WORLD TRADE ORGANIZATION

RESTRICTED

TN/RL/M/19
26 October 2004

(04-4549)

Negotiating Group on Rules

SUMMARY REPORT OF THE MEETING HELD ON 21 SEPTEMBER 2004

Note by the Secretariat

1. The Negotiating Group on Rules ("the Group") held a formal meeting on 21 September 2004.

A. ADOPTION OF THE AGENDA

2. The Group adopted the following agenda:

A. Adoption of the Agenda

B. Regional Trade Agreements (RTAs)

C. Other Business

B. REGIONAL TRADE AGREEMENTS

3. The Chairman indicated that the main issue for the formal meeting was the consideration of the submission by Chile distributed as document TN/RL/W/163 which raised a number of issues in connection with Article V of the GATS and for further discussion of the Chairman's *Roadmap for Discussions on RTAs' "Systemic" Issues – Rev.1*.

4. One participant proposed that discussions relating to the Chairman's *Roadmap* be held in formal rather than informal mode as it would be of interest to establish delegations' views on the record. In response, the Chairman said that if participants considered they could be as spontaneous in formal as in informal mode there was no reason not to record the entire discussion in formal mode.

5. In introducing the submission by Chile, its sponsor said that it dealt with the determination of coverage in the sense of GATS Article V which was one of the three areas identified by the Chairman in his *Roadmap* paper. GATS Article V permitted WTO Members to conclude preferential economic integration agreements (EIAs) provided that three conditions were met: substantial sectoral coverage; elimination of substantially all discrimination among the parties; and that they did not raise the level of barriers to Members not participating in such agreements. The first two conditions fell under Section I dealing with "Coverage" questions in the Chairman's *Roadmap* paper and were the two aspects developed in this submission. The first question that arose was how to assess "substantial sectoral coverage". Footnote 1 to Article V:1(a) of the GATS defined the elements necessary to assess coverage in terms of the number of sectors covered, the volume of trade affected and that there should be no *a priori* exclusion of any mode of supply. The submission raised a number of questions on each of these three elements which she hoped could be clarified through the Group's discussion. Regarding the number of sectors covered, questions arose similar to those in respect of goods, namely how to assess coverage in terms of sectors which were included or excluded. In services, unlike in goods, there was no harmonized system of tariff lines, but there were classifications, some based on the Central Product Classification (CPC) and others based on national industrial classifications. The majority of RTAs used these classifications as the basis for establishing commitments made in

services. The issue here was at what level to assess coverage: at the sectoral, subsectoral, or activity level? The second element concerned the volume of trade affected, which again echoed the discussion held in the context of goods: should Members consider only present trade or potential trade? Services trade held an additional complexity due to the lack of statistics: how could Members assess the volume of trade affected without having the necessary information? She proposed that Members develop a series of indicators, an idea which harked back to a concept developed by the European Communities (EC), to assess the concept of the affected volume of trade. Her delegation was open to the discussion of the development of such indicators which might also include GDP. The third element concerned the modes of supply. In this context she said that many RTAs required local presence in order to provide a service that technically did not really require it, thereby effectively excluding the trans-border provision of that service. This aspect should only be evaluated once substantial sectoral coverage had been assessed.

6. The sponsor continued, saying that the second aspect of coverage treated in Chile's submission concerned the evaluation of the elimination of substantially all discrimination. Two main principles had been raised in the submission. First, if an EIA party maintained a large number of discriminatory measures would such an EIA conform with the obligation to remove substantially all discrimination? GATS Article V:1(b) provided for discrimination to be eliminated either through roll-back or standstill. The second aspect concerned how existing discrimination should be eliminated. It was proposed in Chile's submission that this could be done by amending legislation, signing mutual recognition agreements (MRAs), or by harmonizing legislation. She conceded that some ways might be better than others and it would be interesting to discuss this further. Finally, she mentioned other aspects in the submission connected with the issue of coverage, namely how to address the partial exclusion of a sector: should such a sector be included in the assessment of coverage of not? As regards the reasonable time frame mentioned in GATS Article V:1(b), should this be the same time frame as contemplated in the Understanding on the Interpretation of GATT Article XXIV or should it be different?

7. Several participants agreed with many aspects of this submission. Some provided detailed comments, while other expressed preliminary comments and a desire to revert to it at a later date. One participant had a few comments regarding wording rather than substance. Footnote 3 of Chile's submission stated that air transport was excluded from the GATS though not all air transport was excluded. The sponsor of the submission acknowledged that footnote 3 could be more precise.

8. One participant said that submissions made in 1999 by Hong Kong, China and the EC (documents WT/REG/W/34 and WT/REG/W/35, respectively) provided a clear view of the issue and raised elements which should help focus the Group's discussion. In particular, it was necessary to determine whether there were any links between GATT Article XXIV and GATS V, and what the nature of such links were. A number of participants said that while such comparisons, particularly with regard to the discussion of "substantially all" in the context in GATT and the "reasonable time frame" of 10 years mentioned in the GATT Understanding should be kept in mind, such discussions need not hold back any discussion under GATS. One participant urged members to exercise caution because Members' interpretation of goods concepts might not be applicable to GATS Article V.

9. Several participants noted that GATS Article V:1(a) and its footnote were fairly self explanatory, particularly with regard to the broad coverage of sectors. The point was made that the exclusion of sectors was not prohibited *per se*, especially bearing in mind the exclusion of certain services sectors from the GATS itself.

10. One participant drew attention to GATS Article V:3, which provides for flexibility in the application of GATS V:1(b) where developing countries are parties to such agreements.

11. Another participant said that "substantial sectoral coverage" could be considered equivalent to the coverage of seven or eight sectors out of the 11 included in MTN.GNS/W/120. No distinction

should be made between sectors and no sector should be considered more relevant than others. A sector could be considered covered by an EIA when a reasonable number of its subsectors, at least 50 per cent, were subject to commitments with at least one mode economically viable. Modes 1 and 2 should not be considered if they were not tradable. In evaluating coverage, modes inscribed as "none" should be given more importance than those limited by restrictions, especially where those restrictions responded to economic needs tests. The analysis of EIAs should be based on a GATS modal approach, so that EIAs which followed other models of consolidation or negotiation should be transposed to the GATS approach of positive lists, for example. In response, the sponsor of the submission expressed concern as it was her delegation's view that GATS Article V was clear: it was ambitious and set high standards for substantial sectoral coverage.

12. Some participants sought clarification of paragraph 6 of Chile's submission which stated that while each of the three factors should be analysed separately, it was the relationship among all three that would allow Members to determine whether such criteria had been met. One participant argued that it was not only the relationship between the three factors which mattered, but also the totality, which would imply some qualitative judgement. In response, the sponsor of the submission explained, by way of example, that while an EIA might incorporate a large number of sectors it might exclude the sector with the greatest volume of bilateral trade or trade with the rest of the world. Thus, an evaluation should be made not only of the number of sectors, but also the volume of trade of all sectors. Likewise, given that for some modes of supply some restrictions might exist, it was necessary to look at which sectors such restrictions applied to as it might be the sector or sectors of greatest interest to the RTA partner.

13. In terms of the number of sectors, a number of participants supported the view that this meant that a majority of sectors in both trade and economic terms should be covered with no major sector, for instance financial services, telecommunications or transport, excluded. Measurement of sectoral importance in terms of GDP would be relevant to ensure that economically important sectors were covered. However, questions were raised as to how the number of sectors should be counted, bearing in mind the different services classifications used by Members, not only in EIAs, but in GATS Schedules. Taking the number of sectors on its own seemed quite meaningless as a measurement. In the case of proprietary sectoral classifications, this might require looking at coverage at the activity level.

14. One participant noted that Members had less experience assessing the coverage of EIAs than RTAs in the area of goods. Another expressed doubts about Members' ability to qualitatively assess whether one sector was more important than another. In response, the sponsor of the submission recognized that it was difficult to assess *a priori* or in general which sector was qualitatively better as it depended on each country and each bilateral relationship. This was an area which should be explored further as the Group needed to find not only quantitative, but also qualitative, indicators.

15. Several participants expressed concern about the lack of a common classification in services unlike the common classification which existed in the case of goods. The assessment of sectoral coverage would differ depending on the classification used, especially at a subsectoral or activity level. Another point to bear in mind, especially given new technological developments, was that new activities might become possible and more commercially significant. Ways therefore had to be found to factor these into the existing classifications.

16. Several participants mentioned the difficulties posed by the lack of statistics from the point of view of the subsectors and the modes of supply. This represented a major challenge, particularly when measuring trade at a disaggregate level. It was pointed out that MTN.GNS/W/120 was not the same as the CPC, and that the CPC was outdated. Another issue mentioned concerned the divergence in the manner in which Members' commitments were consolidated.

17. In terms of the volume of trade, it was suggested by one participant that the value of transactions would be a relevant and horizontally comparable measure. It would be difficult to devise another measure that would allow comparison across sectors and modes of supply.

18. One participant supported the proposal in paragraph 10 of Chile's submission that domestic production figures might be a useful indicator of whether it was appropriate to exclude a specific sector or mode of supply. Other participants expressed doubts as to whether domestic production figures existed with respect to the trade in services for all, or even the majority of, Members. In particular, one participant foresaw problems calculating an average domestic production target in terms of GDP for EIAs among countries with very different levels of development. Statistics on bilateral services trade would most probably reflect the coverage of commercialized service production, while a figure on domestic service production would cover both non-traded services, including public services, and traded services. There was a clear mismatch between the two. GATS Article I:3 stipulated that services supplied in the exercise of government authority were not covered by the GATS Agreement, hence coverage for services EIAs should only measure what fell under the GATS. Using figures on domestic production seemed to go beyond the reach of GATS. The sponsor of the submission responded by saying that while the GDP indicator *per se* was not of much value, it would provide an indication of the relative importance of a sector within a country as a whole, and if other indicators were taken into account (for example, figures relating to balance of payments and qualitative sectoral analysis), then the whole would be of more interest. She noted that GDP was only one of a series of possible indicators that could be used on a case-by-case basis depending on the agreement and the information available.

19. A number of participants expressed an interest in the indicative criteria mentioned in document WT/REG/W/35 and asked for an elaboration of this theme. The view was expressed that the Secretariat might be able to provide assistance to develop indicative criteria. The sponsor of the submission expressed reservations about the latter point, but suggested that the practical experience gathered by the Secretariat in the elaboration of the mock presentation of the Canada-Chile FTA might provide some ideas.

20. One participant expressed reservations about the suggestion made in paragraph 11 of Chile's submission that an evaluation of "substantially all trade" in the context of goods might serve as a model for the GATS context, particularly with regard to the transferability of quantitative benchmarks. A crude numerical percentage of CPC classifications covered in an EIA would not suffice as the modes of supply needed to be taken into account as well. He acknowledged that attempts had been made to quantify the restrictiveness of barriers to trade in services. In particular, the Australian Productivity Commission had developed a restrictiveness index, but the use of such indices was controversial, particularly given the statistical problems. He added that it was particularly important in services to look at the horizontal restrictions which often affected investment and mode 4. Most WTO Members maintained some type of investment screening, or restrictions on the purchase on land, company structures, temporary entry of workers, and the eligibility for domestic subsidies. Many of these restrictions, which were replicated in EIAs, needed to be looked at in a qualitative manner in making an overall assessment as to whether the standard of eliminating substantially all discrimination had been met.

21. In terms of modes of supply, several participants agreed that it was obvious that no mode could be excluded *a priori*, and that Article V should be interpreted in a comprehensive manner. The importance of different modes of supply would differ both in trade and economic terms and according to sector, a factor that should be taken into account in any assessment of modal coverage. The question was raised as to whether trade should be measured in terms of trade or economic importance for the mode concerned (as for sectors).

22. One participant raised an issue of wording rather than substance in paragraph 13 of Chile's submission, where mention was made of a possible comprehensive interpretation of Article V,

meaning that "all four modes of supply must be part of the RTA, but certain activities or subsectors may have restrictions or prohibitions for the supply of services in some modes". He agreed with the first part of the proposition, but not with the second as he failed to see the relevance of such prohibitions or restrictions for complying with the criteria for substantial sectoral coverage. In his view, those restrictions would play a role in the assessment of the absence or elimination of substantially all discrimination.

23. One participant said that certain activities or subsectors may contain restrictions or prohibitions for some modes. Another expressed the view that not all modes needed to be covered in order to fulfil the requirements of GATS Article V. Yet another participant pointed out that while mode 1, in particular, might be unbound due to technical infeasibility, this might change thanks to technological developments.

24. One participant shared the view, expressed in paragraph 14 of Chile's submission, that the trade effect of services for mode 3 was hard to measure. The sponsor of the submission explained that her delegation had raised mode 3 because of its particular nature. Mode 3 was the provision of a service through commercial presence so it reflected the quantity of trade of a company established in a country, but also represented the commitment that such an establishment or investment involved. So it was not just a question of measuring the actual trade of a foreign enterprise, but also what its establishment or investment represented in terms of commitment under a regional agreement. One participant remarked that it might be appropriate to analyse mode 4 in the same manner, as it was not merely the service provided that counted, but what this service represented in terms of commitment in an agreement.

25. As regards the absence or elimination of substantially all discrimination, several participants shared the view that GATS Article V:1(b) referred to discrimination in the sense of GATS Article XVII only in those sectors covered by the services RTA. One participant expressed the view that while Article V was explicitly linked to GATS Article XVII regarding national treatment, the inclusion of non-discriminatory measures, such as market access restrictions or licences, might be beyond the disciplines contained in GATS Article V. The sponsor of the submission replied that Article XVII was currently being discussed in the Council of Trade in Services and the outcome of those discussions would be of assistance to the Group.

26. One participant noted, in reference to Article V:1(b) that the central objective was to ensure that citizens of one party to a given RTA were treated as far as possible as nationals in another RTA party's home market.

27. In terms of the interpretation of "substantially all", questions were raised by participants as to what benchmark should be used for measuring elimination of discrimination. Should full national treatment be the yardstick for the elimination of all discrimination or should other issues, such as MRAs or the harmonization of regulations be taken into account? Concerns were expressed by participants as to where to draw the line, especially if Members went beyond Article XVII into the realm of domestic regulation which may, or may not, be discriminatory in the first place.

28. On the standstill versus roll-back approach, one interpretation was that Article V:1(b) set the standard for the absence or elimination of substantially all discrimination. Emphasis should not be placed on the distinction between standstill or roll-back which were merely means to implement the obligations in GATS V:1(b). A number of participants shared the view that if there were no existing discriminatory measures then standstill was sufficient. Several participants endorsed the view outlined in paragraph 16 of the submission that where there was existing discrimination a mere standstill commitment would not be sufficient; then both standstill and roll-back were necessary. One participant expressed reservations as this needed to be looked at in context and on a case-by-case basis: a standstill commitment could be a significant concession in an EIA where one of the trading partners had vastly superior production and export capabilities and the discriminatory measures in

question did not, in practice, prevent a flow of trade. Another participant expressed reservations concerning the view that EIAs must contain rollback commitments as the language of V:1(a) and (b) provided some flexibility to Members in how the standard could be met. The sponsor of the submission reiterated her position that it was the chapeau of Article V:1 which set the context and the obligation to eliminate substantially all discrimination.

29. Several participants expressed doubts that MRAs and the harmonization of regulations, mentioned in paragraph 17 of Chile's submission, should be taken into account in assessing the elimination of substantially all discrimination as they had more to do with the elimination of disparities between non-discriminatory legislation than with the elimination of discrimination as such. However, one participant expressed the view that even if the regulatory integration that could be achieved through MRAs and harmonization were not part of the requirements of GATS Article V:1(b), it could play a major role in assessing an RTA through the interpretation of Article V:2 which stated that in evaluating whether the conditions of paragraph V:1(b) had been met, consideration might be given to the relationship of the EIA to a wider process of economic integration among the countries concerned. The sponsor of the submission replied that MRAs and harmonization of regulations were real forms of non-discrimination in her view, but that this area might benefit from more discussion.

30. One participant agreed with the view expressed in paragraph 18 of Chile's submission that the many "non-discriminatory" measures such as market access restrictions and licensing arrangements which may in practice be trade barriers needed to be looked at. Although the objective was to treat citizens of the trading partner as nationals in each other's home market, this did not remove the right of governments to regulate the provision of services and put a licensing regime in place (for example for public health and safety reasons) or to ensure consumer protection. Some RTAs had put in place a necessity test to ensure that these types of domestic regulations and licensing requirements were not more trade restrictive than necessary to achieve a legitimate policy objective. The existence of this kind of discipline in an RTA would be a useful indicator that a genuine attempt at liberalization and the removal of substantially all discrimination had been met, but it might be difficult to formalize such a requirement.

31. One participant drew attention to an item, not addressed in Chile's submission, regarding whether the assessment of substantial sectoral coverage and the absence or elimination of substantially all discrimination needed to be assessed in conjunction with the commitments which Members had already taken in the GATS context. This was potentially contemplated by GATS Article V:2 which made reference to the fact that consideration be given to "the relationship of the agreement to a wider process of economic integration or trade liberalization among the Members concerned". In particular, the question of whether a Member's EIA commitments went beyond its existing GATS commitments might be especially relevant in the case of developing and least-developed countries which might only have commitments in one or several sectors. Members might also wish to consider whether the assessment needed to account for the fact that the existing level of GATS liberalization among parties to an EIA might influence the decision among parties to exclude a particular sector or mode from an agreement if no further liberalization was required beyond existing GATS commitments.

32. Turning to the general debate on RTAs' "systemic" issues, one participant reiterated her delegation's reservations regarding the rollback commitments mentioned in Section 1.2(a)(i) of the *Roadmap*. It was not clear that rollback was required since GATS Article V:1(b) provided the option of achieving elimination of substantially all discrimination through the elimination of existing discriminatory measures and/or the prohibition of new or more discriminatory measures. This seemed to provide for the parties to agree to a standstill and not require roll-back.

33. In reference to Section 2.1(a) of the *Roadmap*, several participants agreed that "other regulations of commerce" (ORCs) should be given broad definition to include any regulation which

had an impact on trade, for example preferential rules of origin (PROOs), technical barriers to trade (TBT) and sanitary and phyto-sanitary (SPS) measures. One participant expressed uncertainty about whether PROOs were part of "other regulations of commerce".

34. Several participants remarked that it was necessary to differentiate RTAs with PROOs which had a major trade diversionary effect from those whose trade diversionary effect was minimal. PROOs could be more or less restrictive depending on their design, not their implementation. Several participants agreed that it would be useful to set out criteria to determine PROOs which resulted in higher trade barriers for third parties so that a comprehensive picture could be obtained. Such criteria could be exhaustive or non exhaustive, based on a positive or negative list.

35. One participant expressed scepticism that the Group would be able to determine the scope or parameters of ORCs, but indicated his delegation's willingness to try and look at possible definitions. He noted that previous Panel and Appellate Body reports had suggested that this term be given a broad definition and that the concept was evolving. There were a number of specific trade measures which some Members regarded as ORCs. An example was PROOs, which were a feature of all, or virtually all, RTAs. If the Group concluded that PROOs were part of ORCs, then it needed to bear in mind the fact that on formation of an RTA, the level of duties and other regulations of commerce should not be higher or more restrictive than before the formation of the RTA. He expressed the view, supported by a few participants but opposed by several other, that PROOs were a neutral instrument provided that their application did not raise barriers to third countries' trade in absolute terms. In this case they should not be subject to the test of restrictiveness. Obviously the use of PROOs in an RTA would have an impact on the relative levels of access of third country exporters, but not on the absolute levels. Non preferential rules would remain unchanged. The same concept applied to TBT and SPS regulations. On the formation of an RTA or the enlargement of a customs union, a Member was entitled to modify SPS and TBT measures, for example through harmonization of such measures. This should not be regarded as increasing the levels of restrictiveness to third country trade provided that TBT or SPS rules were extended in conformity with the relevant agreement in the WTO.

36. One participant expressed the view that rather than attempting to find a definition of ORCs, it would be better to address regulations on a measure-by-measure basis to see if they had increased barriers to third parties. TBT and SPS could be considered part of ORCs, but as long as they were in conformity with the relevant WTO agreements they should not be considered as raising barriers to third parties. They might confer an advantage to an RTA partner, but that was what RTAs were all about.

37. On the issue on diagonal cumulation in PROOs, several delegations expressed the view that such schemes could benefit some third parties which were not members to the RTA while excluding others. Thus they were outside the current scope of GATT and should not be allowed. Another argued that diagonal cumulation was a breach of the MFN principle as it involved giving preferences to parties outside of an RTA without the cover of GATT Article XXIV. One participant remarked that PROOs and diagonal cumulation were beneficial for the parties and thus promoted trade among the parties.

38. One participant stated that the purpose of an RTA was to facilitate trade and not erect barriers, but that there was no requirement for neutrality or proscription against trade diversion. GATT XXIV:5(a) contained a requirement with respect to the overall duties and other regulations of commerce in the case of a customs union, but in general the two first subparagraphs of XXIV:5 were measure oriented. In the discussion of ORCs Members needed to distinguish between, on the one hand, ensuring that the direct benefits of an RTA flowed only to parties to that RTA, and on the other, that those mechanisms did not erect new barriers to third-party trade. The Group needed more detailed and refined analysis to identify issues and propose solutions. For example, any economic test would need to distinguish between changes in trade flows due to preferential treatment, trade

restrictions, and exogenous economic shocks. Even if an RTA contained a 100 per cent local content requirement, this still liberalized trade and did not create a barrier.

39. In reference to Section 2.2 of the *Roadmap*, concerning the determination of "neutrality" in services RTAs, one participant said that the key question in GATS Article V:4 was how to assess the overall level of barriers to trade in services with third parties. A number of questions could be raised. For instance, should actual trade be looked at to determine what had happened to the overall barriers to trade or should the overall conditions for trade be considered in their totality? Should such an assessment be qualitative or quantitative? One scenario to be taken into account was where a Member modified its commitments under GATS, and it would be useful to look at the linkages between GATS Articles V and XXI and GATT Articles XXIV and XXVIII, since GATS Article XXI differed a bit from GATT Article XXVIII. Given the fact that there was no completed precedent of modification of commitments under GATS Article XXI, some questions might be raised as to how the modification and withdrawal of commitments related to the raising of barriers to other Members. GATS Article XXI:2(a) provided that negotiations for the purpose of the modification or withdrawal of specific commitments in the services context should endeavour to maintain a general level of mutually advantageous commitments not less favourable to trade. Similar provisions existed in GATT Article XXVIII. A parallel could perhaps be drawn between the requirement for GATS Article XXI negotiations with the provisions of GATS Article V:4 that an EIA should not in respect of any Members outside the agreement raise the overall level of barriers of trade. The suggestion was not, however, that there was an equals sign between the two.

40. Another participant expressed the view that in most cases EIAs in services would not increase the level of barriers and restrictions to trade with third countries. This was different in the case of a customs union. Most EIAs would simply provide for better commitments between the parties without affecting the commitments undertaken in the WTO. However, he pointed out two exceptions to this general rule: one, explicitly allowed under the GATS, concerned the situation in which as a consequence of an EIA, a Member reduced its WTO commitments by formally withdrawing or modifying them in conformity with GATS Article V:5 following the procedures set out in Article XXI. The second exception concerned a situation in which a Member which had undertaken GATS specific commitments providing for a quota (for example, on the maximum number of service suppliers per year in mode 4), undertook under an EIA to reserve a portion of that quota for the other party to the EIA, but did not formally modify or withdraw its GATS commitment. In the first situation, the Member modified commitments as explicitly allowed for in GATS Article V:5 and therefore the criteria imposed under Article V:4 should not apply with respect to the commitments withdrawn in conformity with Article XXI. In the second situation the obligations under GATS Article V:4 would have to be fully applied. The Member concerned would have to demonstrate that the overall level of barriers to trade in services within the respective sectors or subsectors had not been raised by the *de facto* reduction of the quota committed under the GATS. A Member could always modify a quota in its GATS commitments in conformity with Articles V:5 and XXI, for example by lowering that quota in the GATS to take into account the portion reserved for its RTA partners. One participant asked for clarification as to why the standards applied under GATS Article V:4 and V.5 should be different. In his opinion Article V:5 provided an entry point to Article XXI: if, as a result of putting an EIA into effect a modification or withdrawal of specific commitments under Article XXI was required, this indicated a linkage between Article V:5 and Article XXI. Another participant asked whether the situation would be the same if the quota was increased, say from 100 foreign workers permitted entry under the GATS to 120, with the 20 reserved for the RTA partner. Should this be considered as raising the barriers to third parties or not? The response was that this should be considered a new quota for RTA partners, but the quota under the GATS remained unchanged.

41. The Chairman reported that as a result of the bilateral consultations he held in July with approximately 22 delegations on RTAs transparency issues, and the informal discussions undertaken with the Group, he would ask the Chairman of the CRTA to analyse the proposal that the Secretariat

undertake formal presentations of RTAs on a voluntary and experimental basis. Delegations had been broadly favourable to the proposal provided that certain caveats were borne in mind: that all elements of the "Transparency Package" would remain under consideration within the Group; that the factual presentation by the Secretariat would only replace the Standard Format presented by the parties to an RTA; that such a replacement would require agreement by the RTA parties; and that presentations would be limited for the moment to RTAs in trade in goods. The option of preparation of the factual presentation by the Secretariat would be an additional option to existing procedures.

C. OTHER BUSINESS

42. One participant pointed out that the minutes of the meetings of the Group were somewhat unhelpful as delegations were not identified, unlike the minutes of other negotiating bodies. He proposed that the Group indicate the names of delegations in the minutes. Another participant supported this proposal, noting that it would be helpful to have delegation's views on the record.

43. The Group took note of these suggestions. The date of the next meeting of the NGR dealing with RTAs was set for 4 November 2004.