

# WORLD TRADE ORGANIZATION

RESTRICTED

**S/NGMTS/11**

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## **Negotiating Group on Maritime Transport Services**

### NOTE ON THE MEETING OF 8 MAY 1996

The Negotiating Group on Maritime Transport Services held its eleventh meeting on 8 May 1996. The Agenda of the meeting was contained in Airgram WTO/AIR/315.

Under item A of the agenda, submission of offers and item B, developments in bilateral negotiations, the Chairman began by taking stock. At the end of the Uruguay Round, 32 Members maintained commitments on maritime transport services in their final schedules. Since the current negotiations began, 5 of these Members - Australia, Canada, Japan, the Republic of Korea and New Zealand - had submitted conditional offers which improved upon their scheduled commitments. Conditional offers had also since been submitted by 7 other Members - Brazil, Chile, Colombia, Côte d'Ivoire, the European Communities and their Member States, Norway and Switzerland. At the previous meeting, a number of NGMTS participants had indicated their intention to table new comprehensive offers or to offer improvements in their scheduled commitments on a conditional basis.

The European Communities recognized that there was concern among Members about the implications for the current negotiations of the outcome of the basic telecommunications negotiations. It felt, first of all, that a substantial package had been put together in the basic telecommunications negotiations and that a valuable effort had been saved. The European Communities remained as supportive of the current negotiations as ever. Furthermore, in its view the negotiating situation in maritime transport was different from that in telecommunications and financial services: the challenge in maritime was not so much to liberalize as to bind the existing openness of most trade regimes. The key to success would have to be a coordinated effort to create a comparable level of binding commitments. The European Communities' initiative to provide renewed impetus to the current negotiations was welcomed and strongly supported by Australia, Canada, Indonesia, Japan, the Republic of Korea and Norway. There was widespread recognition of the importance of the current negotiations for the multilateral trading system, and the damage that failure would do to the credibility of the GATS.

Cyprus and Mexico promised to submit conditional offers in the near future, while Australia, Canada, Hong Kong, Indonesia and the Republic of Korea indicated that they were considering improvements in their conditional offers/Uruguay Round commitments. Indonesia said that its offer, which would include improvements on all three pillars, should be seen in light of Article XIX of the GATS which provided developing country Members with appropriate flexibility in making commitments. The Republic of Korea said that the absence of offers from some countries made it difficult to overcome domestic resistance to making further improvements in its already comprehensive offer. Disappointment was again widely expressed with the absence of an offer from one major participant. The United States said that it was still keeping an open mind and had used its intensive round of bilateral meetings to communicate its interests and concerns to trading partners. The Chairman encouraged participants not to delay making improvements which would in any case be conditional on a genuinely multilateral outcome.

Most participants expressed satisfaction with their bilateral meetings. Australia, Canada and Norway indicated that their bilaterals had revealed that many countries were in the process of considering the possibility of improvements in their offers. Norway said that it would like to see the current negotiations lead to a wide range of bindings, with further liberalization in future rounds of negotiations. The United States, however, said that it had been encouraged to hear in previous meetings that a number of participants shared the United States view that a "standstill" was not enough.

The European Communities and the United States urged countries to follow the revised version of the draft schedule as closely as possible in submitting their offers. Japan, however, felt that the status of the revised version should be clarified, and noted that its comment, included in a paper circulated during the March session, had not been taken into account in the revised version. The Chairman noted that he had asked the Secretariat to circulate the revised version, with the inclusion of two scheduling options for multimodal transport given in the Australian discussion paper, on his own initiative. The present version, as was indicated in the covering note, was intended as a technical aid to participants and could be subject to further discussion and amendment.

Under item C, matters relating to paragraph 7 of the Decision on Negotiations on Maritime Transport Services, Japan regretted the implementation by the United States, despite the objections of many countries, of legislation which permitted the export of North Alaskan oil but reserved its transportation to United States ships. It said that this legislation was inconsistent with paragraph 7 of the Decision on Negotiations on Maritime Transport Services and with the bilateral treaty on commerce and navigation between Japan and the United States. The United States said that the issue had been covered fully in earlier meetings. The comments received by its Commerce Department prior to the enactment of the legislation had not included any from foreign governments, and the President had decided on 28 April 1996 that the law was in the national interest. The United States said that it would respond positively to the Japanese request for information on how the law was being implemented.

Under item D, dates of future meetings, the Chairman noted that there remained some important work to be done and presented a timetable which consisted of three periods of intensive work until the end of June deadline. The NGMTS will meet in the weeks beginning 20 May, 3 June and 24 June. Canada, European Communities, Hong Kong, New Zealand, Norway and the United States supported the time-table suggested by the Chairman. [After the meeting, the Chairman decided, in consultation with delegations, that the high level meeting, originally scheduled for 23 May 1996, would be held instead on 4 June 1996.]