

WORLD TRADE ORGANIZATION

RESTRICTED

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Trade Negotiations Committee
4-5 February 2003

MINUTES OF MEETING

Held in the Centre William Rappard
on 4-5 February 2003

Chairman: Dr. Supachai Panitchpakdi (Director-General)

Subjects discussed:

- 1. Reports by the Chairpersons of bodies established by the TNC**
- 2. Outstanding implementation issues – (paragraph 12(b) of the Doha Ministerial Declaration) – Report by the Chairman**

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/7
Special Session of the Council for Trade in Services:	TN/S/5
Special Session of the Dispute Settlement Body:	TN/DS/5
Special Session of the Committee on Trade and Development:	TN/CTD/6

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. He said that no reports had been issued by the Negotiating Groups on Market Access and on Rules, and by the Special Sessions of the Council for TRIPS and of the Committee on Trade and Environment since these bodies had not held any meetings since the last TNC meeting in December.

3. Thinking back to the last meeting of the TNC, he had the feeling that almost all Members agreed that the progress made last year had been uneven. At the end of the meeting, he had suggested some areas where delegations could concentrate their efforts to press forward. That was 2 months ago. He hoped that delegations had had a good rest over the break as it was certain that there would not be much time to rest in the months ahead. Although there were few significant developments to report since December in all areas, it was important to send the clear political signal that Members were entering a more intensive phase, a phase of real negotiation. The present meeting of the TNC should signal a further change of gear. There was no longer any time left to wait for others to move. Positions remained far apart in some areas of the work, but he remained optimistic that progress was possible, even in the seemingly intractable areas, and there were welcome signs of movement on a few issues. But more was needed.

4. Members were a third of the way through the time Ministers had given them to conclude the negotiations. Delegations were all fully aware of what the 7 months remaining before the Mid-Term

Review at Cancún would mean in terms of the work in Geneva. Obviously, much hard work would be needed, and the process would need to intensify rapidly. The benchmarks in the process were clear. Members knew what they had achieved so far, and what had not been achieved. He sensed that delegations knew what had to be done to ensure a successful Conference in Cancún and he did not believe that anyone was under the illusion about what an unsuccessful Conference would mean for the round, for the WTO, and ultimately, for the people whom delegations represented.

5. He suggested that delegations should all ensure the full engagement of capitals in the process. Senior officials and Ministers obviously had an important role to play in this process, as they had done in the lead-up to Doha. They had every interest in being actively involved, because the outcomes of the Geneva process were precisely what they would have before them in Cancún. For this reason, he was considering the possibility to convene an upcoming TNC meeting at Senior Capital-Based Officials' level, to underline the importance of the negotiating targets and increase the breadth as well as the depth of capitals' involvement. Such a meeting could be envisaged in early April, and perhaps another in mid-year, as Members entered the home straight to Cancún.

6. In referring to the question of scheduling of meetings, he said that this issue had been raised by several delegations at the last TNC meeting. Following a meeting with the Chairpersons, Deputy Director-General Abbott had established an overall Programme of Meetings for 2003, covering both the bodies under the TNC as well as regular bodies. This was being circulated to all delegations, together with a cover note setting out some of the considerations used in putting together this programme. Mr. Abbott would, of course, continue to monitor closely the development of the meeting schedule in cooperation with the relevant Chairpersons.

7. Mr. Harbinson, Chairman of the Special Session of the Committee on Agriculture, said that as reported in document TN/AG/7, the January Special Session had completed the substantive and comprehensive review of possible modalities that was required by the agreed work programme. Participants on the whole had engaged in the discussions in an active way. On one or two points, there had been indications from some that they could be flexible and on a few technical issues there had been some common ground. However, little or no progress had been made overall and on critical issues in building bridges between positions. There had been few signs of a willingness to compromise and significant differences continued to exist on the level of ambition for reform and the methods to be employed to achieve that. With less than eight weeks to go before the deadline of the end of March for establishing modalities, this was a matter of serious concern. He had repeatedly called for a change in gear, but so far these exhortations had fallen on deaf ears. He renewed and redoubled his appeal in the light of the rapidly approaching deadline.

8. The way ahead under the agreed work programme was clear to everyone. As Chairman, he had to prepare a first draft of the modalities, for consideration at the next Special Session from 24 to 28 February. He said that participants had so far not provided much guidance as to the possible solutions to the many problems in these negotiations. Although he had wondered whether more discussion was needed, there seemed little likelihood that more time would make the task any easier. Accordingly he would proceed to circulate a first draft of modalities in line with his responsibility. It was his intention to circulate that draft as much in advance of the next Special Session as possible. In the light of some speculative reports he had seen, he emphasized his commitment to making the draft available to all participants at the same time, and of course in the three languages. In the meantime, and in the period up to the next Special Session, he strongly urged participants to continue their work both in Geneva and in capitals, including through bilateral and plurilateral contacts. The objective had to be to have a much more productive meeting at the end of February, which would hopefully allow him subsequently to produce a second draft of the modalities approximating a final version.

9. Ambassador Balás (Hungary), Chairman of the Special Session of the Dispute Settlement Body, said that the written report circulated in document TN/DS/5 provided an accurate overview of events in his group since the last meeting of the TNC. Having completed 3 stages in the year 2002, participants at the January meeting had begun detailed discussions based on specific draft proposals.

He said that to some extent his group had become victim of its own success since the call for proposals had produced a considerable number of new proposals which added to the challenge of these negotiations, due both to the short time-frames and lack of any specific mandate from Ministers. Many of these proposals touched on fundamental issues of the DSU and therefore they needed thorough and detailed discussions. So far 14 such draft textual proposals had been placed on the table but further proposals were expected, including from developing countries and least-developed countries (LDCs). The challenge over the coming months was to discuss these proposals in detail and attempt to launch a consensus-building process. He hoped that a convergence of views would be forthcoming during these discussions, especially among delegations that had similar ideas. He encouraged delegations to work together to put forward common proposals. As mentioned in his written report, he expected a number of informal open-ended meetings to be needed in addition to the already scheduled formal meetings. He concluded by thanking delegations for the friendly and business-like atmosphere which had characterised discussions so far and which had emphasized the common understanding that the improvements and clarifications of the DSU was a common goal of all Members.

10. Ambassador Jara (Chile), Chairman of the Special Session of the Council for Trade in Services, said that the report of the Special Session of the Council for Trade in Services was contained in document TN/S/5. The negotiations were progressing in a satisfactory manner and it was important to ensure that this continued. Since the end of June the previous year, requests had been submitted by several Members which had generated a great deal of activity in bilateral negotiations. Although the process of exchanging request was purely bilateral and therefore provided neither the Chairman nor the Secretariat with any formal means of monitoring what was being submitted, informal accounts had indicated that negotiators were focusing on specific issues in a wide range of sectors. To the best of his knowledge, there were now around 30 Members which had made requests and that was a positive sign. He also had indications that other Members, particularly developing-country Members were preparing requests to be submitted in the near future. In addition, he sensed that both comments and the general direction of proposals suggested that there was a drive to achieve liberalization of trade in services. He said that from 31 March the process would move to a new phase which would be more intensive and focused. He anticipated that this process would involve capital-based experts coming to Geneva.

11. He said that services was one item on a broad negotiating agenda. This view had been expressed and linkages had been made at meetings of the Special Session on Services and it was his duty to reflect those at the present time. It was crucial to ensure that those linkages were used in a positive manner and continuing to make progress in the area of services would contribute towards making progress elsewhere. On the outstanding issue of modalities for the treatment of autonomous liberalization, work had continued. Although consensus had not yet been reached, he was optimistic that Members were getting very close. It was his hope that Members, at the next formal session at the beginning of March, would be able to agree on those modalities along with a statement by the Chairman that would address the particular concern of recently-acceded Members. On the modalities for the special treatment of least-developed country Members, the informal meeting on 30 January had seen a very good discussion of a draft text that was submitted by a group of least-developed country Members. The spirit of the discussion and the specific nature of the comments made on the text had been very encouraging and promising of early progress. Members were now waiting for a revised draft of such modalities to be prepared by these least-developed country Members and this would hopefully advance the exercise to establish such modalities as mandated by Article 19 of the GATS.

12. Ambassador Smith (Jamaica), Chairman of the Special Session of the Committee on Trade and Development, said that the written report of his group was before Members in document TN/CTD/6. The Special Session had to report to the General Council the following week and the two matters on which Members needed to agree were the same as was the case in December, i.e. a package of Agreement-specific proposals and the Way Forward. Delegations had been working intensively and constructively towards ensuring that this third deadline was not missed. If this spirit

could be maintained he remained cautiously optimistic that progress could be made and a report be finalized. However, it was a fact that many and substantive differences remained. Over the past few days some areas of convergence had appeared and delegations had also had the opportunity to look at new language on some proposals. He said that much work remained and more flexibility and accommodation were necessary. He would be continuing consultations on the Agreement-specific proposals and the Way Forward over the next few days in the hope of finalizing the report and submitting it to the General Council. Members knew what was at stake on this issue and were fully aware of how important the work of the Special Session was to many Members and to the Doha process. He urged delegations to do everything possible to ensure that a third deadline was not missed.

13. Ambassador Biké (Gabon), Chairperson of the Special Session of the Committee on Trade and Environment, said that she had engaged delegations in consultations on the issue of observer status. The next meeting of her group was scheduled for 12-13 February and she encouraged delegations to take in active part in this meeting which would address very complex issues at the very heart of the negotiating mandate on environment.

14. Mr. Abbott, Deputy Director-General, said that he had met with the Chairpersons of the negotiating groups to discuss the question of scheduling of meetings. The document containing the overall Programme of Meetings for 2003 attempted to do three things. First, it took note of the schedule of meetings as far as 31 March. This was the first seven pages of the schedule. Second, it had been agreed that this important matter would be kept under review for the period after 31 March, so as to ensure the necessary flexibility to adapt the rhythm of meetings on certain negotiating subjects to the situation. Third, the Secretariat would submit a new programme as soon as possible after that date, for the following two months and make a further report at the end of May. He said that this solution was not as concrete and firm with respect to the full year as some delegations would have liked. However, the organization was facing a difficult situation where flexibility was, at least for the moment, more important than predictability. In suggesting this approach, he hoped to have responded to a certain number of concerns that had been expressed by the Chairpersons of the negotiating groups. In particular, some of them had noted that there was a reluctance among Members to commit to a programme of meetings in one area without knowing the overall workload of the negotiations. This was understandable in light of the discussions on achieving balance and a certain symmetry between different areas. In other cases, there had been hesitation to fix meetings beyond a certain date, such as 31 March. As a result, the schedule of meetings should be considered as very firm for the next 2 months but the dates shown beyond that were only indicative.

15. He said that at this point it was difficult for many negotiating bodies and their Chairpersons to anticipate the meetings required at later stages. New circumstances could well require new approaches, with more frequent open-ended consultations or more frequent meetings in general. This was why he had focussed on the situation at the present time, while emphasizing that maximum flexibility could be necessary at a later stage, and the programme through April and May could be developed subsequently, since some parts of the negotiations would be approaching important moments by the end of May. Eventually, a programme through June and July and indeed through the month of August if necessary, could be fixed. He said that the Secretariat had begun conversations with the appropriate Chairpersons, including those of the General Council and the TNC to determine how best to organise work in the weeks immediately preceding the Cancún meeting. He concluded that it would be inevitable that the demand for meetings both in the negotiating context and in the regular work programme would exceed the capacity to avoid the occurrence of overlapping meetings. The Secretariat would do its utmost to reduce such occasions to the minimum and, where it was unavoidable, to ensure that the different expertise required at such meetings could be present. This would hopefully go a long way towards reducing the impact on Members.

16. The representative of the European Communities asked if it would be possible to have an early indication on the schedule of meetings during the month of August.

17. Mr. Abbott, Deputy Director-General, said that although at this point it was difficult to anticipate the burden of meetings during August, the Secretariat would make every effort to communicate this to Members at the earliest possible stage.

18. The representative of Australia said that the point raised by the European Communities concerning the meeting schedule during August was a relevant one. Although he agreed that it would be difficult to anticipate the burden of meetings at such a late stage before the Ministerial Conference, it would perhaps be worthwhile to give some thought to identifying a possible period where no meetings would take place.

19. The Chairman said that his immediate response was that it would be very optimistic to think that Members would not have to use the month of August to continue working. It was understandable that people would need holidays with their families and that a certain amount of planning was needed. However, in complying with the principles guiding the scheduling of meetings to allow delegations to participate fully in the work, predicting that far ahead would be a difficult task. He hoped that as the work leading up to Cancún advanced, the situation concerning August would become clearer. In the meantime, he would ask Deputy Director-General Abbott to continue with his consultations with the Chairpersons and the Members on how to organize the meetings leading up to Cancún in a way to accommodate both the workload and the need to have a recess. As far as the Secretariat was concerned, it was clear that nothing could be left to chance when it came to the process leading up to Cancún. However, it remained for Members to decide how they wished to approach the issue of holidays in the period leading up to the Ministerial Conference.

20. All the delegations who spoke thanked the Chairpersons for their reports and for their hard work. They also thanked the Chairman for his opening remarks.

21. The representative of Morocco, speaking on behalf of the African Group, while welcoming the progress made since Doha in certain areas, wished to underline the African Group's concern that the first deadlines that had been set at Doha for issues of importance to the African countries, such as TRIPS and Public Health and implementation, had not been respected. The African Group continued to hope that suitable solutions to these issues would be found rapidly, and the Group recalled the great importance it attached to an equitable treatment of all the issues on the Doha agenda. The report from the Chairman of the Agriculture Special Session had in fact heightened their concern; the little progress made since the last meeting of the TNC led them to recall that, according to the work programme established in March 2002, the work should be far more advanced at this point with Members deepening their work, providing a clearer outlook of the general direction and possible scope of modalities. The recent review of the Chairman's overview paper had unfortunately shown what little will there was among Members, in particular the largest among them, who were still hesitating to show how, and at what price, they envisaged reaching a compromise on establishing the modalities everyone was hoping for. The African Group wished to underline that European Communities, one of the major partners, had recently submitted a comprehensive proposal reflecting its objectives in respect of reform of the three pillars and the Group believed that time has come for other partners to do likewise. Furthermore, the Group welcomed the intention of the Chairman to distribute the first draft of modalities, which it would look at with an open mind.

22. Another issue in these negotiations on which Members had not reached agreement in the regular Agriculture Committee concerned the implementation of the Marrakesh Decision on LDCs and net-food importing developing countries, in particular the establishment of a revolving fund. As explained by the representatives of the FAO and the World Bank, the forthcoming reforms in the context of this pillar would no doubt bring about an important increase in the price of foodstuffs imported by these countries and in the view of the African Group, very little effort had been made to meet this concern, be it in the Special Session or in regular sessions. Finally, the African Group was concerned by the progress in the discussions on non-trade concerns and special and differential (S&D) treatment, since these were important elements in negotiations. The Group had raised a certain number of non-trade concerns relating to food security, poverty reduction and rural development

affecting African countries, but unfortunately the discussions seemed to be diverging from the original objectives in the way in which these issues were being addressed. The same held true for S&D treatment, and the Group hoped that Members would seriously address these issues before the modalities were fully established.

23. With regard to S&D treatment, little progress had been made since the last meeting of the TNC in the work on the reform of this treatment under paragraph 44 of the Doha Declaration. The African Group noted with regret that only four proposals had been agreed despite intensive consultations, which had not led to a result in line with the Group's ambitions. The African Group, which had put forward new proposals in a spirit of flexibility in order to enable Members to make progress, would continue to engage in a constructive dialogue in the Special Session of the CTD. The Group wished to thank the Chairman of the Special Session for his constant efforts to arrive at concrete results in this area.

24. Finally, he wished to reiterate the African Group's concern at the number of meetings which had been scheduled or which would be scheduled over the coming few months. This multitude of meetings, which were often held in English only, constituted a major barrier for the African delegations, which were mainly small and were therefore not in a position to participate effectively and fully in all the activities scheduled. The African Group appealed to the Chairman to ensure that this particular reality would be taken into account in the short but very intensive period remaining before Cancún.

25. The representative of Morocco said that his delegation had noted with satisfaction the Chairman's intention to convene a meeting of the TNC at senior-official level. His delegation agreed that this would serve as an opportunity to involve capitals to a greater degree and also to enable all Members to turn their attention to the preparations for Cancún. It believed this was a kind of response to the mini-Ministerial meetings, which it believed were a rather discriminatory and selective approach in that they did not include all Members and which unfortunately did not meet all its expectations. Morocco supported the Chairman with regard to holding such a high level meeting of the TNC and it was convinced that such a meeting would certainly meet the expectations of all Members that Cancún should be prepared under the best possible conditions and, in particular, under full transparency.

26. The representative of Slovenia, speaking also on behalf of Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and the Slovak Republic, said that it was important for Members to evaluate the progress made so far and to seek the best way forward. It was clear that a new impetus was needed to accelerate the process and ensure more balanced progress in all areas. This impetus should be provided by the enhanced role of the TNC as the body to monitor and evaluate progress in the various areas. It could also be provided by various forms of informal or semi-formal gatherings, by different ways of interaction among Members. That was a necessary part of the whole process, if progress was to be made and solutions were to be found. However, Members should not lose sight of the need to maintain full transparency and inclusiveness of that process. The active participation of all Members in all events related to the negotiations was a must for the essence of the negotiations themselves and mainly for consensus building.

27. On TRIPS and Public Health, regardless of the missed deadline for an agreement, a good basis for an overall acceptable compromise solution existed. There was no other way but to continue discussing the existing proposals and hammering out an agreement that all Members could live with and that would still be within the spirit and the goals of the Doha Declaration. These countries were disappointed at the latest developments in solving the TRIPS and Public Health problems and at the Members inability to reach an agreement within the mandated deadline. The countries for whom Slovenia was speaking remain committed to reaching a multilateral solution as soon as possible, which would be the way to implement the mandate from Doha in a legally secure and predictable manner. Although these nations continued to support the Chairman's text of 16 December 2002, the recent submission by the European Communities, was a good attempt to move forward. These

countries were conscious of the tight deadline to reach a solution and hoped that Members would be able to deliver the solution before the General Council's meeting on 10 February 2003 in a manner which would not undermine the WTO's credibility. These Members felt that the credibility of the WTO hinged on successfully dealing with this issue, which was imperative, not only because of the human dimension of the problem, but also because failure to find an expeditious solution early in 2003 could have serious negative implications for all ongoing negotiations.

28. Concerning the outstanding implementation issues, there was no other way but to intensify the work and seek acceptable solutions. This was also a matter of credibility for the entire process. Implementation issues were an integral part of the Doha Development Agenda (DDA) and Members, including the countries for which he was speaking, needed to approach them from both a systemic and a specific interest. Therefore, it was most unfortunate that the deadline, mandated by Ministers in paragraph 12(b) of the Doha Declaration, had not been met. Deadlines were part of the delicate overall balance of interests in the Doha Declaration and failing to meet some of these deadlines could have an adverse impact on the DDA Work Programme as a whole, possibly leading to delays also in the other areas of the negotiations.

29. The countries for which he was speaking strongly supported the TNC Chairman's efforts to find appropriate ways forward for the outstanding implementation issues under paragraph 12(b) in the shortest possible period of time and no later than the next TNC meeting in March. However, the fact that consultations were ongoing with a view to finding appropriate action pursuant to paragraph 12(b) did not prejudice the implementation issues from being an integral part of the Work Programme that Members were conducting. These countries were prepared to lend any support necessary to bring the outstanding issues to a conclusion.

30. The representative of Chile expressed concern about the pace of the negotiations on clarifications and improvements of the Dispute Settlement Understanding (DSU). This was notwithstanding the value Chile attached to the efforts undertaken by the Chairman of the Special Session of the Dispute Settlement Body (DSB) in light of the increasing number of proposals tabled. Considering the task given to Members by Ministers, it was difficult to envisage a different process than the one Members had embarked on last year. Important progress had been made under that structure. Members were now confronting a new stage and Chile was worried that following the previous year's strategy would render no results by the May deadline.

31. While the current approach of reviewing proposals on the basis of a compilation might have had some benefits, it certainly made discussions more difficult. At the last meeting, Members had spent two and a half days covering 7 articles of the DSU. There were still another 18 provisions, including some of the most contentious ones, where an important number of proposals had been introduced, as well as a few others that were in the pipeline. Chile believed that the remaining 4 meetings, until the March cut off date, were not enough to complete the work in a satisfactory manner. Scheduling additional meetings was not the issue. Even though Chile assigned special importance to this negotiation, it recognised that other important negotiations were going on, that there were limited resources and that covering all of them was increasingly difficult.

32. Structuring the discussions on the basis of legal texts disregarded the fact that some concepts or ideas were strongly opposed by a large number of Members, including some of the major ones. There was certainly a need for proponents to address those concerns, for instance why they believed there was currently a problem that needed a solution, and to clarify the objectives and implications of the changes proposed. These valid apprehensions could not be addressed and clarified under the current format. Quite the contrary, the use of legal texts confused the issue even further. If Members wanted to comply with the deadline imposed by Ministers, they needed to change the structure of these negotiations.

33. His delegation urged Members, especially the proponents, to be realistic and to moderate their levels of ambition. During the discussions the previous year, a certain degree of convergence had

been reached on some proposals and ideas, while on others Members had been clearly far from a consensus. Members needed to be pragmatic and focus their limited time and attention on those proposals and ideas where consensus could be reached by May. Chile looked forward to working with the Chairman to identify consensus areas.

34. The representative of Brazil said the present meeting of the TNC was taking place at a critical moment. Some negotiating groups were on track, such as the one on Rules or the Special Session of the Council for Trade in Services. Other areas had suffered setbacks, in particular two of special importance to developing countries, namely S&D and implementation. Members were still witnessing conflicting signals on the central topic of agriculture, as the 31 March date for agreement on modalities approached. Even if some elements seemed to be in place, the risk of derailment threatened the negotiating process as a whole. Although it was premature to speak of a crisis, Members had a responsibility to reinvest the political will required to regain credibility.

35. Brazil remained committed to the success of the Doha round, driven by the legitimate expectation that it would provide better access for its export products, as well as more equitable rules and regulations. At the same time, Brazil was committed to strengthening Mercosul and to fostering closer ties with its South American neighbours. His country was also engaged in major regional and bilateral trade negotiations and intended to pursue an aggressive trade policy that was supportive of efforts to improve living standards, combat poverty and eliminate hunger. As President Luís Inácio Lula da Silva had recently stated in Davos, the construction of a more just and democratic international economic order would be an act of political intelligence as well as an act of generosity. And some could be more generous than others.

36. Unfortunately, so far the DDA had been little more than an empty slogan. Members should retain their commitment to the development dimension of the round, which required progress on agriculture, S&D and implementation. On agriculture, Members continued to witness a stubborn resistance to serious reform by those whose export subsidies and trade distorting domestic support penalized the developing world. Meanwhile the mandate on S&D was being reinterpreted by some as a pretext to divide developing countries in order to limit their rights and increase their obligations.

37. The implementation file continued to be treated by several developed countries as a mere irritant. The fact that the Doha Declaration had inscribed these items in the single undertaking had been questioned by some. Recent setbacks were discouraging and should not be taken lightly. But there was still an opportunity to generate a more constructive dynamic, as Members moved forward towards the Cancún Ministerial Conference. In order to achieve this, an ambitious text on agricultural modalities was needed in line with the Doha mandate. While Members remained collectively responsible for pursuing the goals set by Ministers in this key area, Brazil's delegation also looked to the Chairman of the Agriculture Special Session for inspiration, leadership and professionalism in the coming days and weeks.

38. Members also needed a convincing blueprint for dealing with implementation, which combined procedure with substance. This entailed the creation of a process capable of dealing with the individual proposals which could not be subsumed in an existing negotiating group or Special Session. Brazil would be paying special attention to the proposals on TRIMs, TRIPS and CBD. Members needed a new spirit of cooperation and dialogue on the S&D front so that substantial and timely progress in this vital area could be achieved. Members should ensure that discussions on market access was fully taking into account the Doha mandate in terms of less than full reciprocity expected from the developing world.

39. In the rules negotiations, Brazil's participation had been commensurate with the central importance it attached to this subject. Brazil's last contribution, together with a number of like-minded countries, focused on Article 15 and was illustrative of the kind of movement they would be pressing for on all fronts. A sense of realism would be required in the DSU review front, where a focused, circumscribed agenda would have to be defined soon in order for Members not to disperse

their efforts and risk compromising the advances already made in a number of items and to abide by the May 2003 deadline.

40. The adoption of the Doha Declaration on TRIPS and Public Health remained a landmark decision of great impact in the fight for access to more affordable medicines in the developing world. It constituted an achievement in itself. Members had to continue to search for a multilateral solution to the problem identified in paragraph 6 within the scope of the Doha Declaration.

41. The representative of Bangladesh, speaking on behalf of the Least-Developed Countries, said that before and after the Doha Ministerial Conference, the LDCs had been told repeatedly that the Doha negotiations represented a development agenda, and that the current round of negotiations was a development round. These words no doubt reflected the deep commitment of the authors to incorporate the development dimension into the negotiations. So far, there had been developments in the negotiating process, but little of the progress on the development dimension that had been expected. The negotiations were not yet over and the LDCs still hoped to see the flavour of development reflected.

42. On agriculture, Members had had extensive discussions from 22 to 24 January on the issues raised in the Chairman's overview paper of 18 December 2002. The Chairman's paper expressed a divergence of views on the three main pillars: market access, domestic support and export subsidies. The major stakeholders, upon whom the fate of the negotiations rested, had not come up with the anticipated concrete proposals. It was clear from the overview paper that there was a wide range of support for LDCs not being required to undertake reduction commitments, as was also stated in the text of the Agreement on Agriculture. Despite this specific provision, the issue of voluntary reduction commitments from the LDCs had been raised. This move was clearly contrary to the existing provisions and spirit of the Agreement. Many LDCs had undertaken extensive reforms in the field of agriculture, particularly in the reduction of domestic support measures. The LDCs had hoped that development partners would create conditions that offered effective market access and a level playing field for LDC primary products. Not only had these not been achieved, LDCs were now being requested by some to make "voluntary" reduction commitments. The LDCs found such a request to be both a violation of the Agreement and unrealistic. Some LDCs, exporting primary products, were suffering badly as a consequence of the actions taken by others to protect and promote their own primary products. The LDCs urged the membership to accelerate the process of finalizing the modalities of the negotiations so that Members could come closer to fulfilling the mandate of the Ministers.

43. With regard to the work on S&D proposals in the Special Session of the Committee on Trade and Development, LDCs hoped that immediate action would be taken to address their needs. This had been the key to the development component of the Doha Agenda. Ministers at Doha had given the mandate to make all S&D provisions precise, operational and effective and it was in that context that LDCs had submitted proposals at a very early stage. In the beginning, there had been little evidence of serious engagement, and later, there had been little progress in the discussions. Members had not treated this issue as negotiations in line with the mandate from Doha.

44. There appeared to be a wide divergence of views with regard to strengthening the existing provisions. In fact, in certain cases, an attempt was being made to interpret the provisions in a much weaker manner than the language in the Agreements. There was also an attempt to pass on key issues to other negotiating bodies, thereby bypassing the mandate given by Ministers. This was a disturbing trend. He emphasized that the Special Session of the CTD was the most appropriate forum to discuss all S&D provisions, and the LDCs were prepared to continue to work under the Chairman.

45. A number of proposals had been submitted by Members, including the LDCs, on different aspects of the dispute settlement process and he thanked the Secretariat for compiling them since this was useful in order to understand the issues as well as the perspectives of Members. These were being discussed sequentially in the order of the DSU provisions and the LDCs were approaching the

discussions constructively. The LDCs had also submitted draft modalities for the special treatment of LDCs in the service negotiations. He thanked the Chairman of the Services Special Session for convening an informal open-ended discussion on the LDC proposal, which had been welcomed in general by the Members. Many had commented on different aspects of the draft modalities and the LDCs were considering those comments. The LDCs considered the negotiations on services of prime importance. Since the LDCs were weak at the bilateral level, and individually lacked the necessary expertise and knowledge, their aim was to establish modalities for negotiations that could safeguard their legitimate interests. At this stage, the modalities of negotiations should take into account the levels of development of LDCs. The LDCs hoped the membership would appreciate their vulnerability in services negotiations, and support this endeavour. At the same time, with the growing contribution of the Services sector to LDC economies, and to the world economy, measures should be taken very early on in the negotiations to create a level playing field for the LDCs. The LDCs would continue to stress the importance of the services sector to their countries and to create modalities that addressed their needs.

46. The representative of Honduras said that, since the Doha Ministerial Conference, the work undertaken had not met the desired goals which led his delegation to wonder where the organization was headed. The heavy workload of his delegation required it to establish priorities. Many of Honduras' proposals had been taken on as options or mutually exclusive instruments as in the case of agriculture. Honduras wished to make it clear that the elements contained in those proposals were complementary and necessary to implement the Doha Mandate.

47. The representative of Kenya associated his delegation with the statement by Morocco on behalf of the African Group. As the reports from Chairpersons of the various negotiating bodies under the TNC had indicated, the negotiations had entered a delicate stage and it was time to change gear to meet benchmarks set by Ministers in Doha. Members were expected to establish modalities for further commitments on agriculture by 31 March 2003, but had yet to narrow existing differences on this issue. Kenya urged the Chairman of the Special Session of the Committee on Agriculture to intensify his efforts so that Members could accomplish this important task within the agreed time-frame. Kenya wished to highlight issues that were of paramount importance and hoped that they would be reflected in the Chairman's upcoming modalities paper.

48. The main objective of the negotiations in agriculture was to remove all forms of distortion, and this should be clearly spelt out in the Chairman's draft modalities paper. Kenya also expected the very useful contributions by developing country Members – who had not participated actively during the Uruguay Round negotiations – to be taken into consideration. Of particular importance to Kenya was how S&D would be treated in the modalities paper. As an integral part of the negotiations, his delegation expected modalities to include development concerns such as food security, among others. Thus it hoped that the issues raised by a number of developing countries, including Kenya, regarding the establishment of the development box would be given prominence as part of practical and concrete S&D in the modalities paper.

49. In the services negotiations, Kenya welcomed the efforts by the Chairman of the Special Session of the Council for Trade in Service in carrying out consultations with the aim of reaching consensus on the modalities for the treatment of autonomous liberalization. His delegation encouraged Members, in a spirit of flexibility, to support the Chairman's initiative and finalize the modalities expeditiously. Kenya concurred with the Chairman's report that market access negotiations in services were moving forward quickly and hoped that negotiations in other areas of crucial importance to his delegation such as agriculture would also move forward to create balanced progress in all areas of the negotiations. His delegation wished to stress that those sectors and modes of interest to developing countries should receive favourable consideration in the negotiations so that the objectives of the GATS were achieved. Members should recognise the technical difficulties faced by developing countries in drawing up requests and offers in services. As a result, Kenya wanted to emphasize that the deadlines for the submission of initial requests and initial offers should be considered as indicative benchmarks. Indeed, the process of preparing initial offers would be difficult

for a number of Members since an assessment might be needed at the national level prior to a commitment.

50. His delegation had taken note of the report, and appreciated the work, of the Chairman of the Special Session of the CTD. Unfortunately, Members were not willing to achieve meaningful progress and commitments in addressing S&D as mandated by Ministers in Doha. Kenya hoped that after missing two deadlines, Members would intensify their effort in strengthening and operationalizing S&D provisions, yet only a handful of proposals were likely to be concluded by next General Council meeting. The Doha Work Programme would be judged to be a development round if substantial work on S&D was accomplished to the satisfaction of developing countries and LDCs. The rate of progress in S&D was likely to affect progress in others areas, therefore, his delegation urged Members to reflect on this matter and see what else could be harvested before the next General Council meeting.

51. Kenya had been disappointed that consensus could not be reached on TRIPS and Public Health by December of last year, and welcomed those countries that announced that they would not take action against Members that wished to address public health problems through compulsory licensing. Kenya, like others Members, saw this as a temporary measure while Members searched for a permanent economically viable and legally binding multilateral solution.

52. It was unfortunate that a country that had adequate production capacity was not restricted from using compulsory licencing to address its health problems provided that it abided by the TRIPS Agreement, yet those with insufficient or no manufacturing capacity might have to abide, according to some proposals, by additional conditions, including limitations on the diseases that would constitute health problems to make use of the compulsory licencing. It appeared that some Members had forgotten that the goal of the solution was to help those countries that had insufficient or no manufacturing capacities to use compulsory licencing to have access to medicines as if they had manufacturing capacities. This was the cardinal point that should not be lost sight of so that a practical, economically viable and legally binding solution could be found.

53. Kenya believed the solution should lead to the amendment of Article 31 of the TRIPS Agreement, so as to incorporate regional trading arrangements as the domestic market, that would attract investment in the pharmaceutical sector. To Kenya, this was the permanent and practical way of solving capacity problems faced by African countries. Kenya welcomed the Deputy Director-General's report on the scheduling of meetings and hoped that the concerns of small delegations would be taken into consideration.

54. The representative of Egypt thanked the Chairpersons of the four negotiating bodies for their reports on recent work carried out since the TNC met in December and said that little progress had been achieved since then, which might be attributed to a lack of time between the two meetings of the TNC and the end of year holidays. Her delegation was dissatisfied with the state of progress as called for by Ministers in Doha, in spite of the tireless efforts exerted by the Chairman of the CTD Special Sessions in reviewing and strengthening S&D provisions. The deadline was being extended de facto for the third time, even without a true realization of the Doha mandate on the horizon. Egypt believed this should be a matter of serious concern not only to developing countries, but rather to all Members since it struck at the credibility of the agreements reached in Doha. Egypt called on all Members, and developed partners in particular, to exercise the necessary political will to fulfill the mandate and restore confidence in the round as a whole.

55. The representative of Colombia noted that, in spite of the efforts made by the Chairpersons, there was failure to make progress, and this failure to meet the deadlines set by Ministers in Doha was a matter of grave concern for the negotiations. The inability to achieve agreement on implementation, TRIPS and Public Health and S&D was very worrying, since positive developments in these areas would enable Members to concentrate on the negotiating issues. Time played a very important role in building consensus in these negotiations and, for this reason, failure to meet the deadlines showed not

only a worrying inability on the part of the organization to make progress, but it also destroyed the very careful sequence which had been built up among the different issues.

56. From this point of view, the deadlines for modalities on non-agricultural market access and for negotiating offers on services continued to be the fundamental elements of the negotiations mandated by Ministers in Doha. In particular, the degree of ambition on agriculture would be the cornerstone of the negotiations and as such, until a clear definition of this area existed, the rest of the round would be affected. The scope and results of this round of negotiations would depend on its success in the liberalization of all goods and services and elimination of subsidies and distortions. It would be a determining factor for the single undertaking and, in the final analysis, would enable Members to determine whether this round would be a mini-round or a round which would have greater significance for the progress of the multinational trading system.

57. In the agriculture negotiations, the challenge faced by the Chairman of the Special Session would be to draw up a first draft text on modalities, which was sufficiently provocative that it prompted a true discussion among Members on what would be possible, and to expand the level of ambition with longer deadlines while balancing the other areas of the negotiations. In this discussion, the leadership of the Chairman of the TNC would be paramount, because this was an issue which would clearly go beyond the purview of agriculture and would require a comprehensive overview.

58. In the services negotiations, Colombia was one of many countries which continued to work on submitting requests as soon as possible since it attached great importance to these negotiations. However, his delegation wished to draw attention to the close link between the progress in these negotiations and that made in other areas of market access, particularly agriculture. In the industrial goods negotiations, Colombia particularly welcomed the ambitious proposals submitted because this demonstrated the determination of certain Members to commit to a broad and comprehensive round, which would bring benefits to all Members. In the rules negotiations, his delegation was following the identification of disciplines to be negotiated, and believed that on the basis of the concept or symmetry between the agreement on subsidies and that of anti-dumping considerable progress could be achieved. Colombia, like Brazil, expected disciplines on S&D treatment to be strengthened. On the dispute settlement negotiations, like other Members, Colombia was deeply concerned by the pending 31 May deadline. His delegation was aware of the efforts carried out by the Chairman of the Special Session of the DSB to make progress in this area, but given the limited time available, the review of legal texts could not be undertaken until proposals were identified. Colombia was concerned that since 1998, the DSU has been under constant review, but it had provoked misunderstandings as to what Members could ask from the system. Colombia believed that the system could not provide the measures and instruments which Members found in their own domestic courts.

59. As to the link between the different issues and the central role played by agriculture, his delegation believed that in the present situation, those countries which were demandeur, in what had been named the Singapore issues, should make a great effort to make the actual inclusion of new issues on the agenda viable. For Columbia, given the present circumstances, it would only be possible to consider the expansion of the competence of this organization to new issues if it was convinced that progress was being made in the trade in goods and services in all sectors, and in particular agriculture. Furthermore, Columbia would have to be assured that the commitments required would make it possible to allow room for development policies, as this was the central issue of the DDA.

60. As to future work, the date for agreement on modalities in agriculture and, in second place, those in market access for industrial goods and the related services deadline would determine the coverage of these overall negotiations. If Colombia did not see any major progress in these areas and also the commitment from the most important Members to carry out deep rooted reform, it would not be possible to make progress in trade liberalization. Colombia believed that the negotiating dynamic had to have the opportunity to show progress. However, Colombia urged the Chairman of the TNC to initiate an informal process to identify which elements of the Work Programme and what type of

Conference the system needed under the present circumstances. This process was also required in order to insure transparency, and it had already proved itself as a decisive factor in the successful preparation of the Ministerial Conference in Doha. Colombia also welcomed the Chairman's intention to hold meetings at senior-official level, since it would be extremely useful to have capitals more involved in the process.

61. The representative of Cuba expressed disappointment at the low rate of progress on the DDA, in particular S&D treatment, implementation issues, TRIPS and Public Health and agriculture. On TRIPS and Public Health, it was essential to reach a multilateral solution which was both stable and binding because the lives of so many people were at stake and in the agricultural negotiations, her delegation continued to be very concerned about the lack of progress, in particular on S&D treatment. Agriculture was not a matter for negotiation. The Doha Declaration stated that S&D treatment would be an integral part of all the aspects of the negotiations, so that developing countries would have their developing needs, such as food security and rural development, taken into consideration. Cuba noted that despite the Chairman of the Special Session of the Committee on Agriculture urging that bridges be established to overcome existing gaps, no flexibility was found on the part of many of the major group Members representing the two extreme positions in these negotiations.

62. However, a number of developing countries that were not represented in those groups had suggested an intermediate solution which would have made it possible to include many of the interests of all of the Members. In the light of the Uruguay Round, the establishment of the modalities for future commitments, Cuba, like a great number of developing countries, did not wish to see itself set aside from the final results to emerge from this negotiating process. Cuba encouraged the Chairman of the Agriculture Special Session to take into consideration the interests of the great number of developing countries which, although they were not represented in the two major groups, represented a very high percentage of the organization's membership and took an active part presenting specific proposals in the negotiating process.

63. Her delegation was alarmed by the lack of progress on implementation issues. On many occasions, the need to respect the calendar had been referred to, yet on implementation issues and S&D treatment, no progress had been made and deadlines had not been met. Regarding implementation, despite the fact that the Chairman's consultations on these issues, the TNC had no decisions before it, and once again, the solution was being delayed. Unfortunately, the very spirit and letter of the Doha Declaration was being ignored and indeed the complaints of the LDCs were not being heard.

64. Cuba wished to reiterate the need for priority and urgent attention on all issues related to development, and in particular those aspects relating to implementation and S&D treatment. It welcomed the efforts of the Chairman of the Special Session on CTD to push this question forward, but no results had been achieved. Developing countries had shown great flexibility in agreeing to extend the deadline to allow time for the discussion of these issues, so it was now time for the industrialized countries to show their political will.

65. On the preparatory process for Cancún, her delegation was concerned that a great number of meetings had been scheduled over the coming months and smaller delegations would be unable to attend all the meetings of interest to them. It hoped that the calendar of meetings would allow smaller delegations to participate in the entire process. Regarding the many meetings referred to as mini-Ministerials, which were being organized in parallel with the process in the WTO, Cuba viewed these meetings as selective and discriminatory. Her delegation believed that these were methods which went against the overall spirit of the WTO since they were in contradiction to transparency, divided the membership and made it more difficult to build consensus. The serious issues which affected all Members should be discussed within the WTO and not in parallel meetings, the purpose of which was to impose last minute solutions benefiting only a minority and ignoring the rightful claims of the developing world. Cuba supported Morocco's statement on behalf of the African group as well as the statement made by Bangladesh on behalf of the LDCs.

66. The representative of Pakistan supported the Chairman's proposal for a senior officials meeting in April and said advance notice for such a meeting would be preferable. His delegation shared the concerns expressed by the Chairman of the Special Session of the Committee on Agriculture about no change in gear taking place and his appeals for progress falling on deaf ears. Pakistan welcomed the proposal by the European Communities. Turning to S&D, he said there had seemed to be a lot of optimism at the beginning of the year, but now the same old story was apparent. No real progress was being made and Members were ignoring this development aspect of the DDA.

67. In the area of services, Pakistan noted with satisfaction that more than 30 countries had submitted their requests to other Members. However, his delegation was concerned that the modalities for credit for autonomous liberalisation had not yet been established, which had a direct bearing on the market access negotiations. On the assessment of trade in services, his delegation recognized that this was an on-going activity in the Council for Trade and Services, but despite the commencement of this work in 2000, no conclusions had been drawn in overall terms as well as on sectoral terms as was required. These results would directly impact, not only on market access from an individual country's perspective, but also on the overall conduct of the negotiations.

68. On the question of mini-Ministerial meetings, Pakistan fully shared the concerns of Cuba, since these meetings were happening more frequently. Pakistan was concerned because they were very opaque and seemed to be a kind of parallel forum.

69. The representative of Paraguay said the Chairpersons' reports reflected the meagre level of progress made so far. Paraguay was concerned with the flexibility with which the deadlines established in Doha were extended precisely because these negotiations were the cornerstone for developing economies. His delegation wished to note the imbalance in the progress in the negotiations between the different bodies. Without being alarmist, the credibility of the WTO was at risk and many Members should ask themselves whether the multilateral system was the answer.

70. For his delegation, the DDA was a good instrument and therefore, Paraguay was committed to helping to ensure that Members complied with what had been agreed at the Ministerial level including the deadlines established in Doha. In this context, agriculture was the center of the negotiations for many developing Members, and in particular for Paraguay, which attached to it great importance since its economy depended on agricultural exports. The tariff escalation in force at present prevented an appropriate development of Paraguay's industrial sector. For this reason, Paraguay had high hopes in the proposal on modalities which the Chairman of the Special Session of the Committee on Agriculture was to put forward.

71. In these negotiations, it was essential to make progress on three areas: the elimination of subsidies, the opening of markets and to insure that domestic support did not distort trade. His delegation hoped the Chairman's proposal would be very ambitious given the Ministerial mandate from Doha and that Members would be sincere in this process. The levels of ambition of modalities in agriculture, in percentages and in liberalization time-frames, would determine the level of ambition and the hopes for progress in the rest of the negotiations throughout the round. Respecting the deadlines in these negotiations was essential in order to sustain credibility in the WTO negotiating process, and his delegation hoped not to see a repeat of past formulas which had not responded to the needs of developing countries.

72. Paraguay hoped that the negotiations under the DDA would be centered on Geneva, since it was concerned that some developed countries were promoting a dispersion of the discussions towards other forums. This meant that poorer countries with less influence and those that had a far smaller share of world trade were, once again, being discriminated against and such an approach did not contribute to development.

73. His delegation appreciated the efforts by the Chairman of the Special Session on the Council on Trade in Services, particularly on the establishment of modalities for autonomous liberalisation.

Paraguay believed that paragraph 6 of his report should reflect the statement by Brazil on behalf of Mercosur that the number of meetings should take into account the overall approach in Deputy Director-General Abbott's report.

74. His delegation believed it was important to maintain the dynamics of liberalisation in trade in services, and that multilateral trade in services would be more efficient and sound if progress in establishing transparency, rules and disciplines on a horizontal basis were made. In line with its position, Paraguay was participating in the request process. It had received requests from various Members, and its offers would be directly linked to the degree of ambition reached in the agricultural negotiations. Similarly, its joint proposal with other Mercosur Members in the non-agricultural market access negotiations reflected its overall view on market access negotiations, in that progress made in agriculture would be a determining factor.

75. Paraguay congratulated the Chairman of the Special Session of the CTD for his efforts and tremendous patience shown in his work. An important understanding had been reached in December 2002 as a result of which the Enabling Clause would be applied in both spirit and letter as had been agreed to in 1979, so that S&D treatment would be non-reciprocal and non-discriminatory. Paraguay hoped that Members would abide by the agreement at Doha to reinforce S&D treatment provisions, by making them more precise, effective and operational while also ensuring that these provisions did not act against some developing countries.

76. The representative of Thailand said that the Chairpersons' reports did not convey very good news, especially on the most important issues for developing countries: TRIPS and Public Health, S&D treatment and implementation. There was no sign that these issues could be solved in the foreseeable future.

77. The report of the Chairman of the Special Session of the Committee on Agriculture had indicated that little headway had been made in building bridges, and this raised concerns due to the limited time ahead to comply with the 31 March deadline to establish modalities. In this connection, her delegation welcomed the European Communities commitment to the negotiation process. The challenges ahead for the Members were to raise the level of ambition on these issues to correspond to the mandate given in the Doha Declaration. Thailand was encouraged that the Chairman of the Special Session on Agriculture would table the first draft of modalities at the next Special Session, and was looking forward to participating in the Chairman's consultations. Thailand hoped that the deadline for this issue would be respected, otherwise the confidence of developing countries in the WTO would be at risk.

78. The question of the credibility of the WTO was also applicable to TRIPS and Public Health. The failure to meet the previous year's deadline as mandated by Ministers at Doha already indicated a negative impact on the future state of the negotiations. Members should adopt political will and make every possible effort to find an acceptable solution to these issues in a multilateral context, so that it could be operationalized.

79. Thailand appreciated the efforts of the Chairman of the Special Session of the CTD in trying to bring about a fruitful result to the Committee's tasks. Although much remained to be done, and the polarization of Members' positions remained to be bridged, Thailand still hoped that this important task mandated to Members at Doha will be fulfilled. Members could not fail to resolve this important issue for it would not only affect the trust of Members, but also the trust of the public in the organization. Her delegation strongly encouraged Members to work harder in the coming days and adopt more flexible attitudes and positions, especially in the areas where common ground seemed to be near.

80. The representative of Korea shared the concerns expressed by other delegations on the slow and uneven pace of the negotiations. However, his delegation was not too pessimistic for it was rare to see a convergence of views at this early stage of the negotiations. Nevertheless, the Members'

failure to meet the deadlines for TRIPS and Public Health, S&D treatment and implementation issues not only affected the progress of the DDA negotiations, but also eroded confidence in the multilateral trading system by the outside world. Korea appreciated the ongoing work of the relevant Chairmen, and believed that all Members had to have a common understanding on the way to break the logjam.

81. Members needed to keep in mind that the greatest challenge was time and needed to exert their best efforts to avoid transferring these issues to the already over-burdened Ministerial in Cancún. Members should not succumb to the temptation of reopening or expanding agreed to elements, but rather focus on the remaining divergences. Delegations should refrain from the tactical approach of holding off on certain issues as a means of making gains in other negotiating areas, for if the burden of failure was imposed on these issues, and others, it was inevitable that the entire DDA process would quickly become a debacle.

82. Undoubtedly, agriculture was the most critical issue through the end of March, and Korea appreciated the efforts of the Chairman of the Special Session of the Committee on Agriculture and the Secretariat in preparing an overview paper which concisely summarised the current situation in a balanced manner. Korea shared the Chairman's concern that there were still wide gaps among the Members' positions. The first meeting this year to review the overview paper witnessed a continued lack of movement towards a compromise.

83. With a view of avoiding another serious breach of the DDA time-line, Korea would like to stress a number of points. The key to making headway would be a practical and realistic approach by the Members. Ambitions should go in parallel with realities. The harmonization formula, as proposed by some Members, could wipe out some countries' agricultural sectors and their supporting communities. It should be recalled that the objective of the negotiation was the "substantial progressive reduction" in agricultural support and protection as set out in Article 20 of the Agreement on Agriculture. The balance of interests and burdens among Members should be sought to work out a compromise. A domestic political consensus was required to accept the final outcome. A comprehensive package should be provided for the Members to assess their standing for the rules-related elements were closely linked to the level of commitments, and without knowing where Members stood on the rules-issues, commitments could not be made.

84. As urged by the Chairman of the Special Session of the Committee on Agriculture, Korea would closely cooperate with him and other Members to work out a balanced and realistic outcome, including the first draft of modalities to provide sufficient time for close examination and consultations by the Members.

85. On services, it was crucial for all Members to submit their initial offers by the end of March, so that full-fledged bilateral market access negotiations could start soon afterwards, and to allow substantial results in the negotiations. Korea shared the view that meaningful progress in the discussions was needed on the rules relating to services trade, including emergency safeguard measures, subsidies and domestic regulations in tandem with market access commitments. However, it was necessary for Members to take a more realistic approach and for proposals to proceed in a more practical way. Indeed, on the road to Cancún, delegations had many other challenging tasks ahead and Korea wished to underline the importance of a realistic and flexible way of thinking in moving forward.

86. The representative of Venezuela said that despite the efforts of the Chairman of the Special Session of the Committee on Agriculture and many Members, he was concerned about the lack of identifiable convergence on issues, given the pending deadlines. Reaching agreement on agriculture was an objective Venezuela was committed to. However, meeting the deadlines could not be to the detriment of developing countries' interests. That was a fundamental objective of the negotiations under way, so that countries like Venezuela could meet the social needs of rural areas and food security. These were issues that were key factors in the modalities which included the relationship between the three negotiating pillars, the extension to all developing countries of a safeguard

mechanism that was easily and effectively applied and to make operational provisions on S&D treatment. In order to live up the deadlines and prepare for Cancún, the substantial elements that his delegation mentioned should be included in the modalities to be established.

87. Venezuela took note of the report submitted by the Chairman of the CTD Special Session and praised his efforts, yet that little progress had been achieved could not be ignored. The results obtained in this area would be carefully analyzed by Venezuela and other developing countries as they formed an integral part of the package for Cancún. Clearly, there had to be a positive balance in favor of development issues before decisions could be taken on issues which were of no interest to Venezuela, namely the Singapore issues.

88. In the negotiations on the DSU, there was a risk of not reaching any concrete results by the deadline of May 2003. As in other cases, Members risked not living up to the commitments made in Doha. Venezuela was grateful to the Chairman of the DSB Special Session for his efforts, however the process was deadlocked. For Venezuela the mandate was clear; Ministers had indicated that the negotiations should be geared towards improving and clarifying the DSU. Unfortunately some of the proposals seemed to be out of line with the mandate and rather than trying to improve the DSU, an attempt was being made to substantially change its pillars. If the WTO had anything to be proud of, it was the DSB, which had demonstrated its diligence and which should be preserved. The DSU was not perfect, but it could be improved and this issue was what the mandate set out – to improve and clarify the DSU. On the negotiating table there were a number of realistic proposals that sought to improve the DSU in a gradual way, particularly with respect to inconsistencies between the procedures and their interpretation. Venezuela urged all Members to consider how to structure these negotiations in the time remaining so that in May, an agreement would at least be discernible in terms of some basic and non-controversial elements.

89. The representative of Mexico said that the report of the Chairman of the Special Session of the Committee on Agriculture showed that there continued to be great divergence between positions and Mexico was concerned that time was running out to agree on modalities by the deadline. Many Members had said that agriculture was the cornerstone of the round, and Mexico agreed. Members had to be ambitious particularly in the area of subsidies to successfully complete a productive round. Mexico hoped that the Chairman's paper would meet the deadline established in the Doha Declaration. In the services negotiations, Mexico saw no major problems. These negotiations were closely linked to the other market access negotiations and Members could only move forward if a proper balance was achieved. Mexico was concerned about S&D treatment because this was a very important topic and progress here was a necessary condition to achieve a positive results for the round. It was clearly part of the negotiating mandate and Members needed to resolve it to achieve the proper balance. Expectations in this area exceeded reality, and many of the proposals needed reworking and Members had to recognize that there were conceptual differences with respect to the strategies and policies required to promote development in developing countries. However, his delegation did not doubt that Members were capable of achieving the necessary progress by the next meeting of the General Council.

90. In the dispute settlement negotiations, there was a major opportunity to resolve the substantive problems related to the DSB. This was a mechanism that was fully operational, but the incentives were somewhat out of balance. A serious analysis of the most serious problems facing this machinery was needed, as was the way in which the proposals were ranked in order to resolve these problems. Members were looking only at minimalist solutions with little vision and that was a matter of concern to Mexico. Realism should not be confused with lack of vision. If in the Uruguay Round Members had been "realistic," they would have had an unresponsive DSB out of sync with reality. This opportunity should not be lost and parliaments should not be asked to change laws to make merely cosmetic changes.

91. Members were entering a key phase of the negotiations and there were some significant issues that had to be resolved, such as implementation and TRIPS and Public Health. A number of decisions

had not been taken by the deadlines, and this showed in some cases that there was a clear lack of political will and, in other cases, that there were problems with the design of the Ministerial Declaration. Members should be careful not to unbalance the package since they all needed to be able to sell the result at home, and there could be serious consequences for the tactics now being adopted. Members had to move faster to reach Cancún with the technical work finished, so that Ministers could take the necessary political decisions.

92. The representative of Croatia, speaking also on behalf of Albania, Georgia, Jordan, Lithuania, Moldova and Oman, said that these countries had recently acceded to the WTO and had made extensive market-access commitments in their respective accession processes, which had been recognized by Ministers in paragraph 9 of the Doha Declaration. At the same time, these countries had expressed their readiness to participate actively and constructively in the ongoing negotiations, which had been translated into a concrete engagement in the current negotiating process.

93. On services, these delegations shared the assessment that the negotiations were proceeding positively. They had been fully engaged in the work on the issue of autonomous liberalization engaging in constructive discussions with other Members, and would like to see the process finalized soon. The recently-acceded Members had shown a high level of flexibility both in formal meetings and in informal consultations and they hoped that such an approach would be matched by adequate flexibility from other Members with respect to their concerns, which unfortunately was not yet the case, although a solution should not be far away.

94. The importance of the negotiations on agriculture to the countries for which he spoke could not be overstated. The state of these negotiations reflected the importance and high stakes involved for all participants. Recently-acceded countries had made a very strong case that their specific situations resulted from extensive market-access commitments during the accession process, often going far beyond those that had been made in the Uruguay Round. These countries had presented proposals on the need to include specific flexibility provisions for recently-acceded Members in the modalities for future commitments in this area. These had been recognized and included in the Chairman's overview paper as well as in the Special Session of the Committee on Agriculture's report. As the first draft of the modalities was expected in the forthcoming days, the countries for which he spoke believed that this draft should comprehensively reflect the specific interests of and proposals made by Members, including recently-acceded Members.

95. The representative of South Africa said that he wished to raise a few concerns so that Members could all redouble their efforts to put the negotiations firmly back on track. While his delegation appreciated the Chairman's efforts to move the issues of implementation and S&D forward, it believed that no substantive or meaningful discussion was taking place on the issues of development and sustainable capacity building. South Africa wished to participate in the process of strengthening the WTO's capacity to implement the Doha mandate. No more time should be wasted and Members should use the coming months to produce positive reports for Ministers at Cancún.

96. His delegation had worked hard the previous year to contribute to a multilateral solution on TRIPS and Public Health, and had been convinced that these efforts had resulted in a constructive compromise in the Chairman's text of 16 December 2002. South Africa appreciated the efforts of all those that moved from their initial positions in the interests of building a consensus. In Davos, South African Minister of Trade and Industry Alec Erwin, had engaged with pharmaceutical companies, who had insisted on particular wording that sought to limit the scope of diseases. Minister Erwin had warned them that their actions threatened the intellectual property rights system, which South Africa was committed to protecting in the WTO. He had explained to them that the issue was not one of the list of diseases, but the urgency of the situation or emergency in public health. As stated in the African Group statement of 20 December, there were already sufficient safeguards built into the 16 December text to prevent abuse, and South Africa remained committed to working with the Chairman to find a multilateral solution. Since this issue was absorbing the meagre resources of small

missions, it was not wise to continue with any further intense work if those that remained outside of the 16 December solution were unwilling to come in on the basis of the Doha Declaration.

97. Agriculture was the driving force of this round of negotiations for almost all Members and South Africa was concerned that while the European Communities had tabled their paper on modalities, there were many signs that the political will to establish these by the end of March was not strong. South Africa wished to warn that a slippage of a core issue of the negotiations – of major concern to developing countries added to the failure to meet the deadlines of concern to developing countries, in implementation, S&D and TRIPS and Public Health – would have a domino effect on both the political will and capacity of many countries to participate in other areas of the negotiations.

98. South Africa thus believed there was great danger of overloading the Cancún agenda if Members continued to fail to meet agreed deadlines and were unable to build consensus in Geneva. It remained committed to ensuring that the WTO was strengthened and that the DDA was fully implemented.

99. The representative of Uganda associated his delegation with the statements by Morocco on behalf of the African Group and by Bangladesh on behalf of the LDCs. Uganda had regarded the Doha Work Programme as being ambitious from the outset, but it had gone along with it because it had been assured that the development dimension would be well catered for. Foremost in the development dimension was the issue of S&D treatment. Like other delegations from Africa, Uganda had taken this issue very seriously and had devoted a lot of its resources to it, putting forward concrete proposals on the specific Agreements and on the architecture. But from the report of the CTD Special Session Chairman, it was clear that not much discernable progress had been made. In the light of this, Uganda felt a sense of frustration and at times wondered whether the development agenda would actually be reflected in the Work Programme. Uganda still remained optimistic and hoped that the Chairman would be able to move the work forward, yet his delegation was disappointed when it heard suggestions that these negotiation issues should be taken to separate negotiating groups. These fears were borne out by the experience in the work on implementation issues, which had taken a similar route and on which hardly any progress had been achieved to date. Uganda was thus very reluctant to travel that same route with respect to S&D.

100. Another area of interest to Uganda was agriculture. In this area, Uganda had high ambitions in terms of reducing domestic support and export subsidies, and in market access. The mandate for these negotiations stressed that S&D treatment was an integral part of the work, and Uganda was therefore concerned about proposals being tabled that did not take this into account, trying instead to make LDCs take higher commitments, even beyond what had been set out in the Uruguay Round Agreement. Uganda hoped that the Agriculture Special Session Chairman's paper on modalities would take S&D treatment into account. Uganda urged the other large major trading partners to join Japan, which at the last meeting had indicated that it was favorable to LDCs not undertaking reduction commitments, in line with the Uruguay Agreement. On TRIPS and Public Health, Uganda fully subscribed to the statement by Kenya. Uganda appreciated the efforts of the Chairman of the Council on TRIPS, who had provided a useful compromise, and it hoped that a solution would be found. Uganda welcomed the moratorium in this area announced by the United States, but as Kenya had indicated, Uganda's preference was for a multilateral solution, and this moratorium should not disrupt Members from finding one.

101. At the present meeting, references had been made to mini-ministerial gatherings, and Uganda had no problem with regard to this type of event, but it had always maintained that the results should not be parachuted into the TNC. Uganda noted that, while the LDC coordinator had been associated with this type of event in the past, the LDC coordinator had been progressively marginalized at the recent events. Uganda hoped that the coordinator would be invited in the future, so as to be able to report back to the LDCs. Furthermore, Uganda fully supported the Chairman's suggestion to convene meetings at the level of senior officials. Finally, in light of the dismal progress made, Uganda called on all Members to re-examine their positions, so that they would not leave a large number of issues

unresolved for Ministers at Cancún. It urged all Members to renew their political commitment, in particular with regard to development.

102. The representative of Israel welcomed the TNC Chairman's concerns on the participation of small delegations in the negotiating process and thanked Deputy Director-General Abbott for his work on scheduling meetings. Israel saw the proposed way forward in a positive light, but it wished to flag its concern on the issue of informal meetings and consultations which were not part of the official schedule and which continued to be difficult for small delegations to follow and participate in. Israel fully appreciated what was involved in fulfilling the mandate given by Ministers at Doha and in the success of the DDA, but it believed that more could be done to allow for more efficient participation of all Members interested in helping this process forward. While Israel agreed that in some negotiating groups there was a good process, there were others it was concerned about. Like many others, his delegation was disappointed with the postponement of important deadlines. On the negotiations aimed at clarifying and improving the DSU, Israel had similar concerns as those raised by Chile and others at the present meeting. Israel's main concern was that Members would not be able to fulfill the mandate in the time-frame available. Israel believed that Members needed to be more pragmatic and realistic approach in order to succeed on all fronts.

103. The representative of Indonesia said that, while recognizing that there was a need for more efforts and innovative ideas, his delegation hoped the present stock-taking exercise would be helpful in encouraging Members to give an extra push to the negotiations so as to fulfill the mandate in the Ministerial Declaration. Indonesia appreciated the efforts made by the Chairman of the Agriculture Special Session in trying to move the negotiations forward, and it agreed with his assessment that the positions of Members were still far apart on many critical issues, sharing also his view on the importance of meeting the end of March deadline. However, Indonesia wished to remind Members of the critical importance of agriculture to the social and economic development of many developing countries and of the valid concerns of these countries, particularly concerning food security, rural development, employment and poverty alleviation. These issues should not be sacrificed for the sake of meeting deadlines or bridging the differences in positions. His delegation recognized that if there was to be meaningful reform in agriculture, it was important to have a high level of ambition in the first draft of the modalities text, particularly on export subsidies and domestic support. Modalities which did not allow the commitment to undertake fundamental reform in the areas of domestic support and export subsidies by those who were responsible for the grave distortions and which failed to allow developing countries to effectively address food security and rural development would have no chance in rectifying the current imbalance in the Agreement on Agriculture. This would be difficult for Indonesia to accept.

104. On the issues of S&D treatment and the outstanding implementation issues, Members were aware that developing countries and LDCs attach an importance to seeking a prompt solution. At the General Council meeting in July 2002, developing countries and LDCs had shown their flexibility by accepting the extension of the deadline to continue discussions on S&D provisions. However, his delegation was disappointed at the lack of progress in the discussions, for it found that so far not much significant progress had been achieved on the proposals submitted by developing countries and LDCs. As the next deadline nears, Indonesia urged all Members not just to show greater political will to move the negotiations forward, but also to show more flexibility so an agreement can be reached. In the DSU negotiations, his delegation understood that the work had moved to a new phase by discussing specific legal texts in the last Special Session of the DSB. In terms of process, Indonesia believed this to be a positive development towards concluding these discussions by the end of May 2003. This had also enabled Members to discuss each proposal in greater detail without limiting the legitimate right of each Member to discuss its own proposal. His delegation encouraged the Chairman to continue this process and hoped Members would be able to complete the first reading of the text discussion by the March meeting. Indonesia believed it was too early at this stage for the Chairman to draw up, on his own responsibility, a list of possible elements reflecting areas where agreement might be reached or proposals that enjoyed broad support from Members. As the WTO was a Member-driven organization, sufficient opportunities should be provided to all Members to

discuss their own proposals. It was then up to the Members themselves to determine if they wished to maintain the proposals in the process of negotiations.

105. The representative of China said that, despite the hard work of all the Chairpersons and the efforts exerted by many Members, all the negotiating deadlines had been missed in the three priority areas of S&D treatment, outstanding implementation issues, and TRIPS and Public Health, even though the deadline for S&D issues had been extended until the end of December 2002. At the present, another three deadlines were being faced in the negotiations on modalities in agriculture and non-agricultural market access and in the negotiations on the DSU. China was concerned about whether these three new deadlines could be met, and since the WTO's image had already suffered, missing these would be another blow to its credibility. On the three priority areas with missed deadlines, China appealed to all Members, particularly major developed Members, to take specific steps to accommodate the special difficulties and needs of the developing Members and LDCs so as to convince them that they could benefit substantially from, and be fully involved in, the multilateral trading system, including the ongoing negotiations.

106. With regard to TRIPS and Public Health, his delegation believed that unilateral action was not the solution, since it was not an option to replace multilateralism with unilateralism on any issue related to the WTO. This was particularly the case when there was a clear mandate from Ministers, and doing so could only erode the multilateral trading system. In the agriculture negotiations, China appreciated the efforts of the Agriculture Special Session in the work on modalities. To ensure an accelerated and balanced progress in all areas of the negotiations, it was of primary importance to obtain remarkable achievements in agriculture. The majority of Members believed progress on agriculture would have substantial and substantive impact on all other areas of the negotiations. In this regard, the key was to have ambitious modalities agreed within the deadline, to facilitate the negotiations for the full and efficient integration of agriculture into the multilateral trading system. At the same time, the specific situation and difficulties of the developing countries should be taken into special account.

107. On services, China appreciated the hard work by the Chairman of the Services Special Session. It hoped to see concrete progress in the negotiations of rules in the services area, in particular in sectors such as maritime transport and modes of supply, particularly mode 4, which were of great export interest to developing countries.

108. With regard to the special difficulties faced by recently-acceded Members in areas related to market access, China fully supported the intervention by Croatia on behalf of recently-acceded Members. These Members had made extensive market access commitments for their membership in the WTO, which had been recognised and reflected in the Ministerial Declaration, and they needed more time to digest and implement these commitments to adapt them to different sectors of their economies. Since these commitments were up to the limits of their economic and social capacities, it would be difficult for them to make further substantive concessions related to the new negotiations. Taking this factor into serious account was important for the successful continuation and conclusion of the negotiations.

109. The representative of Costa Rica said that the next few months would be decisive and there was a need for more effort and flexibility, and for the common objectives of economic growth and development to prevail in Members' positions, which had now become entrenched. In terms of time, Members were more than two thirds of the way from Doha to Cancún, but the same could not be said about progress on the substance. There was a need to focus work on finding approaches to achieving consensus. The relevant mandates agreed at Doha should be completed by the time of Cancún, and a "second best" solution would cause harm to everyone and to the system.

110. The report by the Chairman of the Agriculture Special Session showing that little or no progress had been made in some of the areas of agricultural negotiations meant that there was a serious lack of balance in the package of negotiations. This endangered the important progress which

had been made in other areas. It was necessary for agriculture to move forward at the same pace as the other negotiations to ensure that there would be positive results in all areas. It was absolutely necessary that those who still believed, by conviction or by strategy, that they had no need to be flexible in these negotiations understand that they were endangering not only the rest of the negotiations, but also economic recovery and development, which were urgent matters for developing countries.

111. Like in many developing countries, trade was one of the main components of Costa Rica's development strategy, because it believed that a higher level of sustainable development could be reached through its own efforts and by taking advantages of its natural advantages. The results of this round were necessary to Costa Rica, and it did not believe this was possible without achieving the objective of establishing an equitable market-oriented agricultural trading system through fundamental reform, which would create substantial improvements in market access, eliminate all forms of export subsidies and reduce substantially trade-distorting domestic support. For Costa Rica, it was unthinkable that one could speak about the problems faced by developing countries and, at the same time, ignore the devastating impact that agricultural subsidies had on the producers and the people of developing countries. She wondered how the two issues could be separated when it was known that the highest levels of poverty were found in the rural areas of developing countries. Costa Rica had noted the exhortation by the Chairman of the Agriculture Special Session to redouble efforts, but it believed that prolonging the negotiating process would not make it easier to obtain results, and so it hoped that the circulation of the draft text on modalities would allow the necessary consensus to be built.

112. Costa Rica wished to reiterate its support for substantial improvements in market access for non-agricultural goods in the negotiations under the Doha mandate. The idea that developed countries were the only ones which exported industrial goods was now old. In fact, more and more countries were taking advantage of trade liberalization in this area. For this reason, Costa Rica believed that it had a great deal to gain from these negotiations, including improvements in market access conditions between developing countries, or South-South trade. However, it was concerned at the lack of coherence between the positions of some Members, in particular on the different levels of ambition.

113. On the report by the Chairman of the Special Session of the Council for Trade in Services, Costa Rica noted with satisfaction that the negotiations had reached the bilateral negotiating stage, and it was confident that consensus would soon be reached on the multilateral disciplines, namely autonomous liberalization and special treatment for LDCs. Costa Rica was also pleased with the progress reported by the Chairman of the Special Session of the DSB and the beginning of the review of legal texts, which would allow Members' proposals to be studied in greater depth. However, this stage and the one that followed, moving towards a consensus text, would require greater efforts so that the deadline established by Ministers could be respected. For that reason, it was important to consider the way in which Members could focus their work and move rapidly to a phase which would allow them to agree on improvements acceptable to all. In the area of rules, Costa Rica supported the negotiations. In the negotiations on antidumping, it was confident that in depth discussions of proposed amendments prior to Cancún would enable Members to move towards the reforms needed in this Agreement.

114. Costa Rica wished to express its deep concern at the lack of results in the work on development-related issues. Results in this area were of great importance to many developing countries and were essential part of the commitments made by Ministers at Doha. The issue of TRIPS and Public Health required greater efforts, because of its humanitarian dimension. Furthermore, Costa Rica hoped that progress would be made on S&D treatment and implementation-related issues. Finally, Costa Rica wished to indicate that there were other issues which, even though they were not under the purview of the TNC, were essential parts of the package for Cancún. It would be difficult to assess progress in the lead-up to the Ministerial Conference without taking into account such issues of enormous importance as investment and trade facilitation. It was thus essential to begin to think in broader terms about the package for Cancún.

115. The representative of Nicaragua said that it was clear that Members were currently facing a problem that could not be solved through technical work while there was no real political will and openness to dialogue. It was also clear that just proposing new technical elements or drafting was not enough to allow consensus to be reached. In a number of areas, much effort had gone into drafting text in an attempt to meet the diverse needs and interests, but solutions had yet to be found. This indicated that the solutions necessary were not technical but rather political. With some exceptions, all the cards were now on the table and there were no technical difficulties that were actually forcing Members to continue their bluffing.

116. Nicaragua agreed with the Chairman of the Agriculture Special Session on the need to review a number of key issues in his overview paper because it was urgent to move towards convergence. This process needed to take into account the aspirations of each and every one of the participants, but this had not happened in the case of Nicaragua and other developing Members. Although his delegation was pleased to see some of the points it had made in the Chairman's paper, there were yet others which had not been taken into account, and it was confident that the final version of the document would contain a comprehensive view of all the proposals by Members. In order to be fully objective, the characteristics and proposals of each Member should be included. Some groups of Members had come forward with proposals representing their interests, but there were other developing countries which were not members of any particular group, and therefore it was important to include the views of all developing countries and not just some. Despite some subtleties in the views of developing countries, they all shared the same aspirations. They might approach these in different ways, but they were all aiming at the same objective.

117. The mandate in agriculture contained not only deadlines, but also specific instructions from Ministers to establish an fair and market-oriented agricultural trade system, achieve substantial improvements in market access, reductions of, with a view to phasing out, all forms of export subsidies, and substantial reductions in trade-distorting domestic support. Furthermore, S&D treatment was to be an integral part of all elements of the negotiations. All Members should recall that, even if the deadline had to be respected, it was even more important to respect this mandate. For the Chairman's first draft of the modalities to be able to serve as a basis for future work, it would have to be inclusive. Nicaragua urged all Members to participate constructively in this work, and to start to look for common ground.

118. On S&D treatment, Nicaragua appreciated the efforts of the Chairman of the CTD Special Session. The lack of progress in this work was unfortunate for all involved, and was evidence of a lack of political will. The solution would be found by only resolving the differences on substance, but rather by also focussing on S&D treatment as a horizontal issue linked to each of the WTO Agreements. As in the case of agriculture, his delegation urged Members to reorient their negotiating efforts in line with the mandate, and not to engage in reinterpretations of it. Delegations had been asked to review the existing provisions in order to strengthen them and make them more operational, and it was the Ministers who would give the green light to implement the results of this review. Finally, he wished to point out that developing-country economies were greatly dependant on stability in international trade, and they suffered dramatically from any disturbances in it. The two issues he had referred to were key to definitive economic recovery in these countries. Liberalization of agricultural markets would enable their economies to grow and S&D treatment would protect them, and if this were to occur, all Members would have triumphed.

119. The representative of India hoped that the monthly meetings of the TNC leading to the Ministerial Conference in Cancún would result in a significant change in the prevailing atmosphere. Members had started the Doha Work Programme with great expectations and in the belief that it would have a definite development focus, and that Members would work together to achieve real progress. Unfortunately, the work done since Doha largely belied this expectation.

120. Ministers had given delegations only three years to complete the Work Programme and in the fifteen months since Doha, not one significant result had been achieved. The Ministers, besides

having laid down the content of substantive work, had also deliberately prescribed deadlines so that work could proceed in a phased manner taking into account, in particular, the limitations of small delegations. All the deadlines had passed without concrete results being achieved, and delegations were still debating the same issues. India believed that unless Members had the political will to translate activity into results, progress would not be made. His delegation wondered whether the Cancún Ministerial Conference could resolve in five days what delegations had failed to negotiate in two years. He also wondered whether delegations were not placing a burden on Ministers which was humanly impossible to carry out.

121. Most developing countries, including India, felt a deep sense of disappointment in the manner in which the negotiations were progressing. Developing countries expected a certain degree of balance in the manner in which the negotiations proceeded. This balance was inherent in the deadlines laid down in the Doha Ministerial Declaration, and it was presently absent in the work. He recalled that in 2000 and 2001 many developing countries, including India, had had reservations about proceeding with a new Work Programme until these imbalances were corrected. However, in the interests of the multilateral trading system, they had resolved to set aside their concerns and join the consensus with the expectation that these issues would be taken up as a priority and solved by December 2002. There was concern in his country that not even a single S&D treatment or implementation issue had yet been effectively addressed. India was finding it difficult to answer its stakeholders' questions on the DDA. The acceptance of some of these S&D and implementation issues, which were of commercial and economic value, would enable India to continue the negotiations with a positive frame of mind, especially to convince domestic constituencies of progress. Developed countries needed to engage positively in trying to resolve these issues rather than looking at them from a purely technical point of view.

122. India also had a feeling of despondency in other areas. In the agriculture negotiations, there was little real expectation that the modalities deadline of 31 March 2003 would be adhered to and failure to achieve this deadline, as well as the other deadlines on development-related issues, would definitely have an impact on the other deadlines set by Ministers before the next Ministerial Conference. The net result would be an enormous overload at Cancún, which the system might find impossible to sustain.

123. There were indications of a serious mismatch between the expectations of certain countries and groups of countries and what could actually be achieved. His delegation believed that the problems faced by many developing countries, including India, were not fully understood and appreciated. In agriculture, for example, the problem of market access was of crucial importance to several developing countries whose huge rural populations were predominantly dependent on agriculture as a means of living. Therefore, India could never agree to any situation that endangered the lives and means of living of millions of its small and marginal farmers and agricultural labourers. His delegation also shared the view of African Group on the importance of non-trade concerns, such as food security and poverty reduction. These issues were of first priority to India. When his delegation heard of various formulae intended to sharply bring down tariffs without effectively and substantially bringing down domestic support and export subsidies, or by merely juggling with the boxes, it perceived a complete lack of understanding of the real situation prevailing in countries like India. His delegation believed market access was not equal to tariffs alone, it was rather a function of several factors, including tariffs, export subsidies, domestic support, non-tariff measures and SPS measures.

124. In the negotiations on non-agricultural market access, India would like to see considerable progress, particularly in areas of export interest to developing countries, as set out by Ministers at Doha. However, here again, it was necessary to ensure that the negotiations were conducted strictly in accordance with the provisions of GATT Article XXVIII bis and paragraph 16 of the Ministerial Declaration. The concept of less than full reciprocity should be fully integrated into the final outcome, and the revenue and developmental needs of developing countries should be fully recognized. A plethora of extremely complicated formulae had been put forward by various

countries, some of which India was still struggling to understand. India hoped that a simple method of achieving results could be found, and it urged all delegations to study India's clear and uncomplicated proposal, which would deliver what was possible without having to resort to complex mathematics.

125. There were also other areas where progress was needed. Members had to complete their work on dispute settlement by May, and they had to start submitting offers on services by March, although the process of making initial requests had not been completed. In the area of rules, the situation continued to be uncertain and there was no indication as yet regarding the contours of a possible outcome. His delegation believed it was time to attempt to take stock, fully and objectively, of the situation and the manner in which Members intended to advance until Cancún.

126. India believed that success at Cancún depended on three significant factors. First, there should be political will to resolve issues and also engagement at the political level even on technical issues. Second, it was important that the Chairpersons, when they presented their proposals on modalities or their reports, should strictly adhere to the decisions taken by the TNC and enumerated in detail in the Statement by the Chairman of the General Council at the first meeting of the TNC on 1 February 2002. This Statement, endorsed by the General Council, enjoined Chairpersons to be "impartial and objective", "ensure transparency and inclusiveness in decision-making", "facilitate consensus among participants", and "in their regular reporting to overseeing bodies, Chairpersons should reflect consensus, or where this is not possible, different positions on issues". It was important that the proposals or reports of the Chairpersons fully incorporate these principles. Third, there had to be intense work in Geneva in preparation for the Ministerial Conference. Such work could not be done by a group of countries alone, but should involve the entire membership. The involvement of senior capital-based officials, particularly during the last two or three months before the Ministerial Conference, could perhaps result in a more manageable agenda for Cancún. This would require a series of intensive meetings, almost on the model of the Ministerial Conference, to precede the Cancún meeting itself. There should also be a clear perception of what could and could not be achieved while taking into account the concerns of all groups of countries, particularly developing countries.

127. Ambassador Balás (Hungary), Chairman of the Special Session of the Dispute Settlement Body, said that the statements made at the present meeting had showed the basic problem being faced in the dispute settlement negotiations, namely the very different levels of ambition among the various participants and the different understandings of the phrase "improvements and clarifications", as contained in the group's mandate. What constituted an improvement or clarification to some, represented a fundamental change to the DSU to others, who considered that this went beyond the mandate. This was the kind of debate which made his task as Chairman rather difficult. He was often being advised, including at the present meeting, to focus the negotiations on specific issues on which there was consensus, but there was no single issue which he could identify with a clear conscience as having consensus. It was rather a question of there being various levels of support on the different issues, and in the next weeks, the group would have to see where the highest level of common interest lay. Even delegations which had submitted rather ambitious proposals had stated that proposals which had been opposed should be dropped, but he was sure that the proponents of any proposal would be unhappy if he, as Chairman, decided to do so. Members would have to be cooperative and patient in the coming period, devoting their efforts to consensus building and the search for convergence. He was sure that the outcome of this work would be a clearer picture of the scope of the exercise. He believed it was the role of the Chairman to help and guide delegations, but not to negotiate with delegations – that was what delegations should be doing among themselves.

128. The representative of New Zealand said that the statements at the present meeting had largely been by developing countries, expressing varying degrees of unhappiness, and a developing-country colleague had pointed out to him that no developed country had taken the floor. New Zealand probably had more to gain in a relative economic sense from these negotiations than any other Member, and his delegation was hardly happy with the progress, but it was by no means despondent.

From the comments at the present meeting, it appeared that the unhappiness expressed was, of course, about the missed deadlines. Perhaps not much progress was being made with respect to timelines, but his delegations had no doubt about the underlying commitment. In mid-2002, all delegations were congratulating themselves over the progress made, in particular in the light of events at that time. Such an atmosphere could only ever last until the next crisis, because the system always moved forward in discontinuities, which was precisely the present situation. His delegation believed that the work was on track and that a useful package of results would be obtained. The question of timelines was another matter.

129. Ambassador Groser (New Zealand), Chairman of the Negotiating Group on Rules, said that his overall assessment of the work in his group was virtually identical to that of the previous meeting. His group was meeting in the course of the present week and he would not imagine that this meeting would alter that situation. The question of timelines was not important for his group, since there were none, as he had stated previously, and the flexibility which resulted from this had facilitated progress rather than inhibiting it. Broadly speaking the group had two different sets of issue before it. The first was related to RTAs, on which the group was making excellent progress, and he was confident that this would continue. The second was related to trade remedies and subsidies, which were deeply sensitive issues, and here the group was still in the identification phase. Many of the issues being discussed were genuinely technical and difficult, and it would be premature to try to move to real engagement between Members before he was advised by them that all the pieces of the puzzle were on the table.

130. The representative of Malaysia said that the present meeting seemed to be a replay of the December meeting, but it had been striking that no developed country had taken the floor, which his delegation took to mean that they were in a listening mode. It would be good for them to listen to the chorus of caution, regret and concerns, which was natural in the light of the lack of progress. However, his delegation agreed with New Zealand that there were ups and downs in a negotiating process. Perhaps this was a down phase, but that did not mean that delegations would not continue working; in fact they would continue up to the eve of Cancún. But delegations had to bear in mind that they were not only listening to each other at the present meeting – outside there were people waiting to report on the meeting, so that the outside world would know whether the work was moving ahead or not. The meetings of the TNC were markers, in terms of seeing the state of progress of the work, and this was helpful as the work continued. It was not a question of declaring failure at this stage. His delegation had often stressed that Cancún was not the end of the negotiations – that was rather 1 January 2005. To Malaysia, Cancún was just another marker. Certain decisions would have to be taken there, but the markers set down at each TNC meeting would indicate whether certain issues were ripe for decision at Cancún or whether they still had to be negotiated, and which issues required further guidance from Ministers. The present meeting had shown that there were genuine concerns about some issues, such as agriculture, and developed countries should listen to them. Many developing countries had concerns about development issues, and there was a need to really make the DDA a development agenda. Some Members had even started questioning why there should be S&D for certain developing countries, and this did not help. His delegation was realistic. But being realistic meant that when the work did not move, further decisions from Ministers at Cancún were necessary.

131. The representative of the European Communities said that he would have been willing to make a statement in the formal meeting, but he was waiting to do so in the informal segment of the meeting.

132. The representative of Australia said he also was waiting for the informal segment to make his statement. However, he disagreed with the assessment of the situation by New Zealand, and noted that there were substantial disappointments in some areas. It was easy to look at one particular area in which there were no deadlines or objectives and to see an optimistic picture, but this was not the case everywhere.

133. The representative of the Philippines said he would have been surprised if no developed country had taken the floor at the present meeting, in particular since he had been waiting to react to their statements. He hoped that these countries were in listening mode, and that the concerns raised by developing countries would alert them to their responsibilities. On TRIPS and Public Health, his delegation believed that beneficiary countries and the concerned public could only decry the inability of a large organization like the WTO to address the specific issue from Doha concerning LDCs and developing countries with limited or no manufacturing capacities in the pharmaceutical sector. The entry into the equation of the strong lobbies of the pharmaceutical companies had clearly thwarted the initial goodwill and firm resolve shown by developed countries at Doha. This development could only cast a shadow of doubt on the capability of the WTO to rise above the partisan and commercial interests of Members for a humanitarian cause, which the Doha Declaration had been intended to address. Without a solution which preserved the full integrity of that Declaration, he wondered if anything could be decided with firmness in Cancún.

134. In the negotiations on services, with over 30 requests on the table, and bilateral discussions taking place, one should not diminish the importance of the difficulties expressed by developing countries, such as Kenya and his country, that for various technical, policy and other reasons, they might not submit offers by 31 March. If that was the case, developed countries should be prepared to accept the provision in the Guidelines for the negotiations that developing countries should not be expected to offer commitments in many sectors and measures of services liberalization. For most developing countries such as his, preparedness was a long-term issue that traversed the spectrum of substantive understanding, information access, assessment of experiences, broad-based domestic consultation and the issues of emergency safeguard measures, specific commitments, domestic regulation and credit for autonomous liberalization in the various services committees, which seemed to have been sidelined in the discussions in favour of request and offers and the promise of positive engagement.

135. In the agriculture negotiations, the Philippines hoped that all Members were committed to establishing modalities by 31 March, because even at the last meeting of the Agriculture Special Session a developed country had suggested that this would have to wait until Cancún. He wished to stress that the modalities could not set out levels of ambition lower than the Doha mandate, because as the lynchpin of the negotiating process, a lowering of ambitions in agriculture would spell breakdown for other negotiating areas, such as services and non-agricultural market access. The continuation of massive export subsidies and domestic support and the promise of real reform in global production and trade in agricultural products could no longer be postponed, because this would only wipe out the possibility of market-based agricultural production and export programmes, and also affect the cost of and market access potential of various agricultural-based exports of developing countries. The Philippines believed that the future growth and development objectives were hanging in the balance of these agricultural negotiations, and therefore modalities which were favourable to real reform were the only solution possible to the present crisis.

136. On S&D, his delegation appreciated the efforts of the Chairman of the CTD in Special Session to carry out substantive and focused discussions of the Agreement-specific issues and the way forward. This was the only way there could be an outcome. The work on operationalizing S&D would influence the way S&D would be incorporated into all the agreements being negotiated. While S&D provisions were based on best efforts, developing countries would always be disadvantaged in their relationships, and their negotiating positions, with developed countries. In the dispute settlement negotiations, his delegation believed there was a disconnect in the progress of work, as the Chairman of those negotiations had reported. The main problem was that widening the scope of the substantive discussions on the various proposals could not replace what some Members believed should be a focus on quality outcomes, since this was the first opportunity to address certain substantive deficiencies in the present dispute settlement process. Finally, his delegation would carefully examine the Programme of Meetings being circulated by Mr. Abbott to see if it would be involved in two or more meetings of importance to it, considering the number of meetings scheduled, both in the negotiations and in the regular work.

137. The representative of Bulgaria supported the statement by Australia on the present situation, in which it had been made clear that the situation was serious in those areas in which there were deadlines. Australia had not mentioned which areas were concerned, but this could not have included agriculture since the deadline had not yet expired. For this reason, he imagined Australia had been referring to implementation, where the deadline had expired, including on the issue of geographical indications.

138. The representative of Japan said the statements at the present meeting had contained much pessimism as to the future of the work. This reminded him of the stock market analyst who had said wisely that when one looked at the stock market, one could either take a bullish approach or a bearish approach, bullish meaning positive, bearish meaning pessimistic, and a bearish analysis always sounded more sophisticated than a bullish one. He believed Members should not fall into the trap of self-fulfilling prophecy in being pessimistic about the negotiations. Japan considered it indispensable to maintain balanced progress in the context of a comprehensive negotiation. A comprehensive agenda included not only market access related areas such as agriculture, non-agriculture and services, but also areas such as the strengthening of rules, in particular on anti-dumping. It also could not be comprehensive without covering the Singapore issues.

139. On agriculture, his delegation shared the Agriculture Special Session Chairman's views that overall Members were still far apart on many of the critical issues set out in overview paper, and that a considerable effort would have to be made by Members in order to meet the end-of-March deadline. Japan urged all the Members to show flexibility in order to establish realistic and comprehensive modalities, and it considered the formulae and figures put forward by some Members to be unrealistic. When there were differences among Members, delegations should first devote their efforts to reaching consensus. It would be inappropriate to hastily draw up draft modalities pursuing only one certain direction. In this connection, there was no room for Japan and for many others to accept the idea of extreme and one-size-fits-all tariff harmonization which lacked flexibility for product-by-product coverage and denied consideration to non-trade concerns, which was a part of the Doha mandate. The Chairman's overview paper issued in mid-December had stated that: "What is now required is to concentrate on the key aspects, keeping in mind that the negotiations on agriculture do not end at the end of March 2003 and that there will be time thereafter to address matters not directly required for the purpose of establishing draft Schedules of further commitments." However, Japan believed that the modalities had to be comprehensive in accordance with the Doha Declaration, and not exclude some elements of rules.

140. In the work on S&D, the question was whether Members could submit a recommendation to the General Council the following week based on the CTD Special Session Chairman's 22 proposals and a recommendation on how to proceed. Japan could, to some degree, understand why the African and the LDC groups had submitted much revised texts. However, at this late juncture, Japan wished to urge Members to reach an agreement on as many proposals as possible at the General Council based on the Chairman's text. On implementation, Japan believed it was not appropriate to treat all outstanding implementation issues in an identical way. The diversity of the outstanding issues did not allow a one-size-fits-all solution, but rather called for a case-by-case approach. While respecting the importance of every issue, Members should concentrate their resources where they could be best used.

141. In the services negotiations, Japan appreciated the fruitful discussions held among Members who had already submitted their initial requests. As it had repeatedly pointed out, it was important for each Member to submit its initial offer by the end of March in accordance with the deadline set by the Doha Declaration. Japan wished to emphasize that it was critical for developing countries to observe this deadline in order to move the entire round forward. On the Singapore issues, Japan believed that constructive discussions had taken place in the respective working groups. Members should continue their efforts to clarify different the issues, so as to be able to launch negotiations at Cancún. On the DSU review, the negotiations were now at a new stage. However, various proposals were on the table, and there remained differences in Members' positions on many issues. In order to meet the May deadline, Members needed to concentrate their efforts for reaching consensus on the points where

consensus was possible. This would help maintain the momentum and the credibility of the various negotiations taking place in Geneva.

142. The Chairman said that, at the last meeting in December, he had noted that everyone had seen some progress in the negotiations. The only problem was that this progress had not been even. At the present, the progress had become more uneven. He said this because issues were beginning to accumulate as the next deadlines approached. Some delegations had referred to the credibility of the WTO, and some had mentioned that Members should not allow the agenda, which was primarily a development agenda, to be a hollow message, and that it should be translated into real actions and agreements. He wished to reiterate his guarded optimism that, although some deadlines had been missed, not everything had been missed.

143. There were areas where Members could do better. That this was the case was not through lack of effort – Members had worked hard and sought solutions until the very end of 2002, such as on the issues before the General Council. Therefore, Members should not lose hope of moving forward. The outside world might be expecting huge leaps forward in this work, but that was not how it happened in the WTO. There was movement, but somewhat too slow, and that aspect had to be addressed, as also the uneven pace. Various expressions of serious concern at the lack of progress in areas related to development issues had been made at the present meeting. This was not purely a development round, but rather a balanced round. But some of the issues related to development were to be handled in the first year of the work, and Members needed to address them, and to intensify their efforts in that respect.

144. In the area of TRIPS and Public Health, there was a general feeling that a multilateral solution needed to be reached as soon as possible, and work was continuing in this direction. He hoped that Members would put every effort into meeting the next deadline in this area. On implementation-related issues, he would report under agenda item 2. In the work on S&D treatment, Members had come close to agreeing, in particular on a number of specific issues, and here also, efforts should be intensified. The Chairman of the CTD Special Session was still working hard on this, and he offered him his full cooperation as TNC Chairman. It was encouraging that Members were ready to continue working on S&D issues in the lead up to Cancún, since these issues were part of the round. On agriculture, the March deadline was approaching, and the Chairman's first draft of modalities would shortly be circulated. This paper would have to reflect the levels of ambition that could be detected among the Members.

145. Members would need to intensify their efforts in many areas, and the meeting schedule would have to reflect this. Efforts could not be intensified by reducing the number of meetings. As Chairman, he would organize more meetings, in consultation with the Chairpersons, so as to help find the path leading to convergence on Members' positions. In the meantime, Members needed to build linkages. Much as they wanted to see substantive progress in areas such as agriculture, Members would also need to advance in other areas. As he had said before, his strategy was for progress in a balanced way in all areas. He was sure that the efforts to make progress in other areas would provide additional momentum in agriculture. This was why he had suggested holding an informal segment at the present meeting, so that the various positions in different areas could be spelled out and to see linkages between them as Cancún approached.

146. He appreciated delegations' positive reactions to his suggestion to convene an upcoming TNC meeting at Senior Capital-Based Officials' level, perhaps in April. he would advise delegations of his intentions in this respect well in advance so that they could all be prepared.

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

2. Outstanding implementation issues – (paragraph 12(b) of the Doha Ministerial Declaration) – Report by the Chairman

148. The Chairman recalled that, at its meeting in December, the TNC had received reports from the relevant WTO bodies which had addressed, as a matter of priority, the outstanding implementation issues for which no specific negotiating mandate had been provided in the Ministerial Declaration in the course of 2002 in line with paragraph 12(b) of the Declaration. These reports had been submitted to the TNC for appropriate action, again in line with the provisions of paragraph 12(b).

149. Although encouraging progress had been made in some areas, the reports and the discussion at the meeting had shown that there did not appear to be agreed solutions available at that stage on the outstanding implementation issues, with the exception of one issue in the area of SPS. Equally, the discussion had made it clear that Members did not seem to be able to reach agreement on an approach to the question of how the TNC should handle these issues.

150. Members would recall that, at the end of the meeting, he had suggested that delegations should reflect further during the holidays on the reports, as well as on what had been said. He had indicated that, as part of his overall responsibilities as TNC Chairman, he would consult informally on possible next steps. In this context, he had outlined five possible courses of action for any given issue. These categories had been:

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

There had seemed to be general agreement among delegations that these categories covered the range of options available to Members at that juncture.

151. Over the past few weeks, he had held informal discussions with a number of delegations, including the Chairpersons of the 8 Councils and Committees which had been handling implementation issues, on possible ways forward on these issues. The objective of these discussions had been to seek a way in which this framework of options could assist Members in their pursuit of mutually agreeable solutions in these important areas, without overshadowing other aspects of their work as they moved towards Cancún.

152. His consultations had made it quite clear that it would be important for the present meeting to establish some clarity as to the further process for dealing with these outstanding issues. As a result, he had asked the Chairpersons of the 8 bodies which had been handling implementation issues to assist him in carrying out his further consultations as TNC Chairman. In particular, he had asked them to consult and advise him further as to how they saw the possibilities for progress on their respective issues in terms of the 5 categories he had outlined.

153. He wished to emphasize that this was not the same as just referring the issues back to the respective bodies. In fact, he believed that all Members agreed that those bodies should not undertake further work on the paragraph 12(b) issues while his consultations were continuing. In other words, he had asked the 8 Chairs to act as "Friends of the TNC Chair" and to consult on an informal basis, under the aegis of the TNC, in order to provide him with their best advice and assessment of possible ways forward. He had emphasized to them that he was committed to providing them with any support that they might need in that endeavour.

154. He realized that Members were about to elect new Chairpersons for the WTO bodies. However, he had decided that his overall consultation process as TNC Chairman would benefit from the experience and knowledge that these Chairs had accumulated over the previous year on these issues, so as to provide him with their best advice and assessment on possible solutions to these pending issues. To ensure continuity, he had also asked his Deputy Directors-General to assist the Chairs in the conduct of these consultations.

155. The December TNC meeting had clearly emphasized the urgency of finding appropriate solutions to these issues and, as such, he had asked the 8 Chairs to provide him with their advice prior to the next TNC meeting in March, so that he could make a further report at that time. How the TNC handled the implementation issues in terms of the five categories could be considered then.

156. The representative of Bulgaria said that the Chairman, in his remarks, had stated that the reports on outstanding implementation issues considered by the TNC in December 2002 had been submitted for appropriate action under paragraph 12(b). However, there had been general agreement that the reports had not suggested appropriate action in the sense of that paragraph, and this had been made quite clear at the December meeting, so things should not be confused. These were factual reports but not reports under paragraph 12(b) for appropriate action.

157. His wished also to comment on the issue of whether the bodies should suspend work on these issues for the time being. In his statement at the informal General Council meeting held on 31 January 2002, which had been distributed in document Job(03)/13, the Chairman had said that: "In fact, I feel that those bodies should suspend work on these issues for the time being". The Chairman had now said that he thought that everyone agreed that those bodies should suspend work on those issues for the time being. Bulgaria did not have that feeling. His delegation had believed that Members were going to take a decision on the five options outlined by the Chairman and that would be the decision, so his delegation was very hesitant to agree to any decision Members would now take to suspend work. So his delegation did not believe that all Members agreed that these bodies should suspend work.

158. He concurred with the Chairman on the need for the present meeting to establish further clarity on the further process. On one procedural aspect, namely if Members did not take a decision at the present meeting on the suspension of work in these bodies, he wondered what the legal situation would be – whether the work would be suspended or not. That was important, not just for these implementation issues, but also for all issues under the DDA and in the negotiations. He asked what happened when there was a deadline and the deadline had expired; was it assumed that the work was suspended until there was a further mandate from the TNC or not. This was now the question for the implementation issues, and on 1 April it would include agriculture, and then the DSU review. One thing was clear to his delegation – whatever was done on implementation issues, the same procedural approach had to apply for the other instances when the deadline expired. If a decision was not taken at the present meeting, his delegation would be watching very carefully what happened in the Special Session of the TRIPS Council in two weeks. Whatever happened or did not happen there, would happen in the Special Session of the Committee on Agriculture after 1 April, in the Special Session of the DSB after 1 June, and so on. This was a systemic issue of the utmost importance, because some delegations were interested in some issues, while others were interested in other issues. These interests not only did not coincide, but they also were very different. The Doha Declaration had established a very delicate balance of interests also for deadlines. Members had to be at least consistent in their procedural approaches in addressing one or another issue. His delegation hoped that there would be more clarity by the end of the present meeting, as indicated in the Chairman's statement. If this was not the case, whatever precedent created would remain the precedent.

159. The representative of the European Communities suggested that the TNC take note of the procedure the Chairman had outlined in his written and oral statement. His delegation had the impression that Bulgaria was complicating the issue, since the Chairman's suggestion was perfectly clear. All the outstanding implementation issues were at the level of the TNC and the Chairman had

indicated at the last meeting of the TNC that he was willing to conduct consultations, on his responsibility, in order to report to the TNC in March on how to deal substantively with each of the outstanding implementation issues, which, of course, would be dealt with on an equal footing. He had also mentioned the different options which could be put to the Members on that occasion. His delegation was perfectly happy with the procedure, which in fact had already been agreed at an earlier meeting of the TNC, and he did not see the difficulties raised by Bulgaria.

160. The representative of Australia, referring to the statement by Bulgaria, said he also wondered how Members should proceed with the implementation proposals. A TRIPS Council meeting would take place before the Chairman reported back to the TNC in March. Under the procedure suggested by the Chairman, the TRIPS Council would not be able to continue the discussion on a number of implementation issues which it had looked at the previous year. Contrary to the point made by Bulgaria, his delegation believed that Members had not missed the deadline insofar as the TNC was to take appropriate action on those reports, and the TNC had yet to take that appropriate action. However, his delegation was concerned that if the TNC waited until March to take a procedural decision on the 8 implementation issues considered by the TRIPS Council, and if Members did not have any discussion at the TRIPS Council meeting in February, then they would have missed an opportunity to continue a very valuable discussion on those issues. Some of these issues had had relatively scant attention, in a substantive sense, among experts in the TRIPS Council. The European Communities's answer to this question was that the discussion would take place at the level of the TNC and they would bring down their TRIPS people to the meeting of the TNC every time to discuss those issues. But that was not a luxury that many delegations could enjoy. The issue was one of substance, since there were a number of implementation issues that had been discussed a couple of times in the TRIPS Council, but on which there had not been a good exploration of the issues. Australia was not trying to kill those issues, but these were substantive issues where there had not been much meeting of the minds. His delegation's concern was that, if there was simply a general discussion in the TNC between now and Cancún, the issues were not going to be ripe for negotiations and the sponsors of the proposals would come up with even greater negative reaction about any idea that Members negotiate on them.

161. The Chairman said he had noted Australia's concerns, but that he would continue his consultations as he had suggested.

162. The Trade Negotiations Committee took note of the report by the Chairman and of the statements.

163. In closing the meeting, the Chairman said the next meeting of the TNC would take place on 4 and 5 March 2003.
