

# WORLD TRADE ORGANIZATION

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Trade Negotiations Committee  
4-6 December 2002

## MINUTES OF MEETING

Held in the Centre William Rappard  
on 4-6 December 2002

*Chairman: Dr. Supachai Panitchpakdi (Director-General)*

### Subjects discussed:

- 1. Reports by the Chairpersons of bodies established by the TNC**
- 2. Outstanding implementation issues - reports by relevant WTO bodies pursuant to paragraph 12(b) of the Doha Ministerial Declaration**

### **1. Reports by the Chairpersons of bodies established by the TNC**

1. The Chairman introduced the reports by the Chairpersons of bodies established by the TNC. These reports had been circulated in the following official documents:

Special Session of the Committee on Agriculture:	TN/AG/5
Special Session of the Council for Trade in Services:	TN/S/4
Negotiating Group on Market Access:	TN/MA/5
Special Session of the Council for TRIPS:	TN/IP/4
Negotiating Group on Rules:	TN/RL/3
Special Session of the Dispute Settlement Body:	TN/DS/4
Special Session of the Committee on Trade and Environment:	TN/TE/3 and 4
Special Session of the Committee on Trade and Development:	TN/CTD/5

2. He noted his understanding that this last report was without prejudice to the position of any Member on the nature of the Special Session of the Committee on Trade and Development.

3. The negotiations had been running for almost one year, and his assessment was rather mixed. Progress had been made on all fronts, but in an uneven way, and perhaps not as quickly as needed. As he had said before, more clarity was needed in negotiating positions so participants could begin to forge consensus. And all the areas of negotiation needed to move forward together so all participants could have an early idea of the possible overall balance of gains and concessions under the single undertaking. He believed that this time around there might well be no room for a last minute deal.

4. Participants were at an important point. With a number of deadlines now before them, they all had to be aware of the danger involved in putting too much off for later. The same held true for the deadlines in March and May next year. They could not risk overloading the agenda for Ministers at Cancún. If that Ministerial Conference was not a success, then he feared the whole round could be put in jeopardy. He could not stress enough how important it was to have a good result from that meeting.

5. Everyone knew that the Doha Development Agenda was a key element of multilateral cooperation that would stimulate economic growth, bring greater stability into international economic relations and help developing countries grow their way out of poverty. If history had taught anything, it was that in periods of economic difficulty the temptation to turn inwards and to seek to address difficulties purely in a national context is greatest. But history had equally taught that such a course of action could be fatal. It was precisely at times like these that it was important to remind oneself of the importance of securing and advancing open markets. Participants had to resist together this temptation to turn inwards, by making an all-out effort to move forward in their endeavour.

6. The collective responsibility facing participants was enormous. But he firmly believed they were up to it. This Round could conclude successfully and on time. But for that to happen, courage and leadership were needed now.

7. Mr. Harbinson, Chairman of the Special Session of the Committee on Agriculture, said that his written report in document TN/AG/5 covered the November Special Session of the Committee on Agriculture and associated meetings and consultations. These activities had been devoted to follow-up work on some of the issues arising during the course of the year. Very useful discussions had taken place at the informal Special Session on Additional Specific Inputs, Special and Differential Treatment in the Context of Domestic Support, the Special Safeguard for Food Security Purposes, Export Credits and Tariff Quota Administration. Notably, no less than 27 specific inputs in writing had been received from a total of over 100 participants.

8. Perhaps not surprisingly, given this high level of activity and the detailed discussions that had followed the various presentations, it had not been possible to complete the agenda. Among the items that remained were the completion of discussions on tariff quota administration, food aid, state trading enterprises in the context of export competition and "other" specific issues or concerns. In some of these areas additional inputs had also been received from participants.

9. Overall, he believed that this recent work had yielded a number of positive results. The discussions had produced much food for further thought and, in one or two areas, it had been encouraging to see some common ground emerging. The areas where most progress had been made were export credits and tariff quota administration. These had benefited from some more focused informal technical work which had been conducted since September. It was his hope to extend the scope of this type of work to other rules-related areas, including those issues which it had not been possible to address in the time available in November.

10. But, although there had been some welcome progress, there was no point in hiding that in most areas of the negotiations the gaps in positions among participants remained wide. This was particularly so in terms of the general level of ambition needed to achieve the objectives set out in the Doha Ministerial Declaration.

11. It was his general impression that the Committee had had a reasonably productive series of meetings in the present year, and he commended participants for their hard work and good spirit. However, the high level of activity had not been matched by movement in positions. It had been evident for a while that, in key areas, participants were having difficulty in getting beyond a rather repetitive restatement of national positions. While necessary and informative, this method of proceeding could not continue any longer, as the deadline for establishing modalities was now looming.

12. Delegations would be aware that, under the agreed work programme, he was tasked to produce an "overview paper" by 18 December. In his view, this must set the scene for a new, more intensive, and more productive phase. He hoped that all participants would reflect deeply on the difficult task ahead and resume their work in a different frame of mind, attuned to the need to find accommodations in line with the Doha mandate. He was reassured when, as had often happened, participants restated their strong commitment to the Doha deadlines. These words were shortly to be

put to the test. He looked forward to a very intensive period of work over the next three months or so, culminating in the establishment of modalities by the end of March next year.

13. Ambassador Jara (Chile), Chairman of the Special Session of the Council for Trade in Services, said that his report had been issued in document TN/S/4 and he would not repeat what it contained but rather offer some personal views on the negotiations on services. These negotiations were proceeding well and in earnest. However, this was hearsay because the negotiations were almost 100 per cent bilateral and confidential. Therefore, he did not have an exact count of what was transpiring behind closed doors in the request/offer process. But, he believed that, counting the European Communities as one, more than 30 Members had submitted requests to other Members. This was a good sign because it revealed that the number of Members involved was increasing, and he had indications that more developing countries would submit requests. On the other hand, virtually all Members had received requests from one or more other Member, which was also a good sign in terms of the interest and engagement in the process. He also had indications that many of the requests made demonstrated the interest of Members in actually liberalizing trade in services and not just freezing an existing situation with regard to their regulations.

14. The modalities for the treatment of autonomous liberalization continued to be an outstanding item that required further attention by participants. This was mentioned in his report but he wished to highlight it because of its intrinsic importance. There remained some difficulties that would require more hard work, and although some Members had shown flexibility, still more was needed in order to reach an agreement. These modalities were required by Article XIX of the GATS, which was why the Special Session would continue its work towards a successful conclusion. However, he believed it was appropriate in the TNC to place these modalities in their correct perspective. At the end of the day, the modalities could only be applied in the context of bilateral negotiations between participants. They did not, by themselves, create or add any legal obligations, nor did they establish any automatic right to credit or recognition. By the same token, they did not subtract from any rights or obligations of Members. Anything that participants might agree on bilaterally would, at the end, prevail. Therefore, these modalities had to be taken for what they were. They would only constitute a consultative point of reference to help the bilateral negotiations.

15. Also outstanding, and in his view politically linked to the treatment of autonomous liberalization, was the situation of recently-acceded Members which had been raised in the context of that work. The Special Session was trying to find an appropriate format and language to reflect the concerns of these Members, such as a statement by the Chair to be made at the time the modalities on autonomous liberalization would be adopted. The recently-acceded Members had repeatedly made the point that in the process of accession they had made extensive commitments and therefore, some if not all of them, found it difficult to make additional commitments in some sectors. There was language in this regard in the Doha Ministerial Declaration. He had hoped that by the meeting of the Council in Special Session the following Monday enough progress would have been made to adopt the modalities and to make the Chair's statement on recently-acceded Members, however, his consultations in different formats indicated that more work was needed, as also more flexibility. I wished to underline this need, and the importance of movement in this respect, and to request from Members the appropriate political will and understanding so that an early consensus could be reached. This would greatly facilitate the negotiations. In addition, there was also a requirement in the GATS to develop modalities for the least-developed country Members. The Special Session was waiting for a contribution of a text from these Members.

16. He had stated that the negotiations were progressing in a satisfactory manner, but he should point out that some Members had indicated formally that the services negotiations were part of a much broader negotiating agenda and, therefore, participants should ensure that progress was achieved in a balanced manner across the broad front of the negotiations. The TNC Chairman had reflected this well in saying that progress had been made but it was not even. Linkages had thus been made, and participants should do their best to draw these linkages in a positive way.

17. As the date of the submission of initial offers approached, namely March 2003, and in keeping with its technical cooperation responsibilities, the Secretariat had organized a three-day workshop, on 27-29 November 2002, on the scheduling of commitments and drafting of initial offers. From what he had been told, this had been a highly successful endeavour. For this event the WTO had financed the participation of one capital-based official from each developing and least-developed country participating in the negotiations. No doubt this event had been exceptionally demanding on WTO resources, not only financially but also in terms of the time and effort devoted to it, but in his view this had been very much worthwhile and fruitful.

18. Ambassador Girard (Switzerland), Chairman of the Negotiating Group on Market Access, said that since the last meeting of the TNC, the Negotiating Group on Market Access had met twice, on 4-5 November and 2-3 December. His written report in document TN/MA/5 provided a summary of the discussion at the November meeting, and he wished to supplement that report with an overview of the discussion at the meeting held just prior to the TNC. It had been a most productive meeting. Several new proposals on the modalities on tariffs had been introduced and discussed, and important clarifications had been made to proposals tabled previously. Many substantive statements had been made, and participants had had a focussed debate on various issues pertaining to modalities. The discussion on non-tariff barriers had been less intensive and more general, which was only to be expected at the present stage. However, he hoped that, following the notification process which had been set in motion, more clarity and precision would be brought to this area of the negotiations, which he wished to stress was part of the market access negotiations as a whole. The Group had also discussed environmental goods. Clearly, this was a difficult subject as it required, depending on the way one wanted to tackle it, an understanding among Members on what should be considered as environmental goods. His intention was to get in touch again with the Chairperson of the Special Session of the Committee on Trade and Environment in order to discuss the outcome of this discussion and to compare it with what was happening in her group, so that the efforts made in the two groups on this subject could be reinforced.

19. In general, in spite of the initial delay in the work of his Group, he was very pleased with the way in which the discussions had been advancing and the very substantive work done by participants. In fact, since day one participants had been addressing the specifics of modalities. A lot of progress had been made in terms of clarification, and the phase of defining parameters had begun. The Group had also established a calendar of meetings up to 31 May 2003. However, he wished to express his concern regarding the limited number of dates which had been available for the Group to hold its meetings early the following year. In any case, participants had demonstrated a lot of flexibility, for which he was grateful. In the new year, the Group would have before it an overview of the proposals submitted by 31 December, and a compilation of non-tariff barriers notified to the Group. The Group would need to focus more on issues and reinforce its operationality. However, on the basis of the work done thus far, he suggested that the Group could enter with some confidence into the phase beginning in January 2003, which should lead to modalities by 31 May.

20. Ambassador Chung (Korea), Chairman of the Special Session of the Council for TRIPS, said that his report on the fourth Special Session of the Council for TRIPS could be found in document TN/IP/4. He wished to make brief comments on the work achieved in this first year after Doha and on what remained to be done. First, he had presented, after consultations, to the March meeting a roadmap for how to get from Doha to where the Special Session needed to be by the Fifth Ministerial Conference. The Special Session had agreed to work on the basis of an informal note he had put forward at the second meeting in June, in which he had attempted to draw a list of points and issues so as to have a more organized and structured discussion. He believed all participants had played by the rules of the game, responding in a positive way to the suggestions he had made for a clear discussion and exchange of views on their interests and concerns. There had been a good discussion on the points raised, including those relating to the "mechanics", namely the procedures, costs, and other aspects of the system being envisaged. He believed that delegations had made their best endeavours in explaining their positions and proposals for a system. In this regard, the discussions at the third

meeting in September and the fourth meeting in November had proven to be useful. In the light of all these elements, he believed that part of the road to Cancún had been travelled.

21. However, the fact remained that positions were still wide apart. This was mainly due to the fact that all the proposals on the table reflected two approaches which were, from a systemic point of view, very different. These approaches were on the one hand, a database system to which Members would have regard when deciding what geographical indications to protect nationally and, on the other hand, a registration system which, once a name had been registered at the multilateral level, would create a presumption of protectability at the national level in a Member unless the notified name had been opposed by that Member.

22. His sense was that, to get from where it was at the present to the Cancún target date, his group would need to work harder. Delegations would need to show flexibility in the months ahead so as to make it possible to develop a common basis for the negotiations in good time. Therefore, in addition to three formal meetings next year before Cancún, he intended to hold as many informal consultations as necessary. He had also indicated that, while he would prefer that a common basis for negotiations emerge from delegations, it seemed increasingly unlikely that this would happen. If that was the case, he would prepare one on his own responsibility, without prejudice to the positions of Members and without prejudging the outcome of the negotiations. As he was aware that he would have only one opportunity to make such an intervention, he would work very carefully in producing this paper. With regard to the timing of the introduction of this paper, while he understood concerns about introducing the Chair's text prematurely, he believed the group also needed to be aware of the mandated deadline for its negotiations.

23. Ambassador Groser (New Zealand), Chairman of the Negotiating Group on Rules, said that he wished to make some remarks to elaborate on his written report in document TN/RL/3. He believed there was now quite a high degree of understanding amongst delegations that the mandate of the Rules Group was very sophisticated and subtle. He still had confidence that the Group could move seamlessly, in due course, to the subsequent phase of work. His responsibility as Chair was to ensure that there was enough proposals on the table before commencing a real negotiation. The work on anti dumping was proceeding well, although some major Members could do better. There was a lot of materiel on the table in the form of proposals, including a large number of implementation issues. On the work on countervailing duties, there was steady progress with some interesting issues on the table. Some issues had been well discussed in the regular committee, but a negotiation was fundamentally different, and he would encourage participants not be discouraged in this area. On subsidies, with the exception of fisheries subsidies, there had been until recently little on the table. The Group was now starting to make progress in this area, although it had been lagging until the present. On regional trade agreements, there was a lot on the table, which was why he moved into informal mode. This was much more productive and seemed to be appreciated by all delegations. Important issues on transparency were starting to be identified, in the hope that the blockage in this area in the WTO could be removed. Overall, there was no sense of complacency in saying that the Group was on track and no-one denied that there were some acutely difficult issues. Finally, the discussion was starting to be informed by some informal linkages coming in from other negotiating groups as they acquired critical mass, in particular the Negotiating Group on Market Access.

24. Ambassador Balás (Hungary), Chairman of the Special Session of the Dispute Settlement Body, said that the latest status of the Special Session's work was reflected in his report contained in TN/DS/4. Since his previous report, two meetings of the Special Session had been held in October and November, and he would make two general observations on where his group stood at the present time and on the work to come. He believed the current state of play in the DSB Special Session was satisfactory overall in at least two respects. Firstly, he believed the group had now clearly achieved the objective of having before it a critical mass of proposals which reflected a broad range of perspectives. Some 18 contributions had been officially circulated, many of which overlapped in their subject matter. Of course, the sheer number of subjects on the table also increased the challenge of completing the work within the mandated deadline, but he believed the most important point was to

welcome the engagement shown by various groups of players. This included some major current users of the Dispute Settlement system, but also Members or groups of Members which had not thus far been active users of the system and who were also actively contributing to the efforts of the Special Session in seeking to improve or clarify the DSU. He believed this was an important achievement of the work thus far.

25. Secondly, on the basis of these submissions, the group had been able to engage constructively in the task of exploring the numerous negotiating issues put forward, in a systematic manner. It had continued the issue-by-issue discussion initiated at its September meeting, and he expected to complete a first examination of all issues in that format by the next meeting in December. He believed this work had been very useful, and important in giving all delegations an opportunity to explore the details and implications of the proposals. The issues under consideration were now numerous, and sometimes very complex or far-reaching, so this exploration was necessary for participants to be able to fully assess what was at stake in each proposal. This should provide a good basis for the next phase of the work, which was to lead to an agreed text.

26. The second issue he wished to address was the future work. As he had just noted, the group had thus far been successful in gathering a significant number of proposals for the improvement or clarification of the DSU and in exploring their elements in a manner allowing participants to assess them. Some might even say that it was too successful, because the number of issues it had to consider by the mandated deadline of May 2003 was considerable. It now had effectively less than 6 months to conclude these negotiations and reach an agreed text. The group had almost completed the necessary groundwork that should allow it to move to the next phase, namely the consideration of specific texts. However, he did not believe that, on the basis of the discussions thus far, it was possible at this stage to identify or single out specific issues or areas on which all participants might agree that consensus could be sought.

27. He intended, therefore, to propose to engage participants in a further discussion based principally on specific texts put forward by them. This was a matter which he intended to revert to and discuss with participants at the next meeting in mid-December. The group would clearly need to work very intensively in this phase in order to clarify as early as feasible the possible basis for an agreed text. The short time-frame for the conclusion of the work certainly heightened considerably its challenges. But the number of proposals now before the group was a testimony to participants' commitment to this process and their desire to engage in constructive debate. So he would count on participants' continued dedication over the remaining few months. Finally, he wished to express his appreciation for the professional and matter-of-fact approach by delegations during the discussions. This attitude would clearly also be needed in the following months.

28. Ambassador Biké (Gabon), Chairperson of the Special Session of the Committee on Trade and Environment, said that her group had met twice since the last TNC. A formal meeting had taken place on 10-11 October and her report was contained in document TN/TE/3, while the report on the informal meeting held 12 November was in document TN/TE/4. At the October meeting, the Special Session had taken up the three points of paragraph 31 of the Doha Declaration. A useful discussion had taken place on the fundamental issues under paragraph 31(i), in which participants had examined the key concepts of the mandate, namely the definition of a MEA, specific trade obligations and relevant WTO rules. A number of participants had stressed that it was too early to prejudge the outcome of the negotiations in this area since the work was still in the preparatory phase. It had been agreed that the Secretariat would produce a compilation of the proposals submitted on this point. On paragraph 31(ii), suggestions had been made on ways to improve information exchange, such as the institutionalization of MEA information sessions, the creation of a two-way information flow between the WTO and MEA Secretariats and the organization of WTO side-events at the Conferences of Parties of MEAs. Two issues had been discussed with regard to the question of observer status: (i) observer status in the Special Session itself; and (ii) the criteria for the granting of the observer status to be established under paragraph 31(ii). With respect to the first point, a suggestion had been made that observer status in the Special Session be granted to UNEP and MEA Secretariats on an ad

hoc basis, without prejudice to the consultations under the TNC and General Council. In general, participants had expressed support for an expeditious resolution of the observer status question in the Special Session. On the second point, two proposals had been made – that a positive presumption be established in favour of granting observer status to the Secretariats of MEAs and UNEP, and that the Special Session Chair consult with the Secretariats of MEAs and UNEP to identify the WTO bodies to which they could contribute. However, no decision had been taken on these proposals. Some delegations had maintained that since the TNC and General Council were considering the question of observer status, the Special Session should await their decision. However, other participants had countered that it was important not to empty the paragraph 31(ii) mandate of the substance set out by Ministers, namely that the Special Session had a role to play in this respect.

29. On paragraph 31(iii), participants had been informed of the consultations that had taken place between the Chairs of the Negotiating Group on Market Access, the Special Session of the Council for Trade in Services and the Special Session of the Committee on Trade and Environment. The consultations had been aimed at avoiding duplication of work under paragraph 31(iii) and to enhance information flow between the three negotiating bodies. Several delegations had mentioned the work that had been conducted by the Organization for Economic Cooperation and Development (OECD) and the Asia Pacific Economic Cooperation forum (APEC) on environmental goods, with some suggesting that it could be taken as a basis for work under this mandate. The point had also been made that technical assistance would help identify the environmental goods of export interest to developing countries.

30. On 12 November, an informal meeting had been devoted to information exchange with the Secretariats of various MEAs and UNEP on paragraph 31(ii), in which executive secretaries of several MEAs had taken part. This had been the first meeting of this type to be held in the context of the negotiations. On the question of information exchange, a number of MEA representatives had stressed that this was essential to ensuring mutual supportiveness between MEAs and WTO rules, and that cooperation between the WTO and MEA Secretariats contribute to sustainable development. Specific proposals on information exchange had been made by the representatives of certain MEA Secretariats, such as that: (i) consultations begin between the WTO and Parties to MEAs, and not just MEA Secretariats; (ii) all relevant WTO Committees, and not just the Committee on Trade and Environment, be encouraged to engage in information sessions with MEA Secretariats; (iii) the WTO create opportunities for information exchange with MEAs Secretariats at their Conferences of Parties; and, (iv) MEA Information Sessions be given greater attention in future. It had also been proposed to group MEAs having common interests in certain issues, such as trade in illegally harvested wood or dangerous chemicals. The representatives of the MEA Secretariats had called for observer status to be granted for the Special Session and relevant WTO bodies. By way of example, they had pointed to their own rules on observer status which allowed other organizations to participate in their work by simply expressing an interest in doing so. She wished to point out that the International Tropical Timber Organization had insisted on this, and had deplored the weak relationship it had with the WTO. In her view, there was a real wish on the part of the MEA Secretariats to cooperate closely with the WTO and to be granted observer status.

31. An informal consultation on the structure of work under the paragraph 31(i) mandate had also been held, since no agreement had been reached in the formal meeting on how to undertake this work. This had taken place on 12 November, and Members had decided that the Special Session would focus on specific trade obligations in relevant MEAs, and that this would not preclude addressing any definitional or other issues. In conclusion, the Special Session had concluded its schedule of four meetings for 2002 and 18 submissions had been received. The procedural phase had thus been concluded and the Special Session would move on to an analysis of the negotiating mandate. She wished to note the real willingness of Members to progress in these negotiations and the clear dynamism in the work. These were good signs, since the work would move on to some fundamental issues.

32. Ambassador Smith (Jamaica), Chairman of the Special Session of the Committee on Trade and Development, said that his report on the work of the CTD Special Session since the TNC last met was contained in TN/CTD/5. There were two minor amendments he wished to make to the report in the interest of accuracy. In paragraph 2, the sentence which read: "Annexed to this report is the list of Agreements discussed at each meeting." should read "Annexed to this report is the list of Agreements on which proposals relating to specific provisions were discussed at each meeting." Correspondingly, the heading of Annex 1 should read: "Agreements on which Agreement-specific proposals were discussed during "back to back" meetings". The report indicated that seven meetings had been held since the last TNC, and that a number of submissions had been made. It indicated the areas on which discussions had taken place – Agreement-specific proposals, cross-cutting issues and institutional proposals, primarily the Monitoring Mechanism. The report pointed to the fact that, despite an increased level of engagement, there were still significant differences amongst Members which needed to be bridged.

33. Since the report had been prepared, five additional submissions had been received from Members, adding to the eight submissions referred to in paragraph 1 of the report. The fourteenth Special Session of the CTD had also been convened the previous day, as foreshadowed in paragraph 11 of the report. A draft report to the General Council had been made available to Members at that meeting, and it had been given preliminary consideration. The draft report (TN/CTD/W/25) would be discussed again later in the week with a view to its adoption. The Special Session had also had consultations on Agreement-specific proposals and on the question of the Way Forward, both being particularly pressing issues given the state of the work and the impending deadline for reporting to the General Council. The draft report circulated to Members the previous day provided three options on the Way Forward. It was his view that the Special Session should recommend a single option to the General Council. He wished to emphasize that the draft report did not, at this point, include any recommendations for decision on Agreement-specific proposals. As Members were aware, more than 80 of these proposals had been submitted by developing countries to the Special Session. In recent days, the level of engagement, which had been increasing since the summer break, had intensified. He had held consultations on a list of 30 or so proposals, drawn up on his own responsibility, and identified by him as proposals which the discussions held in the Special Session had seemed to indicate might possibly be amenable to agreed solutions. A group of countries had also put forward a contribution that constituted their suggested decisions on a number of Agreement-specific proposals. Notwithstanding these developments, he was very concerned at the wide gap that existed between the expectations of proponents, as contained in their proposals, and reaffirmed in their statements, and the responses that were being made.

34. Many Members had emphasized the importance of making good progress in the work of the Special Session, and had often drawn attention to possible wider implications for the Doha process should there be failure to do so. He frankly believed that much would depend on delivering in the present month as ambitious an outcome as possible on the Agreement-specific proposals, and on providing, as well, and in the light of experience so far, clear and judicious guidance to the General Council in respect of further work. He would conclude by stating that he did not believe much could, or would be achieved, if some Members chose now to simply dig themselves deeper into entrenched positions. Levels of ambitions sometimes needed to be raised; sometimes as well expectations needed to be lowered; and, above all, especially when deadlines were imminent, clear signals needed to be exchanged regarding acceptable bottom-lines on all sides. He did not believe it was too late for a constructive and more intensive interactive process to yield results in narrowing gaps on some Agreement-specific proposals, and, importantly also, on the Way Forward. The Special Session had only a few days now in which to do this and he certainly hoped that Members would respond commensurate with the urgency and the widely-acknowledged importance of the task.

35. The Chairman thanked the Chairpersons for their reports. Everyone was very aware of the great efforts they were all putting into their work, and he was very appreciative of these efforts. Since the October TNC meeting, he could detect substantial progress being made on all fronts, and



participants should be heartened by this and keep it in mind as they move ahead to meet the forthcoming deadlines.

36. All the delegations who spoke thanked the Chairpersons for their reports and for their hard work and their continuing efforts to move the respective negotiations forward. They also thanked the Chairman for his opening remarks.

37. The representative of Japan said that from the Chairman's statement and the various reports his delegation understood the sense of urgency running through the respective discussions held thus far. Although the negotiations in general had seen substantial discussions, Japan agreed with the Chairman that the progress in different groups had been uneven. More balanced progress was needed. More realistic and flexible approaches had to be adopted in areas where there was a wide gap in the positions if the important benchmarks of the Doha Declaration were to be met.

38. On TRIPS and Public Health, Japan was concerned that, in spite of the commendable efforts by the Chairman of the TRIPS Council and the good will on all sides to translate the spirit of Doha into concrete language, consensus had not yet been found on some of the issues. Any attempt to add to, or to diminish, the agreements of Ministers at Doha would make forging consensus difficult. Members had to show maximum flexibility to work towards narrowing down their differences on this basis. The following week was the last chance for Members to demonstrate that the WTO remained relevant and responsive to the present, and to development and humanitarian issues.

39. On Special and Differential (S&D) treatment, Japan commended the untiring efforts made by the Chairman of the Special Session of the Committee on Trade and Development (CTD) and took note of his report which stated that further work would be needed to fulfil the mandate given by Ministers at Doha, despite the fact that a significantly increased level of engagement had been shown by Members. Japan was prepared to be fully engaged in this work until the very last minute. It would be necessary to decide whether future work would be needed. S&D was indeed a complex and difficult issue; however, progress had been made. In fact, Japan was among the Members who had suggested possible language for some 30 Agreement-specific proposals. Japan had strongly committed itself to work with other Members in order to produce as many doables as possible before the December deadline and to continue to do so even after then. As the report had suggested, there remained other important issues that required further work, including the establishment of the Monitoring Mechanism, cross-cutting issues, and issues relating to paragraph 12.1(iii) of the Ministerial Decision on Implementation. Therefore, Japan believed that Members should agree on a new deadline and a new structure for further work so that they could deal with the Agreement-specific proposals in a more efficient and focused manner. Japan was ready to work with other Members in this regard.

40. Japan considered it indispensable to maintain balanced progress in the comprehensive negotiations. The comprehensive agenda included not only agriculture and services, which were part of the built-in agenda, but also improvement in market access for non-agricultural goods, and the strengthening of rules and disciplines, such as anti-dumping. It could not be comprehensive without negotiations on multilateral rules on investment, competition, trade facilitation and transparency in government procurement. In this regard, Japan wished to point out that although the 2003 meeting schedules of some negotiating groups, including agriculture, services and rules, had already been established, it had been only the previous day that the calendar of meetings for the non-agricultural market access negotiations had been agreed, after having pursued very narrow slots left after some other negotiating groups had secured their meeting rooms and interpreters, as mentioned by the Chairman of the Group. Despite the fact that the work programme for the non-agricultural market access negotiations provided for the end of March as an important target date for reaching a common understanding on outlines of modalities, it had not been possible to schedule a meeting in the month of March, mainly because of constraints on meeting rooms and interpreters. Japan wished to draw the attention of the TNC Chairman, Members, and the Secretariat to the fact that such an important issue as the negotiating schedule for next year was being decided primarily on a first-come, first-served

basis. In order to make steady progress in all areas of the negotiations and work, Japan intended to do its utmost to contribute towards the road to Cancún, and would like to request the Secretariat to coordinate with the Chairs of the relevant groups to set the dates of meetings for 2003 as soon as possible in a structured manner so that the work could be organized in the most efficient way to ensure a successful Ministerial Conference. It had to be structured so that all areas could work in parallel – no areas should be more advanced in terms of scheduling of meetings.

41. At the beginning of 2003, deadlines on agriculture, services, and non-agricultural products would arrive between March and May. It was important that the negotiations in all of these areas made parallel progress. In agriculture, Japan wished to reiterate its firm belief that Members needed to agree on the basic elements and architecture of modalities before they could discuss figures. This was the best way to move forward. Negotiations on figures without a common basis would only confuse the process and retard it. Members needed to be more realistic. With regard to services, more active participation by developing Members was required in order for the March deadline for offers to be met. Japan was prepared to assist them, and if there was any need for technical assistance for developing Members, it would wish to be informed. With regard to market access negotiations on non-agricultural products, active participation by some developing Members was again to be encouraged. Japan welcomed the fact that the United States had finally submitted a proposal on modalities, following the early submissions by Japan, the EC and others. Japan would carefully study the proposal to see whether it would contribute to advancing negotiations. On the DSU negotiations, Members should keep in mind that the negotiations were outside the single undertaking. For the sake of the organization's credibility, it was extremely important to meet the May deadline, and Members also had to be realistic in this area. Japan would continue to support the Chairman of the DSB Special Session and to do its best for achieving consensus on this issue.

42. The representative of Brazil agreed with the Chairman that there was need to make credible, concerted and timely progress in all areas of the negotiations. Nine months had lapsed and work was still lagging behind in crucial areas such as agriculture, implementation and S&D treatment. Despite Members' collective efforts, they had not succeeded in meeting important deadlines in the past and they ran the risk of not completing the work in time before the upcoming timelines. Deadlines set by Ministers in Doha had been specifically established for those areas where Ministers deemed an early harvest important. If Members did not fulfill these deadlines, they would discredit the mandate and send the wrong signal to the world. The business of the WTO was to facilitate and expand world trade while rendering it more equitable, not to complicate it, nor to condone present inequities. At the present disquieting juncture, Members should remind themselves that they were dealing with a development agenda.

43. On agriculture, Brazil regretted that key partners had not come forward with proposals indicating their level of ambition, while some had presented proposals only at the last minute, without any figures. The Cairns Group, for its part, had presented a comprehensive negotiating proposal covering all three pillars, and its negotiating partners knew where it stood on the entire range of issues. Brazil's expectation was that the document the Chairman of the Agriculture Special Session was to deliver on 18 December would emphasize the proposals that were in line with the Doha mandate. Respecting the timeframe established by Ministers was essential to ensure credibility to the negotiating effort. Brazil urged those delegations who seemed reluctant to engage not to continue to hold back. At such an advanced stage of discussions, one should be very careful not to overplay one's hand. There was a clear and present risk of undermining the entire negotiating round.

44. On market access for non-agricultural products, Brazil continued to reflect, along with its Mercosul partners, on appropriate modalities for these negotiations and had not as yet excluded any of the possibilities from consideration. Whatever the modalities to be eventually agreed upon, Brazil deemed it of the greatest importance that they fully take into account the concept of less-than-full reciprocity, as embodied in the mandate, particularly if Members wished to give effect to the much vaunted development dimension of this Round. Regardless of Brazil's specific views on them, the tabling of ambitious proposals by several participants in the negotiations had certainly helped to

stimulate debate in Geneva. With respect to services, a number of developing countries, including Brazil, had made an effort to meet the deadline of 30 June by presenting their requests to a number of trading partners in the negotiations. This was consistent with Brazil's attitude of active and constructive participation in the services negotiations. It hoped to see the same attitude shown by its trading partners as regards the deadlines in the other areas of the single undertaking involving market access, notably agriculture.

45. On the area of S&D treatment, Brazil noted with frustration that almost no progress had been achieved thus far, despite the deadline of 31 December. Regrettably, after nine months of difficult and intense negotiations none of the 87 proposals tabled by developing countries had deserved serious consideration. In addition to the absolute lack of progress in such an important matter for developing countries, Brazil viewed with great concern the attempt by some developed countries to question established rights accruing to developing countries through the introduction of notions of differentiation and graduation. This was not consistent with the Doha mandate and was preventing the CTD in Special Session from making concrete progress. A round that claimed development as its main motive could not credibly achieve its objectives through tactical manoeuvres to divide developing countries.

46. Trade and environment was an area where it was safe to say that discussions had been fruitful. A wide range of countries had tabled papers on paragraph 31(i) and the vivid discussions of the last two meetings could attest to the high level of engagement of most delegations in the negotiations. Notwithstanding the complexity of the mandate, developed and developing countries had shown genuine interest in the issues at stake, acting constructively in the three different parts of the mandate. Rules was another area where discussions, thus far, had been satisfactory. Brazil wished to point out that there was a certain asymmetry in the pace of the discussions on anti dumping and subsidies. Whereas anti dumping had received a considerable degree of attention, the same could not be said of subsidies, where fewer papers had been presented, most of them very recently in the latest two meetings of the Negotiating Group. Brazil hoped the Group could expedite its work, especially in the area of subsidies.

47. The representative of the European Communities shared, by and large, the Chairman's assessment of the state of play. Members would be looking to the Chairman in the coming months, and they might also need him in a proactive role on some issues. Much hard work had been done, and the Community commended the membership for its active involvement, which was quite different to the Uruguay Round. On most issues, there had been well informed discussions, which was necessary before moving into negotiating mode. The many negotiating proposals on the table in the different groups were proof of the active involvement of all Members. It might be true that progress was uneven and that positions were still quite wide apart on many issues. But the Community was confident that it was possible to catch up and for Members to narrow their divergences as deadlines approached and potential trade-offs became clearer. One of the tasks of the TNC was to look at these potential trade-offs. In order to create the right environment in the coming months, and to be able to move into a higher gear in each area, it was paramount to meet the immediate deadlines. The Community urged all Members to work hard towards this.

48. On TRIPS and Health, there had been some recent backtracking on a number of issues. The 10 November paper was very good, and the Community commended the Chairman of the TRIPS Council for the work he put into it. Members should build on this paper and not try to undo the different elements it contained. There was still time to come to a positive result, and such a result was politically indispensable. The Community was fully committed to contributing to it, and it urged all Members to show the same commitment to a good compromise. The compromise should be aimed at those countries who were most in need, and for whom the system had been devised.

49. The Community believed the same held true for S&D; Members had to come to a meaningful package before the end of the year, and they should work as was necessary for this. This package implied a meaningful set of doables, and the Community believed that this could be achieved. With

some further effort, decisions could be taken on some doables, on the way forward, on how to rationalize the work after December and on the Monitoring Mechanism, which should be the way to give guidance to the further work in negotiating groups and other bodies. The Community was encouraged by the agreement on LDC accessions, which was also part of the package. The Community had just made a submission on S&D, which set out its firm commitments on these issues. For many Members, a good approach on implementation, with clear decisions on how to go forward, was instrumental to the whole package of the Doha Development Agenda.

50. The Community was encouraged by the work done in the Negotiating Group on Market Access, notwithstanding the fact that this had started later. A range of interesting proposals were on the table, most of which pointed to the need for a formula as part of the modalities. The Community agreed with Japan on the need to find time slots for meetings before the second half of February in order to go into the depth of the proposals and to identify the lines of convergence between them. The Group would have to catch up the time allocated to other groups. On services, the work was well on track and the Community was actively engaged, having submitted many requests bilaterally. The Community agreed that more developing countries should be actively engaged in the request/offer process, and it had the impression that these countries still considered services as a defensive interest, apart from Mode 4. The Community believed that services trade had great potential for developing countries, because it was a sector where the growth perspective was larger than in manufactured goods. Like Japan, the Community realized there were difficulties for these countries to formulate requests, and it was willing to support them in every possible way, by technical assistance and otherwise, to allow them to take part fully in these negotiations.

51. The representative of India said that it was clear that many meetings had been held and proposals submitted, but that a lot more required to be done in the coming months to build a critical mass of agreed measures that could translate into an agreement. The task the membership was faced with was daunting. At the October TNC meeting, the Chairman had assured delegations that he would play an active role in addressing the various issues raised by Members. His delegation was reassured by this statement and was confident that under the Chairman's leadership, Members would be able to move forward. At the present meeting, the Chairman had correctly assessed the progress in the work, noting that the balance of progress had been uneven. It was essential for the balanced evolution of the Doha package that there was simultaneous progress on all fronts, particularly on matters of concern to developing countries. This would be a necessary prerequisite to the success of the work programme.

52. At Doha, Ministers had confirmed their collective responsibility to ensure internal transparency and the effective participation of all Members in paragraph 10 of the Declaration. The question of internal transparency was being addressed in the General Council, and the suggestions that had been put forward by India along with other Members had arisen from their own experiences in the preparatory process for the Doha Ministerial Conference and at Doha itself. He wished to reiterate the high importance that India attached to an early satisfactory conclusion of work on this issue, preferably before the preparatory process for the next Ministerial Conference started. This would be an important confidence-building measure and would reassure developing countries that all their efforts in Geneva would be useful inputs at the Ministerial Conference. The issue of effective participation of all Members should also be addressed immediately. Over the previous few weeks, there had been a phenomenal spurt in the number of formal, informal and plurilateral meetings being held, and even a medium-sized delegations such as India's had found it difficult to keep up with the pace of meetings. This undermined the effective participation of Members in the negotiations. It was essential that the capacity constraints of developing Members be fully taken into account when deciding on the number and schedule of meetings.

53. At the October TNC meeting, the Chairman had rightly identified the four areas of priority as agriculture, S&D treatment, implementation and TRIPS and Public Health, and an assessment of the programme in some of these areas would give some indication of how far the work had progressed on development-related issues. For India, and many other developing countries with large populations

engaged in agriculture for their livelihood and employment, S&D treatment and agriculture would always be important. During India's domestic consultations with stakeholders, the need to treat developed and developing countries differently during the negotiations on agricultural market access had been reiterated.

54. He thanked the Chairman of the Special Session of the CTD for his tenacity and immense capacity for sustained high quality work. If the results had not met expectations, it was in spite of his best efforts. He recalled that Ministers had asked that the work on S&D issues be completed by 31 July 2002, and this deadline had been extended to the end of December by the General Council. It had been understood that the Chairman was to continue his efforts on the various proposals, and as agreed at Doha, he would report to the General Council. The proposals put forward by developing countries and LDCs were fully in line with the mandate given by Ministers, namely to review S&D provisions with a view to strengthening them and making them more precise, effective and operational. While his delegation reserved its substantive comments for the General Council meeting, he wished to register his government's strong disappointment at the lack of satisfactory results in this work. This was an area which India was pursuing actively, not as a negotiating ploy. India's specific concerns on S&D treatment were extremely important to it from the point of view of market access and increase in trade. It was necessary that at least the core issues be agreed, so as to create faith in the negotiating process in this multilateral forum. Unfortunately, there had been an attempt to raise theoretical and philosophical issues on the nature and content of S&D and treatment rather than resolving specific issues which were on the table. The Chairman of the Special Session had requested a constructive and interactive approach to resolve specific problems. India's preferred option on the issues on which no recommendation could be finalized by December was to have them resolved in dedicated sessions of the General Council, and it was against these issues being transferred to negotiating bodies.

55. Progress in the work of the other negotiating groups had been satisfactory. There had been increasing contributions to this work from developing countries, despite their serious capacity constraints. His delegation would participate actively in this work. However, some of the recent proposals in the Negotiating Group on Rules were a cause for concern among developing countries. The Chairman of the Group had suggested that some major Members could do better. However, it should not be such that these Members became so active that other Members are excluded from the work because of the kind of proposals being tabled. The European Communities had rightly pointed out the importance of services in the negotiations, and India had been actively participating in the request and offer process. Mode 4 was of special importance to India, and it looked forward to an innovative approach in order to address the demands of developing countries in this area.

56. Japan had mentioned that discussions on the Doha agenda should be comprehensive and should include the Singapore issues. India believed that the agenda was already overloaded, and it noted the discussions on these issues was taking place in the respective working groups and that a decision on how to proceed to work on modalities was to be taken by explicit consensus at the next Ministerial Conference. Finally, his delegation wished to reemphasize the need to adhere to the deadlines agreed at Doha. These deadlines were well spaced out and would ensure that work in the various negotiating groups would not peak at the same time. Evenness in the pace of the work was important for capacity-constrained developing countries and would facilitate their effective participation in the negotiations.

57. The representative of Kenya, speaking on behalf of the African Group, noted that while some progress had been made in some areas, momentum needed to be enhanced in others, especially those where initial deadlines had passed or were about to pass. The African Group was therefore in agreement with the Chairman that progress had been made on all fronts but in an uneven way. On agriculture, useful discussions had taken place but differences still existed among Members' positions. The African Group, within its limited resources, had participated actively and presented proposals on modalities especially on S&D treatment. In spite of this, there had been a lack of specific proposals from some key players. On the other hand, most of the proposals tabled, although acknowledging that

S&D was an integral part of these negotiations, had not covered this issue comprehensively. It had indeed been very surprising for the Group to note that one such comprehensive proposal tabled earlier lacked a S&D component for developing and least-developed countries. While differences still existed, the Group hoped that the Chairman's overview paper would assist in narrowing them.

58. While the Group noted that the negotiations on trade in services were moving forward at a promising pace, the expected progress seemed to have been affected by a lack of agreement on the modalities for the treatment of autonomous liberalization, as noted in the Chairman's report. The African countries attached a lot of importance to the finalization of the modalities as they had undertaken extensive autonomous liberalization in services sectors. The African countries would expect Members to show flexibility in order to conclude the work on modalities for granting of credits on autonomous liberalization. The Group would also like bring to the attention of Members that the discussions taking place in the subsidiary bodies of the Council for Trade in Services were likely to have an impact on the negotiations in services. For instance, the discussions on subsidies and emergency safeguard measures would have a direct bearing on the extent of commitments that Members would be willing to undertake. On the dispute settlement negotiations, the African Group had presented proposals whose recommendations included, among others, collective retaliation and financial compensation for the loss of business. This had been motivated by these countries need to use the dispute settlement mechanism to enforce their rights in the multilateral trading system.

59. On S&D treatment, the African Group had had a lot of hope that concrete results would be achieved during the extended period. However, the Group felt frustrated and disappointed at the dismal progress made thus far. It questioned the genuineness of some Members in pursuing this issue, and hoped the General Council would give further political guidance. Should another extension be found necessary, the TNC might wish to assess the impact this would have on other deadlines that were approaching and the overall work programme for 2003. The Group was therefore in total agreement with the Chairman that one needed to be careful in putting off too much for later. The Group had, of course, committed its limited resources and focused on S&D, hoping that the strengthening and operationalization of the relevant provisions would resolve most of their implementation problems.

60. Another area of great concern to Africa was the TRIPS Agreement and Public Health. Following the mandate by Ministers, the Group had actively participated in the discussion seeking to find a solution for countries with insufficient or no manufacturing capacities in the pharmaceutical sector, the majority of which were in Africa. The Group believed that if the discussions continued on the same line as they had been conducted to date, then it was unlikely that the desired solution would be forthcoming, particularly one meant to address the public health problems afflicting Africa. The Group urged Members to give the WTO a human face and to facilitate Members to address the problems identified in paragraph 6 of the Doha Declaration on TRIPS and Public Health by finding an economically viable and legally workable solution with no additional obligations, while respecting the deadline set by Ministers.

61. As it had mentioned at the last TNC meeting, the African Group wished to express its concern regarding the increasing number of informal meetings. It was the wish of the Members of the Group to participate in the discussions taking place in the WTO, both formally and informally. Unfortunately their delegations were small and could not cope with the numerous impromptu meetings that were being held almost on a daily basis. The Group had been promised that the concerns of small delegations would be taken into consideration when arranging for such meetings, but this did not seem to have happened. The Group wished to appeal to the Chairman that future meetings should be programmed in a manner that would allow small delegations to participate in the discussions. In this regard, the Group would call on the Chairman to explore the possibility of reducing informal meetings to a minimum. In conclusion, the African Group was ready to cooperate with the Chairman and the Chairpersons of the various negotiating groups to ensure that meaningful progress was achieved while respecting the deadlines set by Ministers in Doha.

62. The representative of Hungary said that after the first year of the Doha round negotiations, Hungary was basically content with the progress made thus far. Negotiations in all the respective fora were going ahead and the negotiating bodies were dealing mostly with substance, which was a favourable development. Nevertheless, in spite of this generally positive evaluation, Hungary saw with increasing concern growing imbalances among the various subjects. This already appeared in the process of negotiation, in the time devoted to the various issues, but it was more evident in the substantive issues. This was becoming a major problem in the negotiating process, and the Chairman had called attention to the unevenness of progress in the different negotiating fields. The clearest example of imbalance was in the various agricultural-related issues. The negotiations in the Special Session of the Committee on Agriculture were proceeding apace, with a clear deadline for the establishment of modalities for commitments by 31 March 2003. There were still important differences, of course, among participants, but the work was progressing and nobody questioned the importance and desirability of a substantial outcome. In sharp contrast, all the negotiations related to the protection of geographical indications (GIs) were in a kind of limbo. There was an outstanding mandate for negotiations on a multilateral register for wines and spirits since 1995, and it was precisely the agricultural demandeurs who were blocking any substantive outcome. The negotiations on the extension of GIs were in an even worse state. The same participants now proposed to stop all work in this field with immediate effect. Hungary wished to make it very clear that all aspects of agricultural reform had to move together, strengthened protection for GIs included. If the agricultural demandeurs blocked progress in this area, they were de facto threatening to block a successful outcome of all the agricultural talks. Hungary expected that continued, parallel work on GIs would be agreed upon at the present TNC meeting, leading to substantive results in all areas.

63. He wished to confirm once again that agriculture remained one of the most important topics for Hungary as well. A successful outcome also required a balance even within this negotiating subject. Hungary was ready to put all of its agricultural policies on the table with the clear expectation that all other Members also did the same. But when the very demandeurs of a substantial outcome refused to contemplate equivalent disciplines for their policies, it clearly prevented meaningful negotiations. Hungary expected all instruments of export support policies, such as export credits, food aid and state trading enterprises, to be submitted to disciplines similar to those on export subsidies. It expected the most competitive agricultural producers to provide meaningful market access and not to take cover under S&D treatment, which was really justified in this sector only for LDCs, net food-importing developing countries and low-income countries with predominantly subsistence farming. Hungary did not expect full reciprocity from developing countries, but it also needed improved market access conditions for its own products.

64. Hungary was pleased with the speeded-up negotiations on industrial market access. Considering that the liberalization in this sector had been going on for over 5 decades, a substantial and balanced outcome was long overdue. Compared to its general level of development, Hungary had opened its market to a major extent. While its industrial exports had grown dynamically towards the most demanding markets, such as those of the EU and the United States, there was a huge and growing imbalance in its trade with other parts of the world. Experience had shown that this was to a large extent due to major differences in market access conditions. Even countries with competitive industrial sectors maintained high barriers to imports. It was Hungary's expectation that as a result of these negotiations there would be generally lower and more balanced protection levels in various Member states. For this reason, Hungary supported ambitious goals and approaches which would result in a certain harmonization of tariff levels.

65. Hungary supported a substantive outcome of the services negotiations. Hungary had received and submitted a number of requests and it was engaged in bilateral talks with its partners. Success in these negotiations also depended on the solution of some rules-related issues, of which Hungary considered the guidelines for the treatment of autonomous liberalization as especially important. It expected that these guidelines would take into account the interests of all participants. Turning to the negotiations on rules and on trade and environment, Hungary also supported substantial outcomes. It

was ready to deal in a meaningful way with the clarification of WTO provisions applicable to Regional Trade Agreements.

66. S&D for developing countries was a major aspect of the DDA negotiations. Hungary remained committed to take such concerns on board, especially in the case of the most vulnerable Members. Therefore, Hungary again called on other Members to follow its example by providing fully duty-free and quota-free access for all products of LDCs. It also supported a decision to speed up the accession processes of such countries. Hungary was also ready to deal in a meaningful way with other aspects of S&D, taking into consideration the levels of development of the countries concerned. Hungary continued to support special treatment for countries in need of such preferential conditions, but it was, however, understandably reluctant to provide economic assistance to countries which were richer and more developed than itself. Hungary was convinced that such a position was well founded in the S&D-related provisions, including Part IV of GATT.

67. Participants had a difficult period ahead of them leading up to the Cancún Ministerial Conference. In order to have a chance for success there, they could not afford to miss any of the deadlines as it would have far-reaching consequences for all other areas. With regard to the need to meet deadlines, he wished to touch on the negotiations pursuant to paragraph 6 of the Doha Ministerial Declaration on the TRIPS Agreement and Public Health, whose deadline was the end of 2002. Although this issue was clearly outside the scope of the round, Hungary feared that a failure to find an expeditious and workable solution could adversely affect the negotiating atmosphere in the new round. Hungary had been active in the preparation of the relevant Declaration at Doha and had taken part in the paragraph 6 negotiations in a constructive manner. It expected that the outcome would be in line with both the TRIPS Agreement as well as the negotiating mandate. At the same time, recognizing the interest of some trading partners to have a clear picture of which Members would not use the system in full, Hungary was ready to consider the possibility of opting out from the paragraph 6 solution on the import side in a limited way, retaining the right to use it only in cases of national emergency, other circumstances of extreme urgency and public non-commercial use. Hungary expected that all other Members in similar situations would opt out at least under the same conditions at the same time.

68. The representative of Norway said that he agreed to a large extent with the Chairman's assessment of the situation, but perhaps he would even be a bit more optimistic because his overall impression was that the work was in very good shape considering the expectations that Members had had. If Members had asked each other a year ago where they would have been in December 2002, very few would have guessed that they would have come as far as they had in most areas. Thus he was an optimist at this stage. Having said that, he also agreed that there were certainly no reasons for complacency, since there were a lot of uncertainties ahead – everyone was aware that there were some important deadlines, the first coming up in a few days. Moreover, in the period March to May the following year there were other deadlines and he wished to first touch on some of these issues.

69. First, although not all of the issues with deadlines in December were part of what were called the four baskets of the Doha negotiations, they were all the same extremely important. Other speakers had also touched upon the issue of TRIPS and Health, and his delegation shared the concerns of the European Communities, amongst others, that Members had to reach an outcome in that work. His delegation felt that the talks had actually moved backwards since the document dated 10 November was circulated and that, of course, was cause for some concern. Another concern was that some of the key issues which were being discussed at the present were exactly the same issues as were being discussed before Doha, and these issues had been the main reason why the Declaration on TRIPS and Public Health had not been finalized before Doha and why Ministers had had to be involved. Generally, on this and some of the other issues, including implementation, his delegation believed that it was very important to respect the parameters laid down in the Doha Declaration. A year ago, before Doha, Members had been free to discuss what they would have liked to have in the negotiations or not. But now they were operating under a Ministerial Declaration where the parameters had been laid down and they had to respect both what they liked in that and what they did not. Turning to S&D, his



delegation believed this was an extremely important area but also a difficult one. It meant giving meaningful S&D treatment to developing countries while at the same time, in the view of most Members, maintaining a uniform multilateral trading system, not a two-tier or a multi-tier system. The time spent on this issue thus far had not been sufficient to expect great results, but his delegation hoped that within a week or so there would be at least some results and that Members would take a pragmatic look at how they would organize their work further without turning this into a matter of contention.

70. The deadlines in the period March to May 2003 in agriculture, services and non-agricultural market access were all important. However, parallelism in the negotiations and in ambitions was important. For example, there were no definitive deadlines in the area of rules and, as the Chairman of the Negotiating Group on Rules had said, the work here should move gradually to the next phase in a seamless way. But one still had to keep in the back of one's mind that it would be necessary to look at the various areas in connection. In that respect, Japan had made a good point by mentioning the calendar of meetings, because one would increasingly see competition for slots among the various negotiating processes and obviously this was an area where the TNC needed to exercise some coordination.

71. Members should congratulate themselves that the services negotiations were going very well. Of course, the Chairman of the Special Session had made the point that, at this stage, most of the work was on a confidential basis in bilateral negotiations, and that was exactly what had been foreseen. In agriculture, the Chairman of the Agriculture Special Session had his delegation's full understanding for his predicament in drafting his overview paper shortly. At both the last TNC meeting and the present one, the importance of having proposals on the table had been mentioned and delegations fully understood that, but one should try to avoid the danger of unrealistic expectations. In the final analysis, one had to realize that there would have to be trade-offs between exporting interests and the interests of countries who were fighting to keep a viable agricultural sector in their countries. Different countries were working under different conditions in agriculture – not only industrial countries, but also developing countries – and that was one of the reasons why everyone had acknowledged the concept of non-trade concerns. So in the end, his delegation believed that a good result would be achieved, building on the Uruguay Round Agreement.

72. The issue of market access for non-agricultural products was quite different from agriculture. One main difference was that there had been eight rounds of trade liberalization over the last 50 years or so. The work thus far in the Negotiating Group had been encouraging, because there was the prospect of a non-tariff world for non-agricultural products on the table. There had been quite a number of interesting proposals, including from the European Communities and the United States, both of which contained the formula approach and were based on no exceptions across sectors, which his delegation believed was important. It was necessary also to stress the importance of this area for developing countries, and the need for their contributions. One of the issues which would have to be studied in close detail was how to integrate the developing countries and to recognize S&D in this area. In the rules area, his delegation agreed with the Chairman of the Negotiating Group that the work was going well. There were, of course, connections between the rules group and other areas, in particular market access, but everyone realized that and the Chairman was well aware of it. The main proponents were also well aware of the fact that the work needed to be in harmony with developments in other areas.

73. On trade and environment, the statement by the Chairperson of the Group had been interesting, and his delegation was pleased by her optimism for the future because of its concerns about the lack of progress thus far. To date, the discussion had been about the interpretation and the constraints of the negotiating mandate, and his delegation hoped that the group could now turn to the substantive matters in that area. Finally, everyone was aware that the Special Session of the Dispute Settlement Body had a shorter time-frame than the others, and his delegation hoped that both the TNC and all participants would put a lot of emphasis on that over the next few months. It was very important that this area should set the tone for Cancún by respecting its time-frame and by delivering

substantial results. That would be a good omen for the Cancún meeting and for the negotiations in other areas.

74. The representative of Nicaragua said that the reports by the Chairman and the Chairpersons of the negotiating bodies reflected the belief of many Members that the results of the work thus far fell short, perhaps 20 per cent short of what Ministers had instructed at Doha. Nicaragua had often stated its determination to carry out the liberalization process. For this reason, in 2001 and 2002 and despite its limited resources, Nicaragua had submitted with other Members over 25 proposals on almost the whole range of negotiating subjects. In agriculture alone, Nicaragua had submitted in 2002 a number of specific proposals on each of the elements under the three pillars. These contributions might be modest compared with other larger Members, but they were an example of its determination, and of the fact that it was convinced that the only viable option was to negotiate constructively in order to achieve broader and unhampered access to markets. A good proportion of the membership had echoed the Chairman's statement of 15 October when he urged Members not to wait for someone else to make the opening move, but unfortunately this did not seem to have resulted in prompt reactions. Everyone had difficulties in adapting heavy bureaucratic machinery to the new negotiating reality of the present. Nevertheless, many Members have been able to move ahead in the negotiations and others would do so towards its conclusion. But this would not be to everyone's satisfaction, since everyone will have to make sacrifices, not just the those who had to do so in the Uruguay Round. If there was equality in the level of sacrifice, then no-one would owe anything to anyone in future negotiations.

75. On agriculture, Nicaragua viewed with satisfaction the involvement of so many Members in the negotiation, although some had yet to offer their opinions and what they were proposing. It was important that the proposals had a high level of ambition, and many Members had already explained that the negotiations could only move ahead on the basis of such ambitious proposals. Nicaragua believed that this was in keeping with the requirements of this area of negotiation. For the first time since the process was initiated a few years ago, one was able to see who was who and what each participant wanted to get out of this negotiation, since in the present last stage of the negotiation Members, far from sticking to positions of groups or traditional blocks of countries, were joining together more on the basis of their needs and the realities that they were living.

76. The work on services had made solid progress. It was starting to be clear that the developing world was much more active in the presentation of initial requests, and the Secretariat and the Chairman of the Special Session had achieved good synergy and this could be observed from the quantity and quality of requests tabled by Members and in the valuable technical assistance being delivered. Nicaragua believed this should be replicated in the regular Services Council and its subsidiary bodies to make it easier for specific commitments to be assumed once the implementation of what was now being negotiated started. With this in mind, Nicaragua believed that horizontal subjects should be pulled out of the rut in which they were at present languishing. In the work on market access for industrial products, an appreciable number of proposals had been tabled and Nicaragua was surprised at the levels of ambition displayed by most of these proposals. It was good to think in terms of a world with few customs duties or very low rates of duties, however, but implementing such measures in a short space of time could pose difficulties to many countries which earn foreign currency through this means. On S&D treatment, his delegation wished to underscore the importance of strengthening S&D as agreed in the Doha Declaration, which set out that the relevant provisions should be made more precise, effective and operational. His delegation commended the Chairman of the CTD Special Session for his work. In his report, he had made it clear that it would not be possible to conclude the work, despite all the efforts made. His delegation called on all Members to implement the mandate in the Declaration and not to defer decisions on this issue.

77. Nicaragua welcomed the decision taken in September 2001 to grant observer status to a number of international organizations and MEAs in the Committee on Trade and Environment. A number of requests for observer status were still pending and Nicaragua believed that these should be

considered in the light of the positive benefits it could offer for development, for the environment and for trade, as set out in paragraph 32(i) of the Ministerial Declaration. The negotiations should take place in the light of the Johannesburg Summit at which it had become clear that economic growth and trade issues should be dealt from a balanced perspective, in keeping with countries' needs, and in harmony with the principles of sustainable development and the right to development. In addition, Nicaragua believed that it would be important to maintain and improve the exchange of information between the secretariats of MEAs and the relevant committees of the WTO. For this reason, it believed that it would be important to institutionalize the procedures which had taken place thus far on an ad hoc basis between the relevant bodies. Turning to the issue of environmental goods and services, Nicaragua had received a number of specific requests from other Members to liberalize its market in these sectors. This was an issue of concerns to Nicaragua, since, up to the present, there was no clear and balanced definition of what could be considered environmental goods and services in a commercial sense.

78. By March 2003, the current phase of the services negotiations should be concluded, which implied an immense effort to understand what would be negotiated and its magnitude. Nicaragua believed that appropriate assistance and tools, both technical and theoretical, would have to be made available by the relevant international bodies in order to clarify and define developing countries' needs, potential and export opportunities. This would help bring the negotiations to a successful conclusion and make them reflect better existing realities. Finally, his delegation supported the statement by Kenya, on behalf of the African Group, with regard to the multiplication of informal meetings. This was a real problem for small delegations such as his, since it was extremely difficult to follow all the meetings in which his country would have a legitimate interest. His delegation urged the Chairman to take this situation into account urgently. All Members were determined to take an active part in the negotiations, but also to survive the process.

79. The representative of Poland said that the Chairman of the Negotiating Group on Market Access had used the word "operationality" in the context of the future work of his Group. He wondered whether this referred to a possible way to switch the work of the Group towards informal mode. If that was the case, Poland found such a solution interesting and very useful.

80. The representative of Mexico said that from the Chairpersons' reports, it was clear that there had been progress in a large number of negotiating groups, such as market access, services and dispute settlement, in which constructive and creative work was being done. However, Mexico's concerns were focussed on those groups where significant progress was not being made, such as agriculture. It was particularly concerned about the issue of S&D treatment, as well as the question of TRIPS and Public Health. The Doha mandate had set the first milestone of these negotiations for this December, when important decisions had to be taken in areas of great significance for developing countries. These decisions would prepare the ground for the next phase of the negotiations, when Members would start to work in earnest on the main market access issues – agriculture, industrial products and services. Thus far, Members had fallen short of their goals on these issues, and the work had not been satisfactory. They were far from taking decisions on most of these matters, and were on the verge of sending a negative signal to the world at large on the ability of this Organization to come up with positive substantive results for the world economy and the inhabitants of their countries. The negotiations were important for the people of their countries because, as the Chairman had said before, Members should focus on the end-users, the consumers. Members were bogged down on a number of issues, and that was because they were paying attention to specific interest groups, particularly producers, and they should not forget the end-users. Furthermore, Members were putting the whole negotiating process at a risk. If they continued to put off difficult decisions, then they would arrive in Cancún with a mountain of unresolved issues. This Organization had already lived through a similar Ministerial Conference and that had been an experience which no-one wished to see repeated, least of all Mexico.

81. The good news was that there were still a few days before the deadline. Work was continuing and it was still possible to achieve positive results in time, even though they would probably be partial

results. However, some kind of results would enable the momentum of the Doha process to be maintained and ensure the continuation of the productive work that was taking place in the majority of the negotiating groups. But if Members were to achieve this, they had to take decisions in the three areas for which the mandate set out this deadline. Some of these decisions might not be easy, they might not be comfortable and they might not meet initial expectations. But delegations were employed to find common ground to enable them to achieve results of benefit to all. They were meant to take the necessary decisions, to put them into effect and, above all, to be pragmatic, to see the big picture and to take the long term approach. All this was crucial if Members were to successfully conclude this multilateral round of trade liberalization.

82. The representative of Hong Kong, China said the Chairman's assessment of the present status of the negotiations had been realistic. His delegation was heartened to note the substantive progress achieved on all fronts and that things were generally on track. But as the Chairman had rightly said, the extent of progress had been uneven. Despite the encouraging progress in some areas, there was nevertheless no room for complacency. Participants had to continue their good work so as to meet the various timelines in the run-up to Cancún and beyond. In those areas where the gaps were still wide and positions remained entrenched, participants had to re-double their efforts to narrow the differences and to unblock the logjam in the coming days and weeks.

83. On non-agricultural market access, his delegation was pleased to note the active engagement among Members. More proposals, including from developing Members, were coming forward. His delegation would encourage others to come forward with proposals before the deadline set for the end of the month. It was in particular encouraged by two common threads in many of the proposals that had been put forward. The first was to set a high level of ambition to maintain the relevance of the multilateral trading system which was being threatened to some extent by the proliferation of RTAs. The second was that sectors which were of export interest to many developing countries but sensitive to developed Members, such as textiles and footwear, should not continue to be sheltered from trade liberalization. At the same time, his delegation fully appreciated the concerns of many developing countries that bringing down their tariffs drastically would require major adjustments on their part, including finding other sources of revenue. To address these concerns and to fulfill the Doha mandate on S&D treatment and less-than-full reciprocity would be a major challenge for everyone. Hopefully with good will and hard work, Members would be able to agree on the negotiating modalities by next May.

84. Turning to services, his delegation was encouraged by the fact that more developing countries had submitted or were about to submit their requests. As noted by the Chairman of the Special Session, the modalities for the treatment of autonomous liberalization remained a difficult issue and required flexibility and compromise by all Members. His delegation hoped the forthcoming Special Session would bring some good news on this. Services was an increasingly important area to both developed and developing Members. His delegation hoped that positive momentum could be maintained. Agriculture was one of the biggest challenges in this round of negotiations. His delegation was glad to hear the European Communities confirming that it would be putting forward its specific proposals very soon. But as the Chairman of the Special Session had noted, there was still no convergence of opinions in many areas. He had the unenviable task of drafting the overview paper that was due later in the month. Obviously, courage, leadership and flexibility would be needed on all sides if Members were serious about meeting the March 2003 deadline and avoiding any spill-over effects on other areas.

85. On rules, the work was generally on track. His delegation agreed with Japan on the importance of the anti-dumping negotiations to ensure that potential gains from the market access negotiations would not be undermined. On S&D treatment, his delegation appreciated that the Chairman of the CTD Special Session was still working very hard on the draft report to the General Council. It was clear that work in some areas would not be completed by the December deadline. Again, political compromise and flexibility by all quarters was urgently required for Members to

move forward on at least some of the Agreement-specific proposals and to find a pragmatic way to carry on the work the following year.

86. Although TRIPS and Public Health was not a negotiating subject, it was an area to which many developing countries had attached importance. Everyone shared the commitment to operationalize the solution by the end of the month. Delegations had worked intensively in the past few weeks, including on weekends and over lunchtimes. For many, this reflected the ability of this Organization in responding sensibly to legitimate expectations of the outside world. His delegation understood that there were still differences among Members on the scope of the solution and a few other issues. Only a further demonstration of flexibility by all Members could break the logjam. His delegation believed Members would have a better chance of success if they proceeded on the basis of the Doha Declaration and the elements paper put forward by the Chairman of the TRIPS Council on 10 November, which had been accepted by most, if not all, as a good basis for further work.

87. Finally, the Doha Development Agenda was ambitious and no-one had ever envisaged that its timely conclusion by end of 2004 would be an easy task. His delegation was concerned that there was a tendency to defer some of the difficult unsettled issues to Cancún. As the Chairman had said, this would overload Ministers and run the risk of jeopardizing the whole Agenda. While it was natural for Members to strive for their national interests in the negotiations, they should not lose sight of the broader picture and their shared common interest to make the Doha Development Agenda a success, particularly at a time of global economic downturn and uncertainty.

88. The representative of Paraguay said the Chairman's opening remarks were timely and realistic. At the same time, his delegation expected more from the Chairman because it believed he had the capacity to inspire Members and to lead them to a satisfactory outcome to the development round. This was a unique opportunity for developing countries to achieve a higher level standard of living for their peoples. His delegation believed that the Doha Declaration constituted a solid basis on which Members could work, negotiate and seek consensus which would be of advantage to all of them and which would enable them to carry out a successful development round. Paraguay agreed with the Chairman that Members needed to be flexible, but flexibility would have to come from both developed and developing countries. It did not want a repeat of the Uruguay Round where it had been developing countries which had showed flexibility, and it still had significant concerns over this. Members needed to show flexibility to achieve a positive result in each of the negotiating areas. The results thus far had indeed been uneven. There had been significant progress in the area of services, in environment and in non-agricultural market access, but elsewhere things were moving slowly. Given that the outcome would be a single undertaking, Paraguay believed the work should move forward more uniformly, not speeding ahead in some areas and remaining bogged down in others. It called on all Members to do their utmost to enable the work to move forward evenly.

89. His delegation supported the statement by Brazil, which currently held the Chair of Mercosur, of which Paraguay was a member. Agriculture was his country's priority, since its economy was based on agriculture. The Cairns Group had submitted a number of specific proposals, but which had remained without response from a number of participants to date. However, his delegation was pleased to hear that the European Communities would submit their proposals shortly and it hoped that these proposals would match the Cairns Group's proposals so that agriculture could move ahead in the same way that services had. Significant divergences still existed on agriculture, but Paraguay believed that agricultural efficiency should prevail to allow developing countries the opportunity to obtain market access, without distortion from domestic support or subsidies. Developing countries wanted equal opportunity in agriculture. If all countries were to operate under the same conditions, on a level playing field, developing countries could compete effectively, but in a distorted market their chances were heavily reduced.

90. In services, there had been significant progress, as the Chairman of the Special Session had noted. But there were also a number of noteworthy inadequacies. Paraguay had submitted specific proposals which had not met with any response to date. There was also the matter of autonomous

liberalization which Paraguay hoped would take developing countries into account. Trade in services could be of great value, not only to developed countries but also to developing countries. Paraguay had undertaken a high level of autonomous liberalization but it had not received reciprocity in other areas of interest to it, such as in agriculture. This was why progress had to be made evenly. If progress could be made in services, then it should be possible to make progress in agriculture. If it was not possible to move forward in step, then it would be very difficult to reach agreement anywhere. Progress had also been made in the area of environment, and Paraguay welcomed this. As a developing country, Paraguay believed the environment should be preserved at whatever cost. It believed in sustainable development, so as to protect the source of its livelihood – forestry and agriculture. Headway had also been made in other areas, such as the non-agricultural sector, but Paraguay expected reciprocity on in that area also.

91. Another priority for Paraguay was S&D treatment. Developing countries should enjoy a range of advantages so that they could play an effective part in international trade. For this, S&D treatment should be limitless. Despite the enormous efforts of the Chairman of the Special Session, there had been no progress whatsoever and the necessary decisions were being put off while the deadline was looming. The need for S&D had long been recognized, but it should also be recognized that S&D treatment should not prejudice the interests of other developing countries. Making S&D provisions more precise effective and operational would obviously not create difficulties. However, difficulties would arise if the Enabling Clause was not respected and if developed countries gave specific privileges or advantages to certain countries only, whether on economic or political grounds. Often, privileges granted through waivers were harmful to other countries and should be avoided. Paraguay believed there should no discrimination at all in S&D treatment, as established in the Enabling Clause. Paragraph 3(a) of the Enabling Clause set out that: "All S&D treatment should be designed to facilitate and promote the trade of developing countries and not to raise barriers to or create undue difficulties for the trade of any other contracting parties." This meant that S&D treatment should not harm other developing countries and it should be respected. Paraguay believed that this was of the utmost importance because many waivers granted by developed countries to developing countries did harm the exports of Paraguay. His delegation, despite its extremely small size, was prepared to continue working day and night on S&D treatment, so that the objectives could be achieved before the deadline. It would put all its efforts into finding mutually-satisfactory solutions, in accordance with the principles established by the Enabling Clause, that were equal, non-reciprocal and non-discriminatory.

92. The representative of Egypt concurred with the conclusion of the report by the Chairman of the Special Session of the CTD that the work had not been completed in most, if not all areas under the Special Session. Thus, Members had failed to fulfil their mandate, and they needed to face this reality and assume their failure. Egypt had carefully examined the counterproposals submitted by a number of countries in response to the developing countries' proposals, and, frankly, had not been able to identify one single counterproposal that addressed even partially the concerns of developing countries. They were merely cosmetic drafting that neither strengthened S&D provisions nor made them more precise, effective, or operational. The most significant submissions that developing countries had tabled and which covered supply-side constraints, competitiveness, and market access had been ignored. On the way forward, Egypt believed that the diverging views among Members as to how to approach these negotiations were sometimes diametrically different, which explained why, despite the efforts deployed by everyone, Members were not able to move forward. Continuing on the same path through a simple extension of deadlines had already proved its limits. Egypt believed that the Trade Negotiations Committee and the General Council needed to give political impetus to this process. Furthermore, Egypt agreed with Brazil with regard to his concerns about the raising of issues such as differentiation and graduation. Those controversial issues could not in any way help satisfactory progress in the negotiations. With regard to the monitoring mechanism, although it was a part of the African proposals, Egypt considered it as an element of the outcome and not an end in itself. Finally, Egypt wished to flag that the negotiations on S&D provisions were part and parcel of the overall negotiations. The negative outcomes of these negotiations would inevitably affect the

other tracks, and vice versa, and the failure to meet the mandated deadline would have a domino effect on the other deadlines.

93. Egypt welcomed the progress in the negotiations in the Special Session of Committee on Trade and Environment. It believed that the agreement reached on how to pursue the mandate under paragraph 31(i) was coherent with the fulfilment of the mandate, since focusing on specific trade obligations in relevant Multilateral Environmental Agreements was the most rational way to examine the relationship between those obligations and existing WTO rules. With regard to the report of the Chairman of the Special Session of the Committee on Services, Egypt noted that the negotiations were progressing generally in a satisfactory manner, but it believed that Members should not lose sight of the fact that services was only one item on the agenda of the bigger negotiation package. This did not mean Members should aim at a slower pace in the services negotiations, but rather that they should ensure progress in other areas. Egypt also noted that requests were being exchanged actively and participants had been engaged in bilateral consultations. It believed this should continue and even increase with the submissions expected by the deadline for initial offers in March 2003. In this process, Members should not lose sight of what they had agreed in the negotiating guidelines, including the appropriate flexibility stipulated for developing countries, the right to choose sectors in which commitments would be undertaken, the special attention that should be given to sectors and modes of supply of export interest to developing countries, as well as due respect to be given to national policy objectives.

94. With regard to the report of the Chairman of the Special Session of the DSB, Egypt welcomed his statement about the engagement of participants, including developing Members as reflected in their many proposals. These proposals stressed achieving an equitable outcome of the negotiation that should include solutions to clearly facilitate and support the full participation of developing countries in the Dispute Settlement Mechanism. Egypt looked forward to continuing these discussions on an issue-by-issue basis, however it noted that, in paragraph 8 of his report in document TN/DS/4, the Chairman had stated that the negotiations would continue next year on the basis of the "highest common denominator". Egypt would appreciate clarification on the meaning of this language.

95. The representative of Honduras said he wished to focus on two items which were a reflection of the state of play in the negotiations, namely agriculture and services. Generally, the negotiations had been quite substantive, but progress had been unequal and Honduras believed that it should be more balanced. With regard to the negotiations on agriculture, his delegation wished to thank the Chairman of the Special Session for the sensible, fair and balanced way in which he had conducted the process. At the same time, he wished to highlight the fact that Honduras, like many other developing countries, had taken an active part in this process through the submission of written contributions on the three pillars of the negotiations, specifically on issues related to food security, rural development and S&D treatment for developing countries. In this regard, Honduras trusted that its proposals, in particular those which related to a new special safeguard mechanism and to protection for products considered to be sensitive by developing countries, would be duly reflected in the overview document on modalities to be circulated on 18 December.

96. Turning to the negotiations on services, Honduras considered that positive headway had been made, but, at the present, this did not reflect the interests of developing countries. Honduras had reached this conclusion by comparing the progress made on the negotiation of specific commitments under paragraph 15 of the Doha Declaration, and the slow progress on the issues of safeguards, information exchange on subsidies, and work under GATS Article XIX.3 on the assessment of trade in services, modalities for LDCs and modalities for autonomous liberalization. With regard to the negotiations on specific commitments and the initial request received by developed countries, Honduras was concerned to note that what was set out in GATS Article XIX.2 had been forgotten, with requests for commitments which would go further than developing countries' national policy objectives and levels of development. In this respect, Honduras hoped that the developed Members which had presented initial requests to Honduras would take into account the principle of flexibility contained in this Article, which had been reaffirmed under paragraph 12 of the Guidelines and

Procedures for the Negotiations. These guidelines allowed developing countries such as Honduras to open fewer sectors, liberalize fewer types of transactions, progressively extending market access in line with their development situation and, when making access to their markets available to foreign service suppliers, attaching to such access conditions aimed at achieving the objectives referred to in GATS Article IV.1. In the same vein, Honduras hoped that its trading partners would take on commitments in sectors and modes of supply of export interest to it, and that this would be reflected in the initial offers which were to be circulated by 31 March 2003.

97. The representative of the Slovak Republic said that some of the work in the negotiations had been positive, however his delegation was concerned about the lack of progress and unwillingness to achieve it in many areas. Now was the right time to build bridges between different positions, taking into account the importance of transparency and inclusiveness of all issues into the negotiating process to achieve a balanced outcome. The Slovak Republic attached great importance to the negotiations on agriculture, which remained the main interest of many Members. It was ready to engage in good faith in further negotiations in this area and the fact that many participants had brought forward new ideas on a wide range of matters was positive. On the other hand, the work on agriculture was far from achieving success and further flexibility was needed to narrow positions. From this reason, the Slovak Republic concerns stemmed from the deepening of gaps in positions and the unwillingness to move forward. There was still a long way to go and very short time left to meet the March deadline.

98. With regard to market access for non-agricultural products, the Slovak Republic was satisfied with the way in the negotiations were moving ahead and the work undertaken thus far was positive. Many specific proposals were on the table, some containing concrete numbers which could be a good basis for further negotiations. The Slovak Republic, as a founding Member of the WTO, had undertaken considerable liberalization commitments in this area. It expected that the present imbalances in the openness of industrial markets would decrease and that Members with comparable levels of development would contribute to this process.

99. The Slovak Republic was generally satisfied with the overall process and the work carried out in the Special Session of the Council for Trade in Services. However, there were still two issues pending, namely modalities for the treatment of autonomous liberalization and modalities for special treatment for least-developed countries. The Slovak Republic attached particular importance to the former issue, and it regretted that after more than one year of efforts, consensus was far from being reached on some issues. In this regard, it urged Members to revisit their positions and to show more flexibility, bearing in mind that the modalities would not be legally binding and that they would should serve in bilateral negotiations only as a reference. His delegation had appreciated the GATS Scheduling Workshop held the previous last week, which had been useful for both capital as well as Geneva-based experts in the preparation of initial offers. His delegation was also satisfied with the bilateral services negotiations, in which it had engaged actively, and looked forward to continuing.

100. In the area of TRIPS, where there were important deadlines regarding TRIPS and Public Health and some implementation issues, the Slovak Republic wished to express its deep disappointment over the latest developments. On TRIPS and Public Health, his delegation remained convinced that there was already a good textual basis submitted by the Chairman of the TRIPS Council. However, there were certain issues which remained open and where consensus needed to be found. Some of these issues were very sensitive, including for his delegation. The Slovak Republic was convinced that the solution found should not lead to a priori exclusion of some Members wishing to benefit from it only in a limited way and under specified conditions. It still hoped that a solution could be reached as expected. On the TRIPS implementation issues, his delegation was very concerned and disappointed about the fact that the TRIPS Council had not been able to adopt its report on its work in this area because of a lack of understanding by a group of Members opposing the extension of additional protection of geographical indications to products other than wines and spirits. His delegation disagreed with the proposals to consider the discussions as completed, which meant that no further action would be taken. On contrary, it believed that discussions should continue within



the TRIPS Council, and that they should lead to a concrete decision on the extension of additional protection.

101. The Slovak Republic was satisfied with the discussions in the Negotiating Group on Rules, where the process was moving in right direction. Turning to implementation issues in general, where there were important deadlines at the end of the year, he wished to stress his country's concern that these deadlines would not be met in most cases. The work on implementation issues had been slowing down and there was an urgent need to intensify it in 2003.

102. The Slovak Republic believed that only a transparent process could lead to a balanced outcome acceptable to all. In this regard, he wished to highlight S&D as an integral part of the negotiations. The Slovak Republic understood the difficulties faced by LDCs and other Members with lower levels of development and it supported longer implementation periods or less stringent obligations for them. It was ready to support S&D treatment for those developing countries whose circumstances required it.

103. The first year of the negotiations had been a very important one, with many substantial proposals submitted by many Members, with many interesting ideas expressed during the meetings and with tremendous efforts made in many areas. Members should bear in mind that there was less than one year remaining until Cancún, when many important decisions would have to be made. For this reason, the work need to be intensified. In conclusion, he wished to point out that the negotiations had to be carried out as a single undertaking. However, different negotiations were proceeding at different speeds, with some making less progress. If this trend continued, it would be hard to judge the overall balance of the process, making further progress even more difficult. The absence of progress in some areas could ultimately impede work elsewhere.

104. The representative of Switzerland said his delegation shared, by and large, the Chairman's assessment of the situation. The negotiations initiated in Doha seemed to be well under way. A large number of proposals had been submitted on a broad range of issues. Members had deepened their thinking and clarified their positions. The work programme was well known and it foresaw an intensification as the Cancún Conference approached. Early next year, a different stage of the negotiations would start in which the pace would quicken. The first deadlines requiring action by Members were close. In the first half of 2003, Members had to come up with modalities for agriculture and for market access for non-agricultural products, present initial offers in services and conclude the dispute settlement negotiations. Success would only happen in this ambitious task if there was balanced progress in all areas. This would also be the key to success at the Cancún Ministerial Conference.

105. On the negotiations on access to services markets, work was well under way with intense activity on the basis of Members' requests. The submission of offers in March next year would be the start of a new phase in the negotiations. But such a positive assessment should not conceal the real difficulties faced by some Members who had not been in a position to advance their interests in the request/offer process, including many LDCs. This situation was a cause of concern to his delegation, and targeted, swift and efficient technical assistance was required. The issue of how autonomous liberalization measures should be dealt with had not been resolved although some progress had been made. His delegation believed that the latest proposal by the Chairman of the negotiating group was an excellent basis for consensus. However, no major progress had been made on rules issues, mainly on the sensitive issue of the emergency safeguard clause, and Members should display enough realism and flexibility to allow progress to be made.

106. Some important work had been under way in the area of agriculture for almost three years. Rarely had such in-depth work taken place on aspects of such a complex negotiation, but the differences which had emerged during this work could not be hidden. The work had run aground on the modalities to be adopted for the negotiations. The question was whether to continue with the reform process on the basis of the tried and tested instruments of the Uruguay Round or to depart

radically from this approach. Switzerland's position was well known. It was determined to contribute to the collective effort under the terms of the Doha mandate and it was also prepared to clarify its position. But in order to do so, it had to obtain certain guarantees as to the instruments and pace of reform in order to preserve a multifunctional type of agriculture. In this regard it maintained that the flexible and balanced framework achieved under the Uruguay Round should be used to structure the present negotiations. This was the only means of achieving tangible results within the tight deadline. It was also very important to Switzerland to be able to fully exploit its agricultural production in the context of increased international competition. This concerned differentiating between products on the basis of characteristics offering added value and to which consumers were sensitive. Labelling and the extension of the protection of GIs were the instruments which Switzerland suggested to preserve or increase this added value. That was why it was in favour of establishing a registry which would enable effective legal protection of geographical indications for wines and spirits.

107. On to market access for non-agricultural products, recent developments in the work in this area products had been encouraging. The Negotiating Group had had high quality discussions on the basis of substantial contributions. Most participants had put forward their views and the Group had a clear picture of Members' positions on the modalities for the negotiations. The time was now right to move onto the next phase, namely elaborating modalities acceptable to all. On rules, the quality and precision of the submissions had varied according to the subject, as pointed out by the Chairman of the Negotiating Group. Interested Members now had to make a supplementary effort to clarify their positions on a certain number of key points. It was not surprising that the where participants had been more active was that of trade remedies, notably anti-dumping measures. For Switzerland, this followed from the fact that these measures were closely linked to the question of market access. It would indeed be curious if tariff obstacles were to be dismantled without at the same time reducing the potential for abusive use of the instruments which could cancel out the good work done in the area of reducing tariffs. As in the past, Switzerland would continue to work actively to pursue these objectives.

108. The work in the negotiations on dispute settlement had been intensive, particularly in informal mode, and a numerous proposals had been submitted. Switzerland believed this work was of fundamental importance since the dispute settlement system was the glue that held the trading system together and there was room for improvement. But time was short and Members needed to redouble their efforts if they wanted to achieve an outcome before the deadline. Switzerland believed that a certain number of issues deserved particular attention, notably the sequencing of Articles 21 and 22, the strengthening of the Appellate Body, the partial professionalization of the roster of panelists and the establishment of remand authority for the Appellate Body.

109. Trade and environment was a particularly important part of the negotiations for Switzerland. The Doha programme represented an opportunity to promote sustainable development by putting together ambitious sectoral initiatives for environmental goods and services. This was a win-win situation. Members should not let this opportunity slip through their hands, and they should find a pragmatic solution to the problem of defining the products to be covered. The other dimension of trade and environment was the clarification of the relationship between MEAs and WTO rules, and in reply to Switzerland's proposals, some Members had requested that work focus on identifying problems raised by specific commercial provisions of MEAs. Switzerland did not contest the usefulness of such an analysis, but it believed one also needed to look at the systemic questions raised by the relationship between environmental agreements and WTO rules. Its objective was to find a mechanism which could ensure coherence in the work of the international community and prevent legal conflict.

110. Finally, on S&D treatment, the Chairman of the Special Session had made an excellent presentation of what was at stake in the work in this area, highlighting the difficulties involved. Switzerland believed that it was possible to achieve a tangible result by the end of the year and it was determined to work in this direction. The recent submissions should enable consensus-based

solutions to be found to numerous proposals by developing countries. Furthermore, there was also room for restructuring the work of the CTD with a view to greater efficiency.

111. The representative of Canada said that as they reached the end of the year, Members could look back on a fairly productive year, and a particularly busy fall period. A year where the discussions had moved from the procedural phase to the substantive phase. As everyone knew from the Chairpersons' reports, much substantive work remained to be done. There were many complex issues before Members, at only nine months away from Cancún. However, they should not forget that at this time the previous year, they had just returned from Doha, where they had overcome the shadow of Seattle, and the aftermath of September 11, to launch a new round of negotiations. Many sceptics had said then that they could not do it. A year later, the same pessimists were saying that they could not move forward, that they could not achieve the goals set out in Doha in relation to substantial reform of agriculture trade, improved market access, and the fuller integration of developing countries into the multilateral trading system. Canada believed the critics would be wrong again.

112. Of course, it was not an easy process. But, in fact, Members had moved forward since Doha. There were many examples. Members would be receiving in the next few weeks the much anticipated outline paper from the Agriculture Chairman on modalities. They would continue to examine and discuss the numerous proposals put forward in the past months in groups such as non-agricultural market access and dispute settlement. Delegations had been holding bilateral discussions on services. Members were also honouring the commitment made by Ministers in Doha to provide more and better trade-related technical assistance so that some Members could more effectively participate in the negotiations. They were on the verge of approving guidelines to facilitate the accession of LDCs to the WTO. And they had been working long hours to address the numerous proposals put forward to address S&D treatment and implementation. His delegation shared the desire of the Chairman of the Special Session of the CTD for a single, focussed recommendation on S&D treatment to the General Council to ensure a productive way forward.

113. While concerned about the impending deadlines, Canada remained optimistic. However at this critical stage, Members needed to recognize a few things. First, notwithstanding their work since Doha, and the multitude of meetings, they would need to pick up pace if they were to keep the time commitment handed down by Ministers. Second, they all needed to fully engage in the negotiations and be constructive. They needed to encourage and welcome proposals, to welcome ambition and to exercise flexibility in their initial assessment so as to allow as fulsome a discussion as possible on all proposals. Third, Doha was a balanced package that required progress on all fronts. A balance of interests had to move forward in parallel. Significant issues with clear mandates that were not moving would only cause a drag on the entire negotiating system. Fourth, Members could not permit an unrealistically large number of unresolved issues to be back-loaded to Cancún. That was the Seattle model and they should avoid it at all costs.

114. Another broad issue that loomed large was the TRIPS and health file. The human imperative was clear – 40 million people infected with Aids, some 30 million in Sub-Saharan Africa. The stakes for the Organization were also great. It was a publicly visible, emotional issue, for the world's public. Members should remember the original reasons behind the Declaration – it had been for the poorest of the poor found in some of the most remote regions of the world, to get them affordable drugs in the most efficient way. Leadership and understanding had to come from all quarters – developed, LDCs, and developing countries. After capitals completed their assessments of their delegations' work to date and negotiators returned to Geneva, everyone needed to add value from where they had left off, and get the job done, on time.

115. Like many others, Canada believed that making progress on agriculture was central to making progress on the Doha Development Agenda as a whole. It looked forward to the Chairman's paper in this area. At the start of the present meeting, the Chairman had delivered a sobering and much needed wake-up call. He had said that gaps between Members remain wide, that there had not been much movement, and that his December paper had to signal, among other things, a more intensive period

ahead. Canada agreed with these elements. An essential element in moving forward on agriculture would be to ensure that there was a very ambitious result in achieving substantial reductions in trade distorting domestic support. Finally, it was equally critical, both for making progress on agriculture and for making progress in the round more generally, that the deadline of 31 March 2003 for establishing modalities in agriculture be respected. In this regard, Canada was concerned to hear some Members link GIs with progress on agriculture negotiations. For most Members, particularly in the developing world, the agriculture negotiations were the most important in this round. The inability of some Members to make constructive proposals on agriculture should not be blamed on the fact that they had been unable to build sufficient support for their positions in other areas, including on GI extension. Ministers at Doha had given a clear and unambiguous mandate to negotiate on agriculture, and every Member owed it to the others to move forward on the basis of that mandate.

116. He wished also to draw Members' attention to the issue of observership for international intergovernmental organizations to the negotiations, specifically in the Committee on Trade and Environment in Special Session. Canada supported the report of the Chairperson of the Committee in this regard. It was among those who supported a quick resolution to this issue given the very specific mandate of that group. Members should give positive consideration to observer status for MEA Secretariats and UNEP in that group if it was to do the work given to it by Ministers. The Chairperson had also mentioned in her report that some delegations had urged her to wait until the General Council and the TNC had dealt with observer status. As General Council Chairman, he would say that progress was not being made there, and that such an argument amounted to objecting to giving observer status to MEA Secretariats and UNEP in the Special Session. Canada believed this needed to be resolved.

117. The representative of Korea said that, thanks to the efforts and leadership of the Chairpersons, some progress had been made in the year that had passed since the new negotiations had been launched at Doha. Major issues had been identified and positions had been clarified. Yet the progress had been hardly satisfactory. Some important deadlines were fast approaching, and in most areas positions were still far apart. In order to harvest tangible results by the deadlines, Members needed to move forward with realism and flexibility.

118. Agriculture was undeniably the key issue in the whole Doha negotiations, and he wished to make three points on this area of work. First, consideration of the realities should precede ambition. The current stalemate represented a huge discrepancy between the over-ambitious proposals of exporting countries and the realities of importing countries. Ambition was valid only when it could be realized. Second, the modalities should ensure that a balance of interests would be achieved. It would be difficult to agree on modalities that imposed a one-sided burden on a certain group of Members. Third, the Uruguay Round formula could accommodate the realities of a large number of Members and at the same time ensure a balance of interests among the Members.

119. On the services negotiations, his delegation was pleased to note that several developing countries recently had submitted their initial requests, and several other key developing Members had signalled their intention to do so shortly. However, Korea was concerned that a large number of Members had still not submitted their initial requests. If the requests came too late, it would be difficult for Members to make their initial offers on time. In addition, maximum benefits could only be achieved from this exercise when there was wide participation. Members needed to make collective efforts so that more of them could participate in the exchange of initial requests and offers.

120. In the area of non-agricultural products, Korea believed that the final package had to reflect the interests of both developing and developed-country Members in a balanced manner. In this respect, the modalities should be able to effectively address tariff peaks and escalations as well as high tariffs. The recent proposal by the United States offered an ambitious roadmap toward this end. However, as in the case for agriculture, the key questions were whether the realities supported the ambition and whether the burden would be shared in a fair and equitable way.

121. On anti dumping, Korea welcomed the strong interest that a large number of Members had shown in clarifying and improving the disciplines on anti-dumping measures. Indeed, clearer and stronger disciplines were crucial to prevent misuse or abuse of such measures for protectionist purposes. Such disciplines were all the more important now that a proliferation of anti-dumping measures was seriously eroding the gains from expanded market access. Therefore, Members should remain focused on finding ways to clarify and improve the disciplines on these measures. For many Members, including Korea, a meaningful outcome in this area was vital to the success of the entire negotiations.

122. On the review of S&D treatment, it was clear that Members could not agree on everything before the end of the year. The issues needed to be grouped into what could be achieved and what should be further discussed. In this light, Korea welcomed the recent initiative of the Chairman of the Special Session of the CTD to concentrate on the issues that offered the possibility of tangible results by the end of the year. Here again, Members had to work within the mandate, which was to make the provisions on S&D treatment more effective and operational, and they needed an ethic of pragmatism as they approached each issue. Discussions of politically sensitive issues such as tiering and graduation of developing countries, which were not even in the mandate, could only impede the process.

123. While not directly under the TNC's purview, he wished to comment on two important issues which would be addressed the following next week. Members' success on these two issues indirectly impacted on everything else, so Korea believed they merited some observations. First, on Public Health and the TRIPS Agreement, it was disappointing that, despite the admirable efforts of the Chairman of the TRIPS Council, Members had not been able to come to an agreement. Given the high profile of this issue, a failure to meet the deadline by the end of the year would seriously damage confidence in the WTO as well as in the Doha negotiations. Korea believed the key to finding a compromise lay in not seeking more than was in the Doha Declaration. In particular, if one continued to attempt to redefine the scope of diseases, or introduce a new criterion for importing countries, it would only make it harder to reach an agreement. Korea suggested working with what was said in the Doha Declaration and the good faith of all Members.

124. Second, investment. For Korea, the negotiations on multilateral rules on investment was an integral part of the single undertaking launched at Doha. The discussions over the past several months had highlighted the possible benefits of establishing such rules in the open global economy of today. The discussions had also proved that the existing core principles of the WTO system could work as the basis for new rules on investment. Korea hoped that the Members would be able to agree on negotiating modalities by the time of the Cancún Ministerial Conference so that they could start the negotiations in earnest afterwards. Indeed, on the road to Cancún Members had many challenging tasks. In order to conclude the Cancún Ministerial on a successful note, the next few months would be crucial. Korea wished to underline the importance of a realistic and flexible way of thinking in moving forward.

125. The representative of the Czech Republic said that the present meeting provided Members with a timely opportunity to take stock of where they stood in the ongoing negotiations and implementation issues. It was an important indication of prospects for the success of the Ministerial Conference at Cancún and whether the time was already ripe for starting to put the various pieces of the Doha Round together. The objective of the meeting was to build new momentum for the negotiations and to provide the political guidance for the period ahead. It was an opportunity for Members to underline the links between the negotiating subjects and to move things forward by way of benefiting from these links and using them in a positive manner.

126. Gratifying as the progress was in several areas, a lot remained to be done in respect to a number of specific issues and any complacency would be out of place. The Chairman had made a similar assessment when pointing to the mixed, uneven and not sufficiently speedy progress. While sharing the Chairman's assessment, his delegation wished to add that each Member had its own

priorities and topics and each one operated under certain political constraints. However, these factors should not prevent Members from looking for balance within various positions, interests and concerns and making necessary trade-offs. This was what a package deal type of negotiation under a single undertaking type was about, and this was the only viable way of proceeding if Members wanted success at Cancún.

127. On agriculture, there seemed to be a kind of misunderstanding in this area. Many Members had put on record the view that there would be no progress in the Doha Development Agenda without meaningful results in agriculture. However, the question was not whether the results were meaningful or not. It was quite obvious that these results would have to be meaningful, but that was not the real point. The real point was rather how to ensure the participation of all Members in the continuation of the reform process so that everybody could benefit from it. Successful negotiations required serious engagement on the part of all. To bridge the gaps in the agriculture negotiations, Members should carefully listen to what others were saying and show sufficient understanding for their views and concerns, rather than submitting proposals which focused exclusively on their individual or collective interests. Overall, a more reasoned approach was needed, striking a proper balance between trade and non-trade concerns and taking account of the needs and specific interests of various Members. This could be done if the ideological prejudices were removed and if Members demonstrated sufficient good will. In searching for such an approach, his delegation counted very much on the Chairman of the Special Session of the Committee on Agriculture, who had its full confidence in his ability to shape an overview paper in a manner which fully reflected the variety of views, interests and concerns expressed to date.

128. In the area of non-agricultural products, important momentum had been provided to the negotiations through the consideration of various submissions on possible modalities for the negotiations on market access. Despite the serious work and progress to date, the level of ambition and expectations of various delegations continued to be miles apart. Some Members seemed to approach these negotiations from a defensive perspective and did not put them in the context of possible gains resulting from new market openings. His delegation was confident that this was going to change. To be successful on tariffs, his delegation would advise looking for a formula-based approach in which all could benefit and in which every Member found something for himself. This way of proceeding corresponded to the call for liberalization across all non-agricultural products, with no a priori exclusions and with particular emphasis on products of interest of developing and least-developed countries. It was also in line with the need for a contribution to the liberalization process by all, while keeping with the level of development of individual Members. In order not to allow erosion of the results of the tariff negotiations, it was important that these negotiations proceed hand in hand with the efforts aimed to reduce, and where possible eliminate, non-tariff barriers.

129. Since the non-agricultural market access negotiations were still lagging behind those on agriculture and services, his delegation wanted to believe that Members would have sufficient time prior to Cancún to catch up. It was in this spirit that it joined the consensus on a schedule of meetings of the Negotiating Group on Market Access. However, his delegation considered the three negotiating opportunities scheduled until the end of May 2003 to be a minimum and expected that some additional time would be allowed for intersessional informal work of a technical nature.

130. On the third leg of the market access package of the Doha Agenda, his delegation appreciated the progress that had been achieved so far both on the multilateral and bilateral fronts. This progress allowed his delegation to look to the future with some optimism, while not losing sight of the links which might exist between the negotiations on services and other negotiating areas. It hoped that Members would be able to find a way forward in the rules-related aspects of the negotiations. Finally on services, his delegation was ready to continue to participate constructively in the negotiations on the outstanding issues regarding the treatment of autonomous liberalization and modalities for the special treatment of LDCs.

131. Turning to the rules area, he wished to reaffirm the importance the Czech Republic attached to the objective of clarifying and improving disciplines under the agreements on anti-dumping and subsidies and countervailing duties, while preserving the right of Members to recourse to these instruments. Thus far, the negotiations had been of a rather conceptual nature. What was needed now was more intensive and focussed interaction to deepen understanding of various concepts and issues. The same applied to the work on disciplines and procedures governing regional trade agreements where the negotiations were progressing in the right direction. With regard to dispute settlement, his delegation was in favour of a sufficiently broad and balanced substantive package which could attract consensus by the May 2003 deadline. Although some important progress had been achieved in the area of trade and environment, a meaningful convergence of views was still lacking. His delegation recognized that some of the issues under consideration were difficult and complex. However, an agreement was within reach and his delegation stood prepared to play its part in finding appropriate solutions.

132. On the Singapore issues, namely trade and investment, trade and competition policy, transparency in government procurement and trade facilitation, his delegation was glad to note the constructive engagement that had been shown by Members. Much useful work had been done to clarify various aspects of all four issues. This work represented a very good basis on which Members should be able to move ahead with a view to preparing for the necessary decisions to be taken at Cancún. The time was now opportune for the establishment of respective institutional frameworks which would adequately reflect development needs of Members. This unique opportunity should not be missed and the Czech Republic remained committed to working towards the attainment of this objective.

133. With regard to the negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits, his delegation continued to be concerned about the lack of substantive progress given the deadline from Ministers. This issue had been on the table for a couple of years and Members should be ready to do more with a view to arriving at an agreement by the time of the Cancún Ministerial. The roadmap outlined by the Chairman of the Special Session of the TRIPS Council was a very useful instrument which enabled Members to have a more structured exchanges. But much more remained to be done. From this perspective, his delegation welcomed the intention of the Chairman to hold, in addition to three formal meetings before the Conference, informal consultations as soon as necessary. His delegation would refrain from commenting on the issue of extension of the additional protection of geographical indications to other products than wines and spirits, preferring to do so under the agenda item dealing with outstanding implementation issues.

134. Finally, in the area of S&D treatment, considerable efforts had been made in the Special Session of the CTD. To some extent these efforts had already produced a sufficient level of understanding, but the action envisaged to be taken in respect of many of the issues was still lacking. However, this should not be interpreted as a lack of commitment on the part of Members. On the contrary, the level of engagement had been equal to the importance they all attached to this systemic problem. However, the issue at hand was highly complex and required more time for further consideration. For this reason, his delegation supported the continuation of the work in the Special Session, and it pledged its support on the clear understanding that a meaningful package of doables would be adopted before the end of the year.

135. The representative of Chile said that his delegation shared the optimistic view of events thus far in the statement by Canada. It was a view of prudence and caution but a positive one. His delegation also agreed with Canada that the finalization of the results in the work on TRIPS and Public Health should take on a human dimension. This meant Members had to display political courage and boldness, and hopefully this would be the case.

136. On agriculture, his delegation believed that progress had been unequal, as mentioned by others and by the Chairman. This was a very critical area, with impacts and repercussions on all the

other areas of the negotiations. Some specific and ambitious proposals had been submitted, and there had been a good technical discussion, but proposals by some of the main actors were missing. Some had said that it would be sufficient to go on with agricultural reform on the basis of the modalities used for the Uruguay Round. One Member had stated that before looking at figures, it needed to know the architecture. But with the same architecture, one could build either a doll's house or a mansion. It was not only a question of architecture, but also the dimensions of what was being built. His delegation was looking for a large house that could accommodate the whole family and all their friends. The architecture of the Uruguay Round was a doll's house so only dolls could live there. That would not be sufficient and was not part of the Ministers' mandate. In its statement, Hungary had established a close link between the agriculture negotiations and GIs, saying that it had been waiting a long time in this area. Chile had been waiting since 1947 for agriculture to be integrated into the multilateral trading system. At their Conference in 1988, Ministers had stated that agriculture was a long-term endeavour. Many years had gone by and some were still saying it was a long-term endeavour. There was no moral authority to put these two issues at the same level. Agriculture was much more important, much more urgent and had been waiting much longer. In addition, he wondered what the protection of geographical indications had to do with further trade liberalization. He would suggest that wider obligations in the area of intellectual property in this area would lead to less trade.

137. In the area of the negotiations on dispute settlement, Members had not reached consensus on all the issues, but there were some good ideas and they would need to continue their work. Some proposals went beyond the negotiating mandate, which spoke of improving and clarifying the DSU. Some proposals would imply an increase in the Organization's budget, which seemed to be a delicate issue. Members did not have much time until May 2003, so they should focus on the issues where they could reach agreement. In this regard, his delegation disagreed with the Chairman of the Negotiating Group that the discussions should focus on proposals containing specific texts. At this juncture, Chile could make many proposals but did not have a specific text to submit in a proposal. In addition, even the most perfect text might not find consensus in May, and there would be no outcome. For this reason, Chile urged the Chairman himself to select the issues on which consensus might be possible and to make his own best effort, taking into account the discussions thus far. The rest could be left for later, under an additional mandate if necessary, and in this way there would be results on many issues in May, if only on a provisional basis.

138. In the negotiations on rules, there had been progress and his delegation gave the Chairman of the Negotiating Group top marks. His delegation was also satisfied with the progress made in the market access negotiations for non-agricultural goods. A considerable number of far-reaching proposals had been made in this area based on a long-term vision. Chile believed this was appropriate to the present reality within this Organization and also in the global economy of today. Chile had submitted such a proposal, calling for the highest possible level of ambition, which should be implemented in the largest possible time-frame to allow adjustments to be made in Members' economies so that liberalization became a tool for development and one which generated economic, social or political problems. Statements had been made which suggested the need for realism and that one should not be too ambitious. However, references to being realistic, both in this area and in other areas of the negotiations, had to be put into the context of what was happening in trade liberalization. Bilateral and plurilateral free trade agreements contained not only provisions to eliminate tariffs amongst the partner countries, but also disciplines in such important areas as services and investment, where the greatest possible liberalization was being sought. The trade liberalization being achieved through these bilateral or plurilateral agreements was indicative of the desire on the part of businesses, workers and politicians to move towards liberalization and to achieve better disciplines on a global level, be it within the WTO or outside the WTO. This was the reality of the situation, and this Organization had to face that challenge. It could not lag behind because countries that could not participate in these bilateral or plurilateral processes, and which could only participate on a small scale, would be marginalized in the global liberalization process. Chile had high ambitions in this respect, but it wished to underline again the important linkages that this area had with other areas of negotiation, such as agriculture and rules, in particular anti dumping.



139. On S&D treatment, Chile believed that this was not the right time or place to redesign or question S&D treatment. It was rather a question of improving it. With regard to the report by the Chairman of the Special Session of the CTD, good progress had been made, it just had not yet been brought to fruition. Chile hoped that this could be done in the near future, and believed that more time would be needed to take the process forward. On the issue of IGO observership, his delegation shared the concerns expressed by Canada that this had not been solved and the impact of this on the negotiations on trade and environment. Chile hoped that, at least for the purposes of these negotiations, a solution could be found.

140. The representative of Zambia, speaking on behalf of the Least-Developed Countries, said the Chairman's assessment of the current situation had been very precise. Indeed, it needed urgent and closer attention and basically calls for all Members to redouble their efforts in order to rescue the DDA, particularly given the prevailing world economic environment. He wished to thank all the Chairpersons for their dedication and hard work as demonstrated by their reports. The fact that these bodies had realized differing levels of success was not linked to their efforts, but rather demonstrated the level, or the seriousness, of engagement that Members had shown. In this connection, his delegation joined others in urging Members to redouble their efforts and to work harder as they approached the deadlines set by their Ministers, including the revised deadlines. His delegation was not pessimistic, but after nine months of negotiations, the world expected more from Members than what the various Chairpersons had reported. The bigger picture of what they were doing here involved real people and included issues that the various groups, including the media, in the different corners of the world were currently and busily discussing.

141. He would not comment on all the Chairpersons' reports, but rather restrict his comments to the two or three areas that the LDCs viewed as most crucial. First, S&D treatment. The LDCs believed that incorporating S&D into the architecture of WTO rules was of paramount importance to their ability to participate in the multilateral trading system. However, as the report by the Chairman of the Special Session had shown, the work still faced great difficulties, and it was looking more and more as if a successful conclusion might elude Members, at least by the end of month deadline. The LDCs agreed with the Chairman on the need to raise ambitions by some delegations and lower expectations by others in order to facilitate consensus. However, they believed that expectations could not be lowered any further than was necessary to stay within the limits of the instructions Ministers had given at Doha. Several delegations had indeed referred to the importance of respecting the Doha Ministerial mandate, including Norway and Canada.

142. S&D was a cross-cutting principle that had an effect on almost everything that the LDCs were trying to achieve. In the negotiations on agriculture, they were concerned that many of the proposals put forward did not adequately address the issue of S&D, and yet it was an integral part of the negotiating mandate. The LDCs wished to see the modalities to be agreed lead to an improvement in S&D provisions over and above what they had been granted in the Uruguay Round. Similarly, in services, the LDCs had reminded their trading partners, under the principle of equity and fairness, to take into account the measures they had already undertaken in liberalising their services sectors. While reports indicated that trade in services might be one of the saving graces of the work at present, the LDCs were disappointed by the lack of agreement on modalities for the treatment of autonomous liberalization, as the Chairman had pointed out. The solution to this was only a question of flexibility on the part of the LDCs negotiating partners, who should remember the extent of the liberalization the LDCs had undertaken as result of their other international obligations.

143. Of crucial importance to the LDCs was the need to reach an acceptable and practical settlement on TRIPS and Public Health. The need for a speedy settlement of this issue was a matter of public record, as many delegations had pointed out. There was a need for all Members to remember that this issue was not just another matter of business as usual, but rather concerned saving millions of lives which were at stake. It was a matter of life and death. The LDCs believed it was possible, before the deadline expired at the end of the year, to address in a cooperative manner the

problems identified in paragraph 6 of the Doha Declaration on TRIPS and Public Health. Economically and legally viable and workable solutions were needed, which would only require a human touch and understanding to operationalize.

144. The LDCs joined Kenya, on behalf of the African Group, in voicing concern at the proliferation of meetings, formal or informal, since many of these meetings were important to all delegations. As delegations tried to meet deadlines, meetings were being called on each day of the week and at all hours of the day and night. The LDCs were concerned at this, because as they had previously stated, their small delegation could not cope, and this practice would only serve to deprive them of their attempts, and indeed their right, to effectively participate in the business of this Organization.

145. The representative of the United States said that her delegation appreciated the leadership provided by the Chairman and the Chairpersons as well as the candid assessments they had provided regarding the state of play of negotiations and the way forward. The United States had made clear the importance it attached to meeting the year-end deadlines in four areas. First, the United States remained hopeful that a mutually-supportive solution could be found regarding TRIPS and health. In this connection, her delegation applauded the untiring efforts of the Chairman of the TRIPS Council and it would make every effort to achieve a successful outcome. Second, based on realistic expectations and practical needs, Members could devise a package on development-related issues – implementation, S&D, the monitoring mechanism, and streamlining the accession process for LDCs – that would complement and support the DDA in all its facets. Third, the Chairman's report on trade-related technical assistance and capacity building was also essential for development-related issues and would help Members prepare for the next phase of work. Fourth, the United States was hopeful that Members could chart a course for the early deadlines the following year that dealt with the core issues of the DDA – agriculture, services and non-agricultural market access.

146. In less than a year, Ministers would be meeting in Cancún. In the new year, the United States believed that Members would need to shape the agenda for the Ministerial and the issues where Ministerial attention and direction would be needed. The agenda agreed at Doha extended well beyond the core issues of market access. The United States had been an active participant in the various areas of discussion because it recognized that these areas were needed for balance. It respected the agreement at Doha and intended to be a constructive partner in forging a consensus on the broad agenda Ministers had put forward.

147. On services, the United States was actively engaged in all aspects of the current phase of the GATS negotiations, looking ahead to the next deadline of 31 March 2003 for the submission of initial offers. It had submitted requests in line with the time-frame established by the Ministerial Declaration. It was fielding teams of sectoral experts for the bilateral rounds. It was seeking to engage all Members to which it had submitted requests to present and clarify these requests, and it had been interested to receive the same information in return, where requests had been presented to it. It had also participated actively in ongoing rules and other work, namely safeguards, subsidies, procurement, domestic regulation, and classification.

148. The United States looked forward to continuing at the same pace in 2003. It had noted on previous occasions that liberalization of services held enormous potential gains for developing countries – some \$900 billion annually. Services were the key to meeting infrastructure needs for economies to grow. Given the importance of services to growth and development, the United States remained concerned that more Members had not yet submitted requests and would encourage them to do so in order to ensure that they be considered in the context of the United States' initial offer due in March.

149. Her delegation was grateful to the Secretariat's Trade in Services Division for hosting the successful Scheduling Workshop, which had been aimed at helping developing countries. It had found the workshop to be not only informative, but also interactive all around, and it appeared to have

clarified many areas for Members with respect to scheduling and preparing offers. Her delegation also appreciated the hard work of the Special Session Chairman on completion of the mandated autonomous liberalization modalities. The text, which the United States believed was not perfect, was an acceptable basis on which Members should be able to reach consensus. Finally, the United States eagerly awaited the draft text being prepared by LDC Members, part of another requirement of GATS Article XIX, to establish modalities for special treatment of LDCs in the negotiations. The United States also wished to see this text completed soon, having first proposed ideas for these modalities in a written submission in July 2000. It was high time to wrap this up.

150. The United States had just recently made its contribution to the negotiations on non-agricultural market access, proposing modalities that were far-reaching and ambitious, consistent with its approaches in services and agriculture. Like in agriculture, it believed Members needed to take a different approach than they had in the Uruguay Round. The United States had listened carefully to its partners about the importance of keeping everything on the table, and had devised a method where, over time, Members would achieve a single set of obligations applicable to all – where industrial tariffs would be eliminated along with non-tariff barriers that impeded access.

151. The United States was enthusiastic about the prospect of securing far-reaching results that, if adopted, would significantly open markets around the world, particularly on products of interest to developing countries, whether those products were in the labour-intensive area or other fields. Some Members had said that the United States was being too ambitious, while others had applauded its initiative. Her delegation aimed to work with others to see whether this proposal could be broadly accepted as the modality for the negotiations. The United States' goal was simply to ensure that there was an ambitious outcome in this part of the negotiations.

152. Not surprisingly, this led her to agriculture and her delegations' continuing concern about the pace of work in an area which all Members recognized was central to the DDA. The United States had joined others in calling for a different approach to the negotiations rather than automatically extending the Uruguay Round modalities. The good news was that there had been progress and there were a number of specific and reformist proposals on the table. The common thread in each of the proposals was their call for substantial reform, liberalization and a new approach to the three pillars in the Agriculture Agreement – market access, export competition and domestic support.

153. The Chairman of the Agriculture Special Session had to be in a position to forge the needed consensus on modalities by the end of March. The United States looked forward to his paper at the end of the year and his plans to provide more specificity in his February paper. It noted that it had been difficult for some to come forward and be specific. This would be a challenge for the Chairman, but the United States expected that he would continue to reflect the ambitions of those who had made the effort to participate and who had tabled detailed proposals to move this process forward. Given that the state of trade liberalization in agriculture was decades behind the rest of the trading system's trade liberalizing accomplishments and the importance of agriculture to so many Members, it would be unrealistic to adopt a level of ambition that did not address this state of affairs.

154. Her remarks had focused primarily on the core market access issues of services, industrial market access and agriculture, but the United States had a keen interest in the other issues on the agenda and would work to forge consensus where possible. The previous week, the Rules Negotiating Group had had an extensive discussion of trade rules. The United States had taken the opportunity to supplement earlier contributions on concepts for the rules negotiations to focus on questions of investigatory procedures in anti-dumping and countervail cases, as well as the important question of subsidies and development. It looked forward to continuing the work.

155. Similarly, the United States was working to further understanding in a number of areas which were of great concern to Members. For example, it continued to raise questions in the Trade and Investment Working Group to ensure that whatever Members agreed to begin building in this area did not limit the value of an agreement over the long term. In this respect, the United States hoped that

others would look again at its recent submission on including portfolio investment in any negotiation on investment.

156. With regard to the report by the Chairperson of the Special Session of the Committee on Trade and Environment, the United States supported her efforts to organize future discussions to address methodically the complex issues arising from the mandate in paragraph 31(i) of the Doha Declaration regarding specific trade obligations in multilateral environmental agreements. It welcomed her invitation to delegations to engage in more concrete analysis by expressing views on examples of such specific trade obligations. It believed that this provided a sound focus for productive work without, as she had noted, prejudicing the views and interests of any Member.

157. Finally, she wished to comment on the issue of development. Ministers had agreed to the DDA precisely because further trade negotiations – liberalization, strengthening and writing of new rules – were essential if the WTO was to continue to create opportunities for growth and development. The United States' aim in all the discussions was to be practical as Members looked further at the issue of development and S&D. There had been good success in the Subsidies Committee in addressing in a tangible fashion specific concerns. In a similar vein, the work on standards, in both SPS and TBT, was promising, and a discussion had been engaged with the small economies on issues of greatest concern. Working together, Members could shape policies that yielded tangible results that furthered the process of integration.

158. The United States also very much welcomed the agreement that had just been reached on the Decision on Accessions of Least-Developed Countries. It believed that membership in the WTO, and indeed the accession process itself, could yield important benefits in advancing the development interests of these countries. The United States looked forward to working with LDCs in the accession process to produce meaningful and tangible results as soon as possible. On S&D, there was clearly still some intensive work to be undertaken before the year's end. The United States and other countries had put some concrete ideas forward in the spirit of trying to find common ground and achieve development-friendly results. It was fully engaged and prepared to put in all the time and effort that was needed to work towards practical solutions to specific issues and to create a roadmap for future work.

159. Looking ahead, while Members had all worked hard and there had been an encouraging degree of engagement, the hardest work lay ahead. The United States was committed to playing its part in moving forward towards a successful Ministerial in Cancún and a successful outcome to the negotiations. Its goal continued to be ambitious results in the three market access areas and a strengthened system of rules and disciplines that were applicable, and of benefit, to all Members. The United States looked forward to working with others to achieve such results, and to further discussions the following week on this important topic.

160. The representative of Malaysia said his delegation fully concurred with the Chairman's assessment, which correctly reflected the state of play in the negotiations. He wished to focus on those issues where deadlines were near, namely TRIPS and Public Health and S&D treatment. On TRIPS and Public Health, everyone had acknowledged that this was a humanitarian issue, and that it had nothing to do with economic considerations. His delegation saw that the initial euphoria and readiness to find an early solution to this issue seemed to have fizzled out. The progress that Members had thought was being made in the early stages had somehow eluded them. Instead of moving forward, they seemed to have moved backwards. His delegation deeply appreciated the hard work of the Chairman of the TRIPS Council, and the fact that he was still very much determined to find a solution to this issue. It was also somewhat encouraged that many delegations, including major ones, who had said that they were also quite determined to find a solution to this issue. However, Members seemed to be in a state of impasse. Some might differ on this evaluation, but his delegation was cautiously optimistic that, with the kind of acknowledgement that had been made and the commitment shown by some of the major delegations at the present meeting, Members would be able to find a solution to this issue.

161. S&D was another issue of critical importance to many delegations. Members had to find a way to resolve some, if not all, the proposals submitted in this area, because they had not yet reached a stage where they had been able to find a solution to even one proposal. Of course, Malaysia welcomed the contributions recently made by a group of countries, and the way forward would be to ensure that these issues were discussed in good faith and with the necessary political will. Malaysia wished to underline that, unless solutions were found to some of these proposals in the following days, it would have problems in dealing with other issues which would come up early the following year. Members had come to a stage where they had to go beyond words and act with a sense of urgency, demonstrating the political will to negotiate in good faith on these two issues. His delegation was cautiously optimistic that Members would be able to find solutions to both issues in the small amount of time remaining.

162. Finally, he wished to respond to the statements by a number of delegations on the Singapore issues. Japan had referred to the need to have a comprehensive agenda, mentioning the issues such as trade facilitation, investment, transparency in government procurement and trade and competition. That statement had contained nuances, but the statement by Korea had been even more surprising to his delegation, going even further and stating that the issue of investment was part of the single undertaking. His delegation was disappointed that some delegations had raised these issues in the present forum, since it believed that it was not the right place to do so. Despite the lack of progress achieved on the issues which were supposed to be development-oriented and for which there were deadlines, many developing countries had participated actively and constructively in the discussions on the Singapore issues in the various working groups. His delegation believed that, at this stage, jumping the gun and prejudging the outcome on these issues was not helpful. On the contrary, it believed it would be counterproductive and make those Members which had been participating constructively in the discussions on these issues rethink their positions. His delegation appealed to delegations to refrain from raising these issues in the present forum. If these issues were raised in the right forum, patience would bring adequate rewards.

163. The representative of Nigeria supported the statement by Kenya on behalf of the African Group, and those of Brazil, Chile, Egypt, India, Malaysia, Paraguay and Zambia on behalf of the Least-Developed Countries. The reports by the Chairpersons of the negotiating groups showed that there had been a very slow pace in progress on the subjects of interest to developing countries. His delegation believed the reason for this was the fact that it was obliged to wait for its partners to move. It had seen an apparent lack of interest in these subjects by a number of key delegations, especially on agriculture, in particular reduction in domestic support and export subsidies, and on S&D and implementation issues. Even TRIPS and Public Health, which had been a success in Doha, was yet to be resolved, despite the good will shown by Ministers from all sides, both at Doha and in several other fora after Doha. Millions of people, especially from Africa, had begun to praise the WTO as an institution that was beginning to wear a human face, but their frustration would be enormous if this matter remained unresolved. Nigeria relied on the assurances given by its key partners that efforts were being made to resolve these issues. However, it urged that these subjects be addressed quickly if the Doha Development Agenda was to retain its name. The DDA took into account disadvantaged position of developing countries and the ongoing negotiations were aimed at correcting the imbalances in the WTO Agreements. Therefore, those delegations who were expecting developing countries to pay for everything they got, or were insisting on reciprocity in every subject, should reflect on the facts of Doha in order to advance the cause of the negotiations.

164. A delegation had referred to the linkages in the negotiations, as Malaysia had just mentioned. While the principle of the single undertaking should guide the results of the negotiations, the developmental aspects of the exercise should not be sacrificed or ignored. Another delegation had referred to the need for early completion of work in the DSU review in order to give a positive signal to the public that the Doha agenda was on course. One needed to add that the deadline for the work on S&D, as well as the numerous uncertainties which had emerged in the DDA, were already sending negative signals and causing great concern in capitals. Perhaps the TNC and its Chairman, together with the Chairpersons, would begin to look into the issue of linkages which emerged and ways to

reduce the impact of delegations sticking to their known positions. These two problems had to be resolved if the negotiations were not to be bogged down. Nigeria supported the call for observers to be admitted to the negotiations in the Special Session of the Committee on Trade and Environment, since the work of the MEAs impacted seriously on trade and the WTO's agenda.

165. He wished to conclude by reiterating three points. First, to call on his country's partners to be more flexible in their approach and to understand the peculiar situation of developing countries. Secondly, the issue of TRIPS and essential medicines should be resolved by the end of December. And finally the doables in the areas of agriculture, S&D and implementation should be put on the table as soon as possible to move the process forward. These were the bare minimum that could give his delegation greater confidence in the negotiations. Delay in these areas, or leaving surprises for the last moment, would not achieve the result intended for Cancún nor for the DDA. His delegation called for flexibility on all sides, and it would continue to support the efforts by the Chairman and the Chairpersons to achieve consensus on all the issues under consideration.

166. The representative of Indonesia said that while there had been development in several areas of the negotiations, his delegation was seriously concerned over the slow pace of progress on some other issues which were of importance to many developing countries. On agriculture, his delegation commended the excellent work of the Chairman of the Special Session. Worthwhile progress had been made in this area, commensurate with the Chairman's outline and the Work Programme adopted in March. His delegation was encouraged that many negotiating proposals had been submitted during the November meeting. For Indonesia, the most important issues were S&D treatment in the context of domestic support measures, and special safeguard measures for developing countries for food security measures. However, his delegation joined others in the concern that there was still a lack of a proposal from a group of developed countries. As the stage was rapidly approaching for a purposeful discussion of modalities, his delegation hoped that a response from this partner would result in good future commitments and an appropriate level of ambitions.

167. On non-agricultural market access, Indonesia hoped that there would be substantive progress by the time of the Fifth Ministerial Conference, and it urged that appropriate meeting slots be found to allow the group to move forward quickly. On the negotiations on rules, the Negotiating Group had a flexible mandate, involving an initial phase and a subsequent phase, and the TNC was the appropriate place to talk about linkages with other aspect of the negotiations. There were many issues in other groups that would bear down on the Group, notably in the three market access negotiations. His delegation was pleased with the Group's work, and it encouraged the Chairman of the Group to continue the good work.

168. With respect to the report by the Chairman of the Special Session of the CTD, it was important to recognize that there were many issues, some of which were contentious. But more importantly, there was a lack of serious engagement by developed-country Members. It was necessary to bridge the differences on many proposals as soon as possible. This had not been an easy exercise, nor an easy task for the Chairperson, and much difficult work remained to be done. His delegation supported the statements on this area by Brazil, Egypt, India and Malaysia, and that by Kenya on the importance of S&D for developing countries. Developing countries were not prepared to discuss any approach that would result in differentiation among them. Members needed to continue working on this issue, so that it became part of the progress, not an obstacle to it. Indonesia supported the suggestion by India that future discussions in this area should take place in dedicated sessions of the General Council. Finally, his delegation urged the Chairman to undertake further informal consultations with the Chairpersons and with delegations to discuss the best approach to addressing these issues, so that Members could have an indication of the status of the negotiations and what should be done next year.

169. The representative of Argentina agreed with the Chairman's assessment of the state of the negotiations. His delegation had noted the Chairman's urging of Members to move forward and it hoped that other delegations had taken good note of this. The present meeting of the TNC had been

particularly useful by the quality of the discussions, which had been very constructive. Certain statements had been striking, such as that of Canada, which had taken an in-depth approach with an optimistic frame of mind regarding where these negotiations could lead to. When the major media were reflecting the views of those who believed in a time-frame of 2006 or 2007 as opposed to 2004, optimistic messages such as this were most welcome. The same applied to the statement by the United States, and while his delegation could not agree with some of the points made, it recognized the need for the type of leadership shown by the United States.

170. His delegation agreed with those who had said that compliance with the mandates that had a deadline on 31 December was crucial because of the effect this could have on the negotiations. This work required commitment, ranging from the willingness to be constantly available to meet when circumstances required to flexibility on the substance. His delegation was ready to demonstrate such commitment. On TRIPS and Public Health, his delegation had been very active and its position had been clear from the outset. Being aware of the humanitarian, human rights and systemic implications of this issue, it had decided to go along with any consensus, despite believing that the solution being discussed was not the most effective nor the most appropriate one. Like others, his delegation believed that the TRIPS Council Chairman's 10 November document was a good basis for a solution.

171. The issue of S&D treatment was another crucial part of the negotiations, due to its implications, insofar as this was a development round. There was clearly a considerable level of frustration at the missed deadlines in this area from those who had the greatest interest in the issues at stake, and his delegation shared that frustration. It seemed clear that the task was now one of damage limitation, since there did not seem to be grounds for success in the work at the present stage. Like others, his delegation was concerned that some matters which were not on the agenda had been raised in the course of this work, and those raising them had not shown a sense of political timeliness in doing so now. When consensus was reached on specific results and benefits from this work on development issues, that would be the appropriate time to raise issues linked to differentiation and graduation. On the specific issues, his delegation would join any consensus that emerged amongst the main demandeurs. His delegation did not agree with those who assumed that they would have to bear the cost of the measures resulting from these negotiations, because it believed that the return would outweigh the costs, and if progress was not made in this area, there would be much greater costs than those implicit in any such measures.

172. Turning to the issues on the agenda of the negotiations, he wished to begin with agriculture due to its implications for development. After the two previous subjects, agriculture would be a big test for the negotiations. But it was not the S&D component which was relevant here. Obviously, agriculture incorporated S&D treatment like all other areas of negotiations, but what was unique in agriculture was precisely the opposite. What Members had to do in agriculture was to overturn differential rules which ran counter to the interests of developing countries. What they needed to do was lift the burden which, since 1947, had fallen more heavily on countries that did not subsidize nor protect their agricultural products, and that concerned mainly developing countries. The way to do this was simply to comply with the Doha mandate. In so doing, one had to be aware that the balanced overall results of these negotiations had to come from all areas of the negotiations and not just from the Committee on Agriculture. Argentina, together with other countries in the Cairns Group, had done what was necessary, and was waiting for the others to do the same. His delegation welcomed the statement by the European Communities that it would be shortly submitting a proposal.

173. In services, Argentina was one of the approximately 30 countries that the Chairman of the negotiating groups had indicated were participating in the present process of initial requests, and it also had a special interest in the pending multilateral work. In March, it would make its initial offer, which would obviously reflect the state of play of the negotiations overall. In the work in this area, it believed that attention should be given to two aspects. First, the relationship between the level of ambition in services and the level of ambition in other areas needed an adequate balance. Second, the relationship between the negotiations on commitments and those on rules needed to be carefully monitored. For developing countries, it was important to be able to count on clear rules for trade in

services. There had been no substantive progress in the work on safeguards, subsidies, autonomous liberalization and how to deal with special cases such as LDCs. All of these elements would help to ensure progress in these negotiations. The work on market access for non-agricultural goods had progressed. His delegation supported the statement by Brazil that the Mercosur countries were assessing the issue of modalities and had not excluded any option. Argentina welcomed the high level of ambition that some Members had shown, although it was concerned to see that the Doha mandate on less than full reciprocity had not been taken into account in the majority of the proposals, particularly by the developed countries.

174. At the present meeting, a number of delegations had underlined the importance of an adequate and smooth rate of progress in all areas of negotiation. Argentina believed that the reference in paragraph 47 of the Doha Declaration to the single undertaking concerned not only the results, but also the conduct of the negotiations. That entailed that the TNC had to supervise not only the balance of the final result but also the balance in the process. This was a task that the TNC had to take into account. Although it agreed with the importance of holding an appropriate number of meetings, his delegation believed that there should not be absolute symmetry between the negotiating groups in terms of progress and the number of meetings. This was not a linear comparison, since there were a number of variables to be taken into account in the different groups. Therefore, there should be a margin of flexibility in order to ensure balance across the board.

175. The representative of China said that his country believed that one of the main objectives of the present round of negotiations was to address the imbalance of interests between developed and developing countries left over by the previous rounds, particularly the Uruguay Round. The DDA had taken those issues as priorities. More than one year had passed since the Doha Ministerial Conference. During the year, a number of proposals had been put on the table and countless meetings and consultations had been held. Some progress had been achieved in some sectors, but more efforts remained to be made in other sectors. Therefore, China appealed to Members to redouble their efforts to create a favorable environment for the new negotiations.

176. China attached great importance to the agricultural negotiations, which was the core issue of DDA. It looked forward to an early submission of specific proposals by the major players as promised to the Special Session of the Committee on Agriculture. This would facilitate the work of the Special Session and so contribute to the progress of negotiations in this crucial area. In the Negotiating Group on Market Access for Non-Agricultural Products, work was on the track, and his delegation appreciated the efforts made by all parties concerned. However, as the Chairman of the Group had pointed out in his report, the work on non-tariff barriers seemed to lag behind that for tariffs. Members should accelerate their work towards a significant reduction in non-tariff barriers, including irrational SPS and TBT measures, so as to improve overall market access for industrial goods. China hoped that, through Members' joint efforts, the modalities could be established by 31 May 2003.

177. The negotiations on trade in services were doing well, and China had participated actively in the process. It hoped the requests by developing countries for the assessment of the implications of the GATS implementation on their economic and social development, the establishment of an emergency safeguard mechanism, the facilitation of mobility of natural persons for providing services and credits for autonomous liberalization actions would be taken into account and be duly satisfied. There should be balanced progress in the negotiations and in the development of trade among the various areas of this sector. In this regard, China welcomed the proposal regarding the implementation of paragraph 15 of the Guidelines and Procedures for the Negotiations on Trade in Services. The review and evaluation exercise was a very important aspect of the current services negotiations in order to ensure more active participation by developing Members in world services trade and to promote their economic and social development.

178. China shared the views of most other developing-country Members on the state of play in the deliberations in the Special Session of CTD. The mandate set out in Doha Ministerial Declaration and



the relevant Decision was explicit and specific. The focus had been placed on the improvement of the existing S&D treatment provisions in the WTO Agreements. All the proposals had been tabled before the deadline in June, and, regrettably, not much substantive progress had been achieved in the additional months. The improvement of S&D treatment was not only important to developing-country Members, but also of crucial importance to the DDA. China therefore strongly urged developed-country Members to take concrete action in the discussions to meet the deadline. Failure to meet this deadline would have a negative impact on the overall negotiations.

179. China appreciated the enormous efforts that the Chairman of the TRIPS Council and various Members had made in the past year for the fulfilment of Doha mandate to find an expeditious solution to the issue of the TRIPS Agreement and Public Health. It firmly supported, and would be constructively involved in, the efforts by Members to reach consensus on the solution to this issue before the deadline of the end of the year, so that necessary pharmaceuticals could be accessible at affordable prices to developing countries confronted with grave public health problems. With regard to the legal mechanism for the solution, China was in favor of an authoritative interpretation of Article 30 of the TRIPS Agreement, and it believed that this would provide more efficient flexibility in providing a permanent, stable and predictable solution to the problem. However, China had also expressed its flexibility on other solutions. China had no objection to using a waiver of a short term nature as an alternative for a temporary solution to the problem, if that was the common desire of Members. In that way, an agreement could be reached by the end of the year, followed by further work for a permanent solution, provided that developing countries could be assured access to affordable pharmaceuticals for public health purposes from the beginning of 2003. A waiver should be a waiver, and numerous conditions should not be added to it. China firmly believed that, if all Members made efforts, the sought-after consensus on the solution to this issue would be achieved before the deadline.

180. The representative of Colombia agreed with the Chairman's cautiously optimistic view of the process of negotiations in the past year. It was a good sign that comprehensive proposals had been submitted in the majority of the negotiating areas. There had been proposals which had been qualified as ambitious in agriculture by the Cairns group and the United States, in non-agricultural goods by the United States, New Zealand, Chile and the European Community, in the rules group, by the group of friends of anti-dumping negotiations, in dispute settlement by Japan and Mexico, and in S&D treatment by the African Group among others. His delegation believed that that was a good thing, since at this stage of the negotiations, each Member or group of Members had to put on the table, clearly and transparently, the degree of ambition that they had in the various areas. It therefore did not think it appropriate to qualify any proposal as unrealistic and much less as non-constructive. It would be embarrassing for everyone if others were to achieve in the future what had been qualified as unrealistic in this process. It was by negotiation itself that Members would determine whether any of these ambitions would become reality. Consequently, no proposal should be disqualified for being too ambitious. However, Members should avoid submitting proposals which did not go further than the Uruguay Round, or that were not specific enough to move the work forward.

181. The mandate set out by Ministers in Doha contained a delicate balance. Within this mandate, all Members had something to gain from these negotiations. In the previous few months, some areas had made greater progress than others. At present, this was not particularly worrying since it was precisely those imbalances which represented an incentive for the less-advanced areas of negotiation to move forward. However, it was clear that by Cancún there had to be a balanced result in order to ensure that the round was concluded by the deadline established at Doha. However, his delegation was concerned by the situation in the negotiations on agriculture. This was an area of the greatest importance for the developing world. Consequently, it urged those Members which had not submitted proposals to do so as soon as possible, and those which had submitted proposals without figures to complete their proposals. This was the only way in which the Chairman of the Special Session on Agriculture would be able to properly reflect those ambitions in the document he would circulate. That document would have to highlight those proposals which met fully the Ministers' mandate for these negotiations.

182. His delegation was also concerned by the lack of progress in the work on S&D treatment. Like Brazil, Chile and others, his delegation believed that the discussions were going off on tangents that could only create divisions in the developing world. His delegation wished to thank the Chairman of the Special Session of the CTD for his work. In the area of market access, his delegation had further concerns, since many of the most ambitious proposals did not include S&D treatment or simply referred to longer implementation deadlines. This did not respect the objectives of the Development Round. S&D treatment could not be limited to the benefits which developing countries would achieve as a result of the round. It would have to include provisions which would facilitate the full participation of these countries in world trade flows, reduce the cost of adjustment and transition to new agreements and ensure the positive impact of the rules of the multilateral trading system in their processes of development and eradication of poverty.

183. Like many others, his delegation was also very concerned with the issue of Public Health. This was a humanitarian issue and there could be no doubt that failure to resolve it would affect the legitimacy of the WTO's image in the face of public opinion. The longer Members took to reach a solution, the greater would be the pressures and difficulties. The Doha Declaration had established clear parameters – no Member could change or remove anything which was included in that mandate. Colombia urged all Members to show flexibility, in the hope that a solution would be found very shortly.

184. On rules, his delegation believed that this work was an integral part of the market access negotiations, and it was therefore pleased by the progress made. It hoped that Members would be able to move on smoothly to the second stage of the negotiations in this area. In the negotiations on services, there had been a great deal of progress, but one should not lose sight of the fact that 80 per cent of the Members of this Organization had not yet put in their requests. This had to be improved and those Members who had not yet been able to do so should be assisted. Furthermore, Members had to respect the deadlines in the Doha Declaration. They should not use the negotiations already concluded as hostages to negotiations on other issues. Only through making balanced progress would they be able to determine whether there were issues mature enough to be included in the negotiations at Cancún. The strategy of delaying mandated negotiations would lead a lowest common denominator approach which would condemn the new round to failure.

185. In conclusion, Colombia was relatively satisfied with the conduct of the negotiations. Deadlines were approaching which would determine Members' capacity to maintain momentum in these negotiations, but Colombia remained optimistic. It would continue to work constructively together with the other Members since it believed that its future development and growth depended on a successful outcome to the negotiations.

186. The representative of Uruguay agreed with others that, since Doha, progress had been made in the negotiations although this had not been even and important areas had lagged behind. However, from the statements made at the present meeting, it appeared that opinions on which areas were lagging behind varied according to which delegation was speaking. Most delegations had continued their usual practice in the TNC of noting the Chairpersons' reports and then setting out their individual vision of the situation in the different negotiating areas. For this reason he wished to set out Uruguay's views on the role of the TNC. The role and importance of this Committee could not be limited merely to a general assessment of the negotiations in the light of the Chairpersons' reports. This was necessary, but not sufficient. Uruguay attached more importance to the role of leadership that this Committee should exercise in the negotiating process. This meant that Members should use it to try to define and agree on some basic guidance in order to free up any negotiating areas which were blocked, and to give additional political momentum to areas which were not making the progress appropriate to the circumstances or to their mandates.

187. This leadership function would become more necessary as the negotiations moved ahead and Cancún approached. His delegation believed it would be worthwhile for Members to reflect on the

best way to use the small amount of time available to them in this Committee. It was not a question of totally abandoning the assessment function, but, compared to a simple reiteration of known positions, his delegation would prefer a more open and interactive discussion, at the level of Heads of Delegation, on key areas in which there were difficulties with the aim of reaching understandings to guide the work.

188. In this spirit, his delegation would be pleased if the present meeting could agree on some general guidance on the following elements of the Doha mandate. First, the need to move ahead in each area of negotiation, aiming for balanced results in the overall context of the negotiations and not just within any one area. This was an important principle, and he wished to underline that it was a fundamental ingredient which all Members would have to accept if there was to be a successful conclusion to the new round. Second, the absolute need to respect the deadlines agreed by Ministers in Doha. This was another fundamental requirement in order to maintain the credibility of the process and to reaffirm this round's objective of promoting development, taking into account of the interests of all and preparing the road to Cancún. Third, the need to maintain coherence between the level of ambition in the different negotiating areas. For example, it did not seem rational that certain proposals were ruled out or qualified as too ambitious or unrealistic by some Members in areas where they themselves maintain inefficient, highly subsidized and protected production, when these same Members had not hesitated to submit even more ambitious proposals in other areas where, on the contrary, they had comparative advantages.

189. On the basis of these criteria, his small delegation, representing a developing country and operating with limited resources, had worked constructively in all areas, submitting concrete proposals in agriculture, services, market access, S&D treatment, dispute settlement and others. Uruguay was ready and willing to comply with the agreed deadlines, and it seemed only fair to expect the same attitude from all Members.

190. In line with the views he had expressed, he wished to comment only on some important areas of work. On agriculture, he wished to emphasize two points that Uruguay believed should be fully taken into account in the Agriculture Special Session Chairman's draft text to be circulated on 18 December. First, the document should reflect the proposals which were in line with the level of ambition that Ministers had agreed on at Doha – those which were aimed at substantial improvements in market access, reductions of, with a view to phasing out, all forms of export subsidies and substantial reductions in domestic support. Uruguay firmly believed that this document should not reflect proposals which were not in line with these objectives, or those which sought to maintain the status quo, or, in the worst case, to go back on what had been agreed in the Uruguay Round. It should also not attempt to interpret proposals or positions which had not even been submitted or outlined in concrete negotiating proposals. Second, the drafting of this document had to take into account the principle he had mentioned, which had been the basis of agreement on a broad-based round which reflected the interests of all concerned. This meant aiming for balanced results in the overall context of the negotiations and not just in agriculture, as some Members were.

191. On services, there had been a number of statements at the present meeting asking developing countries to submit their initial requests. Uruguay had made a major effort to prepare its initial requests, and these had been submitted to various Members in June. In line with the Doha objectives related to development and with the aim of increasing developing-country participation in trade in services, Uruguay expected that its requests, which addressed the various services sectors and modes of delivery which were of interest to it, would be met with positive responses. With respect to the modalities for autonomous liberalization in this area, Uruguay, together with more than 20 other Members, had actively and constructively participated in the work and made joint written submissions on developing-country aspects of this issue. This group had shown flexibility in the process, and hoped that other Members would also show flexibility so that the work could be concluded. On the dispute settlement negotiations, his delegation supported the statement by Chile. The focus of next few months should be on identifying what it would be possible to agree within the deadline, namely, the issues where there was the best possibility of consensus. He wished to reiterate that this did not

prevent Members from agreeing to extend beyond May 2003 the process of analysing the more complex issues, or those where divergences were more pronounced.

192. On S&D treatment, his delegation joined other developing countries in expressing disappointment at the lack of results and at the missed deadlines. This situation was one of the utmost concern, and it was dangerous for the overall results of the negotiations. His delegation thanked the Chairman of the Special Session of the CTD for his efforts, and it was certain that it was possible to reach concrete results in some areas before the end of the year. In this respect, his delegation welcomed the statements by a number of developed countries on their willingness to continue working in the coming days to comply with the Doha deadline. His delegation was also confident that a solution could be found in the coming days to the differences which remained on the issue of TRIPS and Public Health, an issue which was particularly important for its humanitarian implications.

193. The representative of Thailand said that her delegation shared the Chairman's concerns that Members should not risk overloading the Cancún agenda, and it hoped the work would move forward on all fronts in months ahead under his able guidance. She wished to share her delegation's assessments and concerns on a number of issues. On services, her delegation believed that this was one area that had been making steady progress towards the benchmark set out in the Doha Ministerial Declaration. However, it should be recalled that the agenda for the services negotiations extended beyond market access liberalization. Given the fact that the services sector in most developing countries was still underdeveloped, another area which also needed to be addressed was how to ensure that developing countries could fully and effectively adjust to greater opening of their markets so that their development objectives would not be adversely affected in the process. This was why Thailand had been an active supporter of the negotiations on Emergency Safeguard Measures. It believed that such a mechanism would provide developing countries with the necessary breathing space and safety valve in times of difficulties that might arise from greater market access liberalization. Therefore, in order to achieve a balanced outcome, Thailand urged Members to ensure that the market access negotiations moved in tandem with the negotiations on additional rules on services trade, so that they could all mutually benefit from the negotiations.

194. On agriculture, Thailand was disappointed by some major players who had not yet identified their levels of ambition after three years of negotiations. It was regrettable that, at this stage of detailed elaboration of modalities, they could only identify the approach preferred without identifying the levels of substantial market access improvements and reduction commitments on trade-distorting domestic support which were acceptable to them and how long they needed to phase out export subsidies. There would be only three months after the Chair circulated his overview paper for Members to negotiate and to agree on the modalities for the negotiations. In this regard, her delegation was encouraged by the European Communities' statement that their modalities proposal would be on the table sooner rather than later. Her delegation hoped that the proposal would be specific and ambitious enough so that it would not undermine the mandate set out by Ministers in Doha. Otherwise, it would be difficult for Members to come up with the agreed modalities by March next year. Given the fact that three quarters of Members were developing countries, most of which were dependent on agricultural trade to generate growth and development, Thailand strongly believed that substantial progress in the agriculture negotiations would be a precondition to a successful conclusion of this new round of trade negotiations. It would remain actively engaged in these negotiations and committed to the deadline and the mandate set out in Doha.

195. In the area of non-agricultural products, the negotiations had been very constructive and substantive. Thailand wished to encourage all Members to maintain the momentum of the negotiations so that the modalities could be agreed upon by May 2003 as scheduled. In this respect, it was currently studying other Members' proposals and hoped to be able to indicate its preferences soon. In view of the notable rise in the use of non-traditional protectionist measures, such as the application of overly-stringent health and environmental regulations, as well as the abuse of trade defense measures, such as anti-dumping and safeguard measures, Thailand believed that the negotiations should not only aim at the removal of both tariffs and non-tariffs measures but also to

strengthen the trade remedy rules so as to ensure that liberalization efforts would result not only in expansion of trade but also in fair trade. Moreover, Thailand insisted that the modalities should take fully into account the special needs and interests of developing and least-developed countries through the principle of less-than-full reciprocity, as clearly stated in paragraph 16 of the Doha Ministerial Declaration. The results of the non-agricultural market access negotiations should be well balanced with the market access negotiations in agriculture and services. There needed to be parallel development and progress in these three sectors of the negotiations in order to ensure that Members would equally benefit from all the negotiations. On this issue, Thailand wished to confirm its commitment to liberalizing its market through the WTO negotiations, despite the fact that it had undertaken an autonomous initiative to liberalize its market since the Uruguay Round.

196. On the rules negotiations, Thailand noted with satisfaction that the negotiating group had set the date for its first meeting and tentative dates for two more meetings before the summer break next year. Thailand believed that Members should go beyond the stage of identifying the problems to the substantive phase of the negotiations by first looking into alternative solutions and finding those acceptable to them all. In the dispute settlement negotiations, Thailand was concerned at the state of work on its proposals on the "carousel" issue and on the increase of Appellate Body members. It hoped that these proposals would be taken up seriously in the Special Session without any delay. It also hoped that extensive discussions would take place as soon as early next year with a view to finalizing the mandate in May and that no issues would be left for last minute discussions.

197. In their work on S&D Treatment, Members were committed to addressing this issue by the end of December, after having missed the deadline in July. Thailand, however, noted with great disappointment that with only less than a month left, there was still no substantial progress on this issue. If another deadline was missed, Thailand believed that there would be a crisis of confidence in the credibility of this Organization. Members could not keep on promising something that they did not really intend to work out. Thailand wished to register its concerns on the notion of differentiating among developing Members of the WTO. This was inconsistent with the Doha mandate and would only impede the process. Thailand still hoped that, within the following few days, Members would work harder to send as many recommendations as possible to the General Council. This was not only important to fulfill the Doha Ministerial mandate, but also to show that the concerns of developing countries were sincerely and seriously taken care of.

198. Finally, TRIPS and Public Health was another issue that was due to meet the deadline in the next few days. Regrettably, until now there was no sign that Members could find an expeditious solution to this problem and report to the General Council before the end of the year. In other words, another deadline would be missed. When Thailand had joined other Members in endorsing the Declaration on TRIPS and Public Health, its goal had been not to weaken the TRIPS Agreement but to seek clarification and to assure the public that the TRIPS Agreement would not be an obstacle to the public health policies of Member countries. Her delegation had joined 12 others in submitting a proposal to support an authoritative interpretation of Article 30 of the TRIPS Agreement as the most suitable approach. The time left was very short and Members still had to find a solution that could solve the real problem. Strong political will was needed, so that health benefits would not be superseded by trade benefits. Thailand was willing to work with the Chairman and the relevant Chairpersons in a constructive manner to reach a solution consistent to what had been mandated in Doha.

199. The representative of the Philippines supported the statement by Thailand. Since his delegation shared all views expressed in that statement, he wished to add only a few points. In the area of agriculture, at this point of the negotiations, there was active and intensive engagement by developing countries in the debates and through submissions of several proposals. This reflected their collective concerns about the existing inequities, imbalances and shortcomings of the multilateral framework under the Agriculture Agreement and the need to correct them. While many developed Members might be preoccupied with the issue of balancing agricultural concessions across the broad range of the Doha negotiating agenda, these developing countries sought to redress the imbalances

within the sector itself. The only way this could be corrected was through establishing a modality that clearly integrated the interrelationships and linkages of the three pillars in the negotiations in a fundamental way. The developing countries' proposals addressed this issue and the Philippines expected that they would be seriously considered in the Chairman's overview paper and given priority consideration in future negotiating discussions.

200. On TRIPS and Public Health, his delegation appreciated the hard work by the Chairman of the TRIPS Council, but it hoped that this work would not end up with a dismal failure. For his delegation, any solution should carry the basic elements of a pragmatic and truly workable plan which should be permanent in nature. The scope of the work on S&D treatment covered a subset of the implementation-related issues and various Agreement-specific proposals from the LDCs and the African Group, and his delegation lamented the absence of meaningful outcomes, or even meaningful discussions. As his delegation had witnessed in the meetings, the report by the Chairman of the Special Session of the CTD had highlighted the considerable time devoted to discussions on systemic and cross-cutting issues. Although this was part of the Special Session's mandate, it had offered an alarming opening for issues such as differentiation, tiering and graduation to be raised in the context of the established framework of S&D treatment, as handed down from the GATT 1947, the Enabling Clause, the Uruguay Round Decision on measures for least-developed countries and other WTO Agreements. Paragraph 44 of the Doha Ministerial Declaration contained the clearest mandate for the work of the Special Session, providing for a review of the provisions with a view to strengthening them and making them more precise, effective and operational. Unfortunately, the discussion on systemic and cross-cutting issues had diverted the work into areas clearly beyond the mandate. This distressing situation would invariably affect the positions of developing countries in the negotiations, because paragraph 50 of the Declaration stated that the negotiations should take fully into account the principles of S&D and other measures he had just mentioned. The question was how could the principles of S&D be taken fully into account when it was under challenge in the same negotiations. Quite ominously, one important proposal in a very important area of negotiations already carried this imprint of this "customized" approach to S&D. In line with the suggestion by Uruguay, his delegation suggested ideas on this could be exchanged in the TNC, because it was a fundamental issue of concern to all Members.

201. On non-agricultural market access, his delegation shared the optimism of the Chairman of the Negotiating Group that the robust, focused, in-depth and widely participative discussions on the proposals on modalities would lead to an early consensus on this next year. The Philippines welcomed the ambitious proposal from the United States, which, apart from some development aspects, was a big challenge to developed and developing countries. For developing countries such as the Philippines, the modalities finally adopted should include, as integral part, the clear mandate to reduce or, as appropriate, eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, for products of export interest to developing countries, particularly LDCs, and that the negotiating outcomes in themselves should take fully into account the special needs of these countries, as a group and not differentiated, through less-than-full reciprocity and the principles of S&D he had outlined. The points he had made on S&D treatment thus applied to all areas of negotiations, particularly agriculture and non-agricultural market access. The challenge of S&D treatment would affect the negotiations in these areas.

202. On the schedule of meetings, his delegation understood that this was now arranged on a first-come first-served basis. Until recently, delegations had benefitted from the guidance of a Deputy Director-General on an even-handed, balanced and global basis, in particular for small delegations such as his. With the current negotiating and pre-negotiating agenda, involving formal, informal and extra-normal meetings, and the physical resource constraints and critical deadlines, it was essential to have some guidance from the Secretariat on how this could be rationally managed. Without this, one would not be sure that the heads of small delegations would be able to be present to provide the "singular" or "single-handed" undertaking the WTO would require.

203. The representative of Botswana associated her delegation with the statement by Kenya on behalf of the African Group. Botswana shared the disappointment that very little progress had been achieved under the various negotiating mandates. The little progress that had been achieved was both uneven and unbalanced. It was therefore important for Members to achieve a more balanced outcome in the negotiations. In particular, her delegation noted with great disappointment that very little progress had been achieved in the TRIPS Council in relation to the mandate in paragraph 6 of the Doha Declaration. It was a matter of deep regret and concern that delegations tended to engage in a restatement of known positions, without showing commitment and determination to move this matter forward. For her delegation, this was not helpful at all, especially since it represented a country that was the worst affected by the HIV/AIDS pandemic. Botswana therefore urged delegations to exhibit greater political will and determination to move this vital matter forward.

204. With respect to S&D treatment, her delegation noted with regret that very little progress had been achieved on the 87 proposals that had been made by the developing countries, in particular the African Group. The Doha mandate was quite explicit on this issue, and therefore Members did not need to spend time trying to reinstate or renegotiate that mandate. They needed to respect the deadlines set by Ministers at Doha. Failure to observe these deadlines had the potential to undermine and discredit the negotiation process. Her delegation was concerned that, after failing to achieve the initial deadline of July 2002 for the completion of the negotiations on this matter, it was most likely that Members would not be able to achieve the revised deadline of 31 December. Her delegation could only express optimism that delegations would show flexibility to enable the Special Session of the CTD to present good news to the General Council the following week. Her delegation appreciated the Special Session Chairman's painstaking efforts to move this matter forward. Finally, on the negotiations on services, her delegation was again concerned that there continued to be disagreements on the modalities for autonomous liberalization. Botswana again urged delegations to exercise restraint and flexibility in order to facilitate an early resolution of this matter.

205. The representative of Bolivia agreed with the Chairman's assessment that the work had progressed, but in an uneven way. It was important to try to remove this inequality and to make parallel progress in all areas of the negotiations. For Bolivia, it was a major concern that the December deadlines be respected in the three areas where there were difficulties in reaching consensus, namely implementation, S&D treatment and TRIPS and Public Health. These three areas were of particular importance to developing countries and especially to countries with small economies, such as Bolivia. Like others, his delegation believed that the established deadlines should be respected in all the negotiating areas, since these were a reflection of the political will of Members. Members should not afford themselves the luxury of extending any deadline, since this would affect the subsequent deadlines. For this reason, in the small amount of time left, Bolivia wished to see results which would be positive for all Members, in particular developing countries.

206. Agriculture was the foremost area of negotiation for developing countries, and Bolivia was disappointed by the work in this area. Only a few days were left before the Special Session Chairman would present his paper on modalities, and some major trading partners had not made their proposals known. This situation was worrying, in particular in the light of the experience of the Uruguay Round, which had shown that last minute solutions were not the most beneficial to developing countries. For this reason, Bolivia urged its trading partners who were reluctant on agricultural trade liberalization to submit proposals with the same level of ambition and detail as their proposals in the areas of services and non-agricultural market access. The work would not be able to advance in other areas while agriculture was discriminated against. With respect to the criticisms levelled against the ambitions of the Cairns Group, of which Bolivia formed part with its small and vulnerable economy, his delegation could only respond that it agreed with the critics – the proposals had to be realistic but also ambitious. The status quo could not be maintained in agriculture; this had to change and Bolivia believed its trading partners had to understand that this situation could not continue for another 50 years and accept the need for change. To think otherwise was just a protectionism dream. His delegation supported the statement by the United States in this respect.

207. Since the beginning of the GATT, there had been eight rounds of negotiations aimed at liberalizing trade in non-agricultural products. For this reason, Bolivia was concerned at the level of ambition of some of the proposals, which was as if this sector had been discriminated against like agriculture. One should not lose sight of the role that tariffs played in some countries' income, and the autonomous liberalization measures that had been undertaken in some developing countries. On TRIPS and Public Health, his delegation agreed with Kenya and others, in particular Canada, that the solution not only had a human side, but also responded to the spirit of paragraph 6 of the relevant Doha Declaration. His delegation also agreed with China in this respect. The TRIPS Council should focus on this aspect, so as to find the most imaginative and ambitious solution possible with regard to its depth and form, so that medicines would rapidly reach the people who needed them most in countries with little or no manufacturing capacity at a low cost. The solution should also not overlook development aspects, such as technology transfer and assistance with the creation of a climate favourable to foreign direct investment in the pharmaceutical sector in these countries.

208. In the negotiations on services, his delegation was pleased that the work had reached cruising speed. The work should also address the issues of interest to developing countries, such as autonomous liberalization, safeguards and subsidies. He wished to recall that his country had autonomously undertaken almost full liberalization without waiting for a round of negotiations, since it was committed to trade liberalization and believed it was a way to achieve a sustainable level of development. Since Bolivia had an open services sector and was committed to the DDA, it would present its initial requests to its trading partners the following month.

209. With respect to the schedule of meetings, his delegation agreed with those who had said they were overwhelmed by the number of informal meetings. The effective participation of developing countries was centered on their attendance at negotiating meetings, and for this reason the meeting schedule had to take this into account once and for all, so that this issue would not need to be raised at future TNC meetings. The meeting schedule should also help ensure parallel progress across in all negotiating groups.

210. Finally, in the context of the Doha Development Round, Bolivia wished to share with Members a concern and a proposal. Its concern was how to ensure that all Members kept the notion of development in mind throughout the negotiations, not only in words but also in actions. In consequence, Bolivia would suggest that every proposal submitted should carry a footnote which specified in what way the proposal contributed to development.

211. The representative of Chinese Taipei said that, with regard to the work done thus far, while it might all be on the right track, it did still seem to be moving at different speeds. Although it was true that substantive discussions had started, with only two years left before the deadline mandated by the Doha Declaration, there still remained an enormous amount of work to be done. Since this round could only be concluded as a single undertaking, overall balance was important, so all the negotiating areas should be pushed at the same pace, with no issue being allowed to fall behind. For this reason, Chinese Taipei was trying to demonstrate flexibility and accelerate its work so as to contribute to a successful outcome to the negotiations.

212. On the issue of S&D treatment, for example, which Chinese Taipei considered to be a centrepiece of the DDA, only limited progress seemed to have been made thus far. His delegation hoped that Members would commit more effort to this, so that the interests of developing and least-developed Members could be properly taken into account and their full participation in the further liberalization of global trade obtained. Chinese Taipei also attached great importance to the agricultural negotiations and it supported continued reform. Agriculture had other functions, however, in addition to trade, such as food security, rural development and environmental protection, which benefited human lives and which should all be taken into account. Therefore, the discussions should take into account the special situations that existed in different Member countries.



213. The United States had submitted an ambitious negotiating proposal at the recent meeting of the Negotiating Group on Market Access. Chinese Taipei believed that this proposal envisioned a clear goal and drew a roadmap of liberalization. It would be more achievable if it allowed Members more flexibility in its implementation, and also took more account of the needs of least-developed and developing Members. But the proposal was certainly worthy of further exploration. Chinese Taipei was pleased to see more proposals being submitted by Members to this Negotiating Group, which would definitely contribute to the development of the negotiating modalities. It would submit its own proposal shortly.

214. While Chinese Taipei was quite satisfied with the progress of the services negotiations, it would urge Members to submit their initial offers by 31 March 2003, so that they could all engage in more substantive talks. In the interest of efficiency, it suggested that Members identify at an early stage those service sectors that were their negotiating priorities. Furthermore, if more time was dedicated to discussion of the issues of emergency safeguard measures and credit for autonomous liberalization, it would help Members to submit their initial offers as scheduled.

215. Chinese Taipei would like to reiterate its concerns regarding those newly-acceded Members that were still in the process of implementing significant market access concessions. It would therefore urge Members to take this situation into account where it existed, by allowing such newly-acceded Members more flexibility in the negotiations.

216. Finally, his delegation wished to share with Members its views on mini-ministerial conferences, such as the one hosted by Australia in November. While it recognized the need for this type of meeting, and that they were outside the jurisdiction of the WTO, it was unavoidable that such a meeting would have some impact on the work in Geneva. Therefore, those Members who had not participated in the meeting should be offered a full briefing on the issues discussed. His delegation also understood that similar meetings might be organized in the future, and of course it hoped to have the opportunity to participate and make its contribution. His delegation made this plea in the interests of maintaining the transparency of the work and the spirit of equal cooperation amongst Members.

217. The representative of Cuba said that, unfortunately, her delegation did not share the optimism expressed at the present meeting by some delegations on the progress in the post-Doha process. To be realistic, one had to accept that the actual results obtained in the work programme adopted at Doha were uneven, which was to the detriment of developing countries. The first deadline were only a few days away, and there were huge differences separating positions, which could be seen in the Chairpersons' reports. His delegation had taken note of these reports, in particular on agriculture. In this area, it agreed with Kenya on behalf of the African Group, and hoped that the Chairman's paper would reflect all the proposals and positions put forward in the work on the different pillars.

218. The Chairman had, on various occasions, urged that the deadlines should be respected, so he could understand the concerns, discouragement and frustration that missing the deadlines provoked in the vast majority of the Members, the developing and least-developed countries. These countries had been hoping for real and effective commitment from the developed countries in resolving the issues of implementation, S&D treatment and TRIPS and Public Health. Ministers had given these issues priority so that results would be achieved by 31 December 2002 at the latest. The priority and urgency attached to finding satisfactory solutions had not been reflected in the results thus far. This situation provoked doubts on the developed countries' real political willingness to respect the commitments made at the Fourth Ministerial Conference.

219. She would take up implementation under the second agenda item. With respect to S&D treatment, despite the efforts made by the Chairman of the Special Session of the CTD, far from arriving at solutions to the multiple proposals submitted, some Members had tried to introduce new interpretations of the principle of S&D, which had been an integral part of the rules of the international trade since the beginning of the GATT/WTO system, and of the Havana Charter. In this respect, Cuba agreed with Brazil that it could not accept any move to depart from the mandate agreed

by Ministers, which had been to review all S&D provisions with a view to making them more precise, effective and operational.

220. At the present meeting, many delegations had referred to the issue of TRIPS and Public Health. Although this issue was not within the purview of the TNC, the lives of millions of human beings depended on its satisfactory and rapid resolution. The response given on this issue thus far had been far from approaching the commitment to provide access to medicines for all countries with insufficient or no manufacturing capacities in the pharmaceutical sector. Cuba supported the statements by Kenya on behalf of the African Group and by Zambia that the only acceptable outcome would be to find a solution which was rapid, sustainable, predictable and legally sound. The TNC was also not the forum in which to address the Singapore issues, and her delegation could not agree that these issues be raised in it, as some delegations had done at the present meeting, and it agreed even less that they be linked to the negotiations. In this respect, her delegation supported the statement by Malaysia. It would be the Fifth Ministerial Conference which would decide by explicit consensus whether negotiations would be launched in these areas or not.

221. Finally, the current situation was neither fair nor reasonable. Time was passing, and the lack of discipline in taking with the first decisions under the DDA put into doubt the credibility of the whole negotiating process. Cuba had faith that the Chairman's wisdom and experience would help this process to achieve the results it was waiting for.

222. The representative of South Africa said his delegation agreed with the Chairman's observation that progress in the negotiations, whilst generally on track, was very uneven. In particular, it was concerned that the deadlines for some issues, which were of particular interest to developing countries, were in danger of being missed yet again, notably on the issues of S&D and TRIPS and Public Health. The latter issue was of immense importance not only to the developing world but to all of humanity who were concerned to save the lives of those who were sick from diseases and in need of life-saving pharmaceutical drugs and products. South Africa had not attempted to increase the scope of diseases and product coverage beyond those that the Ministers had provided for in paragraph 1 of the Declaration on TRIPS and Public Health. Yet others had tried to limit this scope. It was an indictment of all Members that whilst the vast majority of those in need of these drugs lived in developing countries, the major share, some 85 per cent, of the market for pharmaceutical drugs remained in the North. There was no doubt that the lack of income of the majority of people in developing countries reduced the affordability of drugs and has a direct impact on the loss of life.

223. It was clear to South Africa that Members needed to take measures to increase the access and affordability of these drugs to those in dire need. Rebalancing the TRIPS Agreement with a view to reducing the price of drugs was essential. Thus, South Africa had argued for the solution on paragraph 6 to allow developed-country generic exporters to participate in the provision of drugs to countries in need, and it had called for a provision that stimulated manufacturing capacity in developing countries and encouraged technology transfer. The mechanism should allow for greater regional co-operation and stimulating production for regional markets by creating economies of scale. This mechanism should be made available to all those who need it. There was also no doubt that Members needed the solution to be legally certain, predictable and permanent so as to encourage investment. For these reasons, South Africa believed that an amendment of Article 31(f) would be necessary, as soon as possible, with a waiver being only a transitional measure.

224. His delegation wished to commend the tremendous efforts made by the TRIPS Council Chairman to narrow the gaps between Members and to find an acceptable solution. South Africa had tabled a non-paper on this issue on 5 November with a view to creating a basis for consensus to emerge amongst all Members. It had consulted extensively amongst developing countries. It had been encouraged by the draft text tabled by the Chairman on 10 November to try and bridge the gaps and create the basis for a consensus. South Africa believed that this text provided a good basis for a solution, with some minor changes that it had communicated to the Chairman. It had had an opportunity to test this amongst some Ministers in Sydney. South Africa believed that, while many

developing countries had moved significantly from their initial positions, some of the majors had in fact hardened their positions in the previous week and were reflecting little flexibility to move. It further believed that a solution was still possible by the end of the year and would be working hard to find a solution. His delegation hoped that the delegation of the European Communities was right in saying that good things come at the end. Indeed, that had been the experience in South Africa, so it remained optimistic.

225. On the issue of S&D, South Africa believed that Members had done too little work, too late and that they were in danger of missing the deadline yet again. However, his delegation saluted the Chairman of the Special Session of the Trade and Development Committee for his tireless efforts and looked forward to engaging on the proposals he would be making for Members' consideration. Movement on these issues was critical to give momentum to the negotiations and encourage developing countries to make the necessary sacrifices and to deploy scarce resources, to fully participate in these negotiations. His delegation also urged the TNC Chairman to give attention to the scheduling of meetings so as to avoid too many overlapping meetings, thus allowing his delegation, and many developing countries with more limited resources, to participate effectively in the negotiations.

226. Turning first to the market access issues, he said that agriculture remained the most critical issue for developing countries in these negotiations. Removing the existing high levels of protection, domestic support, export subsidies and high tariffs, particularly by some major developed countries, that distorted world markets, could create the basis for developing countries to export themselves out of poverty, as the Chairman had observed. South Africa urged the European Communities to table their proposals on modalities as soon as possible to allow for a fuller debate. It was unfair for the European Communities and some other countries to create linkages between all other issues and agriculture, and then to delay the tabling of their proposals on modalities.

227. In the area of non-agricultural market access, his delegation was encouraged by the bold and robust proposals being put forward by the industrialized and developed countries. It was prepared to engage on these proposals with a view to addressing the historic deficit that developing-country exports of labour intensive products, such as clothing and textiles, footwear and steel, had suffered in developed-country markets. It was high time that attention was given to addressing the issues of tariff escalation, tariff peaks and high tariffs in developed-country markets. While it was true that developing-country tariffs remained relatively high in labour intensive sectors, it should be recognized that these countries were late developers and were still in the process of industrializing their economies and building their competitiveness, a process that many industrialized countries knew and understood very well from their own experience. However, developed countries had continued to protect these same labour intensive sectors in spite of the fact that they had industrialized their economies, thus stifling the industrial development of many developing countries. Thus, while South Africa was willing to engage on a robust process of tariff liberalization, this had to be on an asymmetrical basis, with due regard to the different stages of industrial development of developing countries and the supply-side support required by industrializing countries to build their competitiveness and diversify their productive sectors.

228. On services, good progress was being made, as the Chairman of the Special Session had reported. While South Africa was engaging with its partners on a bilateral basis, many of its own requests were stilling going through a process of consultation with key stakeholders at home. Thus, if any Member had not received a request list from his country, he wished to assure them that they would indeed receive one after Christmas. South Africa hoped that the issue of autonomous liberalization would be resolved as soon as possible, recognizing the efforts that many countries had made in liberalizing their service sectors. It was, however, encouraged by the progress that had been made on some issues, according to the Chairman's report.

229. South Africa noted that progress was being made in the Special Session of the Committee on Trade and Environment, and many delegations were participating constructively. South Africa

remained committed to drawing on its experience in the World Summit on Sustainable Development, recently held in Johannesburg, to contribute to these negotiations. Likewise on rules, South Africa was encouraged that the work process was underway and it would be contributing substantively, especially to the work on anti-dumping to reduce its use as an instrument of protection. On the Singapore issues, although there had been no report on this at the present meeting, his delegation, both in Geneva and from the capital, had been contributing to the discussions. It was encouraged that this process was also on track, although lack of capacity had prevented many countries from participating effectively in these discussions.

230. In conclusion, South Africa shared the concern expressed by Mexico that if Members wanted a successful Ministerial Conference in Cancún, they should ensure that they all contribute to meeting the deadlines agreed to. Ironically, the challenge was on some developed countries who would need to make greater efforts to contribute to meeting these deadlines. He was referring here to the three critical issues: (1) TRIPS and medicines – where some developed countries would need to come back to the negotiating table with a mandate that was more flexible; (2) S&D treatment – where there was a need for an agreed package of measures, to give real meaning to the will of Ministers expressed in Doha to make the Doha Round a Development Round, and to encourage developing countries to participate; and, (3) agriculture – there was no other single issue that the whole world was looking forward to more than the process of elimination of the massive distortions in agricultural markets that had made a mockery of the WTO commitment to trade liberalization and development. Thus, South Africa urged those who had yet to put proposals on the table to do so soon. The road to Cancún would become much clearer to all Members when this happened, making a successful outcome more feasible.

231. The representative of the Kyrgyz Republic said that he wished to touch upon the areas of the negotiations where his country had a special concern on horizontal issues, namely agriculture and services. The Kyrgyz Republic sought Members' agreement on a level playing field for those countries which had joined the WTO after Marrakesh. There was a need for recognition that some new Members had, at the end of their accession process, extremely low bound tariffs in agriculture, binding on all tariff positions with no exception, an absence of non-tariff measures irrespective of their nature and a maximum degree of openness of their services sectors. He wondered whether these facts implied that these Members' schedules were less liberal and could not be compared with the most advanced schedules of other Member. For his delegation, the answer was no. On the contrary their goods and services schedules were well ahead of the more developed countries, but this did not mean an unwillingness on their part to move towards more liberal free trade. However, he also wondered why these commitments did not receive an appropriate evaluation on part of other Members. He wished to leave this question open to the TNC.

232. It was not necessary to be a top negotiator to be able to distinguish, from Members' schedules of commitments on goods and services, between a fully open market and one which was highly protected. Those Members who had already initiated bilateral negotiations with the Kyrgyz Republic on services had had the opportunity to look at its schedules, and some of them had gone even beyond that. Nevertheless, the Kyrgyz Republic welcomed these requests. The central question was to find an appropriate decision to recognize the existing level of liberalized sectors in services, and to some, this was clear, given the commitments in the protocols of accession. As highlighted in the report of the Chairman of the Services Special Session, the work on modalities for autonomous liberalization was under way. For his delegation, the principle disagreement revolved around the absence of due attention being paid to the high level of commitments by one particular group of small countries whose effective membership had begun after 1995.

233. His delegation had recently begun to have doubts about the notion of recently-acceded country. Whenever his delegation had asked for the floor, be it in the Committee on Agriculture, the TRIPS Council, the CRTA or the Committee on Government Procurement, it had stressed the fact that the Kyrgyz Republic was a newly-acceded country. According to the Doha Declaration, only a small number of countries were allowed to be recognized as newly-acceded countries, namely those whose

accession had become effective after the Seattle Conference. His delegation acknowledged that the Declaration had been adopted by all Ministers, and that it traced, but not in detail, the way towards the whole negotiating process and the work programme, and that it took into account the special needs of Members. But this text could not be read in such a way as to narrow the facts, and to exclude the interests of those states which had acceded to WTO just before Seattle. In the case of the Kyrgyz Republic, it had acceded eleven months before the Seattle Ministerial Conference. He wondered whether it was appropriate for Members to take into consideration only the date of accession and disregard the facts. The facts were what had been undertaken autonomously in terms of market opening before WTO accession.

234. The Kyrgyz Republic believed that only the actual commitments recorded in the protocols of accession of those countries which had acceded after Marrakesh should be taken into account, irrespective of the date of accession. As he had stated in the Special Session on Agriculture, the most thorough consideration should be accorded to vulnerable transition economies. In the areas of both agriculture and non-agriculture market access, he wished to stress again the very advanced commitments of his country. In the Special Session on Agriculture, there had even been a proposal to the effect that only one measure should be available temporarily to regulate domestic economic policy, compared with the many measures available to those who had been in a position to sign the Agriculture Agreement at the conclusion of the Uruguay Round. In conclusion, The Kyrgyz Republic called on the TNC Chairman to undertake consultations to facilitate an understanding among Members on the issue his delegation had raised.

235. The representative of Pakistan said that, following the precise and guiding introductory remarks by the Chairman, and the statements by the Chairpersons, who had had a difficult job in trying to be optimistic as well as pessimistic, most of the statements at the present meeting had been on the pessimistic side. However, after the positive statements by Canada, the United States and others, some delegations who had been on the border line now felt that maybe the work was on the right track.

236. Like many other countries, agriculture was very important for Pakistan and almost 25 per cent of its GDP was dependant on it. Since Pakistan had started doing away with price controls, it was producing too much wheat, sugar cane and rice. It had large surpluses but it could not sell them in the international markets because it did not subsidize exports and thus could not compete with those who gave farm subsidies. Pakistan's rice not only faced quotas but also high tariffs, which were both *ad valorem* as well as specific. It had been almost ten years since the conclusion of the Uruguay Round, and Pakistan had hoped that after agriculture had come within the ambit of WTO it would find more markets, but unfortunately, this had not been the case. The Economist newspaper of the previous week had summed it up by saying that America's farm bill and the EU's failure to agree on CAP reform were making a mockery of the idea that the Doha round was to be a development round.

237. In the area of non-agricultural market access, several Members had recently tabled well-thought out and far-reaching proposals for a tariff-free world, the importance of which could be judged from the press coverage they had received. But these proposals had not taken into account S&D treatment, and his delegation hoped this had not been deliberate. Again in the words of the Economist, through these proposals budding manufacturing industries in poor countries would suffer and poor countries would get nothing in exchange. His delegation agreed with the Chairman of the Negotiating Group that there had been no focussed discussion on non-tariff barriers, although everyone agreed that they could be as trade distorting as tariff barriers. With regard to environmental goods, there had been some useful discussions, but his delegation was not sure if Members would ever be able to clearly describe such goods for different tariff treatment. One example would be washing machines using less detergent or less water; everyone would claim that their machines used less. Japan and others had raised the question of scheduling of meetings, and the issue before this Negotiating Group was really at the heart of the WTO, so his delegation supported the suggestion that the Secretariat should find more time for meetings of the Group.

238. On TRIPS and Public Health, the Doha Declaration had categorically affirmed the Members' right to protect public health and promote access to medicines. There had been a general agreement that a solution would be worked out before the end of the year. One had seen the optimism on this at the last TNC. But despite the fact that developing countries had been providing flexible solutions, there was no outcome as yet. On the Negotiating Group on Rules, his delegation agreed with the focussed and interesting analysis of the work of this Group by its Chairman. The point he had made about the heavy politics behind the issue of anti-dumping rules was worthy of note. If Members could discuss it professionally and not politically, his delegation was sure they could make more progress. Finally, on S&D and implementation issues, his delegation thanked the Chairman for his personal interest in these issues, but Members seemed to be making no progress at all. His delegation welcomed the recent paper by the European Communities, but it did not see anything concrete in it, since it seemed to suggest further study, and perhaps to continue in that way forever. This area required more work.

239. The representative of Costa Rica agreed with the Chairman that in the past year there had been progress and substantive discussions in the different areas of negotiation. Costa Rica assessment was optimistic, but with some anxiety. There had been progress and much intensive work, but Cancún was not far away and too much remained to be done. Most of all, Costa Rica was concerned that the negotiations in some areas were lagging behind the progress made in others, since those areas could become the dead-weight which sank the whole lot. This was an outcome which Costa Rica would not let happen, for the credibility of multilateralism, because the global economy needed increased trade, and because it would not resign itself to being a developing country forever. Cancún was nine months away, and if there was not a sharp pull on the rudder to rectify the bearing, it would be difficult to get there with all the ships. In this regatta, everyone knew that they would either all win or all lose.

240. On TRIPS and Public Health, an issue which had a humanitarian side, it had not been possible to reach consensus, despite all the efforts made thus far. Members had to realize the relevancy of reaching a significant outcome to this issue which responded to the Doha mandate. His delegation wished to thank the Chairman of the TRIPS Council for his work on this issue.

241. Costa Rica was particularly concerned that the negotiations on agriculture had started to lag behind the other areas. His delegation thanked the Chairman of the Agriculture Special Session for his excellent work, but like others, it believed that he could only go as far in his work as Members would let him. The ultimate responsibility for the success or the failure of these negotiations was in the hands of the Members. Costa Rica shared the concerns expressed by Brazil and others at the lack of concrete proposals by a number of Members, including the total lack of proposals from one of the major actors in these negotiations.

242. Costa Rica was also concerned at the contradictory level of ambition that some Members were showing in the different negotiations on goods. In the agriculture negotiations, a number of Members were looking for a general framework, without specific numbers but including the weakening of the existing multilateral disciplines in clear contradiction to the Doha mandate, while in the negotiations on market access for non-agricultural products, these same Members had presented very ambitious and concrete proposals. In agriculture, these Members were expressing the need to be realistic, while in market access for non-agricultural products, they had remembered the need to be ambitious. In agriculture, they were signalling the impossibility of making concessions which would eliminate distortions and facilitate development for all Members, while in market access for non-agricultural products, they had flagged the economic benefits which improved market access would bring for all. In agriculture, they did not want the market to operate on the basis of comparative advantage, while in the other group they proclaimed the benefits of more trade. When his delegation saw such incoherent and contradictory positions and attitudes, it could not avoid remembering Dr. Jeckyll and Mr. Hyde.

243. Costa Rica had actively participated in both negotiating groups, expressing the view that both negotiating mandates were ambitious and had to be respected. He wished to insist once again that balanced results in the negotiations had to be across the board, and not limited to any one area, as Uruguay had also underlined. For this reason, everyone had to be committed to showing flexibility, because only an agreement which had overall balance, and on which all Members had shown flexibility, would offer them benefits in the areas which interested them. The maths of the alternative scenario were simple – if there was no agreement, everyone would lose. He wished to join others in their expectations of the Chairman's overview paper on agriculture to the effect that it should reflect the proposals submitted that were in line with the Doha mandate.

244. With respect to the review of the Dispute Settlement Understanding, Costa Rica was pleased by the number of proposals submitted and the active participation of many Members in the intensive discussions. There had been some valuable proposals submitted, many of which were aimed at reinforcing Members' rights in dispute settlement and strengthening compliance with WTO rules and disciplines. Costa Rica was also pleased to see progress being made, and it was confident that this exercise would be different from the one in 1999 and would lead to agreement on improvements to the disciplines in dispute settlement. It had noted with satisfaction the proposal by Mexico on the issue of remedies for prompt compliance with WTO Agreements and commitments, and it saluted Mexico's courage and vision. Mexico had belled the cat by proposing solutions to a problem which seemed to have become one of the main deficiencies in the WTO dispute settlement system, and was probably the main legal shortcoming. Costa Rica believed there was a need to work with a view to both the medium and long term, because the absence of solutions, if they were not agreed in the present process, would become an increasing source of distrust in the system. Little time was left before May, and it might be necessary to take decisions then on the issues which had progressed sufficiently to be agreed. But it would also be necessary to agree on clear dates for the continuation of the work on the other issues which were no less important but which had not been sufficiently considered by May.

245. His delegation believed that the report by the Chairman of the Negotiating Group on Rules had well reflected the work of the Group, and it believed with his assessment that the Group had made considerable progress in identifying a large number of elements, which had been well discussed. On anti dumping in particular, there had been a large number of proposals submitted and good discussions, and although more needed to be done, substantive progress had been made. Costa Rica believed critical mass had been achieved, which should allow the process to move on to the second phase in which Members would clarify and improve the Agreement. It believed the seamless transition mentioned by the Chairman was near.

246. On the important issue of S&D treatment, his delegation wished to thank the Chairman of the Special Session of the CTD for his hard work in trying to narrow the differences and reach consensus on many of the proposals in this area. These differences still existed. Costa Rica believed the suggestion in the Committee's draft report to divide the proposals by category and to then take them up in stages was useful, and would help find common ground and thus fulfill the mandate. However, this suggestion would need to be refined before being approved by the General Council. Costa Rica shared the concerns expressed by Brazil, Korea and Norway on the issues of graduation or categorization of developing countries and that these issue had hindered the discussion rather than helped it. Costa Rica hoped results would be achieved before the end of the year.

247. Finally, although not issues under the TNC, Costa Rica wished to underline the importance to a positive outcome at Cancún of the progress which had taken place in other areas, such as trade and investment and trade facilitation. The fact that these issues were not under the TNC did not make them less important than the issues which had been discussed at the present meeting since Members would have to take stock of the results in all the areas of work under the Doha mandates. For this reason, when Costa Rica called for flexibility and balance in the progress of the work in the Doha mandates, it was also referring to these issues, which were very important to Costa Rica as a developing country.

248. The representative of Singapore said the Chairman's introductory remarks had provided a realistic assessment of the current situation. He wished to confine his remarks to two critical issues where there were fast approaching deadlines of 31 December, namely S&D and TRIPS and Public Health. With respect to S&D, Singapore was disappointed that not much progress had been made since July. On the contrary, Members seemed to have regressed in the negotiations, since, in July, they had at least agreed in principle to establish a monitoring mechanism. However, it now seemed that several delegations were suggesting that they could not move ahead on a monitoring mechanism until they had seen the substance of what would be agreed on S&D. It had become a chicken and egg problem. From the perspective of his delegation, it was critical that Members demonstrated some progress on S&D by the end of the year, especially since this deadline itself had been rolled-over once before.

249. In this regard, Singapore believed that Members should aim to do two things in tandem. First, they should re-double their efforts to try and achieve an outcome on the monitoring mechanism by the end of the year. Singapore saw the establishment of a monitoring mechanism as something doable by that time. Secondly, they should aim to reach agreement by then on some of the S&D proposals that were on the table. It recognized that not all the S&D proposals could be agreed upon, at least not by the end of year. There would also be some proposals on which they might never be able to reach agreement at any time in the near future. But, there had surely to be some that all Members could agree upon by the end of the year. It would require all of them to show some flexibility. Unless they were prepared to demonstrate good will, Singapore feared that they would end up with a nil return on S&D at the end of the year. This would send the wrong signal as they tried to work towards a successful meeting in Cancún the following year.

250. His delegation was also concerned that discussions on S&D seemed to have been held hostage to some extent by the issue of graduation or differentiation of the higher income or advanced developing countries. Specifically, several developed-country Members had been saying that progress on this issue was conditioned upon graduating such developing countries so that they were not able to take advantage of S&D provisions. His delegation could appreciate the intellectual underpinnings of this argument, since it also believed that only developing countries in real need of the S&D provisions should benefit from them. This was the spirit in which Singapore was approaching the negotiations on S&D.

251. However the proponents of graduation or differentiation had to realise by now that this was an issue which needed to be handled carefully. Their continuing insistence on some form of explicit graduation could only engender resistance from many developing countries, and strangle the negotiations. Indeed, his delegation hoped and trusted that this was not the intention. Singapore believed that the higher income developing countries did not intend to unreasonably use S&D provisions. Their concerns over graduation or differentiation were more political. A far more constructive way forward was for Members to continue negotiating S&D issues in good faith and at the end of the process, those Members with high incomes could opt out of the relevant provisions, in whole or in part. What was more important was that this issue should not be allowed to hold back progress in an area which was important to many developing countries.

252. Turning to the issue of TRIPS and Public Health, he said that, like S&D, this issue appeared to be going nowhere, despite the fast approaching 31 December deadline. What was particularly frustrating was that Members had seemed to have this issue more or less under control just a few weeks previously. The draft text produced by the Chairman of the TRIPS Council dated 10 November had appeared, in view of his delegation and of many others, to have struck a careful, delicate balance taking into account the interests of the various parties.

253. However, in the past couple of weeks, the situation appeared to have gone downhill. This was indeed very unfortunate. Rather than building on the good work of the Chairman, Members had seen positions move apart. They were in danger of unravelling what Singapore had thought was a



good package put on the table by the Chairman. His delegation was not sure whether some delegations were advancing their real positions or in fact merely posturing. But the point was that the 31 December deadline was uncomfortably close, and Members did not have much room for taking unreasonable negotiating positions over the next few weeks. Where necessary, they should be prepared to live with and accept some constructive ambiguity in the legal text in order to garner a political consensus among Members. This was especially so if, in the process of trying to clarify matters, they ended up inadvertently subtracting or adding to the mandate of their Ministers in Doha.

254. If Members failed to meet the deadline, Singapore believed the consequences would be extremely serious. Certainly the negotiating agenda for next year, which was already full, would be further complicated. However the extremely negative signal that such a failure would send was what Members should be worried about. It would reinforce negative perceptions of the WTO and its perceived insensitivity to the needs of poor countries.

255. His delegation was particularly disturbed as to how the negotiations on TRIPS and Public Health had, of late, been side-tracked by the issue of beneficiary countries. Here once again, the issue of higher income developing countries had been raised. In response to concerns raised by certain delegations, many, if not all, of these advanced developing countries had shown flexibility by effectively agreeing to exclude themselves from the system by, for example, stating that they would only use it in extreme circumstances of national emergencies that could not be foreseen at this point in time. Yet this commitment was not sufficient for certain delegations, and they were down to haggling on the form this commitment should take.

256. Just why so much valuable energy and time was being spent on what was essentially an issue of form puzzled his delegation. He wondered what was happening about the real issues of substance Members should be addressing, issues such as the legal mechanism, safeguards as well as disease and product scope. He wondered if Members should not focus their energies on these more important issues. These were far more significant issues at the very core of the TRIPS and Public Health negotiations where positions were still worryingly far apart. His delegation believed that once these other more important issues were resolved, the issue of beneficiary countries would sort itself out very quickly. This was especially so as the issue of beneficiary importing countries was, in his delegation's view, a matter more of form than substance, and one therefore not impossible to resolve.

257. He had chosen to focus on S&D and TRIPS and Public Health as these were critical issues where Members were in urgent need of showing results in less than a month. The clock was ticking. How successfully they handled these issues would have a profound systemic effect on the other deadlines coming up the following year, and on the overall course of the negotiations under the DDA. Singapore appealed to Members to bear this in mind as they came to the end of what had been a very busy year, and faced a 2003 which, if anything, would be even more challenging.

258. Finally, he wished to refer to the point raised by Japan on the need for a more structured way to schedule meetings next year of the negotiating bodies and special sessions. His delegation supported Japan's proposal and urged the Chairman to look into this matter. As Japan had correctly pointed out, it was important to make progress on all fronts. The negotiations had to move in tandem on all fronts and no one set of negotiations should be allowed to lag behind, just because a meeting room or staff to service the meeting could not be found.

259. The representative of Peru agreed with the Chairman's assessment that progress had been made, but in an uneven way. Peru was concerned that in some areas of major interest to developing countries, such as agriculture and S&D treatment, there had been unsatisfactory developments. It would be necessary to correct this situation or else run the risk of not having an agreed and balanced package for Cancún. In the area of agriculture, there had been an enormous effort by a large number of Members to submit proposals, either individually or in groups, which had allowed substantive discussions in the recent meetings. However, Peru believed that although there were great differences in the level of ambition in the proposals, it was vital to continue working to narrow the gaps so as to

avoid compromising the results in other areas under the single undertaking. The reference to S&D treatment in the Doha mandate should not be overlooked, and it should be properly reflected in the reform programme, which meant going further than only extended transition periods. Her delegation appreciated the useful technical work which had been carried out by the Secretariat on tariff quotas and export credits, and called for similar work on food aid and the special safeguard mechanism. Her delegation was looking forward to the Chairman's overview paper, which it was sure would reflect in a balanced way the principal interests of all parties, marking the start of a new more intensive and decisive phase of work.

260. With respect to the negotiations on non-agricultural market access, her delegation had actively participated, with a positive and constructive focus, in various bilateral meetings with countries which had made initial requests. It hoped to submit shortly its initial requests to its trading partners so that this process could continue. At the multilateral level, Peru had submitted, together with other developing countries, a proposal on the implementation of paragraph 15 of the Guidelines and Procedures for the negotiations which referred to the implementation of the objectives established in Articles IV and XIX:2 of the GATS in favour of developing countries.

261. Despite these positive developments, her delegation wished to draw the attention of the TNC to two areas of concern. First, the lack of progress in some areas of the services negotiations, such as the modalities for autonomous liberalization and the establishment of an emergency safeguard mechanism. Second, the attempt to incorporate issues related to market access in the case of government procurement into the negotiations on rules. Peru considered the resolution of these problems was an essential element which would impact positively or negatively on the services negotiations, as would progress in the agriculture negotiations.

262. The work programme adopted in Doha had been named the Development Agenda. However, the paradox was that, despite the large number of proposals made, Members had not been able to make concrete recommendations, with the agreed time-frame, to make S&D provisions effective and operational. For Peru, the most pressing issues in this area were linked to improving the S&D provisions of the SPS and TBT Agreements, and the DSU. Peru was disappointed that questions had been raised in the discussions on the objectives and aims of S&D treatment and on trade preferences, as well as on other issues which were attempts to divide and differentiate developing countries, and also create new categories. Peru hoped the General Council could give the necessary political impulse so that a rapid solution could be found to the real concerns of developing countries.

263. Peru noted with satisfaction the progress made in the Special Session of the Committee on Trade and Environment. A number of Members had submitted proposals in this area, and Peru was examining them with interest. Close cooperation would be necessary between this group, the Negotiating Group on Market Access and the Special Session of the Council for Trade in Services with respect to the definition of environmental goods and services.

264. Another area of interest to Peru was that of TRIPS and Public Health. Her delegation thanked the Chairman of the TRIPS Council for his untiring efforts to find a consensus solution to the problems faced by countries with insufficient or no manufacturing capacities in the pharmaceutical sector. However, Peru was seriously concerned that consensus had not been reached, and that there were even wide differences on the scope of a possible solution. Developing countries had reiterated throughout the process that this solution had been clearly described in paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. It had to be permanent, legally safe and easily administered. The decision should not imply that the countries which would use it had to take on new obligations, otherwise the solution would be impracticable.

265. Finally, with respect to the review of the DSU, Peru believed it was time to move on to the negotiating phase, in which it would be necessary to identify the proposals which could enjoy consensus. In this process, Members had to be realistic in order to be able to work on the proposals

which were ripe and well accepted. This would be necessary if the review was to be concluded within the agreed deadline.

266. The representative of Uganda said that the Chairman's remark that there had been progress, although uneven, had painted the correct picture. His delegation was grateful that the negotiations had been inclusive, open and transparent, and it hoped that this would continue. Uganda was disappointed at the progress on S&D, which was an important issue to Africa and to the LDCs. Because of this, these countries had made great efforts to submit proposals, but, unfortunately, these had not been well responded to. Singapore had emphasized the importance of respecting deadlines, and the deadline in this area was an important one, and if it was respected, this would send a positive message to the outside world. At the last TNC meeting, the Chairman of the Special Session of the CTD had been correct when he had said that all Members needed to consider very quickly and very seriously what flexibility meant, and go beyond rhetorical expression so that they could reach specific decisions. Uganda believed his call should be heeded.

267. Another important deadline was in the area of TRIPS and Public Health. Uganda and the other countries in sub-Saharan Africa had been encouraged by what had happened in this area at Doha, and considered it to be a great achievement. The TRIPS Council had been instructed to work out modalities for implementing paragraph 6 of the Ministerial Declaration adopted then. Unfortunately, although progress had been made on other aspects of TRIPS, Members seemed to be regressing in this work. Kenya on behalf of the African Group had urged Members to give WTO a human face, and to facilitate Members to address the problems identified in paragraph 6 by finding an economically viable and legally workable solution with no additional obligations, while respecting the deadline set by Ministers. The African Group had submitted a useful proposal with regard to finding an interim solution in the form of a waiver while a long term solution was worked out. Uganda still believed that a solution could lie in that direction. He wished to recall the statistics which had been published on World Aids Day on the number of deaths caused by the Aids pandemic. As the work continued in WTO on this issue, his delegation was afraid that the outside perception of this Organization would be that of a gravedigger who was not conscious of the gravity of the situation he was facing. His delegation hoped it would be possible to send out a message of hope by the end of the year. It urged all Members to redouble their efforts, since they had come a long way and they should not despair, but it was important that what they came up with was not less than Doha.

268. Turning to agriculture, he said that this issue was particularly important to Uganda, since it employed most of its people, and was the only area where diversification was possible for it. The main problems in this sector were domestic support and export subsidies, and it hoped that it would be possible for the heavy subsidizers to come forward with concrete proposals. There had been some useful proposals, but as Kenya on behalf of the African Group had noted, some of them had not addressed the question of S&D treatment. However, paragraph 14 of the Ministerial Declaration was very clear, stating that S&D treatment for developing countries "shall be an integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments", and Uganda hoped that future proposals would not sideline this issue. In this regard, it welcomed the proposal by the Cairns Group which attempted to address some of Uganda's concerns with regard to S&D treatment.

269. With regard to the negotiations on industrial tariffs, Uganda had taken note of the proposals thus far, including by the United States, and it would be studying them. However, its major concern was their impact on the erosion of existing preferences and whether arrangements would be made to address this. For countries such as his, tariffs formed an important aspect of their fiscal revenue, and this was an issue they could not take lightly. The impact of the proposed reforms on their tax base would have to be studied carefully. For these countries, which did not have anti-dumping or safeguard measures for protection, tariffs were a form of defence, so they would also be looking at these aspects.

270. Uganda had always stressed the importance of integrating the LDCs in the WTO process, so it welcomed the progress made in finding ways to accelerate of LDC countries. It hoped that it would be possible to go even further and ensure that many of them would be admitted before Cancún. Another important issue was implementation, and the clock was ticking in this area. Uganda agreed with India that unresolved issues in this area should be addressed in dedicated sessions of the TNC.

271. The representative of Senegal said that S&D treatment was crucially important to developing countries, including the LDCs, and any delay in this work led them to question the spirit of the Doha Declaration. Some Members seemed to link this work to the single undertaking, and this was not the understanding of Senegal, given the deadline which had been agreed for it. This was an urgent matter, since many of the concerns in this area had been on the table for some time, and responses were necessary in order to make progress. There had been progress on some proposals, but the overall progress was disappointing. There was no doubt that everyone had made efforts, but one had to remember the initial deadline. The CTD Special Session Chairman's draft report contained some interesting elements on the way forward, and this should be seen as a basis to build on, in particular with regard to Annex III.

272. In the agriculture negotiations, Senegal attached much importance to the objectives of food security and rural development in general, given its situation. In this respect, the future framework should contribute to the attainment of these objectives by countries in the same situation as Senegal. This would certainly depend on the flexibility granted to these countries, and thus far no-one seemed to challenge the continuation of the exemptions granted to LDCs in the Uruguay Round, but the policies applied by other Members could also have a negative impact on their agricultural sectors, both in domestic and international markets. Any flexibility should be accompanied by binding disciplines on those countries which heavily subsidized their exports through domestic support or export subsidies.

273. Senegal's concerns in the area of services had been well highlighted in the report by the Chairman of the Services Special Session, namely autonomous liberalization and modalities for S&D treatment for LDCs. Since these were incorporated in the Guidelines for the negotiations, it was evident that they should allow his country to formulate its requests and offers under appropriate conditions. Senegal agreed with Switzerland that there should be an emphasis on technical assistance for the LDCs and developing countries which faced technical difficulties in this respect. In the area of non-agricultural market access, his delegation wished to underline the importance of developed countries offering developing countries reciprocity which was less than full. Senegal's concerns in this area, which were also shared by many other developing countries, were customs revenue, which represented some 30-40 per cent of Senegal's total revenue, and the existing environment in which its only way of protecting its enterprises was customs tariffs. On the dispute settlement negotiations, Senegal welcomed the Chairman's optimism on the work thus far, since he had recently been less optimistic. Senegal was not a major user of the dispute settlement system, having used it once only. Acceptance of the African Group proposal for financial compensation for developing countries in their use of the system would be a useful and efficient contribution to the system.

274. On environment, Senegal agreed that the WTO had a role to play in sustainable development. Developing countries had legitimate concerns on the additional burden that an agreement in this area could impose, in particular with regard to market access for environmental goods and the linkages between MEAs and specific trade obligations. In the discussions on environmental goods, some appeared to believe that a definition of such goods was not necessary and a list would suffice, but Senegal believed that specific criteria would be needed so as to define, within the overall objective of the exercise, the coverage, such as whether agricultural equipment would include only industrial equipment, or also include that for domestic use, and this had a fiscal effect.

275. In conclusion, the development dimension had been seen from the start as being central to the DDA, hence its name. Concrete results had to be obtained in all the areas of the DDA related to development, which would be a turning point in the evolution of the WTO. Finally, the proliferation

in the number of meetings had been raised as a matter for concern by a number of delegations. Senegal believed that the negotiations would benefit from a higher level of credibility if it took better into account the real constraints faced by small delegations and their attempts to participate fully in the system. This could be achieved by rationalizing the meeting schedule.

276. The representative of Djibouti said the Chairman had made an important point by saying that Ministers at Cancún would be expecting to consider concrete results from the present process. His delegation supported the statements by Zambia on behalf of the LDCs and Kenya on behalf of the African Group, and he wished to highlight the areas of importance to Djibouti. Agriculture was an important area since the whole negotiations depended on it, and the Chairman of the Agriculture Special Session had highlighted the wide gaps in positions in the negotiations in this area. The Chairman of the CTD Special Session had underlined the problems in his work and the problems he had in finding consensus. On environment, the Chairperson of the negotiating group had stressed the importance of the work in this area to developing countries, and that she would attempt to find a solution to the question of observer status for IGOs in her group. Senegal welcomed the statement by the United States on the importance of the accession process for LDCs. Senegal also welcomed the statement by Switzerland on the importance of helping LDCs through market access.

277. The representative of Ecuador said that three years had now been spent in negotiating on agriculture and services. These three years represented 75 per cent of the working life of the built-in agenda agreed in the uncompleted Uruguay Round, since the peace clause would expire in a year's time. This meant that the subsidies and support which were distorting world trade could not continue unchallenged. These had been potentially extended at Doha for one year, and now there was a move to extend them further. This was the overriding perception when the biggest agricultural power in the world had not thus far said how it intended to dismantle those subsidies and honour the commitment of the DDA. Even worse, there were signs, supported by other major trading partners, that their aim was to maintain the Uruguay Round modalities, the results of which had been totally unsatisfactory.

278. The imbalance which had been highlighted by most delegations at the present meeting was no accident. It could be a strategy resulting from cold calculation, or a serious collective error, and it was affecting not only the single undertaking agreed in Doha, but also the areas of implementation and the so-called new issues. The reason for the imbalance was clear – the agenda was overloaded to such an extent that even the Secretariat, a model among international organizations, had begun to crack. This also held true for the Members, even the larger delegations, who were unable to attend more than 4,000 meetings a year on such a wide variety of subjects that was unprecedented in a round of negotiations.

279. He wished to highlight a fundamental element which had been a common theme in the statements at the present meeting – the established time-frames had to be respected. This was essential to re-establishing balance and manageability in the core negotiations on agriculture, services and industrial products. His delegation suggested that Members should be firm on this, and that they should not extend the time-frames if consensus was not achieved on a given issue with that time-frame. A lack of consensus was a decision in itself, albeit a negative one, and there was no room for threats nor fantasies in such a situation, because this would only worsen the imbalance.

280. Everyone had a responsibility to give credibility to these negotiations, as the Chairman had said. Members had to commit themselves to not extending deadlines, and he wished to give three examples. First, a great deal of fruitless work on trade and development had been carried out with enthusiasm by the Chairman of the CTD Special Session and developing countries. But it was clear that maintaining this work would mean that many developing countries, attracted by this mirage, would leave to one side the core of the negotiations on S&D treatment in agriculture, services and industrial products. The second example was related to the very credibility of the round itself, namely TRIPS and Public Health, which had been brought to the public's attention with much fanfare. If, in the following few days, no agreement was reached on this issue, which was so sensitive to developing countries, it would become clear to the public that there was a hidden agenda behind these

negotiations which was that the DDA had little to do with development. There was not even the possibility of immediately applying a waiver to see whether the large transnational pharmaceutical companies were right in being reticent to implement what had already been agreed at Doha. The third example was in the area of dispute settlement, where much work had also been done under the excellent leadership of the Chairman of the negotiating group and with the unfettered enthusiasm of Members. There were so many proposals that it was not clear when the task could be completed, not even the process under way since Seattle. As the Chairman of the group had said, it was going to be difficult to reach consensus on priorities, but nevertheless everyone knew that the priority was the sequencing in the stage of last resort. But, as things were going, no results would be achieved and the credibility of the dispute settlement system would continue to be in doubt, because, as had been demonstrated statistically in the group, there was a de facto waiver which allowed Members to maintain illegal measures for five years at no cost since the last resort did not work. Nevertheless, the situation would go on unchanged.

281. In conclusion, Ecuador believed that all deadlines should be respected in order to encourage compliance with the respective mandates. So the Christmas tree would have to be taken down even though Father Christmas had not distributed all his presents and the same was likely to happen at Cancún. It was not a good idea to plan a huge Christmas tree for the end of the round in December 2004, adding to it the things from now and from Cancún, since it would be so big that no-one would be able to reach anything hanging from it, not even what was on the lower branches. This meant that, in Christmas 2004, the calendar would be extended under the protective complacency of the peace clause, at which time it would no longer be possible to conceal the fact that it had expired. There was still time to dispel the illusions projected by the major negotiators, and this would not be done through building capacity but rather through determination.

282. The representative of Haiti supported the statement by Zambia on behalf of the LDCs. As an LDC, Haiti was looking for special treatment in most of the negotiating areas. Non-agricultural market access was an area of interest for developing countries, in particular LDCs. Haiti wished to see more access to developed-country markets, which in some case, still maintained high tariffs on some products produced by LDCs. The emphasis should be on eliminating high tariffs, tariff peaks and tariff escalation, while also facilitating access for products from LDCs.

283. All the subjects under negotiations in the rules area were sensitive issues. Haiti supported the elimination of the use of anti-dumping measures, which hampered the production and exportation of products from LDCs, who were generally the victims. At the most, the result should be a multilateral instrument which was more in the favour of these countries who were often not able to respect their obligations under the existing Agreement. In the area of subsidies, Haiti's position was differentiated. While it was favourable to eliminating export subsidies used by developed countries to distort trade in agricultural products, it believed that developing countries, in particular LDCs, should be allowed to use such measures to develop their export sectors. With regard to regional trade agreements, Haiti believed that they should not be used to undermine multilateral rules. These agreements should continue to be governed by the rules and principles of the WTO, in particular the provisions of GATT Article XXIV. Such agreements should be used to facilitate economic development, not to erect unnecessary barriers to trade.

284. Agriculture was an area where the stakes were very high for developing countries and LDCs, including in market access, domestic support, export subsidies and non-trade concerns. Greater access to developed-country markets should enable developing countries and LDCs to develop production and exports of their products. Besides addressing the high tariffs that constituted real obstacles to access to these markets, the negotiations should also be aimed at eliminating non-tariff measures on products from developing countries and LDCs, in particular those applied through SPS measures. In order to facilitate agricultural production, the LDCs which were in a position to do so, should be allowed to use certain measures of support without facing action from other Members. In the area of export subsidies, developed countries should commit to eliminating them or at least progressively reducing them. But on the other hand, the LDCs which were in a position to do so

should have more flexibility in using such subsidies in order to develop and increase their agricultural exports, which played a major role in their revenue. Such a step would also enhance the standard of living of rural populations working in the sector concerned. The existing provisions on the use of export subsidies by LDCs should also be maintained. Furthermore, non-trade concerns relating to food security, rural development, structural adjustment, environmental protection and other aspects represented crucial issues for developing countries and LDCs. In this respect, Haiti welcomed the efforts of the Chairperson of the Special Session of the Committee on Trade and Environment. In the establishment of Members schedules of concessions and obligations, Haiti would urge the inclusion of S&D treatment for LDCs. These countries should not be subject to obligations which were more constrained than under the Uruguay Round. The same would apply to the rules and disciplines which would result from the negotiations and which would apply to this sector in the future.

285. The negotiations on services were taking place in the context of what was set out in the GATS. In this process, full consideration should be given to the special need of LDCs, who should continue to be exempt from the obligation to undertake constrained obligations in the sectors and sub-sectors of interest to them. They should also not be obliged to take part in a liberalization process in services in the public sector, nor sectors which had the potential for future development. The implementation of Mode 4, namely the movement of natural persons, was an area of these negotiations of particular interest to Haiti. In the area of TRIPS, beyond the important issue of Public Health, the extension of protection under GIs to products other than wines and spirits was of particular interest to Haiti. Certain products, such as Haiti's Barbancourt rum, could benefit from better protection through GIs in the context of the TRIPS Agreement. Therefore, a list of products which could form the basis of negotiations in this area should be established. Furthermore, particular attention should be paid to the work on the protection of traditional knowledge and folklore. The Dispute Settlement Understanding was an area which required clarifications and improvements of its very complex provisions. The emphasis here should be on reforming the dispute settlement system through a framework accompanied by a more flexible and simpler procedure. In particular, LDCs should be able to have recourse to it under more favourable conditions so that they could handle the disputes in which they were involved.

286. His delegation was grateful to the Chairman of the CTD Special Sessions for his tireless efforts to establish a basis for consensus in the work on S&D treatment. The monitoring mechanism he was attempt to put into place was an important aspect of the negotiations. Haiti supported S&D treatment, since it was an important aspect of the multilateral trading system which had to be transformed into a permanent mechanism aimed at taking into account the needs and specific concerns of developing countries and in particular the LDCs. The mechanism had to be more precise, effective and operational. It had to become a genuine instrument to promote the real integration of LDCs into the multilateral trading system through a system of rules which would be more restrictive on developed Members. This would guarantee the commitments undertaken by these Members in the course of multilateral trade negotiations. In this connection, S&D treatment had to be designed to differentiate among the participants in the multilateral trading system in recognition of the differences in their levels of economic development. This meant that developed countries had to continue to recognize the inability of LDCs to take on obligations which were too onerous for their economies. It also had to be designed to envisage, in the context of multilateral trade agreements, the establishment of rules and disciplines which were more flexible and more favourable for LDCs. Furthermore, S&D treatment had to be designed to allow LDCs to be waived from such rules and disciplines for suitably long periods by highlighting those agreements which were sensitive for them. It should also allow for automatic extension of the implementation periods in case of difficulty. Corrective measures should also be envisaged for the case where developed countries did not respect their obligations towards LDCs. In addition, a framework should be established to provide ongoing technical assistance through programmes to facilitate the implementation of the multilateral agreements by LDCs. Finally, a specific framework should be put in place to take into account the particular characteristics of LDCs. Haiti hoped decisions would be taken at the present meeting on future work in this negotiating group so that everyone could be proud of their achievement.

287. The Chairman invited the Chairpersons of bodies established by the TNC to comment on the discussion, if they so wished.

288. Mr. Harbinson, Chairman of the Special Session of the Committee on Agriculture, said that many interesting points had been made on agriculture during the discussion, which could be construed as last minute guidance to him in terms of his work on his overview paper. However, it remained clear that his group was in need of a new phase in order to breach the gaps which were still so evident on major issues. Canada had referred to his remarks at the start of the meeting as a wake-up call, and that was exactly what he had intended his remarks to be and he hoped that all Members would reflect deeply on the fact that there was so much to do in such a short time. For the immediate future, he intended to hold some more focussed technical consultations. Following the circulation of his paper, he hoped that Members would come to the January Special Session in a different frame of mind, and that the next TNC discussion would have a more active flavour.

289. Ambassador Girard (Switzerland), Chairman of the Negotiating Group on Market Access, said that some delegations had asked questions about the work of his group in their statements, and he would contact those delegations to reply directly.

290. Ambassador Chung (Korea), Chairman of the Special Session of the Council for TRIPS, said that he was pleased to note the full commitment by Members to his group's mandate to establish a multilateral system.

291. Ambassador Balás (Hungary), Chairman of the Special Session of the Dispute Settlement Body, said that Egypt had asked what was meant by the phrase the "highest common denominator" which he had used in his written report and he would answer in general terms. For the negotiations in his group, there was no specific mandate as such – no goals and no scope had been defined by Ministers. The outcome of the negotiations would be determined by the issues on which consensus had been reached. For him, as Chairman, the aim was to achieve the highest possible level of consensus, and this was he was trying to do with the assistance of delegations.

292. Ambassador Biké (Gabon), Chairperson of the Special Session of the Committee on Trade and Environment, said that her group had an essential question to resolve, which was that of observer status for IGOs. It would seem that the majority of Members agreed with the suggestion that observer status could be granted on an ad hoc basis to the MEAs and UNEP. She hoped that Members would agree in that sense. As she had said, the work on substance would start next year, and there was much work to be done on some difficult issues, such as environmental goods and services and paragraph 31(i), and she was confident that the Members' dynamism and good quality of work would be maintained.

293. Ambassador Smith (Jamaica), Chairman of the Special Session of the Committee on Trade and Development, said that he wished to thank the many delegations who had reiterated their willingness to make every effort to ensure acceptable progress in the work of his group by the deadline. All Members clearly considered this to be an important issue in wider systemic terms, as well as in relation to the DDA itself. As Chairman, he would continue his efforts to bridge the wide gaps that existed, and he pledged that his group would seek to ensure, as far as possible, an outcome acceptable to all Members.

294. The Chairman said that he wished to reiterate his thanks to the Chairpersons of the negotiating groups, who had been totally dedicated in their assignments and who had spent long hours to move their agenda forward inch by inch. He thanked them also for their cooperation with him in mapping out the work programme and in keeping him, at all times, abreast of their groups' activities. He wished also to thank all the delegations who had greatly contributed to the continuing effort with their thoughtful statements, which sometimes might have seemed to be repetitive, but which had been useful, nevertheless, in giving him strong and clear signals as to in which direction the work should be going. He was sure that everyone was correct to have concerns about the way things were going. But



everyone should also be realistic in admitting the positive trend of the rising level of participation since October. Participants needed to keep up this esprit de corps, maybe with a sense of compassion to give it a human touch, particularly when they were dealing with development issues.

295. He had looked at his notes from the TNC meeting on 3-4 October, and he had noticed that everyone had been trying at the time to emphasize the need for more proposals, the need to broaden aspects of negotiations and the need for progress on technical assistance. It was clear that, since then, participants had moved forward substantially on all these fronts, building up strong momentum. Still, from the discussions at the present meeting, it was also clear that they were cognizant of the breadth and complexity of the issues before them. Participants should recognize the sense of urgency, not waiting until the last minute to make their moves. The WTO definitely could not afford to go to Cancún with an overloaded agenda, with too many unresolved issues.

296. Delegations had generally agreed with his opening remarks on the unevenness of progress at this stage, and that progress was needed across the board. He wished to go over some negotiating groups and suggest some areas where participants should concentrate their effort to press forward. On agriculture, participants seemed to place high expectations on the Chairman's 18 December overview paper. But in actual fact, this overview paper's quality depended to a large extent on the quality of the Members' papers as submitted and to be submitted. Participants should also be thinking ahead to the even more critical first draft paper on modalities, due to be issued in February 2003. They could start working now on the level of specificity and ambition that would be needed in the modality framework and together be prepared to work on entrenched positions. He expected all delegations to engage in more interactive discussion in future TNC meetings on some of these aspects.

297. On services, although the negotiations continued to progress in a very positive manner, delegations were requesting more developing-country participation. It would certainly be helpful in this respect to make clear that the GATS posed no threat to national social or cultural policy objectives in sectors like education and health care. And as the WTO continued to advance in its technical cooperation programme, developing countries would feel more confident in making their proposals.

298. On non-agricultural market access, there seemed to be concerns that it might not be possible to strike a balance with other negotiations. The WTO would have to meet the requirements for scheduling adequate and appropriate timeslots for meetings. Apart from this, some delegations had suggested linkages between the market access negotiations and those in the areas of trade remedies. Ambitious proposals would be welcome to incorporate developing countries' areas of interest and to contribute towards the already fast expanding South-South trade.

299. On trade and environment, a number of delegations had raised the issue of observer status with the suggestion that some form of solution could be near at hand. Some delegations had noted the importance of this issue in the light of the relevant part of the mandate of that group. He wished to encourage the Chairperson of the Special Session to look further into possible approaches to this question to facilitate the work of her Group in this respect.

300. As for other groups, a lot of hard work remained to be done in the TRIPS Council Special Session, especially to bring Members' positions closer, while on rules, the Chairman himself had given the indication that participants needed to treat the issue of subsidies more seriously. The DSB Special Session was endowed with the luxury of a multitude of proposals on which a balanced paper could be crafted by May next year. Although this was not an organic part of the single undertaking, it was one area that lent strong support to the credibility of this institution.

301. Besides agriculture, the work of the Special Session of the Committee on Trade and Development seemed to have been referred to most frequently at the present meeting, and rightly so. The Doha mandate had reaffirmed special and differential treatment provisions as an integral part of the WTO Agreements. This was a litmus test of the development content of the Doha Agenda.

Members had come a long way since the July deadline thanks to the Chairman and the contributions from both developed and developing countries. Although the whole S&D work programme could not be completed by the end of the year, Members should do their very best to establish certain agreements, particularly in identifying readily workable specific proposals as had been tabled by various developing countries and a future roadmap to guide this work programme forward. It was most gratifying to take note that there was great trust placed in the Chairman's guidance by all parties concerned, and he detected a growing sentiment to rally support behind the Chairman's position.

302. As part of the year end package to establish the core of the Development Agenda, besides S&D treatment and the facilitation of Least-Developed Countries' accession, for which Members had now achieved agreed guidelines, the issue of TRIPS and Public Health was the most prominent for its humanitarian background, as many delegations had alluded to at the present meeting. And as it was more of a humanitarian issue than a pure trade one per se, Members could not count upon only their trade acumen to decide on the final agreement. They had to equally rely on their sense of responsibility, their compassion and the most urgent need of the ultimate consumers or beneficiaries. It would indeed be to their collective discredit if they missed the deadline to find an expeditious solution for the TRIPS Agreement and Public Health issue. If they failed to succeed in this endeavour, which not only had global public support but also political consensus, he feared the worst for the rest of their more complicated undertakings. He realised that this was not a TNC issue, but this achievement would give strong impetus to the negotiations.

303. As for the future work, the TNC might need to meet more often to address, besides the substantive part of the negotiations, also the linkages between different negotiations in a broader context. General statements could then be turned into more specific ones, clarifying and moving positions with focussed interactive interventions. He had taken note of the comments on the schedule of meetings of the negotiating groups. This would require careful management, striking a balance between flexibility and predictability. He would take up the scheduling of meetings for next year as soon as possible to allow a balanced time allocation to all negotiating groups, and to underscore his principle of balanced and concerted movement on all negotiating fronts. Everyone would make their best efforts to take into account the special needs of small delegations. He thanked all delegations again for their active contributions to a very useful session.

304. The Trade Negotiations Committee took note of the reports of the bodies established by it and of the statements made.

## **2. Outstanding implementation issues - reports by relevant WTO bodies pursuant to paragraph 12(b) of the Doha Ministerial Declaration**

305. The Chairman recalled that paragraph 12(b) of the Ministerial Declaration provided that the outstanding implementation issues for which no specific negotiating mandate had been provided in the Declaration would be addressed as a matter of priority by the relevant WTO bodies, which would then report to the TNC by the end of 2002 for appropriate action. He pointed out that there were a number of other implementation issues on which reports were due to be submitted to the General Council the following week, in line with the Ministerial Decision on Implementation. The focus at the present meeting was exclusively on those outstanding implementation issues which were governed by paragraph 12(b).

306. Written reports had been circulated in the following official documents:

Council for Trade in Goods:	G/L/588
BOP Committee:	WT/BOP/R/66
Committee on Trade and Development:	WT/COMTD/45
Customs Valuation Committee:	G/VAL/49
Market Access Committee:	G/MA/118

SPS Committee:  
TBT Committee:

G/SPS/24  
G/TBT/W/191

307. He understood that a report by the Safeguards Committee, adopted on 5 December, would also be circulated shortly<sup>1</sup>. This report concluded that, in the light of the Committee's technical discussions on the outstanding implementation issue in this area, the Committee had not been able to suggest a course of action due to a lack of consensus. He noted that no written report had been issued in the case of the Council for TRIPS, and for this reason, he intended to invite the Chairman of the Council for TRIPS, Ambassador Pérez Motta, to make a brief statement. In view of the time constraints at the present meeting, he did not propose to ask the other Chairpersons to introduce their reports. However, he understood they would be available to join in the discussion as necessary. Before giving the floor to Ambassador Pérez Motta, he wished to make a number of points.

308. First of all, he wished to thank the Chairpersons for the considerable efforts he knew they had all put into seeking appropriate solutions to the issues before their committees. This work had not been easy for them, and he believed they deserved the gratitude of all delegations. In looking at the reports, he believed it was clear that, despite all the hard work that had been done, Members did not seem to have reached agreement on definitive solutions on most of the issues before them.

309. In preparing for the present meeting, he had consulted with the Chairpersons concerned and with a number of delegations to seek their advice on how the TNC could handle the issues in each area. He had to report that his consultations had showed that significant differences also persisted about what action the TNC should take.

310. However, on the basis of suggestions he had heard, he believed that the possible courses of action for any given issue included:

- resolving the issue;
- agreeing that no further action was needed on the issue;
- referring the issue to a negotiating body;
- continuing work in the relevant subsidiary body under enhanced supervision by the TNC and with a clear deadline, perhaps June 2003; and,
- undertaking further work at the level of the TNC.

But he had to add that he had not yet detected an emerging consensus on any of these options.

311. He said that the aim at the present meeting, should be to reach consensus on appropriate action in respect of these issues. The appropriate action might not be the same in all areas. In particular, wherever possible, Members should identify any areas where resolution of the issues concerned was close at hand, and consider how a positive outcome could best be reached. Any indications of such areas would be welcome. If the work in the TNC was to add value, as it should, he suggested that it would not be productive for delegations to repeat the discussion of the technical details of each of the issues before them, since this work had already taken place in the subsidiary bodies. This should be a forward-looking debate, and one which kept the overall picture firmly in mind, in line with the TNC's mandate in paragraph 46 of the Doha Declaration.

312. The representative of Bulgaria noted the Chairman's outline of the possible courses of action. This issue was important to his delegation. He said that Ministers had called for appropriate action by the TNC on these outstanding implementation issues.

313. Ambassador Pérez Motta (Mexico), Chairman of the Council for TRIPS, said that the outstanding implementation issues dealt with by the TRIPS Council this year under paragraph 12 of the Doha Declaration were those which appeared in paragraphs 87, 88, 91, 93, 94 and 95 and in two

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<sup>1</sup> Subsequently circulated as document G/SG/59.

proposals from the LDCs, dated 22 October 2001. Unfortunately, the TRIPS Council had been unable to adopt a report on these issues for submission to the TNC.

314. All the delegations who spoke expressed their appreciation to the Chairpersons of the various Councils and Committees both for their reports and for their sustained efforts since Doha on implementation issues referred to the relevant bodies.

315. The representative of the European Communities said that Ministers had agreed in Doha that negotiations on outstanding implementation issues should be an integral part of the work programme and of the single undertaking. On the paragraph 12(a) issues, negotiations had been referred directly to the negotiating bodies. The other outstanding implementation issues had been referred to the regular bodies which had to report by the end of the year to the TNC for appropriate action. This particular mandate of the regular bodies was now expiring and it was up to the TNC to take appropriate action on how to bring forward the negotiations. Members now had these reports. Some of the outstanding implementation issues appeared ripe for early decision while on others there was a total lack of consensus at the technical level. Hence the need to address these issues at the level of the TNC. His delegation believed that all these outstanding issues had to be dealt with on an equal footing and could not accept that some of them were shoved under the carpet. Amongst the outstanding implementation there were some, such as geographical indications (GIs), which were of particular importance to his delegation and were ultimately linked to the overall progress of the DDA negotiations. He stressed that quite a few Members shared this position and quite a few delegations had their own particular implementation interests. His delegation believed that the obvious way to address the outstanding issues would be to find them a similar negotiating home as had been done for paragraph 12(a) issues. That some Members appeared to oppose this was regrettable as it went against the letter and spirit of paragraph 12. This implied that the Chairman of the Special Session of the Council on TRIPS would be stuck with wine and spirits for some time to come which was neither encouraging for him nor for the Organization.

316. The Community believed that it would be difficult for any Member to disagree that it was time to deal with the outstanding paragraph 12(b) implementation issues at the level of the TNC. To this effect his delegation proposed that the Chairman of the TNC undertook to conduct consultations on all outstanding paragraph 12(b) implementation issues, in close contact with the Chairs of the relevant WTO bodies, and to report back to the TNC for appropriate action. The Chairman of the TNC was well placed to conduct such consultations as there were important interfaces between outstanding implementation issues and the overall negotiations. His delegation saw this as precisely the kind of situation in which the TNC Chairman could play a pro-active role and was confident that such an approach would allow for the TNC to harvest some doables and to build bridges on questions where more fundamental divergences of views persisted. In addition, this approach did not prejudge substantive views which any Member might have on a particular issue. He asked that this proposal be considered by delegations with a view to taking a decision at the present session of the TNC.

317. The representative of India expressed his delegation's deep reservations about the slow progress on the resolution of S&D and implementation issues within the mandated time-frame. S&D and implementation issues were asymmetric in the Uruguay Agreements insofar as promises made remained unfulfilled. In order to win the confidence of the developing world and to allow developing countries to satisfy domestic constituencies and stakeholders, it was extremely important that the implementation issues were resolved in a timely manner which also addressed the concerns of the developing world. This would create greater confidence in the current negotiations and allow for progress in other sectors. He said that pursuant to the decisions at Doha, outstanding implementation issues, falling under paragraph 12(b), as well as the further work that was required to be undertaken in respect of some of the implementation issues on which decisions had been taken at Doha, had been dealt with in the regular WTO bodies. The Chairpersons had reported on the work done so far in these bodies and it was a matter of deep disappointment that agreement had not been possible at an early stage on any of the issues under negotiation. However, the work done so far was no doubt useful and provided Members with a basis on which to build future work. It was also clear from the

reports that technical aspects of the issue had been fully addressed in these bodies. India believed that it was time to progress to the decision-making, building on reports received from these bodies. India and many other developing countries attached the highest importance to the early resolution of these issues. He was also conscious that work in the regular bodies had reached a stage beyond which there was very little scope for progress in these bodies. India had provided clarifications to its proposals and it was essential that a decision was taken on at least on some of these issues by 31 December 2002. His delegation believed that the rest of the work on outstanding implementation issues could be dealt with in the TNC and supported the proposal by the representative of the EC. The TNC could address these issues in dedicated sessions next year, with a view to resolving these issues and concerns at the latest by July 2003. His delegations considered that only through such a process would delegations be able to effectively fulfil the mandate given by Ministers at Doha.

318. On the issue of TRIPS and Public Health, his delegation urged Members to proceed in good faith while giving primacy to the humanitarian, rather than the commercial aspects. He cautioned that the eyes of the international community were watching how the WTO handled this sensitive issue. He said that it was important to ensure that the supply of low cost medicines reached those in need quickly and without getting bogged down in a legal minefield. The solution should be simple and effective and adhere strictly to scope of products and diseases as covered in the Doha Declaration on TRIPS & Public Health without circumscribing it further. He believed that the TRIPS Council Chairman's paper of November 10 could be worked upon further to arrive at a solution. Finally, India fully endorsed the views expressed by Kenya, Zambia, Malaysia and China.

319. The representative of Egypt expressed her disappointment with the outcome on the discussions on implementation issues. No meaningful resolution had been reached concerning most of the issues and the overall lack of accommodation to the concerns of developing countries was disappointing. She said that ever since the Uruguay Round Agreements had taken effect, developing countries had experienced difficulties in the implementation of some of those agreements due primarily either to the lack of clarity in certain provisions or to the failure of many developed countries to fulfil their obligations under the agreements. The Declaration of the Second Ministerial Conference in May 1998 reflected an agreement by all Members of the Organization at ministerial level by stating that: "Full and faithful implementation of the WTO Agreement and Ministerial Decisions is imperative for the credibility of the multilateral trading system and indispensable for maintaining the momentum for expanding global trade, fostering job creation and raising standards of living in all parts of the world". The Ministers also decided that they would further pursue their evaluation of the implementation of individual agreements and the realization of their objectives at the Third Ministerial Conference. The Declaration stated that: "Such evaluation would cover, *inter alia*, the problems encountered in implementation and the consequent impact on the trade and development prospects of Members". Unfortunately, this mandate had been carried around since 1998 and the deadline had been extended from Seattle to Doha and lastly to the end of this year. Egypt believed that a faithful resolution to all implementation issues was no longer a confidence building measure but a matter of credibility for the multilateral trading system in general, and the current negotiations in particular, since implementation issues had been recognized as an integral part of the Doha Work Programme and placed on a priority basis.

320. This situation was highly aggravated by a similar lack of progress on two other fronts of developmental nature, namely S&D and TRIPS and Public Health. She said that the TNC was now called upon to take appropriate action. Egypt believed that the first step was for the TNC to operationalize its supervisory role and provide the necessary guidance to achieve progress on implementation issues. This could be done through dedicated sessions of the TNC similar to the Implementation Mechanism or Special Sessions of the General Council that had addressed the issue between Seattle and Doha and achieved some results as reflected in the Decision adopted in Doha on implementation-related issues and concerns. This practice had also been followed on other issues, for example the discussions on electronic commerce. Finally, Egypt hoped that all Members concerned, particularly the developed partners, would work seriously towards reaching acceptable solutions to all

implementation issues with a view to achieving an early harvest in this area. She remained confident that with the necessary political will from all parties this objective was attainable.

321. The representative of Cuba said that this meeting was being held at a very important stage in the process leading up to the Fifth Ministerial in Cancún. Barely seven months remained before that meeting and a large number of issues on the agenda were still unresolved. He agreed with the Chairman that deadlines had to be respected. Unfortunately, on implementation and other issues which had been identified as priority issues by Ministers in Doha progress remained disappointing, particularly because paragraph 2 of the Doha Declaration stressed the needs and interests of developing countries as being at the centre of the work programme. For the very first time in the history of GATT and WTO, decisions had been made and work programmes had been established in a number of issues of the greatest interest for developing countries. Much of that work was expected to conclude at the very latest by December 2002 and other issues had a deadline at the Fifth Ministerial. He said that an example was implementation, particularly those issues covered in paragraph 12(b) and the issues which were submitted to the various subsidiary bodies with the request of providing reports to the TNC at the end of 2002.

322. He recalled that at the October meeting of the TNC, the Director-General had said that Members had to consider as a priority the outstanding implementation issues. Since then two months had passed and it was with great disappointment that his delegation noted that the spirit and the letter of paragraph 2 of the Doha Declaration had been ignored. The call by the Director-General for a timely solution had gone unheard, because the results of that call had been virtually non-existent and, once again, the lack of political will in the principle industrialized nations had become apparent. This alarming situation was reflected in the reports of the subsidiary bodies which were simply statements of fact and did not provide any solutions for an effective or appropriate solution as recommended in the last sentence of paragraph 12 of the Declaration. Cuba was very concerned that in looking for solutions before the December deadline the effective participation of all Members in the consultations had not been encouraged, rather the contrary. There had been green room type meetings, including outside the Organization, with a view to promoting solutions which would not benefit all developing countries equally. He recalled the ongoing debate on procedures and negotiations in the preparations for Ministerial Conferences. It was critical that procedures be interactive and open since this was the only manner in which a true consensus could be built. It was therefore important to establish transparent, open and fully participatory mechanisms for all decision-making processes within the WTO in order to guarantee the progress of work before and during the Fifth Ministerial Conference.

323. He stressed that it was urgent to find an effective solution to development issues, particularly implementation, as well as all those which had a deadline in 2002. The developing countries had already shown flexibility by extending the deadlines for the analysis of these issues and it was now for the industrialized nations to show the political will to find solutions to the graver problems faced by the developing world. His delegation believed that developing countries were being asked to pay for a third time since the asymmetries and imbalance which had been established in the Uruguay Round had yet to be resolved. The tactic of delaying decisions on implementation in order to seek linkages with other negotiating areas, so as to force developing countries to adopt new commitments, was of grave concern to his delegation. Cuba would find it difficult to make other commitments if the current deadlines were not met. He supported the proposal by the representative of Egypt concerning the need for dedicated sessions on implementation. A positive outcome to correct the inequalities and the asymmetries of the past was still possible. The alternative would be a repetition of Seattle.

324. The representative of Brazil said that Ministers at Doha had committed themselves to place the needs and interests of developing countries at the heart of the WTO work programme. Discussions on S&D in the CTD Special Session and the examination of outstanding implementation issues, however, had mostly met with a persistent unwillingness to engage on the part of the developed countries. The rare demonstrations of interest in implementation items on the part of developed countries were unrelated to any discernable development objective. Although it had been envisaged that implementation issues would be the subject of agreement at an early stage of the

negotiations, the possibility of an early harvest clearly had become more and more remote. At the first TNC meeting on 1 February 2002, it had been agreed that negotiations on outstanding implementation issues would take place in the relevant bodies. This had been explicitly incorporated in the negotiating structure established by the TNC for the Doha Round in document TN/C/1 which Members had endorsed by consensus. However, in the different reports from the committees there was very little to indicate that these issues were being addressed as a matter of priority, or that the Ministerial determination to find appropriate solutions to them was being translated into a corresponding effort at the technical level. His delegation acknowledged that some productive work had taken place, such as on anti dumping, but on the paragraph 12(b) front there was reason for serious concern. With the exception of an SPS proposal, which had been met with consensus, work in the remaining subsidiary organs had been inconclusive. While two reports, namely on BOP and TBT, recognized the need for further discussions, the reports by the Committees on TRIMs, TRIPS, Custom Valuation, Trade and Development did not even provide any orientation for the future. This was discouraging and it remained incumbent upon the TNC to ensure that this essential aspect of this trade round, which had development at its core, be adequately taken on board.

325. As regards items under paragraph 12(b) of the Ministerial Declaration, the subsidiary bodies had gone as far as they could and it was improbable that sending the items back would produce more meaningful results. This was a serious matter which touched upon the fundamental integrity of this round. He said that consideration should be given to the establishment of a negotiating mechanism under the TNC for the 12(b) implementation items. Paragraph 46 of the Ministerial Declaration allowed Members to do so at any time. He agreed with Uruguay that the TNC was not only a forum for individual assessments of the overall state of play, but also a forum to resolve deadlocks. Brazil supported the efforts of the Chairman and agreed with the proposal of the representative of the European Communities that the Chairman should consult Members on all outstanding paragraph 12(b) implementation issues and report back to the TNC for appropriate action. The option of conducting dedicated sessions on paragraph 12(b) items as had been suggested by the representatives of India and Egypt was a constructive one. His delegation would be ascribing particular importance to two of its proposals in the 12(b) implementation context on TRIMs and on the relationship between the TRIPS Agreement and the Convention on Biological Diversity.

326. The representative of Argentina supported the statements by India, Egypt and Cuba. However, he was greatly concerned that this very important agenda was being contaminated by some matters that were not of such great interest and importance to developing countries. His delegation could not accept that all of the issues before Members had to go through as a single package. He asked for clarification of the proposal which had been made by the European Communities.

327. The representative of the European Communities said that he would make his statement available in writing to those delegations which were interested.

328. The representative of the Slovak Republic said that the Doha Ministerial Declaration had provided a clear mandate in paragraph 12 to address outstanding implementation issues in the relevant WTO bodies and to report to the TNC by the end of 2002 for appropriate action. In some areas Members appeared close to taking a decision on appropriate action while in others a consensus seemed far away. It was disappointing that the TRIPS Council had been unable to reach a consensus concerning the extension of additional protection of GIs to products other than wines and spirits. The lack of political will of some Members to properly address the needs of others had led to the present situation in which there was no direction for appropriate action to be taken for the next year. The Slovak Republic believed that all outstanding implementation issues should be treated equally and it was unacceptable that the issue of GIs be withdrawn from the package of paragraph 12(b) issues. This would go against the mandate given by Ministers at Doha and could have an impact on progress in the overall negotiations. The TNC had been established according to paragraph 46 of the Doha Declaration to supervise the progress of negotiations and as a result it should take appropriate action on this matter. In this regard, the Slovak Republic supported the proposal made by the European

Communities to ask the Chairman to conduct consultations on all outstanding implementation issues under paragraph 12(b) and to report back to the TNC for appropriate action.

329. The representative of Australia expressed regret that only eight of the nine regular committees which had been addressing the list of outstanding implementation issues under paragraph 12(b) of the Doha Declaration had been able to submit a report. The absence of a report from the TRIPS Council was of serious concern to his delegation particularly since the Chair of this body had devoted considerable personal energy in recent months to chairing the Council and in working tirelessly to produce a neutral, factual, comprehensive and balanced report. His delegation believed that this report represented an impartial summing up which in no way prejudiced the position of any Member who had participated in the substantive discussions throughout the year. Nevertheless, the report had been blocked by a small group of Members who apparently had felt disappointed that the report failed to produce the conclusions and recommendations that they had wished to see reflected. No effort had been made by these countries to discuss the substance of the report or to amend the Chair's draft. These countries had instead decided to block a balanced and factual report. This placed the TNC in a difficult position and it would therefore be appropriate for the TNC to defer any decision on what action was appropriate until a report had been presented. His delegation was disappointed that a group of developed countries had sought to exploit the implementation agenda to pursue negotiations on an issue on which there was no consensus, where a genuine lack of comprehension about the relationship of the issue to the work of the WTO remained, and where a strong undercurrent of cultural and linguistic insensitivity prevailed. The issue of amending the TRIPS Agreement to give monopoly rents to the owners of geographical terms which were currently being used extensively around many parts of the world should never have been portrayed as a genuine implementation issue. It had been lumped together with other implementation issues solely because one or two developing countries had submitted an ambit claim to the Secretariat shortly before Doha and it had automatically and without any concurrence from the rest of the membership been placed in a document. This issue was now polluting the implementation debate.

330. He agreed with the assessment that reports before the membership indicated a lack of consensus on most items. However, a couple of issues appeared ripe for a result by the end of the year. He understood this was the case with the item on SPS where the Committee was now in a position to take a decision which would satisfactorily address the concern of the developing country in question. It would also seem possible, with a little more work, to reach a solution in the area of TBT and perhaps Safeguards. For the remaining issues, Australia believed that the only appropriate action in the circumstances was for the TNC to refer the issues back to the regular committees and groups for further consideration. His delegation could contemplate some enhanced supervision by the TNC, although setting another deadline for June seemed unrealistic. He could not support the proposal to give the TNC Chairman the task of finding a solution to these technical and complex issue since he would already have enough on his plate in 2003. He did not believe that having the TNC convene in special dedicated meetings would solve the problem.

331. The representative of Chile said that it was for the TNC to deal with pending matters in terms of implementation on the basis of the reports which the subsidiary bodies had submitted. The scarce progress so far was no surprise insofar as the outstanding matters were the most difficult and sensitive ones. It was increasingly clear that these outstanding issues would require a broader framework for negotiation. He said that Members were facing three different situations. First, there were certain issues where a solution could be found in the subsidiary bodies. In these cases it would make sense to allow the subsidiary bodies to continue their work and find a solution. In the second group, there were a number of issues on which no immediate solution could be foreseen. Some Members had argued for the TNC to become substantively involved in the solution of the issues in this second group. His delegation did not agree with these delegations. The overall responsibility of the TNC was to supervise the trade negotiations. The TNC was not the General Council, it was not administering the various WTO Agreements and therefore it was not a forum for technical and detailed discussion with respect to various aspects of implementation which, although important in their own right, were not covered by a negotiating remit. The role of the TNC was to deal with those



implementation items where there was a consensus to establish a specific negotiating mandate and where solutions could be found within the framework of negotiations. But to ask the TNC to directly find solutions to the various issues would not result in progress. His delegation did not have a problem in dealing with the outstanding matters in the TNC to see whether or not it was feasible to find a framework, a mandate for negotiation to deal with the outstanding matters. The third group dealt with the so-called non-existent report by the TRIPS Council. He hoped that the blockage to this report would be lifted very soon since it would be impossible for the TNC to take any decision without having the complete set of reports for consideration.

332. The representative of Romania said that implementation issues were at the core of the DDA. The credibility of this Organisation hinged on finding some solution in the TNC, in a relevant time-frame. The reports from the regular committees clearly showed that there was no consensus on how to deal with these outstanding implementation issues. It was worrying that that there did not seem to be any encouraging perspectives to make further progress at this particular level. She said that her experience as Chair of the BOP Committee had shown that, even if delegations did consider that some items warranted further discussion, further political will and flexibility were required. Her delegation supported the proposal by the European Communities to send the outstanding issues to the TNC and have the Chair initiate consultations. The TNC Chair should work closely with the Chairpersons of the relevant WTO subsidiary bodies and report back to the TNC with conclusions and proposals, for appropriate action.

333. The representative of Japan expressed satisfaction that some positive progress had been made, such as in the area of TBT. However, several other items had fallen short of reaching consensus. While all Members did not necessarily share a single interpretation of the phrase "appropriate action", the TNC had to move forward. In that spirit, delegations had to give consideration to how best to use the resources towards meeting the DDA. Because of the diversity of out-standing implementation issues, there could not be a one-size-fits-all solution for all issues. His delegation believed that a case-by-case approach, while respecting the importance of every issue, was the right solution.

334. The representative of the Czech Republic said that particularly in the area of the extension of the additional protection of GIs to products other than wines and spirits his delegation was disappointed by the collective inability to give practical effect to the directive of Ministers to report to the TNC by the end of 2002 for appropriate action. It was regrettable that the efforts of so many Members had not resulted in a situation where the guidelines on the negotiations in this area could take more definite shape. His delegation had never been enthusiastic about the idea which had appeared earlier in the year during the discussions on the structure of the negotiations. The idea had been to treat the subject matter of extension of GIs as an outstanding implementation issue subject to paragraph 12(b) of the Doha Ministerial Declaration. For his delegation, this had always been an issue with a clear negotiating mandate. However, the Czech Republic had decided to join the consensus on the understanding that progress in dealing with this issue would be made on the basis of a recommendation to the TNC for appropriate action. Since then his delegation had been working very hard, together with many others, to explain its ambition and better understand the views and concerns of others. Particular focus had been placed on the benefits which the extension of the additional protection to products other than wines and spirits would have for all Members. In this approach, his delegation had been guided by the conviction that it was a systemic issue which was of particular relevance to the overall objective of strengthening the multilateral trading system and giving it a sense of more equity. He had never doubted the consistency of this approach with the objective of the reform process in agriculture to establish a fair and market-oriented agricultural trading system. Nobody could disagree that practices based on free-riding on the reputation of genuine GIs had nothing to do with fair trade. It was therefore disappointing that some Members, rather than showing more understanding, seemed to have proposed that, in the absence of an agreement on this issues to date, the only thing that could be done was to close the book. In other words, these Members suggested inaction to be considered as the appropriate action to be taken by the TNC. For his delegation, inaction was not an option. He said that although two different schools of thoughts could be identified at this point, this did not mean that it would be impossible to find common ground. He

did not believe that failure to agree on GIs at the present meeting would be the end of the story. The current Round of negotiations would offer other opportunities to broker compromises. His delegation supported the proposal by the European Communities regarding all outstanding paragraph 12(b) implementation issues and agreed that the Chairman should undertake consultations on the way forward.

335. The representative of Korea said that the reports from the subsidiary bodies showed that they had discussed the implementation issues in sufficient detail and with the seriousness that these issues rightly deserved. Although few tangible results had been reached and stark differences between proponents and opponents remained, Members should be cautious about making narrow assessments about the final outcome. A number of the so-called paragraph 12(a) issues were being addressed in various negotiating bodies and delegations had also accomplished tangible results on other implementation issues outside paragraph 12(b). Thus, it was more appropriate to make the assessment from a more global viewpoint. From the reports received, it was clear that a new framework for the remaining issues was needed. Members had considered these issues for quite a while, and given the thorough work that the subsidiary bodies had undertaken, simply extending the deadline would not be the optimal choice. Korea did not agree with those that had argued that the TNC should become involved in the unresolved issues, because this would lead to an overloading of the Cancún Ministerial Conference. He supported the Chairman's suggested course of action as both practical and realistic at this juncture.

336. The representative of Canada said that when discussing implementation Members should not lose sight of the progress that had been made to date. More than 40 issues had been dealt with at the Doha Ministerial Conference and, for those Doha decisions where additional work had been required, there were positive results in the Anti-dumping Practices Committee (paragraphs 7.3 and 7.4), the Subsidies and Countervailing Measures Committee (paragraph 10.6) and the Sanitary and Phytosanitary Measures Committee (paragraph 3.3). In addition, over half of the outstanding issues had already been incorporated into the mandated negotiations, and progress had been reported on some of the paragraph 12(b) non-negotiating implementation issues, notably by the Committee on Sanitary and Phytosanitary Measures. It was evident from the various committee reports that there were no easy answers to the outstanding paragraph 12(b) implementation issues. However, it remained imperative that these proposals and related expectations were well managed in the WTO bodies, and in this regard it would appear appropriate that the disposition of the remaining issues should reflect the decisions taken in the different WTO committees that were tasked with examining these issues. In other words, this would mean that, for those issues where the reviewing committee had recommended further review, these committees should be charged with this task.

337. For those issues where the reviewing committees had reported no consensus and had not recommended further review, delegations should carefully consider what other options remained available for these matters. He noted that one of the Chairman's five categories included those issues for which further work was not necessary. Many Members had referred to the extension of GIs. Canada believed that this was not an implementation issue *per se*, but an attempt for new negotiations on a new agreement. Such an agreement would be complex, onerous and contrary to the notion of trade liberalization. He agreed with the view expressed by Chile and Australia that the TNC could not move forward in the absence of a report from the TRIPS Council. The suggestion that the TNC should take up all the paragraph 12(b) outstanding implementation issues in dedicated sessions was not desirable, given the General Council's past experience in this regard and the fact that the expertise remained with the technical bodies. He emphasized that there was no agreement for the outstanding paragraph 12(b) issues to move into negotiating fora following the December deadline. Such a move would be a misinterpretation of the Doha mandate, which only provided for negotiations on seven areas and Canada did not have a mandate to negotiate beyond these.

338. The representative of China pointed out that the end-2002 deadline set by Ministers in Doha for implementation issues was approaching, but from the reports submitted by the relevant WTO bodies, his delegation believed that the mandate given by the Ministers at Doha in paragraph 12(b) of

the Ministerial Declaration had not been fulfilled. Although these bodies had discussed the implementation issues before them, not much substantive progress had been made and further work remained to be done to address these issues of great concern to developing-country Members in a meaningful manner. It seemed to his delegation that the situation regarding the outstanding implementation-related issues remained almost the same as it had been before and at the Doha Ministerial Conference. Among other things, the issues concerning implementation of the Agreement on Textiles and Clothing contained in paragraphs 4.4 and 4.5 of the Doha Declaration remained unresolved, and his delegation looked forward to an early solution to these issues.

339. Resolution of the outstanding implementation issues would have a substantive impact on the negotiations under the Doha Development Agenda. Members should redouble their efforts, first, to build confidence for the developing-country Members in the multilateral trading system and second, to pave the way for the smooth running of this round of new multilateral negotiations. Since all the regular bodies, with the exception of the SPS Committee, had either failed to reach any consensus or made no recommendations, it was high time that the TNC decided to take appropriate action. It was not appropriate to send these issues back to the regular bodies, as there was no hope of making any progress. His delegation supported the proposal by India and others that the TNC should deal with these issues directly, as they were an integral part of the Work Programme. His delegation also supported the idea that these issues should not be left until the Fifth Ministerial Conference, and believed that Members should try their hardest to reach proper solutions to them over the next couple of months.

340. The representative of Hungary expressed disappointment that not much progress had been made on implementation issues. He welcomed the Chairman's effort to put forward a number of options for dealing with these issues. Since an agreement on at least some of these issues appeared some way off his delegation favoured referring these issues to the negotiating bodies which already dealt with similar questions. However, even the second option did not seem to be workable due to the wide differences among Members, and as a result there seemed to be no alternative to following the proposal of the European Communities to continue consultations, under the guidance of the TNC Chairman, to identify what kind of action the TNC could and should take as mandated by paragraph 12 of the Doha Declaration. He noted the balanced proposal of the European Communities to apply a similar approach to all the outstanding issues and to make sure that none of these issues were left behind. At this stage, this approach was the only equitable solution. Hungary attached particular importance to the issue of an extension of GIs for products other than wines and spirits. His delegation disagreed with assessments made by Australia and Canada that this issue was an exploitation of the issue of implementation. He said that he was not aware of any kind of reservation made by either of these countries on paragraph 18 of the Doha Declaration. The second sentence of paragraph 18 clearly referred to extension of GIs issue to the Council for TRIPS pursuant to paragraph 12 of the Declaration on implementation. It was therefore disturbing that these delegations, one year after Doha, questioned one of the key parts of the Doha Declaration and accused the proponents of this issue of inventing the extension of GIs as an implementation issue. If those countries had not been happy with this approach, they should not have given their agreement to this approach at Doha. To question this part of the mandate at this juncture was very unhelpful. He said that, under paragraph 18, the extension of GIs had been clearly designated as one of the issues to be handled under implementation.

341. He similarly found it intriguing that, on the substance of this issue, some delegations had argued that an extension of GIs would hurt cultural and linguistic sensitivities. This was surprising coming from countries which were extremely critical of non-trade concerns. It appeared that for this particular case of agricultural reform, these delegations had suddenly developed such sensitivities on behalf of their own producers who wanted to use geographical names which did not belong to them. His delegation believed that this was just one further example of the pick and choose approach which had characterized the core of the agricultural negotiations. These countries were extremely radical when it came to other countries' agricultural policies, but when it came to their own, namely export credits, state-trading enterprises, food aid, export taxes or SPS measures, then all these issues were not

to be handled with the same severity as proposed for other participants' policies. This was the kind of selective liberalization which would lead Members down a dead end street and it was equally true for the issue of extension of GIs. Delegations had tried to find a solution under one aspect of GIs, namely Article 23.4 for wines and spirits, but Members were not closer to a solution than seven years back. As a result, his delegation could not agree to an approach which would refer the extension of GIs back for further discussion in the regular body. This would be a continuation of the same stalemate and playing for time strategy which had been seen for the past year. He therefore urged that this issue, along with the other implementation issues, be taken up at the level of TNC for a decision at its next meeting.

342. The representative of Jamaica said that his delegation took a particular interest in a number of implementation issues that fell into the category covered by paragraph 12(b) of the Ministerial Declaration. He noted that it was the importance of these and other implementation issues which had led Ministers to establish one of the earliest deadlines for reporting. Against this background, it was therefore particularly concerning that the Chairpersons' reports on implementation issues referred to subsidiary bodies had indicated little or no progress in almost all areas, with perhaps the notable exception of the SPS Committee. Given this situation, the TNC, which had an obligation to take appropriate action on the matters falling under paragraph 12(b), should be allowed a bit of time to decide how to take these matters forward. Simply referring the implementation issues involved back to the subsidiary bodies that had considered and reported on them was not the way forward. He supported the view that the Chair of the TNC should carry out consultations with a view to a decision on how and where these issues should be assigned for future work. Such discussion would also need to contemplate establishing an institutional machinery for further consideration of these issues.

343. On specific implementation issues, he regretted that it had not been possible for the TRIPS Council to agree on a report to be submitted. He stressed that Jamaica had a particular interest in some matters before the TRIPS Council. Concerning negotiating rights, tiret 99, the treatment of this issue was also important. The aim of the proposal was to address the disadvantages faced by smaller trading partners in the concession exchange and other aspects of trade negotiations. While discussion of this issue had some relevance to the Market Access Committee, his delegation agreed with the conclusion of the Committee that this matter was of a much wider scope and therefore could not be fully addressed within the limited mandate of that Committee. This proposal would benefit from discussions in the TNC which had a broader remit than that of the Market Access Committee. Jamaica recognized that greater elaboration of the objectives and parameters of this proposal would be needed. The contribution by St. Lucia in document G/MA/44, as well as its contribution circulated at the present meeting would be very important in this respect. On Safeguards, Jamaica considered the proposal for raising the de minimis threshold for safeguards to be important. This was important for small economies who relied on a few export products and whose economic survival depended on uninterrupted market access.

344. The representative of Norway said that his country had no real great national interest in any of the outstanding implementation issues with the exception of the anti-dumping area. However, to his delegation's satisfaction this issue had gone to the negotiations. He was more concerned about the possible consequences that disagreement in this field could have for the wider negotiations and in this context two aspects stood out. The first aspect dealt with the integrity of the Doha mandate itself insofar as some of the statements by Members seemed to have called the text of the Doha Ministerial Declaration into doubt. Paragraph 12 in the Doha Declaration stated that: "We agree that negotiations on outstanding implementation issues shall be an integral part of the Work Programme we are establishing, and that agreements reached at an early stage in these negotiations shall be treated in accordance with the provisions of paragraph 47 below." The next sentence started with "in this regard" combined with "we shall proceed as follows" and followed by parts (a) and (b). He found it difficult to understand how this could mean anything else than both (a) and (b) were negotiating items. However, these issues were treated differently because at Doha Members had only set up negotiating machinery for the areas covered in (a). He said that to his delegation it was quite clear

delegations were negotiating, and he cautioned against calling into doubt what was quite plain language.

345. The second set of problems touched upon the fundamental integrity of the WTO and the work which had been undertaken since before Seattle. He did not agree with Australia that the issue of GIs had been added to the list of questions just before Doha. The reference document which delegations had started work on in 2000 was the so-called the 19 October 1999 text in which paragraphs 21 and 22 had listed the implementation issues currently under discussion. Paragraph 21(g) of that document included a provision for the extension of the GI system. In other words this issue had been proposed as an implementation issue in either late 1998 or in early 1999 and had been with Members since then. It was therefore incorrect to say that that was not a real implementation issue because Members had not defined what these implementation issues were. The implementation area was a mixed bag containing proposals by developing countries, including the GI issue, where there was disappointment with the results from the Uruguay Round. Some issues implied changing agreements and others implied working out new understandings, and statements questioning their validity was, from a systemic point of view, very dangerous. He agreed with those delegations that had expressed disappointment on the absence of a written report from the TRIPS Council. He supported the five options outlined by the Chairman and agreed with the procedural proposal made by the European Communities. His delegation was open to the suggestion of setting up a special group or committee under the TNC to deal with implementation issues. He urged the Chairman to include this issue in his overall consultations on the way forward.

346. The representative of Colombia said that paragraph 12(b) of the Doha Declaration had been the result of very intense debate. He expressed concern about the lack of progress on various tirets of paragraph 12(b) with the exception of Sanitary and Phytosanitary issues. Colombia had submitted a proposal on Safeguards which unfortunately had not managed to generate a consensus. This issue was of critical importance for developing countries, particularly since in the long run it would have an impact on the industrial goods negotiations. With positions so far, apart he believed that the best solution would be to ask the Safeguards Committee to come back to this issue only if there were new elements which would allow consensus to be reached on the strengthening of the S&D treatment within the framework of the Safeguards Agreement. He said that it was most unfortunate that there had been a lack of progress in the implementation of paragraph 12(b). Having failed in this area so far, it would be very important to reach agreements in the area of Public Health and S&D treatment. His delegation did not believe that the TNC should consider all the implementation issues, since some of these were of a technical nature. The TNC should only consider those issues which required political decisions. The relevant subsidiary committees should retain those issues which still required technical consideration. He said that, although he was not against special TNC sessions devoted to implementation in principle, such sessions should be only for those issues which required political consideration and not technical debate. He regretted the absence of a report from the TRIPS Council and hoped that Members would be able to agree to make it available soon.

347. The representative of Switzerland said the current discussion on implementation issues touched upon both the way ahead for the work of the subsidiary bodies and the mandate in paragraph 12 of the Doha Declaration. Apart from the concrete result on SPS, it was quite clear that the subsidiary bodies had not been able to conclude their work. Most reports showed deep divisions and it appeared that the technical bodies had reached a juncture where they were unable to continue to debate a number of politically sensitive issues. He believed that it was illusory to think that the technical bodies could make any progress and a new impetus to the process was needed. The answer could be found in paragraph 12 of the Doha Declaration, which clearly established the TNC as the body responsible for supervision of the outstanding implementation issues. It was to this body that the subsidiary bodies had to report and it was up to the TNC to decide what action was appropriate. The letter and the spirit of paragraph 12 made it clear that the TNC was in a position to intervene directly to deal with implementation issues. Such intervention was now increasingly necessary as there were politically sensitive matters at stake. His delegation believed that the TNC should either take on the outstanding implementation issues itself, or provide clear instructions to the technical

bodies. This was increasingly desirable since the solution to some problems which had been identified required political arbitration. Such arbitration was the role of the TNC. He was convinced that some evolution on these issues was possible, an evolution which contained a new role for the current negotiating bodies. On GIs, Switzerland's position was well known. However, he failed to understand the position of those who opposed the question of dealing with this issue. He wondered how these countries could reaffirm their commitment to the Doha Declaration while at the same time claim that issues explicitly mentioned in paragraph 18 of that Declaration and incorporated by reference in paragraph 12 of that same Declaration, were outside the scope of the current negotiations.

348. The representative of Hong Kong, China noted that the implementation dossier had been with the membership for over three years and that, despite the hard work in the various subsidiary bodies, the results on the whole were somewhat patchy. Significant progress had been made in some areas such as an "early harvest" on extending the phase-out period for a number of small economies under Art.27.4 of the Subsidies Agreement and agreement on some anti-dumping issues with a December deadline. In other areas such as textiles and clothing to which Hong Kong, China attached much importance, the outcome was disappointing. On the specific outstanding implementation issues under paragraph 12(b) of the Doha Ministerial Declaration, progress had been rather limited. His delegation appreciated the efforts of the Chairman in finding a roadmap to deal with these issues. However, the current debate was not particularly helpful. Instead, he believed it was time to look for a pragmatic way to continue the work. He had taken note of the concerns that little progress would be made if the issues continued to be tackled in the subsidiary bodies. However, there were some success stories where subsidiary bodies could be useful in resolving highly technical implementation issues as long as the political will was there. His delegation was in favour of a case-by-case approach, where technical issues such as those concerning TBT and Safeguard should continue to be discussed in the subsidiary bodies. Escalating all issues up to the TNC would most likely not eliminate the current deadlock. Nevertheless, Hong Kong, China still believed that the Chairman could play a proactive facilitating role to help bridge the gaps in some of the issues through informal consultations. It would not be realistic to expect him to work on all the outstanding issues at the same time and his delegation would trust his judgement as to which specific issues to take up in his consultations. For the rest of the issues, the TNC should enhance its monitoring role while the relevant subsidiary bodies redoubled their efforts in identifying solutions. He cautioned that while implementation issues were close to the heart of many developing countries, Members should not lose sight of the fact that achieving enhanced market access remained the prime goal in the Round. After all, market access was essential to development efforts and would bring substantive benefits to developing Members. An amicable and early solution on the outstanding implementation issues was needed so that the membership could concentrate its efforts on other central issues in the DDA, including market access.

349. The representative of Mexico said that it was obvious that Members had not fulfilled the mandate on implementation. These issues had proved more complex than could have been anticipated and as a result further work was necessary. However, taking the sensitive issues to the next Ministerial Conference, as had been suggested by some delegations, was not only undesirable but indeed irresponsible and Mexico felt that Members should make every effort to reach agreement before Cancún so as to avoid overburdening that meeting. He said that, on the basis of his experience in the TRIPS Council, bringing the technical issues into the TNC would not improve the chances of progress. It would be the same individuals as had discussed them in the TRIPS Council who would discuss them in the TNC. Elevating these implementation issues to the TNC would not facilitate decisions at this juncture since what was missing was the political will to reach agreement. As to the implementation issues in the TRIPS Council, Mexico would not be able to agree to a discussion of these in the TNC until such time as a report had been received by the TNC. On the procedural issues he shared the views expressed by Korea, Australia, Canada and others.

350. The representative of New Zealand said that looking at the Doha Declaration against the background of his experience in the Uruguay Round he had been astonished in two ways. It was astonishing that the mandate on agriculture, the one issue which had totally dominated the Uruguay Round, was both clear and the most operationally effective part of the entire Doha drafting process.

At the same time he had been very surprised by the fact that colleagues had not been able, for good reasons, to do what was normally done at the launch of a negotiation, namely to define the scope of the negotiation. History would regard the DDA as somewhat unusual in the sense that, unlike most negotiations, the scope of this negotiation would be seen to have been launched in three discreet phases: first, the built-in-agenda phase which launched a scope far too limited in services and agriculture, second, the big breakthrough at Doha and third, the conference at Cancún. He had long considered that these phases would cause a lot of problems in the lead up to the final definition of the scope of this negotiation because delegations who wished to keep things out, or delegations who wished to put things into the scope, would position themselves in other elements of the negotiation accordingly. However, Members would have to cope with the reality that the scope of this negotiation had not yet been fully defined. He said that with respect to implementation issues under 12(a) there was no problem. As Chairman of the Rules Group he had been very grateful for the way the proponents of the implementation issues had successfully and without rancour migrated the issues into becoming an integral part of negotiations in the Rules Group. Progress on these issues was now up to negotiators.

351. Concerning the 12(b) issues, he believed that some of those related to development were being handled in a constructive way and some could benefit from further constructive work in the committees. Others were clearly tactical. It had been said, perhaps in exaggeration, that the proponents of some of these issues had forgotten the reasons for introducing them into this list in the first place. He said that there was one issue which had nothing to do with development, but which had been smuggled into this implementation list like a stowaway into the developing-country ship, and furthermore, by a passenger who had quite enough money and enough weight to pay their way. In arguing for the extension of GIs to other products than wines and spirits the European Communities had made a reference to cheese. He said that if any country would be disadvantaged by such an extension to dairy products, it would be New Zealand which had a third of world dairy trade. According to worst case reasoning, New Zealand could lose hundreds of millions of dollars a year from such an extension. This had nothing to do with liberalization, but on the contrary moved in the opposite direction. Several proposals submitted by New Zealand had demonstrated a readiness to eliminate the remaining protection it had. However, just as this was not a small issue for European cheese producers, it would not be a small issue for other cheese producers, or indeed agricultural producers, world-wide. This issue had to be dealt with by sophistication if a solution were ever to be found. He said that the key issue before Members at this juncture was how to deal with these implementation issues on a procedural level. He agreed with Japan that a one-size-fits-all solution of the type suggested by the European Communities would not prove fruitful. He believed that the series of options outlined by the Chairman was useful and would provide delegations with some breathing space. It was not realistic to imagine a full TNC debate on the issue of GIs, nor on any other technical implementation issue, unless one sought to completely block any progress overall. However, the TNC had an important oversight role and it would be correct to allow the TNC to monitor the work on these implementation issues during the first 6 months of 2003.

352. The representative of United States said that implementation issues did not only include those covered by paragraph 12(b) but also the work required by the Doha Decision on implementation measures and paragraph 12(a). She believed that there had been serious engagement, debate and discussion, and the reports from the Chairs had indicated where there had been a consensus on how to move forward and where differences remained. A number of practical results had been reported. The forthcoming meeting of the General Council would show that there was a considerable overlap between many of the items under consideration at the present meeting and other implementation work and the CTD's work on S&D Treatment.

353. Under the decisions taken on implementation at Doha there had been a number of important tasks that had required further substantive work by subsidiary bodies and they had acquitted themselves well on this account. The Committee on Subsidies had recently completed work on decisions under Article 27.4 of the Agreement on Subsidies, which was an S&D provision and of major economic importance to quite a number of developing countries. The Committee on

Anti-Dumping had also produced results on two issues. She said that on paragraph 12(a) issues, proposals had been put forward and Members were engaged. On paragraph 12(b) issues, the reports showed that on some issues, such as TBT and SPS, Members had been able to produce specific results. On other issues, it appeared that further discussion in the relevant subsidiary body was needed. Finally, on some issues, it had become clear that delegations had taken the discussion as far as it would go and that differences among Members were so fundamental that further efforts would not yield results. In turning to the issue of extending a higher level of GI protection to products beyond wines and spirits, she said that discussions had revealed that there was a clear division among WTO Members on this issue. These discussions had revealed a clear lack of consensus to recommend the initiation of negotiations. It had become clear that a substantial number of Members opposed extension negotiations for several reasons, including, but not limited to, the fact that there had been no demonstration that the existing protection for GIs under the TRIPS Agreement was insufficient. In addition, there were objections to the burdens that extension would impose on governments, the unwarranted costs to producers and consumers, and the imbalance resulting from the fact that the relevant GIs of a few Members would number in the hundreds, while the majority of Members had few, if any, such GIs. Nevertheless, her delegation was ready to continue discussions on this issue in the TRIPS Council, without prejudice to an outcome.

354. Although it was clear that paragraph 12(b) left it to the TNC to take appropriate action on these issues, it was increasingly clear to her delegation that a one-size-fits-all approach would not work. What was needed was a practical approach that allowed delegations to focus their attention where it could be usefully applied and avoided wasting energy on issues that had been taken as far as was possible. She did not believe that taking these issues up for work in the TNC or in Special Sessions of the General Council would be an efficient or effective approach since the issues at stake were highly technical and would require more time and expertise than the TNC or the General Council could apply to them. The United States did not think that supplementing such Special Sessions of the TNC or the General Council with smaller consultations would cure the weaknesses of this approach. On those outstanding issues where further discussion was warranted, she believed that Members needed to carry out the work in a way that allowed them to devote the time and expertise that was necessary to help all Members work through the equities and form views on possible outcomes.

355. The representative of Bulgaria said that the first two options outlined by the Chairman were different from the other three options. The first two options were substantive, as they referred to the finding of an appropriate solution in terms of paragraph 12 of the Doha Declaration. In other words, they referred to appropriate action. The other three options were procedural and taking a position on option 3, 4, 5 would mean that appropriate solutions or actions had not been found by the TNC as was required by the language of the Doha Declaration in paragraph 12. These three options would mean that such appropriate action had not been taken under 12(b) and as a result options 3, 4, and 5 did not constitute *per se* appropriate action in the sense of paragraph 12(b) and from that point of view there were no reports for appropriate action which would constitute an appropriate solution in the sense of paragraph 12 and in particular in 12(b). The factual reports before Members were not reports for appropriate action. They were not the reports envisaged in paragraph 12(b), but were reports about the discussions that had taken place in the respective bodies. His delegation had not been able to agree to the report presented by the Chair of the TRIPS Council because it did not contain a proposal for appropriate action in the sense of 12(b). The proposed factual report would not constitute a fulfilment of the mandate which the TRIPS Council had under 12(b). His delegation did not object to the Chairman of the TRIPS Council making a factual report on this. He had made one and could distribute it if he so wished, but this report and no other report for that matter, constituted an appropriate solution in the sense of the first sentence of paragraph 12 and none of the reports contained proposals to the TNC for appropriate action. He was prepared to take a decision on options 3, 4 or 5 if Members could agree but with a clear understanding that this did not constitute appropriate action and that the appropriate action had yet to come as a result of options 3, 4 and 5. As to which option was the best, Bulgaria would like to support the proposal made by the European Communities to initiate consultations in which his delegation would like to be involved. He said that he would like



to avoid the situation which had occurred prior to the first meeting of the TNC when his delegation had been excluded from some consultations. Delegations that had an interest in some issues should be invited to such consultations.

356. The proposal by the European Communities envisaged to examine that option in the Chair's proposal which would refer the outstanding implementation issues to the negotiating bodies, namely option 3. He agreed with the Czech Republic that this was the only practical option. The Chairman would not need authorization from the TNC to conduct these consultations. However, his delegation could not support referring matters back to the subsidiary bodies. Members had been unable to deal with most of these issues due to a lack of political will. There was also the purely practical problem of overlapping meetings of the regular subsidiary bodies with the negotiating bodies. He said that paragraph 12 clearly stated that implementation issues were within the negotiations launched by the Doha Declaration. Members should solve the procedural problem of an increasing number of meetings which particularly affected small delegations like Bulgaria. He emphasized the importance of respecting the deadlines established in Doha and in particular the deadline which would expire for implementation issues under paragraph 12 at the end of the year. This was the first significant deadline established by Doha and it formed part of a delicate balance in the Doha Declaration. Time-frames were part of the overall balance of interests in the Doha Declaration and the failure to meet the deadlines on implementation issues, including those which were of special interest to his delegation, would limit his delegation's ability to take next steps under the calendar established by Doha. Whichever procedural steps could be taken at this point would not change the fact that Members had been unable find appropriate solutions under paragraph 12 and had failed to take appropriate action in the sense of paragraph 12(b).

357. On the issue of GIs he believed that most of what needed saying had been said. However, it remained a fact that the extension of the additional protection for GIs to products other than wines and spirits had been supported by the vast majority of the membership of this Organization. Over 80 Members had spoken in favour of this and it was a very small minority of the membership who kept blocking progress on this issue.

358. The representative of Argentina said that paragraph 12(b) was a very complex matter. However, it was fairly plain to understand that the subsidiary bodies of the WTO responsible for these issues which should have submitted reports to the TNC had failed to do so. Members had received a series of reports which, apart from one, showed a fundamental lack of consensus. He agreed with those who had said that under paragraph 46 of Doha Declaration the TNC was in charge of supervising the negotiating process and that the specific negotiations should take place in the subsidiary bodies. He said that the absence of a consensus was not something new to the Organization and as such Members should be used to dealing with it. The key to unlocking this situation was increased political will. Argentina could not go along with the proposal to elevate these issues to the TNC as this would not improve the chances of finding a solution. The fundamental problem remained the absence of adequate political will among Members. He said that from the discussion it was clear that two basic options existed, either Members continued dealing with this under the Chair's option 4 with a clear limit within the framework of the subsidiary body or Members took the matter to the TNC. His delegation favoured instructing the subsidiary bodies to continue their work since this would allow work to begin immediately. Any action to be taken in the TNC would have to be prepared and examined at its next meeting which meant waiting for another two months and this was not an appropriate way to move forward.

359. He noted that the TRIPS Council had been unable to prepare a report for the TNC as a result of the lack of consensus on the specific proposal to extend Article 23 protection to other goods. In the debate on this matter in the TRIPS Council, various positions had been put forward. However, in paragraph 18 of the Doha Declaration Ministers had simply noted that matters relating to a possible extension of protection provided for in Article 23 for wines and spirits to other products would be dealt with in the TRIPS Council according to paragraph 12 of the Declaration. As far as his delegation was concerned, the TRIPS Council had met its mandate insofar as it had discussed the

matter and been unable to reach a consensus with respect to beginning negotiations on this topic. As a result his delegation believed that no further action was necessary on this issue, in other words, the second option of the Chairman's framework. He noted that Article 24 of the TRIPS Agreement stipulated that Members agreed to begin negotiations to improve protection of geographical indications as set out in Article 23 which referred to additional protection for geographical indications of wines and spirits. He said that document Job(99)/5868/Rev.1 of 19 October 1999, to which reference had been made, had been a draft that had never been approved, at least by Argentina. The concept of implementation, in any language, meant to put into effect an agreement that had already been reached. An agreement that had not been reached could not be put into effect. Within the framework of this Organization, it seemed quite clear that there was no agreement, no consensus on this issue. All the present discussions on this issue resulted from the creative engineering used in a drafting exercise, which had resulted in this unfortunate situation. However, since Doha his delegation had stated that it was not prepared at all to accept this interpretation and therefore it would enter into negotiations only when there was an agreement to do so.

360. The representative of Malaysia said that his delegation would like to see the mandate given by Ministers in Doha in paragraph 12 being implemented so that all the implementation issues it referred to would be addressed. He noted that Canada had indicated that only seven unresolved areas remained to be addressed. As far as his delegation was concerned, this count was incomplete and he insisted that all implementation issues referred to in paragraph 12 should be addressed. As to the procedural approach outlined by the European Communities, involving asking the Chairman of the TNC to undertake further consultations, his delegation believed that the Chairman could not be denied such a role. However, Malaysia preferred to approach these issues entirely through dedicated sessions of the TNC. This was perhaps not the most elegant way insofar as this would require the presence of all the technical experts. Nevertheless, such an approach would be preferable to merely throwing the issues back to the subsidiary bodies which would achieve little. His delegation firmly supported the idea of addressing these issues in dedicated sessions of the TNC.

361. The representative of Venezuela noted that it was important to remember that developing countries had expressed their concerns about implementation in those committees where discussion was mandated by Doha and in other committees. The developing countries had stressed that a solution to the problem of implementation had to be found in order to achieve balance in the agreements of the Uruguay Round where S&D treatment had not been sufficiently effective for these countries to meet their commitments. At the highest levels, at the Doha Ministerial Conference, the importance of dealing with these issues in a systemic and effective manner in order to achieve a beneficial outcome for developing countries had been noted. In Doha, Members had received a very clear mandate to negotiate and identify appropriate action for all these implementation issues and concerns. Venezuela regretted the failure to make progress in fulfilling that mandate. The TNC had the task of supervising progress in all the negotiations and also in the implementation of paragraph 12 of the Doha Declaration and it would be very helpful if the TNC were to give the necessary impetus to those committees negotiating implementation issues. It would be highly unfortunate if delegations returned to the next TNC without any tangible outcome on these issues. He said that Members had agreed to initiate a work programme in order to enter into a new round. The decisions on implementation and S&D treatment were integral parts of those negotiations. His delegation, with others, had expended considerable efforts to have these issues included in the Ministerial Declaration and expected Members to take them seriously. He expressed disappointment with the lack of progress on these issues and said that it would be very difficult to go to Cancún unless this situation changed.

362. The representative of Pakistan said that it had been very obvious from the discussions so far that there had not been much progress on implementation issues. Pakistan did not believe that options 1 or 2 as outlined by the Chairman would serve any purpose. Option 1 would essentially sweep the implementation issues under the carpet and option 2 would simply continue the discussions in the subsidiary bodies where they had been for the last three years. He believed that option 3 suggested raising the issues to a higher level. He said that any attempt to forget about these implementation issues would have a negative impact on many other issues. It had been clear from the large majority

of the statements that Members did not expect any results from the discussions in the subsidiary bodies. As a result, Pakistan believed that the only remaining option was to raise the level at which these issues were being discussed. In this respect he supported the suggestion by the representative of the European Communities that the Chairman should engage in consultations on these issues, including with the Chairs of the various committees with the objective of coming back to the TNC. He said that several delegations, developing and developed, had expressed support for this approach. Pakistan supported the discussion of these matters at the level of the TNC.

363. The representative of Turkey said that his delegation was one of the proponents of the extension of the protection provided by Article 23 of the TRIPS Agreement. This extension would mean that the GI protection in Article 23 of the TRIPS Agreement would also be applied to all products other than wines and spirits. For Turkey, this would be a necessary correction of the TRIPS Agreement, which provided Article 23 protection to only wines and spirits for the time being. The issue was addressed by the Doha Declaration in an explicit manner as one of the outstanding implementation issues and he believe that developing countries would benefit from such an extension, as also mandated by Ministers in Doha. He confirmed his delegation's support for the proposal in document TN/C/W/7 and requested the TNC to take the necessary action in line with the mandate provided by Ministers in Doha. He supported the statement by the European Communities regarding the next step of the TNC to fulfill its mandate to take appropriate action.

364. The representative of Uruguay said that his delegation had read with great care all the reports of the committees and that it was apparent that the results had been very disappointing. It had also been apparent that the results had not been uniformly distributed. He agreed that it was impossible to apply a single formula to all these issues and as a result Members had to consider them on a case-by-case basis. He had taken note of the Chairman's proposal to group the various issues into five categories and of the proposal of the European Communities which also had received some support.

365. The proposal by the European Communities basically suggested that Members should send the entire package of 12(b) issues to the TNC, and make the Chairman responsible for undertaking consultations and report to a future meeting on the results of those consultations, including possible future action. His delegation had several difficulties with this course of action. Firstly, such a proposal seemed to suggest that it would be impossible to have concrete results in the next few weeks on some issues. This would mean postponing the implementation of the entire package and would remove pressure from the process as well as weaken the current impetus. He believed that Members should make a concerted effort to achieve some results in the coming weeks. It might mean a small package but the proposal of putting all the issues into a single basket would weaken the pressure upon the membership which would be bad, not only for the overall progress in negotiations, but also for progress on these particular issues. The second problem with this proposal was that it suggested that the subsidiary bodies should not continue working. This would disregard the fact that the bodies had shown some results in the areas of SPS, safeguards and market access. The third difficulty with the proposal was that it placed a tremendous burden on shoulders of the TNC Chairman, which was not necessarily compatible with his other responsibilities as Chairman and as Director-General. Finally, this proposal ignored the fact that within the issues there were divergent views where some countries felt that the implementation of the agreements had been insufficient or had not responded to the spirit or the letter of the agreements of the Uruguay Round and needed to be corrected and amended. The other view was that certain proposals would mean that opening up agreements, which would have systemic implications and could unbalance the rights and obligations of Members. He said there were also other disagreements, because some Members felt that some of the issues had been overtaken by events and were no longer valid questions for discussion. Another view related to the feeling among some delegations that the proposals in 12(b) had nothing to do with implementation. His delegation believed it was high time to recognize this.

366. In order to make progress and to implement these measures, a new mandate was needed. Some delegations felt that in some areas Members had talked themselves to a standstill with no possibility of coming to a conclusion and that the issues had to be set aside. Placing all these issues in

a single package and handing them over to the TNC Chairman for his consultations would not seem the most positive way of resolving these differences. He recognized that the TNC could not wash its hands of this matter. The Doha Declaration stated clearly that the TNC had a part to play as far as paragraph 12(b) was concerned, and Members should accept that responsibility and make a decision. It would have been logical to have made such a decision on the basis of recommendations by the subsidiary bodies but since they had recommended virtually nothing, it was up to Members to bear that responsibility. In order to fulfill this mandate, he believed that there was no other alternative than to break the issues down into categories. His delegation supported the Chairman's proposal, which provided a clear role for the TNC and allowed Members to group the various issues in different categories. This approach would allow Members to achieve rapid results in some areas while passing other matters on to the existing negotiating groups. In addition, delegations would be able to pursue work in the subsidiary bodies on those issues where some progress had been made and where there was a chance of reaching a resolution, and where the complex and technical issues were most likely to be resolved. He agreed that these subsidiary bodies should work under the very close supervision of the TNC. He said that the Chairman's proposal also allowed for the possibility of the TNC continuing consideration of those issues where there were divergent views without in any way prejudging the results. He concluded by saying that among the different suggestions on the way forward, the proposal by the Chairman was the best compromise solution. It provided the TNC with clear responsibility in the monitoring and supervision of the issues, left the door open for further consideration of the issues without prejudging the results and did not in any way compromise the positions of any Member.

367. The representative of Singapore said that judging by the discussion of implementation one could be excused for thinking that there were only one issue at stake, namely the extension of GIs to products other than wines and spirits. His delegation had no significant substantive interest in most of the implementation issues, but was more concerned about the systemic implications of the current difficulties. Failure to make progress on the implementation issues could have a spillover effect on other areas of work of the WTO and affect the momentum of the Doha negotiations. He said that the one positive thing to take away from the present meeting was that delegations at least had had a chance to let out all their frustrations. However, it was important not to let the discontent get out of hand. It seemed clear that Members had reached a point on implementation issues where a pragmatic way forward was required. On this point a number of options had been aired, including the Chairman's five options for a way forward. Of these options only three appeared pragmatic. Apart from the options presented by the European Communities and India along with some developing countries, the third option was the Chairman's suggestion that the subsidiary bodies continue work with enhanced supervision by the TNC. He said that the proposal made by India and a few others for dedicated sessions of the TNC did not seem very workable. It was difficult to see how dedicated sessions of the TNC would succeed in enhancing the level of discussions since the same technical people would still be doing the talking. In practical terms and given the increasing difficulty of finding meeting slots, rooms and staff such an approach would seem unrealistic. There was simply not time for this approach under the current tight timeline leading up to Cancún and if Members began dedicated sessions on implementation, similar sessions would have to be held on agriculture, market access and everything else.

368. He was not convinced of the argument presented by the European Communities for the TNC Chair to undertake consultations with delegations to move the process forward on implementation issues. It was not clear whether it would be a good idea to place the TNC Chairman in the firing line at this early point in the negotiations. His intervention should be saved for the right time further down the road to un-block a crisis situation. Singapore did not believe that the current situation qualified as a crisis. This left only one real pragmatic proposal which was the proposal from the Chairman to continue work in the regular bodies under enhanced supervision by the TNC Chair. This would entail keeping a close eye on the work in these regular bodies, breathing down the necks of the Chairmen of the regular bodies and occasionally intervening whenever necessary to move the process forward. His delegation believed that this option was the best way forward.

369. The representative of Bolivia said that his delegation would like to see tangible positive results for all Members, particularly for developing countries, on these implementation issues. It would be important to meet the Doha mandate and emphasize the development aspect of the DDA. He thanked the Chairman for the five options which he had outlined. His delegation was flexible with respect to the way of making progress. At this juncture it was important to identify a procedure which would help to find solutions to the benefit to all Members. It was clear that as Members moved forward on these issues, the remaining problems were going to be more difficult, either from a technical or a political point of view. The political decision on how to move forward was now with the TNC and not with the subsidiary bodies. He said that any decisions should be taken on the basis of the reports submitted by the subsidiary bodies and take into account the degree of progress that had been made on each of the topics. His delegation was concerned that outstanding matters relating to implementation were being reduced and conditioned by a single issue. Although his delegation was quite sympathetic to this issue, implementation matters had to be seen against the concerns of developing countries as had been recognized very clearly at the second WTO Ministerial Conference. This particular issue had been turned into a barrier which could determine the further process. His delegation believed that priority should be given to those implementation issues that could have the greatest impact on populations in developing countries particularly the LDCs but also for the people in net food-importing countries. This was not an objection to the legitimate right of some developed Members to defend their trade interests, but turning this one particular issue into a matter of priority under the development agenda was not conducive to the overall objective of the negotiations. He said that Ministers had envisaged an early harvest, rather than waiting for all the fruits to be ripe at the same time and running the risk that some fruits had rotted and been lost in the meantime. Bolivia felt that the overall responsibility remained with the Chairman of the TNC. However, this responsibility would be particularly important later in the process and not at this early stage of the negotiations.

370. The representative of St. Lucia expressed serious concern with respect to the progress and direction of the ongoing negotiations which would likely create binding rules on WTO Members with serious implications for government policy, domestic regulation and fiscal viability, but without adequately addressing the problems of developing countries. His delegation had endeavoured to participate in the multilateral negotiations through various national, sub-regional/regional and other initiatives. The multifaceted WTO processes, however, proceeded at a pace which exceeded the ability of his delegation to influence the process. He was grateful to the Caricom states and other similarly situated and sympathetic WTO Members which continued to advance his delegation's concerns in its absence.

371. With respect to Tired 99 of Job (01)/152/Rev.1, reflecting outstanding implementation issues raised by Members, Saint Lucia appreciated the work that had been undertaken in the Committee on Market Access and through Secretariat documentation (Job(02)/93) provided to facilitate the Committee's deliberations. His delegation continued to maintain the view that the scope of this implementation issue exceeded the mandate of the Committee on Market Access and believed that the issue was sufficiently fundamental and of cross-cutting importance that the TNC should retain the matter as a recurring item on its agenda. The legitimacy of the progressive liberalization process would depend on its capacity to address the needs of all WTO Members, including those who lacked the capacity to effectively participate in multiple negotiating fora, particularly where the basic premise on which negotiations took place was not sensitive to St Lucia's fundamental interests. His delegation came to the table encumbered with the negotiating practices of the GATT 1947 which were an underlying cause of existing implementation concerns and it was therefore of great importance that the same concerns were articulated repeatedly when the membership addressed former practices which were the source of growing marginalization. He would continue to use every effort to advance his delegation's case in the negotiations on agriculture, highlighting the particular circumstances of SIDS and other vulnerable small developing countries.

372. The DDA had broadened the progressive liberalization process to such an extent as to effectively preclude any realistic opportunity for small delegations to advance their interests in each negotiating forum, i.e. addressing the in-built inequities of the rules-based system and the negotiating

process itself based on modalities on which Members were to undertake further commitments for future liberalization. Addressing these concerns at the level of the TNC would facilitate focussed participation on issues of fundamental importance to his delegation. He hoped that the TNC could agree to maintain the issue of the methodologies and modalities of trade negotiations and regulation as a standing item on its agenda, since this would facilitate the targeting of his delegation's limited resources. Saint Lucia had voiced its concerns in WTO document G/MA/W/44 and looked forward to an opportunity to pursuing this discussion further in the TNC which had the competence to provide appropriate instructions to all negotiating groups, thereby assisting in alleviating the already substantial burden imposed by the extended negotiations on his delegation's limited resources.

373. The representative of the European Communities said he wished to react to the statement by Argentina. He did not want to enter into a polemic at this stage on procedures, because it was not normal to try to settle issues by procedural blockage in this Organization. Bulgaria had explained why it had put a reservation on the circulation of the report of the TRIPS Council, and had said that it was quite content to lift this reservation. The Community suggested putting the document in the meeting room, since everyone had read the draft and there was no need for more procedural discussion.

374. The representative of Hungary said that he wished to react to some of the statements made. An interesting phrase had been used by Argentina – "creative engineering". This phrase had been used because a certain subject which Argentina did not like, namely GIs, had been included in the Doha Declaration and therefore Argentina continued to criticise it and not to be associated with that part of the Declaration. His delegation had become used to the somewhat selective treatment of agricultural policies by the so-called fair-trading Members, but this was now a selective validation of a Declaration which had been, as Hungary understood it, approved and decided by consensus. It was a serious matter when certain aspects of an agreed text were considered as non-existent due to this "creative engineering". Another issue raised was about the nature of the implementation issues and specifically paragraph 12. The exact words of this paragraph were: "We agree that negotiations on outstanding implementation issues shall be an integral part of the Work Programme". That work programme contained the very essence of the DDA and covered agriculture, industrial market access and all the other issues, so it was rather injurious to say that some aspects of the implementation issues belonged to the work programme and the negotiations, and others did not. Hungary did not see this differentiation.

375. Just recently, on 29 November, a proposal had been submitted by a group of 14 countries to the Council for TRIPS on GIs containing the phrase: "We recommend that the TRIPS Council advise the Trade Negotiations Committee that the Council has completed its discussion and that no further action be taken". This was what had created the crisis in the TRIPS Council and was the kind of procedural blockage that the European Communities had referred to. At the present meeting, it had been said that there was no agreement on this issue and it should be simply dropped. As far as he was aware, there was no agreement thus far on most of the implementation issues, so he wondered if this meant that they should all be dropped. Or, to go even further, there was no agreement in the agricultural negotiations on any issue for the time being, so he wondered if Members should stop negotiating. Hungary did not believe that this attitude, which was basically a procedural blockage, was very helpful. Finally, the last question was what should be done. From the various statements it seemed that the present meeting was a kind of crossroads, in as much as certain decisions had to be taken. He would not call it a crisis, but it was certainly a rather difficult situation. Various ideas had been suggested, such as trying to group the issues into various headings, or a case-by-case approach, but whatever the final outcome, it was the TNC which had to do this work because there was no other forum which could deal with this, even at a procedural level. His delegation saw no other option than the Chairman taking the issue in hand, with the aim of trying to find agreement, by the time of the next TNC meeting, on how the work could be continued.

376. The representative of Argentina said that he wished to respond to the two delegations that had referred to what he had said earlier. First, with respect to the statement by Hungary, he wished to

clarify that, in his statement, he had been referring to a specific issue contained in the agreements reached at Doha and no delegation could accuse Argentina of trying to retreat from any commitment. In fact, it was quite the opposite. Argentina was firm in its acceptance and recognition of legitimately agreed commitments. In this specific case, that was not the situation. In this case, as he had said earlier, Argentina had already warned at the Doha Conference that the process through which authority was being exercised, and in which rules were being developed, through linkages to other documents which were only Job documents, and which therefore in many cases were not documents that had been accepted by consensus, was a practice which would have damaging consequences on all the other agreements reached. Despite its concerns about this process, Argentina had not blocked agreement at Doha, nor had it blocked the Compilation of Outstanding Implementations Issues (Job(01)/152/Rev.1). Instead, Argentina had simply indicated its reservation on the specific issue of extension of GIs to products other than wines and spirits, a matter which obviously could have very serious economic implications for it, as also for others as highlighted at the present meeting. Argentina had not been prepared to accept inclusion of this issue in any negotiating agenda, which was why it had submitted a communication reflecting this position in November 2001. His delegation could not accept that any delegation even hinted that Argentina was stepping back from its commitments. That was simply not the case.

377. With respect to the statement by the European Communities, he had not understood the point being made. The lack of consensus in the TRIPS Council on the report had concerned one delegation, but not the delegation of the European Communities. It seemed that the European Communities was saying that the other delegation was withdrawing its objection to the report. He wondered whether this meant the report was being accepted or not.

378. The representative of the European Communities said that he had not been speaking on behalf of Bulgaria. He believed that Bulgaria had had a reservation on the factual report circulated in the TRIPS Council, and, after all, to all Members. In the view of the Community, this report did not respond to the mandate in the Doha Declaration. But he understood that Bulgaria was quite happy to lift its reservation. Everyone had already read this report, so he had suggested getting down to business.

379. The representative of Bulgaria said that Argentina, in referring to the TRIPS Council report, had stated that it could not agree that all the issues listed in that document were implementation issues. Argentina was obviously not referring to the extension of additional protection for GIs to products other than wines and spirits, but rather to the other implementation issues. It would be interesting to know which of them Argentina accepted as implementation issues and which it did not. Argentina was obviously not referring to GI extension because paragraph 18 of the Doha Declaration explicitly said that this issue would be addressed under paragraph 12 of the Declaration. That meant that it was explicitly mentioned in the Doha Declaration as an implementation issue, and as far as he knew, this had not been contested in the statement by Argentina circulated at Doha. And since Argentina had mentioned that statement, he would recall two other statements at Doha, both of which Bulgaria had been party to, which had explicitly said that the issue of GI extension was part of the negotiations launched in Doha. Bulgaria had made it clear in Doha that it could accept the Doha package only on the understanding it had set out in this statement. Furthermore, he had not understood the second point in the statement by Argentina in the present meeting, which had been a question to the European Communities, and both of these delegations had been referring to Bulgaria. He did not understand what it mattered exactly.

380. The Chairman asked whether, in the light of what had been said at the present meeting, he could assume that the reservation on the TRIPS Council report had now been lifted and that the report could therefore be considered as to have been presented to the TNC.

381. The representative of Bulgaria asked what did it matter. To answer the Chairman's question directly, he could not accept that report as a report for appropriate action under paragraph 12(b)

because it did not contain such appropriate action. He could accept it as a report on what had been discussed in the TRIPS Council on outstanding implementation issues.

382. The Chairman thanked delegations for their very useful contributions to the discussion on outstanding implementation issues. In the light of what had been said at the present meeting, he assumed that the reservation on the TRIPS Council report had been lifted, and that the report could therefore be considered to have been presented to the TNC. The discussion had also showed that there was now consensus regarding the implementation issue considered by the SPS Committee. He thanked the Chairperson of the SPS Committee and all delegations concerned for their hard work and positive attitude. This was really an example of how a committee could develop concrete procedures to address a specific concern.

383. On the other issues, although encouraging progress had been made in some areas, there did not yet appear to be any agreed solutions. Equally, he believed that the discussion at the present meeting had made it clear Members did not yet seem to be able to reach agreement on an approach to the outstanding implementation issues before the TNC, with the exception of SPS. He believed he had no choice but to suggest that all delegations reflect further during the break on the reports they had received and on what they had heard at the present meeting. For his part, he would consult informally, as part of his overall responsibilities as TNC Chairman, on possible next steps. The TNC should then come back to the question of its action on these issues at its next meeting.

384. However, he believed the progress in some areas, such as TBT, should not be underplayed. He would, therefore, encourage delegations also to continue working with each other and with the Chairs of the relevant bodies, to see if the outcomes which appeared to be within reach in some areas could be achieved by the time of the next TNC meeting.

385. The Trade Negotiations Committee took note of the reports by the relevant WTO bodies and of the statements.

386. The representative of Brazil asked the Chairman to clarify that it was understood that the matters relating to implementation were still on the table.

387. The representative of Bulgaria supported the request for clarification by Brazil. Taking note did not mean that Members had taken appropriate action under 12(b), so they should continue to deal with these issues until appropriate solutions in the sense of paragraph 12 of the Doha Declaration were found.

388. The Chairman confirmed that all the issues were still on the table, and that he would continue his consultations and report back to the TNC.

389. In closing the meeting, the Chairman said the next meeting of the TNC would take place on 4-5 February 2003, to be confirmed. After this meeting, he expected the TNC would have to meet about once a month, and maybe more as Cancún approached. The formal meetings would also have to be increasingly complemented by informal meetings and consultations. Everyone knew the coming months would be a busy period and the schedule of meetings of the TNC and the bodies established by it would require careful management. The TNC would continue to keep this matter under close scrutiny, in line with what was set out in the Principles and Practices agreed earlier in the year.

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