by the Secretariat if so agreed. The third level would involve a more comprehensive exchange of information at the multilateral level which could be based on a standardized format.

4. The Council agreed to make use of information already gathered by the Secretariat as well as information available in other international organizations, in order to avoid duplication of efforts. Regarding the coverage of the exchange of information programme, some delegations suggested that it should be comprehensive with no exclusion of services sectors. Other delegations, while they agreed that in principle no sector should be excluded, noted that it might be desirable to concentrate on those sectors which were more likely candidates for liberalization in the next round of negotiations.

5. At its meeting of 25 July 1997 the Council requested the Secretariat to prepare two papers on "Economic Effects of Services Liberalization" and on "A Review of Statistics on Trade Flows in Services", which would constitute the basis for further work on the exchange of information.

(ii) Article VI:4 Work Programme

6. The Council is called upon to examine, as appropriate, under paragraph 4 of Article VI of the GATS, measures relating to qualification requirements and procedures, technical standards, and licensing requirements. Discussions in the Council revealed a clear preference on the part of most delegations to start work on this item after the conclusion of the development of multilateral disciplines in the accountancy sector in the Working Party in Professional Services. Several delegations took the view that the results of that work would provide valuable guidance for future work under Article VI:4.

(iii) Guidelines and Procedures for Future Negotiations

7. The Council is called upon to begin, at an appropriate time, the consideration of guidelines and procedures for future negotiations mandated under Article XIX of the GATS. Most delegations agreed that, although it would be necessary to undertake work in this area, it was still premature to start such work at this stage. It was noted that there was a relationship between the exchange of information programme and the guidelines and procedures for negotiations. Several delegations took the view that work on the guidelines should follow the exchange of information exercise which would provide the necessary background.

II. CONCLUSION OF THE NEGOTIATIONS ON BASIC TELECOMMUNICATIONS

8. At its meeting of 5 March 1997 the Council took note of the Report of the Group on Basic Telecommunications, contained in document S/GBT/4 and of its attachments: a Note by the Chairman concerning the scheduling of basic telecommunications services commitments, another Note by the Chairman concerning market access limitations on spectrum availability and a List of the Schedules of Commitments and Lists of MFN Exemptions which would be annexed to the Fourth Protocol to the GATS. At its meeting of 15 April, following an exercise of technical verification, the Council took note of the Schedules contained in the Compilation dated 11 April 1997, the Schedules of the European Communities (in the three languages), the Schedule of Colombia, the Schedule of Dominica and the Schedule and MFN Exemption List of Antigua and Barbuda, as the final results of the negotiations on basic telecommunications.

III. NOTIFICATIONS MADE TO THE COUNCIL PURSUANT TO GATS PROVISIONS

9. At its meeting of 5 March 1997, the Council took note of the following Notifications:

- (i) Notifications pursuant to Article III:3 of the GATS concerning modifications to services regulations in sectors where specific commitments had been undertaken:

Czech Republic	S/C/N/39
Liechtenstein	S/C/N/40
Liechtenstein	S/C/N/41
Liechtenstein	S/C/N/42
Federal Republic of Germany	S/C/N/48
Federal Republic of Germany	S/C/N/49
Federal Republic of Germany	S/C/N/50



- (ii) Notifications pursuant to Article V (*bis*) of the GATS concerning labour market integration agreements:

Denmark	S/C/N/34
Iceland	S/C/N/35
Norway	S/C/N/36
Sweden	S/C/N/37
Finland	S/C/N/38

- (iii) Notifications pursuant to Article VII:4 of the GATS concerning recognition measures and agreements or arrangements:

Switzerland	S/C/N/31
Switzerland	S/C/N/32
Switzerland	S/C/N/33
United States of America	S/C/N/51
United States of America	S/C/N/52
United States of America	S/C/N/53

10. At its meeting of 26 November 1997, the Council took note of the following Notifications pursuant to Article V(7) concerning Economic Integration Agreements:

European Communities and their Member States and Bulgaria	S/C/N/55
Canada and Chile	S/C/N/65
Australia and New Zealand	S/C/N/66

#### IV. DEADLINE FOR THE NEGOTIATIONS ON FINANCIAL SERVICES

11. At its meeting of 29 April 1997 the Committee on Trade in Financial Services recommended that the Council adopt a Decision to conclude the financial services negotiations on 12 December 1997 instead of 30 December 1997. At its meeting of 29 May the Council adopted the Decision, which is contained in document S/L/39.

#### V. GUIDELINES FOR MUTUAL RECOGNITION AGREEMENTS IN ACCOUNTANCY

12. At its meeting of 15 May 1997, the Working Party on Professional Services recommended that the Council approve Guidelines for the Recognition of Qualifications in the accountancy sector as contained in document S/WPPS/W/12/Rev.1. At its meeting of 29 May the Council approved the Guidelines as recommended by the Working Party in a Decision contained in document S/L/38.

#### VI. EXTENSION OF THE DEADLINE FOR THE NEGOTIATIONS ON EMERGENCY SAFEGUARD MEASURES

13. Upon recommendation from the Chairperson of the Working Party on GATS Rules, the Council adopted on 26 November 1997 a Decision to extend the negotiations on the question of emergency safeguard measures until 30 June 1999. The Decision is contained in document S/L/43.

VII. WORK OF SUBSIDIARY BODIES

14. The Council took note of the Reports of the subsidiary bodies. They are annexed to this report as follows:

Annex I	Report of the Committee on Financial Services (S/FIN/3)
Annex II	Report of the Committee on Specific Commitments (S/CSC/2)
Annex III	Report of the Working Party on GATS Rules (S/WPGR/2)
Annex IV	Report of the Working Party on Professional Services (S/WPPS/2)

# WORLD TRADE ORGANIZATION

S/FIN/3

17 November 1997

(97-5083)

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## Committee on Trade in Financial Services

### REPORT OF THE COMMITTEE ON TRADE IN FINANCIAL SERVICES TO THE COUNCIL FOR TRADE IN SERVICES

#### I. Activities of the Committee in 1997

1. The Committee on Trade in Financial Services held seven formal meetings in the period from April to November 1997, including one meeting at senior level on 12 November, based on an indicative timetable agreed at its meeting on 10 April 1997. More meetings are expected to take place towards the deadline for the negotiations which is 12 December 1997. The activities of the Committee in 1997 focused on the resumed financial services negotiations with the aim of achieving a successful conclusion. There were also reports from Members of recent developments in financial services trade, and discussions on technical issues regarding the scheduling of commitments in financial services.

2. In discussion of the progress of the negotiations on financial services, Members confirmed their commitment to achieve a successful conclusion of the negotiations in the agreed time frame, in pursuit of the objectives and principles laid down in the Ministerial Declaration in Singapore of 13 December 1996. At each meeting views were exchanged on progress in bilateral meetings. A total of 32 offers representing 46 Members had been submitted as of 14 November 1997.

3. The Committee also discussed procedural issues regarding the modification and entry into force of the schedules on the basis of a note by the Secretariat (S/FIN/W/11 of 1 May 1997), and adopted the texts of a protocol and an accompanying decision. The Committee also recommended to the Council for Trade in Services that it adopt a related procedural decision.

4. Concerning the exchange of information on recent developments in financial services trade, many Members reported on their recent liberalization measures. These developments were welcomed, and Members were encouraged to report any related developments to the Committee for transparency purposes.

5. With regard to the consideration of technical issues in the scheduling of financial services commitments, the Committee undertook informal consultations on the distinction between Modes 1 and 2 in financial services. The Committee took note of the result of the consultations, as reported in an informal note by the Secretariat dated 3 July 1997 (Job Number 3706).

# WORLD TRADE ORGANIZATION

S/CSC/2

26 November 1997

(97-5206)

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## Committee on Specific Commitments

### REPORT OF THE COMMITTEE ON SPECIFIC COMMITMENTS TO THE COUNCIL FOR TRADE IN SERVICES

1. The Committee on Specific Commitments has held two formal meetings in 1997. Informal consultations on the finalization of the procedures for the implementation of GATS Article XXI (Modification of Schedules) have also been conducted by the Chairman of the Committee, with a view to their completion before the end of 1997. The formal discussions of the Committee focused on three items: classification issues, the institution of a system of electronically consolidated and updated schedules and the possible revision of the scheduling guidelines.
2. As far as classification issues are concerned the activities of the Committee were threefold. First the Committee began examining the structure of the ongoing revision of the Central Products Classification, which is the nomenclature established by the UN Statistical Commission, nomenclature in order to appreciate its possible relevance for its future work. The Secretariat produced detailed structural and qualitative studies of the changes brought about by the revised CPC in a number of service sectors, and the Committee has begun to examine these studies. Secondly the Committee considered examples of sectors in which ad hoc systems of classification created specially by the Members of the GATS have been used, such as maritime services and basic telecommunications. Thirdly the Committee began discussion of the question of the definition and treatment of new services.
3. The Committee approved in principle the establishment of a system of electronically consolidated and updated schedules of commitments. It was agreed that these electronic schedules would not have legal status, since their format would differ from the treaty copies, though their substantive content would be the same. The Committee also considered the calendar, budget, format, circulation, prices and verification procedure applicable to this project .
4. The Committee also considered the possible need to review the scheduling guidelines. The Chairman invited delegations to come forward with issues and questions they might wish to raise in this regard.

# WORLD TRADE ORGANIZATION

S/WPGR/2

26 November 1997

(97-5218)

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## Working Party on GATS Rules

### ACTIVITIES OF THE WORKING PARTY ON GATS RULES

#### Report to the Council for Trade in Services

The Working Party on GATS Rules held six formal meetings in 1997. In each meeting, the Working Party considered all three negotiating mandates: emergency safeguard measures under Article X, government procurement under Article XIII and subsidies under Article XV.

#### Negotiations on emergency safeguard measures under Article X of the GATS

Differing views have been expressed by Members with regard to the desirability of developing an emergency safeguard mechanism under the GATS. Substantive discussions are continuing on the subject without prejudging the position of any delegation in respect of the desirability, feasibility or form of any possible emergency safeguard mechanism. Several Members responded on a voluntary basis to a series of written questions on emergency safeguard measures (contained in S/WPGR/W/15). Other submissions on the subject of safeguards were also received from Members during 1997 (circulated as documents S/WPGR/W/17, 18, 19, 22 and 23).

In the last three meetings, the Working Party has focused on four key questions identified by the Chairperson in an informal note (dated 3 June 1997): (i) On whose behalf would emergency safeguard action be taken? (ii) In what circumstances would emergency safeguard action be taken and what would be the purpose of such action? (iii) What approach should be adopted in respect of injury/adverse effects, and the relevant causal link between injury/adverse effects and commitments under the GATS? (iv) What measures would be taken under the emergency safeguard mechanism? Are some measures deemed more suitable than others? At the request of Members, the Secretariat prepared a note which focused on the second question, containing hypothetical examples of situations in which emergency safeguard action may be taken (circulated as S/WPGR/W/24).

Since Members recognized that there still remained many points to be considered in order to conclude this negotiation, they decided to propose to the Council for Trade in Services to extend the application of the first sentence of paragraph 1 and paragraph 2 of Article X until the end of June 1999, notwithstanding the second sentence of paragraph 1 and paragraph 3 of Article X.

#### Negotiations on government procurement under Article XIII of GATS

Progress was made in the information gathering exercise on national procurement regimes. The twenty-one responses received so far to the questionnaire on national procurement regimes were circulated as addenda to document S/WPGR/W/11. The Secretariat prepared a synthesis of the first nineteen responses to the questionnaire (issued as document S/WPGR/W/20). The information gathering exercise has provided a basis for negotiations on disciplines. An indicative tabulation relating questionnaire responses to possible elements of multilateral disciplines was presented in a Chair's note

(dated 21 February 1997) and has formed the basis for the commencement of a structured consideration of these elements. The need to coordinate work with the Working Group on Transparency in Government Procurement was emphasized by several delegations.

Negotiations on subsidies under Article XV of GATS

At its meeting of 23 January 1997, the Working Party approved a questionnaire to facilitate the information exchange, mandated by Article XV, on subsidies related to trade in services. Two responses to the questionnaire have been received so far (circulated as documents S/WPGR/W/16/Add.1 and Add.2). Some delegations also expressed the need to continue the technical analysis of subsidies related to trade in services.

# WORLD TRADE ORGANIZATION

S/WPPS/2

26 November 1997

(97-5186)

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**Working Party on Professional Services**

Original: English

## REPORT OF THE WORKING PARTY ON PROFESSIONAL SERVICES TO THE COUNCIL FOR TRADE IN SERVICES

1. The WPPS held six formal, and several informal, meetings in the period March to end-October 1997. Another formal meeting is scheduled for 15 and 16 December. Discussions focused on two main items: establishment of the *Guidelines for Mutual Recognition Arrangements in the Accountancy Sector*; and the development of multilateral disciplines on domestic regulation in the accountancy sector.

(a) Establishment of non-binding guidelines for mutual recognition agreements or arrangements in the accountancy sector

2. The Working Party completed the development of non-binding guidelines for the negotiation of mutual recognition agreements or arrangements, pursuant to the Decision on Professional Services. The *Guidelines for Mutual Recognition Agreements or Arrangements in the Accountancy Sector* were transmitted to the Council for Trade in Services for approval as document S/WPPS/W/12/Rev.1.

(b) Development of multilateral disciplines on domestic regulation in the accountancy sector

3. As requested by the Working Party, the Secretariat prepared a synthesis of responses to the questionnaire on regulatory measures in the accountancy sector (S/WPPS/W/11). This was followed by the submission of proposed disciplines by several Members (S/WPPS/W/15-19), as well as comments. Member's proposals were consolidated by the Secretariat in an informal note, entitled *Disciplines on Domestic Regulation in the Accountancy Sector*. Following discussions and comments by Members, the Secretariat was asked to prepare several further revisions of the informal note. Work is well advanced, in accordance with paragraph 17 of the Singapore Ministerial Declaration.

4. At the WPPS meeting of 24 March, a representative of the OECD presented the results of the *Third Workshop on Professional Services*, held in February 1997. Two letters on disciplines on domestic regulation in the accountancy sector were received from the International Federation of Accountants (IFAC) and circulated to Members.





SECTION VI

COUNCIL FOR TRADE-RELATED ASPECTS OF  
INTELLECTUAL PROPERTY RIGHTS (TRIPS)



**Council for Trade-Related Aspects of  
Intellectual Property Rights**

ANNUAL REPORT (1997) OF THE COUNCIL FOR TRIPS

I. GENERAL

1. Since the period covered by its last report<sup>1</sup>, the Council for TRIPS has held six formal meetings, on 11-15 November 1996 and on 27 February, 26-30 May, 15 July, 19 September and 17-21 November 1997. The minutes of these meetings are to be found in documents IP/C/M/11-16.<sup>2</sup>

2. The first two of the meetings referred to above were chaired by Ambassador Wade Armstrong (New Zealand). The remainder were chaired by Ambassador Carmen Luz Guarda (Chile).

3. Meetings of the Council were open to all WTO Members. In addition, governments observers to WTO bodies were invited. The Council, at its meeting of 27 February 1997, noted that the General Council, at its meeting of 7 February 1997, had granted to the IMF and the World Bank observer status in the General Council and other WTO bodies as provided for in the agreements between the WTO and these two institutions. In addition, it decided to grant regular observer status to the other organizations that the Council had invited to its meetings in 1995 and 1996 on an *ad hoc* basis. Those organizations are the FAO, the OECD, UPOV (International Union for the Protection of New Varieties of Plants), the United Nations, UNCTAD, the WCO and WIPO. The decision was made on the basis that there would be reciprocity with respect to proceedings, documents and other aspects of observership. Decisions on requests for observer status from the Cooperation Council of the Arab States of the Gulf, EFTA (European Free Trade Association), the OAS (Organization of American States), the OIV (Office International de la Vigne et du Vin), the Organization of the Islamic Conference, SELA (Latin American Economic System) and SIECA (Permanent Secretariat of the General Treaty for Central American Economic Integration) are pending.

II. NOTIFICATIONS AND NOTIFICATION PROCEDURES

(i) Article 63.2

4. The notification procedures, adopted by the Council at its meeting in November 1995, require that, as of the time that a Member is obliged to start applying a provision of the TRIPS Agreement, the corresponding laws and regulations shall be notified without delay (IP/C/2). To date, 31 Members have made such notifications under Article 63.2 with respect to all or most of their implementing legislation relating to all provisions of the Agreement. Ten other Members have notified legislation while indicating that this is without prejudice to their transition period under the provisions of Article 65. Notifications concerning the implementation of Article 70.8 and, in some cases, Article 70.9 of the

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<sup>1</sup>Document IP/C/8

<sup>2</sup>Document IP/C/M/16 to be issued

TRIPS Agreement have been received from 20 Members; some of them indicate that product patent protection for pharmaceutical and/or agricultural chemical products is already available in their territories. Four notifications relating specifically to the implementation of Articles 3, 4 and 5 of the Agreement have also been received to date. Circulation of notifications under Article 63.2 takes place in the IP/N/1/COUNTRY/- series of documents.

5. At its November 1995 meeting, the Council also agreed that Members would provide responses to a checklist of issues on enforcement (IP/C/5). To date, 30 Members have notified responses, one of which without prejudice to its entitlements under Article 65. These responses have been circulated in the IP/N/6/COUNTRY/- series of documents.

6. The national treatment and MFN obligations of Articles 3, 4 and 5 of the TRIPS Agreement became applicable to all Members from 1 January 1996. At its meeting in February 1997, the Council took note of a text which it had developed as a practical aid to assist delegations making notifications of laws and regulations relating to Articles 3, 4 and 5 of the Agreement. The text was subsequently circulated in document IP/C/9 entitled "Notifications of Laws and Regulations relating to Articles 3, 4 and 5 of the TRIPS Agreement: Format for One Option". As noted in the document, the Council for TRIPS has recognized that Members have a number of options for meeting their obligation to notify those laws and regulations that correspond to the national treatment and MFN obligations of Articles 3, 4 and 5 of the Agreement. Three options in particular have been identified:

- notifying the specific provisions of laws and regulations that implement the obligations set out in Articles 3, 4 and 5;
- making a general statement that nationals of other WTO Members enjoy non-discriminatory treatment, together with a list of any exceptions to that principle; or
- notifying all intellectual property laws and regulations.

In respect of the second of these options, the document contains a format, which was developed as a practical aid to assist Members availing themselves of this option, without adding to or subtracting from the rights and obligations of Members under the Agreement.

(ii) Articles 1.3 and 3.1

7. Articles 1.3 and 3.1 of the TRIPS Agreement, relating to the definition of beneficiary persons under the Agreement and to national treatment, allow certain exceptions to the normal rules on these matters, provided that notifications are made to the Council for TRIPS. Twenty-five notifications have been submitted under these provisions. These notifications are contained in the IP/N/2/COUNTRY/- series of documents.

(iii) Article 4(d)

8. Article 4(d) of the TRIPS Agreement requires a Member seeking to justify an exception to the MFN rule on the basis of an international agreement relating to the protection of intellectual property which had entered into force prior to the entry into force of the WTO Agreement to notify that agreement to the Council for TRIPS. To date, 43 notifications have been received under this provision. These notifications are contained in the IP/N/4/COUNTRY/- series of documents.

9. At its meeting in February 1997, the Council noted the existence of the informal background note by the Secretariat entitled "The Most-Favoured-Nation Treatment Clause of the TRIPS Agreement

(Article 4)", the last paragraph of which was intended as an informal guideline to assist individual Members in making or reviewing their notifications under Article 4(d).<sup>3</sup> The text of this note, revised as requested by the Council to take into account points made at the meeting, was circulated as document No. 1548, dated 20 March 1997. The Council agreed to revert to the issue in the autumn of 1997 so as to take stock of the situation at that time and in the light of any new or revised notifications that had been made. The Council had a further exchange of views on the matter at its September 1997 meeting. For the November meeting of the Council, two modified notifications were submitted.

(iv) Article 69

10. Article 69 of the TRIPS Agreement requires Members to establish and notify contact points for the purposes of cooperating with each other with a view to eliminating international trade in goods infringing intellectual property rights. Procedures for such notifications were agreed by the Council in September 1995. To date, 81 Members have notified contact points. The most recent compilation of these is contained in document IP/N/3/Rev.2 and addenda.

(v) Notifications under other provisions of the Agreement

11. A number of notification provisions of the Berne and the Rome Conventions are incorporated by reference into the TRIPS Agreement but without being explicitly referred to in it. To date, one Member has made a notification under these provisions. Notifications of this kind are being circulated in the IP/N/5/COUNTRY/- series of documents.

(vi) Other

12. The Council has also received, to date, a number of communications from Members providing information concerning their status under the transitional provisions of Article 65 of the Agreement. Some of these communications were made in conjunction with notifications made under Article 63.2 (see paragraph 4 above). Six other communications were made separately from any such notification.

### III. REVIEW OF NATIONAL LAWS AND REGULATIONS

13. The Council continued its review of national laws and regulations in accordance with the "Schedule for the Consideration of National Implementing Legislation in 1996/1997" it had adopted at its meeting in November 1995 (IP/C/3). The procedures, originally agreed at its May 1996 meeting in respect of the review of legislation in the area of copyright and related rights, were applied to the subsequent reviews with necessary modifications. These procedures provided for written questions and replies prior to the review meeting, with follow-up questions and replies during the course of the meeting. At subsequent meetings of the Council, an opportunity was given to follow-up points that had emerged from the review sessions which delegations considered had not been adequately addressed.

14. Legislation in the areas of trademarks, geographical indications and industrial designs of 30 Members was reviewed at the Council's meeting of 11-15 November 1996. Legislation in the areas of patents, layout-designs (topographies) of integrated circuits, protection of undisclosed information and control of anti-competitive practices in contractual licenses of 33 Members was reviewed at the Council's meeting of 26-30 May 1997. At the Council's meeting of 17-21 November 1997, legislation of 32 Members in the area of enforcement was reviewed. The records of the introductory statements made by delegations, the questions put to them and the responses given, including follow-up questions and responses thereto, are circulated in, respectively, the IP/Q2/COUNTRY/-, IP/Q3/COUNTRY/-

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<sup>3</sup>See the Annex to document IP/C/M/12.

and IP/Q4/COUNTRY/- series of documents. A number of responses to follow-up questions are still pending.

15. The minutes of the Council's May 1997 meeting record the following statement by the Chairperson on the issue of priority rights (IP/C/M/13, paragraph 39):

"The Chairperson said that, in the context of the review of national implementing legislation notified under Article 63.2 of the Agreement, Members had addressed the following question: 'Does your country recognize a right of priority on the basis of an earlier trademark application filed in any other WTO Member by a national of a WTO Member?' A similar question had been posed to WTO Members with respect to patents. It appeared that in every case Members did or would (when the amendments to relevant national laws and/or regulations were in force) recognize priority rights based on an earlier application in any other WTO Member by a national of a WTO Member. A compilation of the replies received would be circulated as document IP/C/W/73. The question had also arisen as to whether WTO Members currently bound to apply all provisions of the TRIPS Agreement were obligated to extend protection under Article 6<sup>ter</sup> of the Paris Convention to those WTO Members that were not members of the Paris Convention and were availing themselves of a transitional period under Article 65 or Article 66 of the TRIPS Agreement. All evidence suggested that this obligation currently existed."

16. According to the schedule for the review of national implementing legislation currently taking place, as adopted in November 1995 (document IP/C/3), the Council would normally terminate this exercise by the end of 1997. At its meeting in September 1997, the Council agreed to complete in the spring of 1998 the review of four Members, whose legislation was already subject to the on-going review but for whom the review would not have been completed by the end of the year, because they joined the exercise late. Furthermore, the Council agreed to review in the autumn of 1998 the legislation of three Members, who had acceded to the WTO during the period of the current review and who, while not applying a TRIPS transition period, had not yet been subject to the review.

17. At its meeting in November 1996, the Council agreed that the Chair would consult in 1997 with individual Members whose legislation had not been subject to the present review exercise, but whose legislation would have been, in whole or in large part, brought into conformity with the TRIPS Agreement in advance. The purpose of those consultations by the Chair would be to see whether there was scope for the legislation of such Members to be progressively incorporated into the review process by the Council after the conclusion of the present review programme, i.e. at the earliest in 1998, with it being clearly understood that the agreement of a Member to this would be without prejudice to the legal situation regarding its entitlements under Article 65 and would be intended as a practical contribution to the work of the Council. In the light of further discussion on this matter at the Council's July meeting, the Chairperson said the Council should develop ground rules for such advance reviews so as to give security to all Members that the review would be taken up on a voluntary basis and without prejudice to their entitlements under Article 65, and that reviewed legislation would not be submitted to a second review exercise in the year 2000. At the Council's November 1997 meeting, the Chair informed the Council that the Chair's informal consultations on this matter had clarified the readiness of at least five Members to be taken up in such early reviews in late 1998 or early 1999, on the conditions laid down in the draft ground rules proposed by the Chair, but had still not yet yielded the necessary consensus among Members as a whole.

#### IV. IMPLEMENTATION OF ARTICLE 70.8 AND 70.9

18. The Council considered at each of its meetings the implementation of Article 70.8 and the related provisions of Article 70.9, and took note of statements by some Members of their concern that not all Members to which these provisions applied were giving effect to them or, in the event that they had done so, had not notified the relevant legislation under Article 63.2.

19. At its meeting in May, the Council was informed of a mutually agreed solution to a matter concerning these Articles, on which consultations had been initiated under the Dispute Settlement Understanding (IP/D/2/Add.1).

#### V. RELEVANT DEVELOPMENTS ELSEWHERE IN THE WTO

20. At its meetings in February and September 1997, the Council was informed of provisions in the protocols of accession and reports of working parties on the accession of three countries to the WTO under Article XII of the WTO Agreement concerning the application of the provisions of the TRIPS Agreement.

21. At its meeting in November 1996, the Council took note, under "other business", of statements concerning the terms of accession of Ecuador to the WTO concerning application of the provisions of the TRIPS Agreement. At its meeting in July 1997, the Council took note of a communication from Ecuador on the matter (IP/C/W/74).

22. During the period under review, the Council was informed of six actions under the Dispute Settlement Understanding relevant to the TRIPS Agreement, as reflected in documents IP/D/6-10 and WT/DS50/6, and of three mutually agreed solutions, as reflected in documents IP/D/1/Add.1, IP/D/2/Add.1 and IP/D/4/Add.1.

#### VI. TECHNICAL COOPERATION

23. The Council has continued its work in this area on the basis of the procedures agreed at its meeting in February 1996. The Council agreed that this year developed country Members would update the information on their technical and financial cooperation activities pursuant to Article 67 of the Agreement in time for the Council's meeting in September 1997, which had a special focus on technical cooperation. For the sake of transparency, intergovernmental organizations observers to the TRIPS Council also presented, on the invitation of the Council, information on their activities. In addition, the WTO Secretariat provided information on its technical cooperation in the TRIPS area. This information can be found in documents IP/C/W/77-79 and addenda. In the discussion, the attention of the Council was drawn to the provisions of Article 66.2 of the Agreement and the obligations of developed country Members under those provisions. At its meeting in November 1997, the Council continued its discussion on technical cooperation in order to take into account the information on technical cooperation activities received just prior to or after the September meeting.

24. Developed country Members have notified contact points in their administrations which can be addressed by developing countries seeking technical cooperation on TRIPS. To date, 22 developed country Members have notified their contact points for technical cooperation. The most recent compilation of these is contained in document IP/N/7/Rev.1 and addenda.

25. The Secretariat organized, jointly with the International Bureau of the World Intellectual Property Organization (WIPO), the second workshop on a specific aspects of technical cooperation, which enabled an exchange of views on technical cooperation needs and experiences related to the implementation of the TRIPS Agreement. The topic of the workshop, held on 14 July 1997, was "Technical Cooperation

Aimed at Improving Human Resources and Institutional Capacities Required to Implement the TRIPS Provisions on Domestic Enforcement".

#### VII. REVIEW OF THE APPLICATION OF THE PROVISIONS OF THE SECTION ON GEOGRAPHICAL INDICATIONS UNDER ARTICLE 24.2

26. As agreed at its meeting in September 1996, the Council took up work on this matter by including on the agenda of its November 1996 meeting an item "Review of the Application of the Provisions of the Section on Geographical Indications under Article 24.2" and addressed this agenda item after and taking into account the review of national implementing legislation in the areas of trademarks, geographical indications and industrial designs scheduled for that meeting. The Council agreed to give further consideration to how the issue of reviewing the application of the provisions of the Section on geographical indications under Article 24.2 would be handled through informal consultations, the timing of which would need to take into account the submission of proposals which delegations had foreshadowed. At its meeting in February 1997, the Council had a further exchange of views on this matter in the context of a follow-up to its 1996 report and confirmed these arrangements for carrying forward the work. At the Council's July 1997 meeting, it had an exchange of views on this matter on the basis of a communication from a delegation (IP/C/W/75) and two non-papers. The Chair announced her intention to hold informal consultations prior to the Council's September meeting. Following these consultations, the Chair called on delegations to contribute either by posing questions or by submitting suggestions on the purpose of, and the procedures for, the review foreseen under Article 24.2. At the Council's meeting in November 1997, the Chair informed the Council that seven Members had presented their views in writing in the period July to November 1997. The Chair is continuing to hold informal consultations on this matter with a view to proposing a decision at the Council's second meeting in 1998.

#### VIII. IMPLEMENTATION OF ARTICLE 23.4

27. In its report (1996), the Council agreed to initiate in 1997 preliminary work on issues relevant to the negotiations specified in Article 23.4 of the Agreement concerning the establishment of a multilateral system of notification and registration of geographical indications for wines, and that issues relevant to a notification and registration system for spirits would be part of this preliminary work (IP/C/8, paragraph 34). At its meeting in February, the Council initiated this work by agreeing on an information-gathering activity. Members were invited to submit information on any systems for the registration of geographical indications which they operated. To date, information has been received from eleven Members, which can be found in documents IP/C/W/76 and Addenda 1-11. At its meeting in September 1997, the Council considered this information and agreed to request the Secretariat to prepare a background note on notification and registration systems for the Council's work under Article 23.4 in accordance with an outline reproduced in an Annex to document IP/C/M/15. This note has been circulated as document IP/C/W/85; it will be considered at the Council's first meeting in 1998.



SECTION VII

COMMITTEE ON TRADE AND ENVIRONMENT



**Committee on Trade and Environment**

REPORT (1997) OF THE COMMITTEE ON TRADE AND ENVIRONMENT

1. As directed by the Singapore Ministerial Declaration (WT/MIN(96)/DEC), the Committee on Trade and Environment (CTE) continued to work with the mandate and terms of reference contained in the Marrakesh Ministerial Decision on Trade and Environment under the Chairmanship of Ambassador Björn Ekblom (Finland). At its first meeting, the CTE adopted a schedule of meetings and programme of work for 1997 (see the attached Annex).

2. All Items of the work programme set out in the Ministerial Decision on Trade and Environment were on the agenda of the CTE in accordance with the recommendations contained in the 1996 Report of the CTE to the Singapore Ministerial Conference (WT/CTE/1). In order to broaden and deepen the discussions, a thematic approach was followed so as to allow all Items to be addressed in a systematic manner.

3. The CTE held three meetings in 1997. As set out in the Annex to this Report, the focus of the meeting held on 21-22 May was those Items on the work programme related to market access, including Items 2, 3, 4, and 6. At the 22-24 September meeting, the CTE addressed those Items which are relevant to the linkages between the multilateral environment and trade agendas, including Items 1, 5, 7 and 8. The 24-26 November meeting focused on Items 9 and 10 and adopted this report of the CTE to the General Council.

4. A Symposium with non-governmental organisations (NGOs) was organized by the Secretariat, on its own responsibility, on 20-21 May 1997.<sup>1</sup> Approximately 70 NGOs participated in the Symposium representing a wide spectrum of environment, development, consumer and industry interests and research organizations from developing and developed countries. The Symposium continued the ongoing and valuable exchange of views with NGOs on matters related to WTO work on trade, environment and sustainable development.

5. In order to contribute to the discussions in the CTE on the linkages between the environmental and trade agendas, an information session with representatives from the Secretariats of seven multilateral environmental agreements (MEAs) and two environmental financial mechanisms was held on 22 September 1997. The information gained from the presentations and the background papers prepared by the MEA Secretariats was considered useful and further sessions of this nature were encouraged.

6. The CTE extended observer status to the following international intergovernmental organisations in 1997: the UN Framework Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), and the Latin American Economic System (SELA).

7. The CTE agreed to hold its first meeting on 19-20 March 1998 and to continue to broaden and deepen the analysis of the Items on its work programme based on the "cluster approach" under the themes of market access and the linkages between the multilateral environment and trade agendas.

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<sup>1</sup>As mandated by the 1996 Report of the CTE to the Singapore Ministerial Conference and pursuant to the 1996 Decision of the WTO General Council on "Guidelines for Arrangements on Relations with Non-Governmental Organizations".

ANNEX

COMMITTEE ON TRADE AND ENVIRONMENT

Work Programme and Schedule of Meetings for 1997

All Items of the work programme set out in the Ministerial Decision on Trade and Environment are on the agenda of the Committee on Trade and Environment (CTE) this year in accordance with the recommendations contained in the 1996 Report of the CTE to the Singapore Ministerial Conference (WT/CTE/1). In order to advance the CTE's discussions in 1997, a thematic approach will be followed so as to allow all Items of the work programme to be addressed in a systematic manner.

At the CTE's meeting on 21-22 May those Items relevant to the theme of market access will be discussed, including:

- Item 2: the relationship between environmental policies relevant to trade and environmental measures with significant trade effects and the provisions of the multilateral trading system;
- Item 3: the relationship between the provisions of the multilateral trading system and:
  - (a) charges and taxes for environmental purposes;
  - (b) requirements for environmental purposes relating to products, including standards and technical regulations, packaging, labelling and recycling;
- Item 4: the provisions of the multilateral trading system with respect to the transparency of trade measures used for environmental purposes and environmental measures and requirements which have significant trade effects; and
- Item 6: the effect of environmental measures on market access, especially in relation to developing countries, in particular to the least developed among them, and environmental benefits of removing trade restrictions and distortions.

On 22-24 September, the CTE will hold a meeting to discuss the Items related to the linkages between the multilateral environment agenda and the multilateral trade agenda, including:

- Item 1: the relationship between the provisions of the multilateral trading system and trade measures for environmental purposes, including those pursuant to multilateral environmental agreements;
- Item 5: the relationship between the dispute settlement mechanisms in the multilateral trading system and those found in multilateral environmental agreements;
- Item 7: the issue of exports of domestically prohibited goods; and
- Item 8: the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights.

At a meeting to be held from 24-26 November, the CTE will address:

- Item 9: the work programme envisaged in the Decision on Trade in Services and the Environment;
  - Item 10: input to the relevant bodies in respect of appropriate arrangements for relations with intergovernmental and non-governmental organizations referred to in Article V of the WTO; and
- prepare a brief factual report for submission to the General Council at the end of 1997.

SECTION VIII

COMMITTEE ON TRADE AND DEVELOPMENT



**Committee on Trade and Development**

REPORT (1997) OF THE COMMITTEE ON TRADE AND DEVELOPMENT

INTRODUCTION

1. The Committee on Trade and Development (CTD) held five meetings in 1997. The Minutes of these meetings are contained in documents WT/COMTD/M/14/Rev.1, M/15, M/16, M/17 and M/18. The first session was chaired by Ambassador N. Benjelloun-Touimi (Morocco); the subsequent sessions were chaired by Ambassador D. Baichoo (Mauritius).

WORK OF THE COMMITTEE ON TRADE AND DEVELOPMENT

2. Members of the Committee addressed the following main items during its work in 1997: technical cooperation and training activities as they relate to developing country members; review of the participation of developing country members in world trade; and review of the application of special provisions in the multilateral trading agreements and related Ministerial Decisions in favour of developing country Members, in particular least-developed country Members. It also reviewed progress in the preparation of the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development, noting periodic reports by the Sub-Committee on Least-Developed Countries.

Technical cooperation and training activities as they relate to developing countries

3. In 1997, the work of the Committee in this area focused on three areas: implementation modalities for the provision of technical assistance; the Manual on Technical Cooperation and Training Activities; and the Three Year Plan for technical cooperation and training activities for 1997-1999 with a first exchange of views on the Plan for 1998-2000.

4. The Committee continued its discussion which it began in 1996 on implementation modalities for the provision of technical assistance, with a view to their adoption. The preliminary results of its work were reflected in a paper prepared by the Secretariat, which took into account the comments and proposals made by delegations, and which also served as a basis for the Committee's further discussions (circulated in document WT/COMTD/W/29). The outcome of the Committee's discussions was reflected in a revision of the paper (WT/COMTD/W/29/Rev.1) which the Committee adopted at its meeting on 17 November. In a continuous effort to advance coordination between agencies, representatives of ITC and UNCTAD were invited to address the Committee at its meeting in February, to present their views on the implementation modalities for technical assistance used by their respective agencies.

5. In the period under review, the Committee discussed several draft versions of a Manual on Technical Cooperation and Training which draws on the Guidelines for Technical Cooperation adopted in October 1996 and which is intended to provide a description of the technical cooperation and training activities available in the WTO, explains how Members can benefit from such assistance and how requests should be filed to participate in the activities. Delegations were generally of the view that the Manual

was a useful tool. At its meeting on 17 November the Committee adopted the Manual as contained in document WT/COMTD/W/26/Rev.2 plus Suppl.1. requesting the Secretariat to amend the paper in the light of comments made at that meeting and agreed to revert to this item at its next meeting.

6. The Guidelines for Technical Cooperation stipulated that the Three Year Plan for technical Cooperation was to be approved by the Committee. Accordingly, in the period under review, the Committee discussed the Three Year Plan for Technical Cooperation for 1997-1999. The Committee agreed at its meeting on 26 September that the version contained in document WT/COMTD/W/25 and Add.1 would be considered final and that any further editorial technical suggestions to improve subsequent Three Year Plans would be taken into consideration in the draft Three Year Plan for 1998 - 2000. The Plan for 1998 - 2000 was subsequently circulated in document WT/COMTD/W/32/Rev.1 of which the Committee took note after a first discussion at its meeting on 17 November.

The participation of developing country Members in world trade

7. The Committee discussed the item at its September and November sessions on the basis of a Note prepared by the Secretariat entitled " Participation of Developing Countries in World trade: recent developments, and trade of the least-developed countries" (WT/COMTD/W/31). The Note updates the study which had been prepared by the Secretariat in 1996 on Major Trends and Underlying Factors in the Participation of Developing Countries in World Trade over the past twenty years (contained in document WT/COMTD/W/15). The Committee agreed that this item should become a regular feature of its agenda and that there will be follow-up in the various areas.

Review of the application of special provisions in the multilateral trading agreements and related Ministerial Decisions in favour of developing country Members, in particular least-developed country Members

8. The Committee agreed, as part of its work programme for the autumn, to continue its review of the application of special provisions in the multilateral trade agreements and related Ministerial Decisions in favour of developing country Members, in particular least-developed country Members, which it had started in 1996. It conducted its review on the basis of contributions from WTO Bodies responsible for monitoring the implementation of Uruguay Round Agreements commitments: information submitted on how provisions in favour of developing countries had been dealt with in the various WTO Committees was compiled in a document which served as a basis for the Committee' discussion (WT/COMTD/W/33). At its meeting on 17 November the Committee engaged in a first discussion and agreed to revert to this item at its next meeting, requesting the Secretariat to up-date the document.

Work related to least developed countries: the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development

9. At its meeting in February 1997 the Committee discussed the preparation of the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development and requested the Sub-Committee on Least-Developed Countries to follow-up on preparations, under guidance of the Committee.

10. The Sub-Committee on Least-Developed Countries held five meetings in the period under review. The Minutes of these meetings are contained in documents WT/COMTD/LLDC/5, WT/COMTD/LLDC/M/6, M/7 plus Corr.1, M/8 and M/9. The sessions were chaired by Ambassador E. Herfkens (The Netherlands).



11. At its meeting in February, the Sub-Committee took up the issue of accumulated arrears and the specific problems this might entail for the participation of least-developed countries in WTO technical assistance and training activities.<sup>1</sup>

12. The Sub-Committee focused most of its work in 1997 on preparations for the High-Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development (documents WT/COMTD/W/28 plus its two Addenda). A preparatory meeting was held on 26 June in which the agenda, the format and the budget of the High-Level Meeting were agreed. At its meeting in October, the Sub-Committee agreed to invite H.E. Jan Pronk, Minister of Development Cooperation of the Netherlands, to chair the High-Level Meeting. The Sub-Committee also recommended that the High-Level Meeting endorse the Integrated Framework for Trade-Related Technical Assistance, including for Human and Institutional Capacity-Building, to support Least-Developed Countries in Their Trade and Trade-related Activities (subsequently circulated as document WT/LDC/HL/1/Rev.1).

13. The High-Level Meeting took place on 27 and 28 October 1997 (WTO/AIR/698 and Adds.1 and 2). The Report of the High-Level Meeting is contained in document WT/LDC/HL/23<sup>2</sup>. Follow-up activities are foreseen.

#### Observer status for international intergovernmental organizations

14. At its meeting in May, and following guidance from the General Council, the Committee agreed to extend observer status to two additional international intergovernmental organizations, the African, Caribbean and Pacific Group of States (ACP) and the Southern African Development Community (SADC) (document WT/COMTD/W/22/Rev.1 contains the list of international intergovernmental organizations with observer status in the CTD as well as those whose request is pending).

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<sup>1</sup>Pursuant to discussions in the Committee on Budget, Finance and Administration, the General Council decided at its meeting on 22 October 1997 that those least-developed countries which are WTO Members should be exempted from application of the administrative measures which states that "inactive members would be denied access to training or technical assistance."

<sup>2</sup>Subsequently circulated as document WT/COMTD/12.



SECTION IX

COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS



**Committee on Balance-of-Payments Restrictions**

REPORT (1997) OF THE COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS

1. This report has been prepared in pursuance of the Procedures for an Annual Overview of WTO Activities and for Reporting under WTO (WT/L/105).
2. Since the beginning of 1997, the Committee has held consultations with eight Members.
3. In January 1997, the Committee continued its consultations with India, suspended since December 1995. The Committee welcomed India's continued commitment toward economic reform and liberalization, and noted its progressive removal of quantitative restrictions notified under Article XVIII:B. The Committee also noted the IMF's statement that India's current monetary reserves were not inadequate and were not threatened by a serious decline. India cautioned that its balance of payments needed close monitoring and that the precipitate removal of quantitative restrictions notified under Article XVIII:B could undermine the stability of its economy and the reform process. The Committee agreed to resume the consultations with India at the beginning of June 1997 to consider a plan for the elimination of measures notified under Article XVIII:B and to conclude the consultations consistently with all relevant BOP provisions. In drawing up a plan, India would give due consideration to Members' interests in a balanced manner.<sup>1</sup> The Committee reconvened in June to consider India's plan to eliminate the measures notified under Article XVIII:B.<sup>2</sup> In the absence of agreement within the Committee on specific proposals for recommendation by the General Council, a record of the different views expressed was produced and circulated to Members, in accordance with paragraph 13 of the Understanding.<sup>3</sup>
4. In March, the Committee resumed its consultations with Nigeria. The Committee recalled that at its previous meeting, Members considered that the import prohibitions in force in Nigeria could no longer be justified under Article XVIII:B and the Understanding on the Balance-of-Payments Provisions of the GATT. At that time, Nigeria had stated its commitment to proceed with their early elimination and to disinvoke Article XVIII:B. Members welcomed the removal of two items from the import prohibition list, but expressed disappointment that six items on the list remained in place. The Committee did not accept Nigeria's proposal for a phase out by the year 2005.<sup>4</sup> When consultations resumed at the end of July, Members welcomed the submission of a time schedule for the phasing

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<sup>1</sup>WT/BOP/R/22, 3 March 1997.

<sup>2</sup>WT/BOP/N/24, 22 May 1997.

<sup>3</sup>WT/BOP/R/32, 18 September 1997.

<sup>4</sup>WT/BOP/R/25, 27 March 1997.

out of Nigeria's remaining import prohibitions.<sup>5</sup> Most Members called for their elimination immediately or over a much shorter time-frame than that proposed by Nigeria. The Nigerian delegation agreed to communicate the views expressed by Members of the Committee to the appropriate and competent authorities for their consideration and to consult interested Members in the course of November. On that basis, the Committee decided to suspend the consultations and resume, with a view to concluding, in early February 1998.<sup>6</sup> Since March, Members have reserved their rights under GATT 1994.

5. In April, Pakistan consulted with the Committee. Committee Members recognized that Pakistan was facing a serious balance-of-payments problem and agreed that it was justified in resorting to measures in accordance with Article XVIII:B of GATT 1994. While Members appreciated the reduction of items on the Negative List from 214 to 68 since 1989, some pointed out that many of the items listed should more appropriately be justified under other WTO provisions, e.g. on grounds of health, safety, public morals or security.<sup>7</sup> Some also questioned the recourse to quantitative restrictions, noting that priced-based measures were normally to be preferred. And attention was drawn to the absence of a phase-out schedule. When consultations resumed in November, following the submission of additional information requested by the Committee, the Committee agreed that the consultations would be deemed to be concluded provided Pakistan publicly announced, within twelve months, a schedule, taking account of macroeconomic developments and the interests of trading partners, for the removal of the measures within a reasonable period of time.

6. On 2 May, the Committee consulted with Bangladesh under simplified procedures. Members recognized that, since the last consultation, the balance-of-payments situation had deteriorated and remained precarious. Noting a reduction in the number of quantitative restrictions in recent years, some Members commended Bangladesh for not intensifying restrictions but continuing with its programme of trade liberalization. Members called for further information and clarification, in accordance with Paragraph 11 of the Understanding, regarding the legal basis, system and effects of restrictions and observed that, under Paragraph 1 of the Understanding, Members were committed to announcing time-schedules for the removal of restrictions taken for balance-of-payments purposes. Noting that full consultations had never been held with Bangladesh, the Committee determined that full consultations would be desirable, as a means of clarifying the balance-of-payments situation and promoting greater transparency. The Committee invited the Government of Bangladesh to consider holding such full consultations in the autumn of 1998, or, in any case, before May 1999.<sup>8</sup>

7. The Committee resumed its consultations with Tunisia in June. It commended the Tunisian authorities for their sound macroeconomic policies which had led to an improvement in the external situation. Although the balance-of-payments position had strengthened and there appeared to be no threat of a serious decline in the level of reserves, opinions differed as to whether the situation was stable or remained fragile. According to the IMF, the outlook was encouraging. While acknowledging the residual nature of the remaining restrictions, some Members emphasised that sectoral measures were not in accordance with the provisions of the Understanding nor an appropriate way of addressing a balance-of-payments problem. Tunisia undertook to phase-out the remaining restrictions in four steps

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<sup>5</sup>WT/BOP/N/27, 16 July 1997.

<sup>6</sup>WT/BOP/R/35, 19 September 1997.

<sup>7</sup>WT/BOP/R/27, 15 July 1977.

<sup>8</sup>WT/BOP/R/28, 28 May 1997.

from 1 July 1997, ending 1 July 2000.<sup>9</sup> The Committee invited Tunisia to accelerate implementation of this phase-out plan should circumstances permit.<sup>10</sup>

8. In July, the Committee met to consider a six-month, non interest bearing import deposit scheme introduced by the Czech Republic on 21 April 1997.<sup>11</sup> The Committee expressed appreciation for the timely Czech notification of the measure under consideration, while regretting the absence from it of any time-schedule for the elimination of the measure. A majority of Members of the Committee argued that the measure was inappropriate, particularly in that its coverage of imports was selective, and ill-designed to redress macroeconomic imbalances. They urged the Czech authorities to eliminate it during or before their forthcoming review; or to present to the Committee, before the resumption of the consultation in September, a time-schedule for its elimination within 1997. The Czech delegation maintained that the measure was in full conformity with Czech obligations under Article XII and the 1994 Understanding, and stressed that it was without protectionist intent.<sup>12</sup>

9. Subsequently, on 29 August, the Czech Republic notified the WTO that it had abolished the scheme on 21 August and was no longer applying restrictions under cover of Article XII.<sup>13</sup>

10. Also in July, the Committee held consultations with Bulgaria under Article XII on its 5 per cent import surcharge, introduced to safeguard the balance of payments on 4 June 1996.<sup>14</sup> Bulgaria intends to reduce the surcharge annually with elimination foreseen for 1 July 2000. The Committee commended Bulgaria for having maintained, during its recent difficulties, its commitment to reform and liberalization. It recognized that, although Bulgaria's reserve position had improved recently, its balance-of-payments situation was still delicate, and noted, *inter alia*, both the continuing importance of market-oriented policies and Bulgaria's continuing reliance on the timely disbursement of official external assistance. It found that recourse to Article XII of GATT 1994 was justified. Some Members of the Committee urged Bulgaria to accelerate the elimination of this measure, as recommended by the IMF in its statement, and expressed their hope to see progress in this regard by the next consultation. Bulgaria affirmed that it would keep under continuous review the compatibility of this measure with its obligations under GATT Article XII:2(b).<sup>15</sup>

11. In October, the Committee consulted with the Slovak Republic, under Article XII, on its import surcharge, applied since August on the majority of imports at the rate of 7 per cent.<sup>16</sup> The consultations were suspended until December 1997.

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<sup>9</sup>WT/BOP/N/25, 3 July 1997.

<sup>10</sup>WT/BOP/R/31, 30 July 1997.

<sup>11</sup>WT/BOP/N/19 and Add.1, 29 April and 21 May 1997, respectively.

<sup>12</sup>WT/BOP/R/33, 18 September 1997.

<sup>13</sup>WT/BOP/N/29, 15 September 1997.

<sup>14</sup>WT/BOP/N/18, 27 March 1997.

<sup>15</sup>WT/BOP/R/34, 18 September 1997.

<sup>16</sup>WT/BOP/N/28, 30 July 1997.

12. In February, the outgoing Chairman, Mr. Peter Witt (Germany) handed over the Chairmanship to Mr. Peter R. Jenkins (United Kingdom). At that meeting, the Committee granted regular observer status to the following international, intergovernmental organizations: ACP Secretariat, EBRD, EFTA, OECD, UNCTAD and the World Bank.<sup>17</sup>

13. In the course of 1997, six WTO Members joined the Committee (Costa Rica, Ecuador, Hong Kong China, Nigeria, Slovenia and South Africa).<sup>18</sup>

14. On 1 January 1997, the Slovak Republic and Poland eliminated import surcharges introduced on 3 March 1994 and 1 December 1992, respectively.<sup>19</sup> Turkey disinvoked the balance-of-payments provisions with effect from the same date.<sup>20</sup> On 1 July, Hungary eliminated its 3 per cent import surcharge; Bulgaria lowered its 5 per cent import surcharge to 4 per cent with effect from the same date.<sup>21</sup>

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<sup>17</sup>WT/BOP/R/23, 19 February 1997.

<sup>18</sup>WT/BOP/INF/6, 16 July 1997; and WT/BOP/INF/6/Corr.1, 24 July 1997.

<sup>19</sup>WT/BOP/N/15, 24 January 1997; WT/BOP/N/16, 19 February 1997.

<sup>20</sup>WT/BOP/N/22, 15 May 1997.

<sup>21</sup>WT/BOP/N/26, 15 July 1997; WT/BOP/N/30, 13 October 1997.



Table 1  
BOP CONSULTATIONS IN 1997

Member	Last Consultation	Follow up
Bangladesh	May 1997	The Committee recommended that Bangladesh hold full consultations in 1998 or no later than May 1999.
Bulgaria	July 1997	The Committee decided to recommend to the Council that Bulgaria be deemed in compliance with its WTO obligations. Bulgaria lowered its 5 per cent surcharge to 4 per cent on 1 July 1997.
Czech Republic	July 1997	The Czech Republic abolished the import deposit scheme, introduced on 21 April 1997, on 21 August 1997.
Hungary	September 1996	Hungary eliminated the import surcharge on 1 July 1997.
India	January and June 1997	Views expressed in the Committee are recorded in WT/BOP/R/32.
Nigeria	March and July 1997	No conclusion. Consultations to resume in February 1998.
Pakistan	November 1997	The Committee concluded on the basis of a time schedule for removal of the measures to be submitted within twelve months.
Poland	June 1995	Poland eliminated the surcharge on 1 January 1997.
Slovakia	October 1997	Slovakia eliminated a 7.5 per cent surcharge imposed in 1994 on 1 January 1997. On 1 May it adopted an import deposit scheme which was replaced by a 7 per cent surcharge on 21 July.
Sri Lanka	November 1995	Consultations to be held in February 1998.
Tunisia	June 1997	Tunisia agreed to phase out restrictions by 1 July 2000.
Turkey	June 1995	Turkey disinvoked the balance-of-payments provisions as of 1 January 1997.



SECTION X

COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION



**Committee on Budget, Finance and Administration**

ANNUAL REPORT (1997)

1. In accordance with the procedures for an annual overview of WTO activities and for reporting under the WTO, adopted by the General Council on 15 November 1995 (WT/GC/M/8, item 11), a report on the activities of the WTO Committee on Budget, Finance and Administration in 1997 is hereby submitted.

2. It will be recalled that the Committee met on a number of occasions and has presented reports to the General Council on a regular basis.<sup>1</sup> This report will then cover the major areas the Committee has dealt with in the course of the year to date.

I. ON-GOING RESPONSIBILITIES

3. The Committee monitored on a regular basis the financial and budgetary situation of the Organization, the receipt of contributions including the implementation of the related schemes and measures pertaining to receipt of contributions, and examined the Final Position of the 1996 Budget and the Director-General's Financial Report on the 1996 Accounts and Report of the External Auditor. It also dealt with the Director-General's budget proposals for 1997 and the 1996 surplus.

II. MAJOR AREAS OF ACTIVITIES

A. Review of the Application of the Headquarters Agreement

4. The Headquarters Agreement, signed with the Swiss authorities in 1995, foresaw an evaluation of the implementation of the agreement. To this end, a working group, within the framework of the Committee, headed by the Chairman and consisting of delegates of WTO Members as well as representatives from the Secretariat and the Staff Council was formed. A document compiling all the comments of the Members as well as those from the Secretariat on the modality of applying the Headquarters Agreement, was submitted to the Swiss authorities. Two meetings were convened on 17 June and 17 September to review the implementation of the Headquarters Agreement. The conclusions of the discussions were forwarded to the Committee which approved them.<sup>2</sup> No future meeting was scheduled; however, discussions could be held should the need arise.

B. New WTO Members

5. In the course of 1997, the Committee formulated recommendations to the General Council on assessments to the budget and advances to the Working Capital Fund upon the accession to the WTO of the following new Members: (i) Congo, (ii) Democratic Republic of the Congo, (iii) Mongolia, (iv) Niger, and (v) Panama.

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<sup>1</sup>Reports: WT/BFA/30 covering the meeting of 21 February 1997; WT/BFA/31 covering the meeting of 21 May 1997; WT/BFA/32 covering the meetings of 23 and 29 September, and 7 October 1997; and WT/BFA/33 covering the meetings of 21 and 27 November 1997.

<sup>2</sup>Report WT/BFA/SPEC/12

C. UN/WTO Cooperation with regard to the International Trade Centre's (ITC) Budgetary Arrangements

6. Following the decision of the General Council taken in April 1995, the ITC presented its 1998 budget in the format required by the WTO budget preparation and reporting procedures. The fact that ITC had been requested to present its budget in formats that would satisfy both the WTO and the UN budgetary requirements entailed a dual accounting exercise which would inevitably lead to additional costs. The Committee considered that the issue involved coordination and cooperation between international organizations, and that Members should inform their delegates to intervene in New York in order to identify a solution. The Chairman, together with the Secretariat should also engage in a negotiation process with the UN in order to arrive at a satisfactory solution.

D. Measures in favour of Least Developed Countries

(a) Least Developed Countries in Category IV

7. With regard to the eligibility of Least Developed Countries to technical assistance, the Committee formulated a recommendation to the General Council to the effect that WTO Members which are Least Developed Countries would be exempt from application of the administrative measure which states that "Inactive Members would be denied access to training and technical assistance".

(b) High-Level Meeting on the Least Developed Countries

8. The Committee recommended to the General Council that in view of the fact that the meeting was the result of a Ministerial Decision, the requirement for a 13 per cent overhead on the Trust Fund to finance the meeting should be waived.

(c) Further measures to avoid marginalization of Least Developed Countries

9. The Committee agreed that measures to encourage the least developed countries to participate more in the activities of the WTO should be identified. In principle, the financing of schemes to facilitate the payment of arrears in the framework of the activities of the WTO through voluntary contributions met with agreement. It was noted that the level of the minimum contribution would be part of the discussions in 1998 in the context of the review of the functioning of the system regarding the basis for the assessment of contributions to the budget of the WTO, as decided by the General Council (WT/GC/M/8).

SECTION XI

COMMITTEE ON REGIONAL TRADE AGREEMENTS





**Committee on Regional Trade Agreements**

REPORT (1997) OF THE  
COMMITTEE ON REGIONAL TRADE AGREEMENTS  
TO THE GENERAL COUNCIL

Chairman: Mr. John Weekes (Canada)

INTRODUCTION

1. In 1997, the Committee on Regional Trade Agreements (CRTA) continued to be chaired by Mr. J. Weekes (Canada). Mr. M.-J. Berthet (Uruguay), Mr. S. Harbinson (Hong Kong, China) Mr. J. Ravaloson (Madagascar) and Mr. L. Willems (Belgium) served as Vice-Chairmen, with Mr. C. Bouah-Kamon (Côte d'Ivoire) and Mr. J.-M. Noirfalisse (Belgium) replacing Mr. Ravaloson and Mr. Willems in the latter part of the year.
2. By the year's end, the Committee will have held eight meetings. Minutes are contained in documents WT/REG/M/8-15. There has also been a series of informal consultations.
3. The Committee continued its work in 1997 in accordance with its terms of reference<sup>1</sup>.

EXAMINATION OF REGIONAL TRADE AGREEMENTS

Procedures to facilitate and improve the examination process

4. For item (c) of its terms of reference, the Committee worked to facilitate and standardize the provision of information for the examination of RTAs liberalizing trade in services. At its Tenth Session the Committee took note of the non-binding, voluntary Chairman's Guidelines as set out in the "Standard Format for Information on Economic Integration Agreements"<sup>2</sup>. This document closely mirrors the "Standard Format for Information on Regional Trade Agreements"<sup>3</sup>, which the Committee had taken note of in 1996. Ever since the Committee took note of the Standard Formats, parties to most RTAs under examination have opted to present information in this form, allowing a more structured and streamlined examination process.

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<sup>1</sup>Document WT/L/127 contains the Decision of the General Council which established the Committee on Regional Trade Agreements and provided its terms of reference.

<sup>2</sup>WT/REG/W/14.

<sup>3</sup>WT/REG/W/6.

5. Also at the Tenth Session, the Committee took note of a non-binding, voluntary Chairman's document on "Guidelines on Procedures to Facilitate and Improve the Examination Process"<sup>4</sup>. The Guidelines stress the importance of an early and continued flow of information on RTAs to the Committee and set out a number of yardsticks to guide the process. They also spell out a new approach to reports on examinations, whereby reports are to consist of both a "factual record", based on summary records of statements by delegations in the course of an examination, as well as the Committee's "conclusions", in accordance with the terms of reference of the examination.

#### Progress in carrying out examinations

6. Under item (a) of its terms of reference, the Committee is mandated to examine regional trade agreements (RTAs) referred to it by the Council for Trade in Goods (CTG), the Council for Trade in Services (CTS) or the Committee on Trade and Development (CTD), depending on the type of agreement.

7. In 1997, the Committee made headway in "clearing the backlog" as well as in handling new agreements referred to it. Of the 45 RTAs referred to it so far<sup>5</sup>, the Committee has completed factual examinations for 26 agreements and is well along in the process for another 12; the remaining seven, having been referred to the Committee for examination only in the autumn, are scheduled for examination next year. (See Attachment.)

8. The process of elaborating conclusions has now begun for 20 of the RTAs whose factual examinations are complete.

#### REPORTING ON THE OPERATION OF AGREEMENTS

9. To fulfil item (b) of its terms of reference, the Committee has held discussions on the basis of an Informal Note by the Secretariat and a follow-up Chairman's Proposal to consider how RTA reporting might best be activated. Discussion is to continue at the Committee's December Session.

#### SYSTEMIC IMPLICATIONS OF REGIONAL TRADE AGREEMENTS AND INITIATIVES FOR THE MULTILATERAL TRADING SYSTEM AND THE RELATIONSHIP BETWEEN THEM

10. In line with item (d) of its terms of reference, the Committee's work during the first part of the year focused on identifying systemic issues as they emerged from RTA examinations, systemic discussions or written submissions. Having earmarked these issues for inclusion in an evolving checklist<sup>6</sup>, the Committee then began considering approaches for analysing them. After a series of informal consultations, the Committee at its Thirteenth Session agreed to the following approach<sup>7</sup>: first, the Secretariat is to compile and distribute factual information on RTAs; second, the Committee will tackle

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<sup>4</sup>WT/REG/W/15.

<sup>5</sup>To date, 37 RTAs have been referred to the Committee by the CTG, seven by the CTS and one by the CTD.

<sup>6</sup>WT/REG/W/12 and Corr.1 and WT/REG/W/16.

<sup>7</sup>See WT/REG/M/13, paragraphs 5 and 6.

the systemic issues with a three-pronged approach, encompassing legal analyses of relevant WTO provisions, horizontal comparisons of RTAs and debate on the context and economic aspects of RTAs. Documents prepared by Members and the Secretariat are to serve as the basis for these discussions. At the request of the Committee, the Secretariat prepared a list of RTAs notified to the GATT/WTO which are currently in force.

11. At the Fourteenth Session, debate was launched on the concepts of "other regulations of commerce" and "substantially all the trade". Two delegations presented papers on these issues, and the Secretariat provided background notes on the question of other regulations of commerce.<sup>8</sup> For future meetings, airgrams will indicate what issues and sub-issues are on the agenda, to encourage Members to prepare for deeper discussion.

## CONCLUSION

12. The Committee has made progress in carrying out its mandate. Much of its time has been allocated to the detailed examination of individual RTAs. Here, the use of the Standard Formats and of the Guidelines has led to a more efficient use of time and resources, allowing the Committee to make great strides in clearing the backlog (carrying out the work of the 32 working parties it replaced) and to take on another 13 examinations as well. In its work on systemic issues, the Committee has laid a solid foundation on which it will continue to build.

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<sup>8</sup>WT/REG/W/17 and Add.1 (Notes by the Secretariat), WT/REG/W/18 (Australia) and WT/REG/W/19 (Hong Kong, China).

ATTACHMENTStatus of Examination of RTAsRTAs examined in 1997 (38)

<b>Agreement</b>	<b>Status of Examination</b>
EC Enlargement - Goods	Factual examination in process
EC-Czech Republic	Factual examination completed
EC-Hungary	Factual examination completed
EC-Poland	Factual examination completed
EC-Slovak Republic	Factual examination completed
EC-Bulgaria	Factual examination completed
EC-Romania	Factual examination completed
EC-Estonia	Factual examination completed
EC-Latvia	Factual examination completed
EC-Lithuania	Factual examination completed
EC-Turkey	Factual examination in process
EC-Faroe Islands	Factual examination in process
EFTA-Hungary	Factual examination completed
EFTA-Israel	Factual examination completed
EFTA-Poland	Factual examination completed
EFTA-Bulgaria	Factual examination completed
EFTA-Romania	Factual examination completed
EFTA-Slovenia	Factual examination completed
EFTA-Estonia	Factual examination completed
EFTA-Latvia	Factual examination completed
EFTA-Lithuania	Factual examination completed
NAFTA- Goods	Factual examination completed
MERCOSUR	Factual examination in process
Canada-Israel	Factual examination completed
Iceland-Faroe Islands	Factual examination completed
Norway-Faroe Islands	Factual examination completed
Switzerland-Faroe Islands	Factual examination completed

<b>Agreement</b>	<b>Status of Examination</b>
CEFTA <sup>9</sup>	Factual examination in process
Slovenia-Bulgaria	Factual examination in process
Czech Republic-Bulgaria	Factual examination in process
Slovak Republic-Bulgaria	Factual examination in process
NAFTA- Services	Factual examination completed
ANZCERTA- Services	Factual examination in process
European Union- Services	Factual examination in process
EC Enlargement-Services	Factual examination in process
EC-Hungary- Services	Factual examination in process
EC-Poland- Services	Factual examination in process
EC-Slovak Republic- Services	Factual examination in process

Other RTAs under examination (7)

<b>Agreement</b>	<b>Status of Examination</b>
EC-Slovenia	Factual examination not yet commenced
EC-The Palestine Liberation Organization	Factual examination not yet commenced
Canada-Chile	Factual examination not yet commenced
Czech Republic-Latvia	Factual examination not yet commenced
Czech Republic-Lithuania	Factual examination not yet commenced
Slovenia-Estonia	Factual examination not yet commenced
Romania-Moldova	Factual examination not yet commenced

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<sup>9</sup>With the accession of Slovenia and Romania to the CEFTA, the following bilateral agreements, previously notified to the WTO, are no more in force: Slovenia-Czech Republic, Slovenia-Hungary, Slovenia-Slovak Republic, Czech Republic-Romania and Slovak Republic-Romania.



SECTION XII

WORKING GROUP ON THE RELATIONSHIP BETWEEN TRADE AND INVESTMENT





**Working Group on the Relationship  
between Trade and Investment**

REPORT (1997) TO THE GENERAL COUNCIL

1. The Working Group on the Relationship between Trade and Investment was established by a decision taken at the WTO Ministerial Conference held in December 1996. Paragraph 20 of the Ministerial Declaration provides that the General Council will keep the work of this Working Group under review.
2. Following the agreement by the General Council at its meeting of 24 April 1997 to the appointment of Ambassador Krirk-Krai Jirapaet (Thailand) as Chairman of the Working Group on the Relationship between Trade and Investment<sup>1</sup>, the Working Group held formal meetings on 2 and 3 June 1997 and on 6 and 7 October 1997. The dates of these meetings were determined in light of the instruction in paragraph 22 of the Singapore Ministerial Declaration that careful attention be given to coordinating meetings with those of relevant UNCTAD bodies. Reports on these meetings have been circulated in documents WT/WGTI/M/1 and 2.
3. At the meeting of 2 and 3 June, Members made general statements on the nature of the work to be pursued under the mandate contained in the Singapore Ministerial Declaration and identified specific issues for study in the Working Group. Written submissions were made by the European Community and its member States, India and Switzerland (WT/WGTI/W/1-3). The Working Group took note of a Checklist of Issues Suggested for Study prepared by the Chairman in the light of the suggestions made by delegations as a basis for the consideration of the organization of the future work of the Group. This Checklist is reproduced in the annex to this report. The Working Group also discussed WTO provisions on matters related to investment, based on an informal Secretariat note (No. 2988). With respect to the cooperation encouraged in the Singapore Ministerial Declaration with UNCTAD and other appropriate international fora, representatives of UNCTAD, the OECD and the World Bank made statements at the first meeting on their activities relevant to the Working Group (WT/WGTI/W/4-6). In addition, the Working Group considered an informal Secretariat note containing factual information on relevant activities and initiatives in other fora (No. 2843). The Working Group noted that the IMF and the World Bank had observer status in the Working Group pursuant to the cooperation agreements concluded between the WTO and these organizations and agreed to invite UNCTAD to attend its future meetings.
4. At the meeting of 6 and 7 October, the Working Group started its substantive discussion on the first three main areas identified in the Checklist of Issues Suggested for Study: (I) implications of the relationship between trade and investment for development and economic growth; (II) the economic relationship between trade and investment; and (III) stocktaking and analysis of existing international instruments and activities regarding trade and investment. Written submissions on some of these issues were received from the European Community and its member States, Hong Kong China, Japan and Poland (WT/WGTI/W/10-13). On the first issue, the Working Group had before it contributions by five international organizations (OECD, UNCTAD, World Bank, IMF and UNIDO),

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<sup>1</sup>See document WT/L/215

which had been requested at the June meeting to provide a summary of work done in these organizations on this matter (WT/WGTI/W/8 and Addenda 1-4). Discussion of the second issue was based on a WTO Secretariat note on the relationship between trade and foreign direct investment (WT/WGTI/W/7 and Corr.1). On the third issue of the Checklist, the Working Group continued its examination of WTO provisions on matters related to investment and took note of a supplementary note by the WTO Secretariat on developments regarding activities and initiatives in other fora (No. 5279). In this connection, the Working Group also received a written contribution from the APEC Investment Experts Group on ongoing work on investment in the context of APEC (WT/WGTI/W/9).

5. The Working Group agreed to hold its next meeting on 8 and 9 December 1997. In addition to reverting to the first three sections of the Checklist, it will decide at that meeting how to take up issues in section IV of the Checklist at the first meeting in 1998. The Working Group will also consider at that meeting pending requests for observer status received from six international organizations and its schedule of meetings for 1998.

ANNEX

3093

**Working Group on the Relationship  
between Trade and Investment**

4 June 1997

CHECKLIST OF ISSUES SUGGESTED FOR STUDY

Non-Paper by the Chair

Revision

It was widely recognized that the Working Group's work programme should be open, non-prejudicial and capable of evolution as the work proceeds. It was also emphasized that all elements, not only category I, should be permeated by the development dimension. Particular attention should be paid to the situation of least-developed countries. In pursuing the items of its work programme, the Working Group should avoid unnecessary duplication of work done in UNCTAD and other organizations.

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I. Implications of the relationship between trade and investment for development and economic growth, including:

- economic parameters relating to macroeconomic stability, such as domestic savings, fiscal position and the balance of payments;
- industrialization, privatization, employment, income and wealth distribution, competitiveness, transfer of technology and managerial skills;
- domestic conditions of competition and market structures.

In this work, the Working Group should seek to benefit from the experience of Members at different stages of development and take account of recent trends in foreign investment flows and of the relationship between different kinds of foreign investment.

II. The economic relationship between trade and investment:

- the degree of correlation between trade and investment flows;
- the determinants of the relationship between trade and investment;
- the impact of business strategies, practices and decision-making on trade and investment, including through case studies;
- the relationship between the mobility of capital and the mobility of labour;

- the impact of trade policies and measures on investment flows, including the effect of the growing number of bilateral and regional arrangements;
- the impact of investment policies and measures on trade;
- country experiences regarding national investment policies, including investment incentives and disincentives;
- the relationship between foreign investment and competition policy.

III. Stocktaking and analysis of existing international instruments and activities regarding trade and investment:

- existing WTO provisions;
- bilateral, regional, plurilateral and multilateral agreements and initiatives;
- implications for trade and investment flows of existing international instruments.

IV. On the basis of the work above:<sup>1</sup>

- identification of common features and differences, including overlaps and possible conflicts, as well as possible gaps in existing international instruments;
- advantages and disadvantages of entering into bilateral, regional and multilateral rules on investment, including from a development perspective;
- the rights and obligations of home and host countries and of investors and host countries;
- the relationship between existing and possible future international cooperation on investment policy and existing and possible future international cooperation on competition policy.

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<sup>1</sup>The question of the timing of work under section IV was the subject of a decision taken by the Working Group at its meeting of 2-3 June 1997.

SECTION XIII

WORKING GROUP ON THE INTERACTION BETWEEN  
TRADE AND COMPETITION POLICY



**Working Group on the Interaction  
between Trade and Competition Policy**

REPORT (1997) TO THE GENERAL COUNCIL

1. The Working Group on the Interaction between Trade and Competition Policy was established by a decision taken at the WTO Ministerial Conference held in December 1996. Paragraph 20 of the Ministerial Declaration provides that the General Council will keep the work of the Working Group under review.

2. Following the agreement by the General Council at its meeting of 24 April 1997 to the appointment of Professor Frédéric Jenny (France) as Chairman of the Working Group on the Interaction between Trade and Competition Policy<sup>1</sup>, the Working Group held formal meetings on 7 and 8 July, on 16 and 17 September and on 27 and 28 November 1997. The dates of these meetings were determined in light of the instruction in paragraph 22 of the Singapore Ministerial Declaration that careful attention be given to coordinating meetings with those of relevant UNCTAD bodies. Reports on the first two meetings have been circulated in documents WT/WGTCP/M/1 and 2. A report on the third meeting will be circulated shortly as document WT/WGTCP/M/3.

3. At the meeting of 7 and 8 July, Members made general statements on the nature of the work to be pursued under the mandate contained in the Singapore Ministerial Declaration and identified specific issues for study in the Working Group. Written submissions were made by the European Community and its member States, Switzerland, Peru, Japan, the Republic of Korea, the United States, Canada, Australia, Egypt, Pakistan, Norway, Mexico, Venezuela, Hong Kong China, Nigeria, the Philippines on behalf of ASEAN WTO Members, New Zealand, Poland and India (WT/WGTCP/W/1-10, 12-16, 19-20 and 23-24, respectively). Representatives of UNCTAD, the OECD, the World Bank and APEC member economies made statements on their activities relevant to the Working Group (documents WT/WGTCP/W/17-18, and 21-22, respectively). The Working Group also discussed competition-related provisions in existing WTO agreements, based on an informal note prepared by the Secretariat (document No. 3347). The Working Group took note of the paper, while also noting that it did not prejudice the work of the Group. The Working Group noted that the IMF and the World Bank had observer status in the Working Group pursuant to the cooperation agreements concluded between the WTO and these Organizations and agreed to invite UNCTAD to attend its future meetings. The Working Group also agreed to grant observer status to the OECD, on the basis that there would be reciprocity with respect to proceedings, documents and other aspects of observership. The Working Group took note of a Checklist of Issues Suggested for Study prepared by the Chairman, in the light of the suggestions made by delegations, as a basis for the organization of the future work of the Group; this Checklist is reproduced in Annex 1 to this report. The Working Group agreed to a work programme for meetings in the autumn of 1997 and the first part of 1998, which is to be found at Annex 2 to this report.

4. At the meeting of 16 and 17 September, the Working Group started its substantive discussion on the first two areas identified in the Checklist of Issues Suggested for Study: (I) the relationship between the objectives, principles, concepts, scope and instruments of trade and competition policy,

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<sup>1</sup>See document WT/L/215

and their relationship to development and economic growth; and (II) stocktaking and analysis of existing instruments, standards and activities regarding trade and competition policy, including of experience with their application, taking up in turn each of the three sub-items, namely national competition policies, laws and instruments as they relate to trade, existing WTO provisions, and bilateral, regional, plurilateral and multilateral agreements and initiatives. Written submissions on either or both of these areas were received from Hong Kong China, Hungary, Singapore, Switzerland, New Zealand, Norway, Japan, the Philippines on behalf of ASEAN WTO Members, the European Community and its member States, the United States, Peru, the Republic of Korea (two submissions), Romania, Australia, Turkey, Pakistan, Canada and Morocco (WT/WGTCP/W/26-43 and 56). The Working Group had a further discussion of the informal note by the Secretariat on competition-related provisions in existing WTO agreements, noting that it in no way restricted the scope of issues to be examined by the Group and did not preclude any WTO provision from being raised. In response to a request, the Group agreed to invite SELA to attend its next meeting, as an observer, on an ad hoc basis.

5. At its meeting of 27-28 November, the Working Group continued its work on items I and II of the Checklist. It divided its discussion of item I into two components: the relationship between the objectives, principles, scope and instruments of trade and competition policy; and the relationship of trade and competition policy to development and economic growth. As at the previous meeting, item II was taken up by examining in turn each of the three sub-items. Written submissions were received from Colombia, the European Community and its member States, Kenya, New Zealand, the United States, Hong Kong China (two submissions), Canada (two submissions), Japan, Mexico, Argentina (WT/WGTCP/W/44-48, 50-55 and 57), Turkey and Brazil (non-papers). With respect to the relationship between competition policy, international trade and development, the Working Group was informed of a Symposium on this subject, jointly organized by the WTO, UNCTAD and World Bank Secretariats, that would be held on 29 November 1997. The Working Group agreed to renew the invitation to SELA to attend its next meeting as an observer on an ad hoc basis and agreed to revert to a request for observer status from the Organization of the Islamic Conference at its next meeting. With regard to the organization of its future work, the Working Group agreed to meet on the following dates in 1998: 11-13 March, 27-28 July, 23-25 September and 17-19 November. At the first three of these meetings, the Group will consider the various elements of item III, as set out in the work programme at Annex 2. It was understood that the Group would do this with the degree of flexibility necessary to ensure that all the elements of item III of the Checklist were adequately discussed. The Group will also deal at its first meeting in 1998 with some outstanding issues from the November 1997 meeting. It was understood that, at the third and fourth meetings, an opportunity would be provided to revisit any elements of the work programme on which Members felt further work was necessary and also to have a general review of the work of the Group with a view to the preparation and adoption of the Group's report.



ANNEX 1

CHECKLIST OF ISSUES SUGGESTED FOR STUDY

Non-Paper by the Chair

Revision

It was widely recognized that the Working Group's work programme should be open, non-prejudicial and capable of evolution as the work proceeds. It was also emphasized that all elements should be permeated by the development dimension. Particular attention should be paid to the situation of least-developed countries. In pursuing the items of its work programme, the Working Group should draw upon and avoid unnecessary duplication of the work of other WTO bodies concerned with specific trade measures as well as the work under way in UNCTAD and other organizations.

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- I. Relationship between the objectives, principles, concepts, scope and instruments of trade and competition policy.  
  
Their relationship to development and economic growth.
- II. Stocktaking and analysis of existing instruments, standards and activities regarding trade and competition policy, including of experience with their application:
  - national competition policies, laws and instruments as they relate to trade;
  - existing WTO provisions;
  - bilateral, regional, plurilateral and multilateral agreements and initiatives.
- III. Interaction between trade and competition policy:
  - the impact of anti-competitive practices of enterprises and associations on international trade;
  - the impact of state monopolies, exclusive rights and regulatory policies on competition and international trade;
  - the relationship between the trade-related aspects of intellectual property rights and competition policy;
  - the relationship between investment and competition policy;
  - the impact of trade policy on competition.
- IV. Identification of any areas that may merit further consideration in the WTO framework.

ANNEX 2

Work Programme for Meetings, Autumn 1997 and First Part of 1998

The following indicative work programme identifies issues drawn from the Chairman's Checklist on which the Group will focus in particular at each of the meetings in autumn 1997 and the first part of 1998.

<u>16-17 September 1997</u>	Items I and II
<u>27-28 November 1997</u>	Continuation of Items I and II
<u>First meeting 1998</u>	Item III: <ul style="list-style-type: none"><li>- General discussion.</li><li>- First bullet point (the impact of anti-competitive practices of enterprises and associations on international trade).</li></ul>
<u>Second meeting 1998</u>	Item III: <ul style="list-style-type: none"><li>- Second bullet point (the impact of state monopolies, exclusive rights and regulatory policies on competition and international trade).</li><li>- Fifth bullet point (the impact of trade policy on competition).</li></ul>
<u>Third meeting 1998</u>	Item III: <ul style="list-style-type: none"><li>- Third bullet point (the relationship between the trade-related aspects of intellectual property rights and competition policy).</li><li>- Fourth bullet point (the relationship between investment and competition policy).</li></ul>

SECTION XIV

WORKING GROUP ON TRANSPARENCY IN GOVERNMENT PROCUREMENT



**Working Group on Transparency  
in Government Procurement**

REPORT (1997) TO THE GENERAL COUNCIL

1. The Working Group on Transparency in Government Procurement was established by a decision at the WTO Ministerial Conference held in December 1996, "to conduct a study on transparency in government procurement practices, taking into account national policies, and, based on this study, to develop elements for inclusion in an appropriate agreement".

2. Following the agreement by the General Council at its meeting of 24 April 1997 to the appointment of Ambassador Werner Corrales Leal (Venezuela) as Chairman of the Working Group on Transparency in Government Procurement<sup>1</sup>, the Working Group held formal meetings on 23 May 1997, 21 July 1997 and 3 and 4 November 1997. Reports on these meetings have been circulated in documents WT/WGTGP/M/1-3.<sup>2</sup>

3. At the meeting of 23 May, presentations were made by the representatives of the UNCITRAL (the United Nations Commission on International Trade Law) and the World Bank on the relevant instruments and activities relating to government procurement in their organizations (WT/WGTGP/W/1 and 2), followed by comments and questions and answers with regard to these presentations (WT/WGTGP/M/1, Annex). Members made general remarks on how the Working Group could proceed in the study phase of its mandate. Japan made a written submission on elements of transparency in government procurement (Job No. 2860). The Working Group requested the Secretariat to prepare a paper presenting factual information on the provisions related to transparency in international instruments on government procurement procedures (the UNCITRAL Model Law on Procurement of Goods, Construction and Services; the World Bank Procurement Guidelines; the Plurilateral WTO Agreement on Government Procurement) and in WTO agreements. With regard to the information already collected on national practices by other bodies, the Working Group asked the Secretariat to make contact with APEC and the FTAA to invite them to make available what information they could share with the Group regarding the surveys they had undertaken. With regard to the relationship between the mandate of the Working Group and that of the Working Party on GATS Rules, the Working Group agreed that, while the Working Group's independence should be maintained vis-à-vis the Working Party on GATS Rules, the Chairman would seek to maintain contact with the Chair of that Working Party so as to facilitate any necessary coordination on practical matters. The Working Group noted that the IMF and the World Bank had observer status in this Working Group pursuant to the cooperation agreements concluded between the WTO and these organizations and agreed to invite UNCITRAL to attend its next meeting.

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<sup>1</sup>See document WT/L/215

<sup>2</sup>WT/WGTGP/M/3 to be distributed

4. At the meeting of 21 July, Members made general statements regarding the definition of the concept of transparency in government procurement in the study phase of the Working Group's mandate; ways of achieving the objective of transparency in the light of the diversity of procurement regimes of Members; and the aspects of transparency that the Working Group should cover in its study. The delegations of Canada and the United States made written submissions on elements relating to transparency in government procurement and on guiding principles respectively (Job Nos. 4099 and 4133). With regard to national procedures and practices, the Working Group had available to it information received from the APEC Government Procurement Experts Group (WT/WGTGP/W/4 and S/WPGR/W/21) and a note by the Secretariat "Synthesis of the Responses to the Questionnaire on Government Procurement of Services", which had been prepared at the request of the Working Party on GATS Rules (S/WPGR/W/20). The Working Group was presented factual contributions by the delegations of the European Community and New Zealand, describing their national procedures and practices relating to transparency in government procurement, (WT/WGTGP/W/5 and Job No. 5616) and invited other Members to provide similar information. The Working Group considered a note by the Secretariat on "Transparency-Related Provisions in Existing International Instruments on Government Procurement Procedures and in WTO Agreements" (WT/WGTGP/W/3) and agreed that the Secretariat would prepare a paper synthesizing the factual information on national procedures and practices available to the Working Group together with the information on the transparency-related provisions in existing international instruments. The Working Group agreed to invite the OECD and SELA to attend its next meeting on an *ad hoc* basis.

5. At its meeting of 3 and 4 November, the Working Group had before it a Secretariat note synthesizing the information on national procedures and practices relating to transparency available in the responses to the questionnaire on government procurement of services in the Working Party on GATS Rules, the surveys of government procurement systems of APEC economies, the sections on government procurement in the various Trade Policy Review Reports and the contributions submitted by delegations together with the information in the earlier note by the Secretariat on the transparency-related provisions in existing international instruments (WT/WGTGP/W/6). It discussed the issues before it by taking up in turn the subjects of sections II-X of the note, together with topic of special and differential treatment for developing countries and technical assistance. Written submissions were presented by Korea, Tunisia and Hungary containing factual information on their national procedures and practices (WT/WGTGP/W/7-9 respectively) and other written submissions were submitted by Norway, Switzerland and Japan (Job Nos. 5220, 6328 and 6329 respectively). The Working Group agreed that the Chairman would draw up, with the assistance of the Secretariat, a list of the issues that had been raised and the points that had been made on these issues, under each of the items that it had discussed. In response to a request by UNCITRAL, the Working Group agreed to grant observer status to the United Nations represented by UNCITRAL.

SECTION XV

COMMITTEES AND COUNCILS UNDER THE  
PLURILATERAL TRADE AGREEMENTS





**Committee on Government Procurement**

REPORT (1997) OF THE COMMITTEE ON GOVERNMENT PROCUREMENT

I. GENERAL

1. This Report is submitted pursuant to Article XXIV:7(a) of the Agreement on Government Procurement, which requires the Committee to review annually the implementation and operation of the Agreement and to inform annually the General Council of developments during the periods covered by such reviews.

2. The Agreement on Government Procurement entered into force on 1 January 1996. The period covered in this Report is January-September 1997, but the Report also reflects, where necessary, the work of the Committee in 1996 (GPA/8 and Add.1). The Committee on Government Procurement held three meetings in 1997: on 24 February, 21 May and 29 September (GPA/M/5-7).

3. The following WTO Members are Parties to the Agreement: Canada; the European Communities and fifteen member States; Hong Kong, China; Israel; Japan; Korea; Liechtenstein; the Kingdom of the Netherlands with respect to Aruba; Norway; Singapore; Switzerland and the United States. Nine WTO Members have observer status: Argentina; Australia; Bulgaria; Chile; Colombia; Iceland; Panama; Poland; and Turkey. Two non-WTO members, Chinese Taipei and Latvia, and two intergovernmental organizations, IMF and the OECD, also have observer status.

II. IMPLEMENTATION OF THE AGREEMENT

Modifications of Appendices to the Agreement

4. Article XXIV:6 of the Agreement requires Parties to notify rectifications of a purely formal nature or other modifications relating to Appendices I through IV, which set out the mutually agreed coverage provided under the Agreement. Consequential rectifications or modifications become effective once they are agreed to pursuant to the procedures under this Article.

5. Since the 1996 Report of the Committee, the European Community and the United States have notified modifications to Appendix I consequent on the enlargement of the European Communities on 1 January 1995 to include Austria, Finland and Sweden. These modifications entered into force on 16 January 1997 (WT/Let/135). Following an agreement reached between Switzerland and the United States, the General Notes to Appendices I of Switzerland and of the United States have been modified (GPA/W/41 and 42) to reflect the reciprocal extension of the scope of the Agreement. These modifications entered into force on 22 June 1997 (WT/Let/146). Israel and the European Community modified their respective Appendices I reflecting an agreement reached between the two Parties (GPA/W/54 and GPA/W/55). The modifications entered into force on 28 September 1997 (WT/Let/184) and on 29 September 1997 (WT/Let/185). Pursuant to the accession of Hong Kong to the Agreement on 19 June 1997, Norway, the European Community and Switzerland made consequential modifications to their respective General Notes to Appendix I reflecting the extension of the scope of the Agreement to Hong Kong (GPA/W/43, GPA/W/44 and GPA/W/47 and Add.1). These modifications entered into force on 29 June 1997 (WT/Let/152), on 9 July 1997 (WT/Let/162) and on 23 October 1997

(WT/Let/194). During the review period, Japan (GPA/W/27 and GPA/W/31), Switzerland (GPA/W/45), Norway (GPA/W/46) and Hong Kong, China (GPA/W/56) made rectifications of a formal nature relating to their Appendices. In accordance with the procedures of Article XXIV:6, these rectifications were certified respectively on 5 November 1996 in WT/Let/119, on 4 January 1997 in WT/Let/134, on 16 August 1997 in WT/Let/164, on 12 July 1997 in WT/Let/163, and on 5 October 1997 in WT/Let/183). Proposals for modifications relating to Appendices 1-IV have also been notified by the European Community (GPA/W/51). The procedures are under way for putting these modifications into effect in accordance with Article XXIV:6.

6. The Committee also discussed the follow-up to Canada's offer, contained in its Appendix I, Annexes 2 and 3, to cover sub-central government entities and enterprises in all ten Provinces, on the basis of commitments received from the Provinces, with a final listing to be provided within 18 months after the conclusion of the Agreement. Canada's stated position since the entry into force of the Agreement, linking the tabling of its schedule at the sub-central level to achieving increased market access in sectors of priority interest to Canadian suppliers and improving security of market access through circumscribing the use of small business and other set-aside exceptions under the Agreement, remained unchanged. Some other Parties expressed their disappointment over the situation, stressed the need for Canada to honour its commitments and considered that the problems raised by Canada with respect to expanded coverage of the Agreement could only be addressed once Canada had come forward with offers pursuant to its commitments in its Annexes 2 and 3. Canada has asserted that it did not undertake obligations regarding Annexes 2 and 3, and has reiterated that its coverage was to be based on commitments received from the Provinces. Canada has also asserted that, as no commitments have been received, it is under no obligation to put forward an offer under these Annexes.

#### Loose-leaf System for Appendices

7. As agreed at its meeting of 4 June 1996, the Committee will establish a loose-leaf system with legal effect to maintain up to date the Appendices to the Agreement. At its meeting on 24 February 1997, the Committee agreed to the procedures for subsequent modifications to the loose-leaf system (GPA/W/35). In addition to being made available in hard-copy form, the loose-leaf system and future new or replacement pages will be circulated to Parties and other WTO Members in electronic form through the WTO Document Dissemination Facility. An up-to-date copy of the loose-leaf system will also be available to the general public through the government procurement site on the WTO Home Page on the Internet.

#### Government Procurement Site on the WTO Home Page

8. A site on Government Procurement was established at the WTO Home Page on the Internet in order to provide information to the public at large on developments relating to the Agreement on Government Procurement. The section of the site on the Agreement on Government Procurement includes an overview, the text of the Agreement, a list of Members and observers, a table of thresholds of individual Parties, information on the work of the Committee (Decisions of the Committee, Annual Report to the General Council) and information on dispute settlement. Where appropriate, linkage is provided to WTO documents on-line. An up-to-date copy of the loose-leaf system of Appendices will also be accessible on this site. Other sections on this site relate to the activities of the Working Group on Transparency in Government Procurement and of the Working Party on GATS Rules. Links are also provided to other sites on government procurement. The site address is <http://www.wto.org/wto/govt/govt.htm>.

### Accessions

9. Pursuant to the Committee's Decision on the Accession of Hong Kong of 5 December 1996 (GPA/9), Hong Kong deposited its instrument of accession on 20 May 1997. The Agreement entered into force for Hong Kong on 19 June 1997 (GPA/14 and WT/Let/141). As foreseen in paragraph 3 of the Decision, Hong Kong will delay the application of paragraphs 2-8 of Article XX of the Agreement on challenge procedures for a period of no more than one year after the entry into force of the Agreement for Hong Kong. Before its accession to the Agreement, Hong Kong forwarded a communication to the Committee concerning a commitment with respect to procurement by two electrical utility companies which were not subject to government control in Hong Kong (GPA/11). As indicated in paragraph 5 above, the European Community, Norway and Switzerland notified modifications to the General Notes to their respective Appendices I to reflect the extension of the Agreement as regards the award of contracts in the electricity sector with respect to the suppliers and service providers in Hong Kong (GPA/W/44, GPA/W/43 and GPA/W/47 and Add.1).

10. Pursuant to the Committee's Decision on the Accession of Liechtenstein of 24 February 1996 (GPA/3), of which the one-year validity period was extended for a period of six months, i.e. until 27 August 1997 at the request of Liechtenstein (GPA/W/34 and GPA/M/5, paragraph 35), Liechtenstein deposited its instrument of accession on 19 August 1997. The Agreement entered into force for Liechtenstein on 18 September 1997 (GPA/16 and WT/Let/166).

11. Pursuant to the Committee's Decision on the Accession of Singapore of 20 September 1996, inviting Singapore to accede on the terms attached to that Decision (GPA/6), Singapore deposited its instrument of accession on 20 September 1997. The Agreement entered into force for Singapore on 20 October 1997 (GPA/18 and WT/Let/179).

12. Chinese Taipei applied for accession to the Agreement in June 1994 (GPA/IC/5). At its May 1997 meeting, the Committee was informed of the improvements that Chinese Taipei had made in the second revision of its offer of March 1997 following bilateral consultations held with interested Parties (GPA/SPEC/1/Rev.1).

13. In accordance with a commitment undertaken by Panama in the Report of the Working Party on the Accession of Panama to the WTO (WT/ACC/PAN/19, paragraphs 68 and 116 and Protocol, Part I, paragraph 2), Panama applied for accession to the Agreement and tabled an initial offer of its entities on 24 June 1997 (GPA/W/53 and GPA/SPEC/3).

### Decisions on Procedural Matters

14. In accordance with the Decision on the Procedures for the Notification of National Implementing Legislation and the Checklist of Issues (GPA/1/Add.1), Parties agreed to notify their legislation no later than 31 December 1996. As of 1 November 1997, four delegations - Canada, Korea, Norway and Switzerland - have notified their national implementing legislation including their responses to the Checklist of issues (GPA/10, GPA/12/Rev.1, GPA/13 and GPA/15).

15. In accordance with the Decision on Modalities for Notifying Threshold Figures in National Currencies (GPA/1, Annex 3), all Parties have notified thresholds in their respective national currencies for the periods 1996-97 (GPA/W/12 and Addenda 1-8).

16. In accordance with its Decision on Procedures for the Circulation and Derestriction of Documents (GPA/1/Add 2), the Committee agreed to derestrict the documents listed in document GPA/16 on 20 May 1997.

### Statistical Reporting

17. Article XIX:5 requires Parties to collect and provide on an annual basis statistics on their procurements covered by the Agreement. No Parties have provided statistics on their procurements covered by the Agreement in 1996.

### Other Matters Raised by Parties

18. At its February and May 1997 meetings, the Committee took note of statements concerning the legislation enacted by the State of Massachusetts regulating State contracts with companies doing business with or in Myanmar (GPA/M/5, paragraphs 47-52 and GPA/M/6, paragraphs 19-21). A request for information by Japan, pursuant to paragraphs 1 and 3 of Article XIX of the Agreement and dated 10 March 1997 (GPA/W/39) was responded to by the United States on 8 August 1997 (GPA/W/52). A request for consultations by the European Communities was communicated on 20 June 1997 pursuant to Article 4.4 of the DSU (WT/DS88/1-GPA/D2/1). In a communication dated 27 June 1997, Japan requested to join those consultations under Article 4.11 of the DSU (WT/DS88/2). In a subsequent communication dated 18 July 1997, Japan also requested consultations regarding this matter (WT/DS95/1-GPA/D3/1). In a communication dated 23 July 1997, the European Communities requested to join those consultations under Article 4.11 of the DSU (WT/DS95/2).

19. At its February and May 1997 meetings, the Committee took note of statements concerning a procurement tender published by the Ministry of Transport of Japan to purchase MTSAT Satellite-based Augmentation System (MSAS) (GPA/M/5, paragraphs 53-55 and GPA/M/6, paragraph 22). A request for consultations by the European Communities was communicated on 26 March 1997 pursuant to Article 4.4 of the DSU (WT/DS73/1-GPA/D1/1). The United States request of 9 April 1997 to join the consultations (WT/DS73/2) pursuant to Article 4.4 of the DSU was accepted by Japan on 14 April 1997 (WT/DS73/3). In a communication dated 31 July 1997, the European Community notified that it had found a mutually agreed solution with Japan within the meaning of Article 3.6 of the DSU (WT/DS73/4/Rev.1 and GPA/D1/2/Rev.1). Pursuant to Article 3.6 of the DSU, the United States has requested information regarding the mutually agreed solution reached between the two Parties.

20. At its May 1997 meeting, the Committee took note of a statement concerning a recent supercomputer procurement by the United States (GPA/M/6, paragraphs 23-26).

### III. MODALITIES FOR THE REVIEW OF THE AGREEMENT

21. Article XXIV:7(b) and (c) of the Agreement calls on the Parties, not later than the end of the third year from the date of its entry into force, to undertake further negotiations, with a view to improving the Agreement and achieving the greatest possible extension of its coverage among all Parties and eliminating any remaining discriminatory measures and practices. As stated in its 1996 Report to the General Council, the Committee agreed to undertake an early review, starting in 1997 with an examination of modalities. The review will, in particular, cover the following elements: simplification and improvement of the Agreement, including, where appropriate, adaptation to advances in the area of information technology; expansion of the coverage of the Agreement; and elimination of discriminatory measures and practices which distort open procurement (GPA/8 and Add.1). An objective of the review is the expansion of the membership of the Agreement by making it more accessible to non-Parties. In this connection, a communication was sent by the Chairman of the Committee to the WTO Members, drawing their attention, as well as the attention of governments which are in the process of acceding to the WTO, to the review and inviting them to participate as observers in the meetings of the Committee (WT/L/206). The work was initiated in February, May and September 1997 in informal consultations and on the basis of proposals by various Parties. In the next such consultations, to be held in November 1997, the Committee will have focused discussions on: issues of non-

discrimination in connection with information technology; improvements to the structure and presentation of the Agreement; and discriminatory provisions in Appendices on the basis of written proposals from Parties. The status of the discussion of the elements of the review is contained in an informal Checklist of issues which is regularly updated.



REPORT (1997) OF THE COMMITTEE ON  
TRADE IN CIVIL AIRCRAFT

1. This report is submitted under Article 8.2 of the Agreement on Trade in Civil Aircraft (hereinafter the "Agreement") and Article IV.8 of the Marrakesh Agreement Establishing the World Trade Organization. It sets out the activities of the Committee since November 1996.
2. On 24 November 1997 there were 23 Signatories to the Agreement: Bulgaria, Canada, the European Communities, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Egypt, Japan, Macau, Norway, Romania, Switzerland and the United States. Greece has signed the Agreement subject to ratification. The other countries with observer status in the Committee are: Argentina, Australia, Bangladesh, Brazil, Cameroon, the Czech Republic, Finland, Gabon, Ghana, India, Indonesia, Israel, Malta, Mauritius, Nigeria, Poland, Singapore, the Slovak Republic, Sri Lanka, Trinidad and Tobago, Tunisia and Turkey. In addition, China, the Russian Federation and Chinese Taipei have observer status in the Committee. The IMF and UNCTAD are also observers.
3. The Committee on Trade in Civil Aircraft (hereafter the "Committee") held meetings in the period under review on 16 June and 24 November 1997.
4. At the meeting of 16 June 1997 (TCA/M/5), the Chairman recalled that significant legal uncertainty surrounded the relationship between the Agreement and other WTO Agreements as a result of the continuing failure to adapt the Agreement to the WTO structure. The Chairman indicated that he would explore all available options to resolve the matter, including suspension or termination of the Agreement. The Committee also elected Ms Eva Rygh (Norway) as Vice-Chairperson, and one Signatory raised issues concerning Articles 3 ("Technical Barriers to Trade") and 4 ("Government-Directed Procurement, Mandatory Sub-Contracts and Inducements") of the Agreement under "Other Business".
5. At the meeting of 24 November 1997, the Chairman reported that in informal consultations held in October 1997, a majority of Signatories consulted expressed their opposition to suspension or termination of the Agreement. The Committee adopted the 1997 Annual Report to the General Council.
6. The Sub-Committee of the Committee on Trade in Civil Aircraft did not meet during the period under review.





INTERNATIONAL DAIRY COUNCIL

Report to the General Council

Report by the Chairperson of the International Dairy Council  
in Accordance with Article IV:8 of the WTO Agreement

1. The International Dairy Agreement entered into force on 1 January 1995 for a period of three years. As of 30 September 1997, the following were Parties to the Agreement: Argentina, Bulgaria, Chad, the European Communities (15), Japan, New Zealand, Norway, Romania, Switzerland and Uruguay. Other Members and intergovernmental organizations have been represented at meetings by observers.
2. The International Dairy Council (IDC) held its regular meeting on 30 September 1997, chaired by Ms. Brid Cannon (Ireland). A note by the Chairperson on this meeting was circulated as WT/L/230.
3. As a follow-up to the IDA's report of 1996 endorsed by Ministers at the Singapore Ministerial Conference (WT/L/178), a number of informal consultations on the future of the International Dairy Agreement were held. In the course of these consultations, the proposal was made to terminate the Agreement at the end of its current three-year term.
4. At its fourth meeting, on 30 September 1997, the Council considered a draft decision on the "Termination of the International Dairy Agreement". The Council adopted this decision by consensus. The International Dairy Agreement will thereby be terminated as of 1 January 1998 (IDA/8). The Decision contains the request that the WTO Ministerial Conference delete, in accordance with Article X:9 of the WTO Agreement, the International Dairy Agreement from Annex 4 of the WTO Agreement upon termination of the International Dairy Agreement.



INTERNATIONAL MEAT COUNCIL

Report to the General Council

Report by the Chairperson of the International Meat Council  
in accordance with Article IV:8 of the WTO Agreement

1. The International Bovine Meat Agreement entered into force on 1 January 1995 for a period of three years. As of 14 October 1997, the following were Parties to the Agreement: Argentina, Australia, Brazil, Bulgaria, Canada, Chad, Colombia, European Communities (15), Japan, New Zealand, Norway, Paraguay, Romania, South Africa, Switzerland, United States and Uruguay. Other Members and intergovernmental organizations have been represented at meetings by observers.
2. The International Meat Council (IMC) held its regular meeting on 19 June 1997 and was reconvened at a special meeting on 30 September 1997. The reports of these meetings were circulated, respectively, as documents IMA/7 and IMA/9. At the June meeting, Mr. Attie Swart of South Africa was elected as Chairman of the IMC.
3. In response to the request by the General Council that the Plurilateral Agreements consider appropriate action with respect to derestriction of documents (WT/L/160/Rev.1), the IMC adopted the decision on "Derestriction of Documents of the International Bovine Meat Agreement" (IMA/6).
4. As a follow-up to the IMC's report endorsed by Ministers at the Singapore Ministerial Conference (WT/L/179), a number of informal consultations on the future of the International Bovine Meat Agreement were held. In the course of these consultations, the proposal was made to terminate the Agreement at the end of its current three-year term. At its June meeting, the IMC agreed that the Chairman organize further informal consultations, with a view to reaching a final decision in September.
5. The sole purpose of the special meeting in September 1997 was to consider a draft decision on the "Termination of the International Bovine Meat Agreement". The IMC adopted this decision by consensus and the International Bovine Meat Agreement will thereby be terminated at the end of 1997 (IMA/8). The decision contains the request that the WTO Ministerial Conference delete, in accordance with Article X:9 of the WTO Agreement, the International Bovine Meat Agreement from Annex 4 of the WTO Agreement upon termination of the International Bovine Meat Agreement.