

WORLD TRADE ORGANIZATION

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Negotiating Group on Maritime Transport Services

NOTE ON THE MEETING OF 25 JUNE 1996

1. The fifteenth meeting of the Negotiating Group on Maritime Transport Services took place on 25 June 1996. The agenda of the meeting was contained in Airgram WTO/AIR/368 of 21 June 1996.
2. The Chairman noted that he had consulted delegations on the three issues on which decisions were needed: what to do about the negotiating process itself - whether negotiations on maritime transport services would resume in the context to the new Round or at some earlier date; what to do about the offers on the table - whether to implement them as scheduled commitments or freeze them as conditional offers; and what to do about the current suspension of Article II - whether to renew it or let it lapse. On the basis of his consultations, and with the aim of harvesting the maximum from the current negotiations and to create the best possible basis for future negotiations, the Chairman put forward a proposal: first, negotiations would be resumed at the earliest date which would give a reasonable prospect of success, and certainly no later than the year 2000, when, in any case negotiations were mandated by the GATS; second, participants would consolidate, as specific commitments, the offers they now had on the table, on the basis of an agreement that these commitments could be modified, and if necessary withdrawn in the context of the resumed negotiations (this ability to revisit commitments would also apply to the commitments already in the schedules which were undertaken in the Uruguay Round); third, it would be agreed to maintain, until the conclusion of the resumed negotiations, the current suspension of Article II of the GATS in the maritime sector, in order to avoid the necessity for countries to take MFN exemptions.
3. The Philippines, speaking on behalf of the ASEAN countries, and Turkey supported the Chairman's proposal on the condition that similar support was forthcoming from major trading partners. The Philippines reminded participants that at the conclusion of the Uruguay Round, the ASEAN countries maintained their commitments on maritime transport services while other participants downgraded or even withdrew their offers. Other delegations responded to the Chairman's proposal by focusing on its individual elements.
4. The first element of the Chairman's proposal was generally acceptable to participants, even though there were differences of opinion regarding the precise date of resumption. Argentina, Canada, Hong Kong, India, New Zealand, Norway, United States, saw little point in reengaging prematurely and preferred to wait until the next round. Nigeria found it acceptable to wait until the next round, as did Australia, even though it would have preferred to resume before the next round. Brazil, Colombia, Cuba, the Dominican Republic, the European Communities, Mexico, Morocco, Switzerland and Turkey favoured a resumption of negotiations before the next round, some at an early date. Japan and the Republic of Korea would have preferred an extension of the negotiations by a short period, but were willing to agree to a resumption before the next round. Romania said that it may be better to continue negotiations rather than to suspend them, even if the deadline was far removed. While Poland supported this element of the Chairman's proposal, Chile was prepared to accept any consensus that emerged on the question.

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5. The second element of the Chairman's proposal was supported by Hong Kong, New Zealand and Norway who were keen to see a high level of consolidation of offers. Canada said that it would consider partial bindings on an MFN basis and a political commitment to implement the rest, provided others were willing to do the same. Australia suggested that it would maintain its Uruguay Round commitments and leave its best offer on the table if others did the same. Japan said that it too would consider a combination of consolidation and freezing if it were agreed to suspend negotiations only for a short period of time. Mexico said that if no consensus could be achieved on a temporary binding of offers, they should at least be frozen with a political commitment to implement them. Morocco said that all that had been achieved should not be lost and some compromise solution should be found. Argentina expressed legal doubts about the meaning of consolidation when the MFN obligation was suspended, and suggested that it may be more appropriate to make political commitments in the circumstances. Switzerland said that it would find it difficult to consolidate its offer but would consider making a political commitment. The Dominican Republic, the European Communities, Japan, Morocco and Switzerland were among those who believed that it may be necessary to be flexible regarding the second element of the proposal. Brazil, Cuba, Colombia, Dominican Republic, Nigeria, Poland, Romania did not support consolidation, and favoured only a freezing of offers. Chile and the European Communities said that they would find it difficult to make commitments in the absence of a truly multilateral agreement in which all major trading partners participated. The Republic of Korea said that it was not in favour of an agreement which would result in a small package which excluded certain major participants.

6. Australia, Brazil, Canada, Chile, Colombia, Cuba, the Dominican Republic, the European Communities, Japan, the Republic of Korea, Mexico, Morocco, Poland, Switzerland and Turkey supported the third element of the Chairman's proposal, i.e. a continued suspension of the MFN obligation. The European Communities, Morocco, Switzerland and Turkey were among those who said that it would be necessary to specify a firm date at which the suspension would end. The United States stated that it would consider suspension, even though this was not its preferred option, provided that negotiations would be resumed only with the new round. Hong Kong, India, New Zealand and Norway expressed strong concern about the continued suspension of the MFN obligation beyond the end of June 1996. Nigeria was willing to accept any consensus which emerged on this issue.

7. The European Communities, Singapore and Switzerland supported the idea of a peace clause, i.e. participants would not take any measures to improve their bargaining position. The United States said that it would be unprecedented to have a peace clause when there were no negotiations in progress.

8. Cuba and Iceland submitted conditional offers.

9. The Chairman said that he would continue informal consultations on his proposal with a view to arriving at a consensus.