

GENERAL COUNCIL

Annual Report (2010)

The present report has been prepared in pursuance of the Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO (WT/L/105).

Since its previous annual report¹, the General Council has held five meetings, on 22 February, 4 May, 29 July, 21 October and 14 December 2010. The minutes of these meetings, which remain the record of the General Council's work, are contained in documents WT/GC/M/125-129.²

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1. Work under the Doha Work Programme

(a) Trade Negotiations Committee – Reports (WT/GC/M/125-129)

1. Ministers at Doha established a Trade Negotiations Committee under the authority of the General Council to supervise the overall conduct of the negotiations (WT/MIN(01)/DEC/1). In accordance with the Principles and Practices endorsed by the Trade Negotiations Committee at its first meeting in 2002 (TN/C/M/1), the TNC reports to each regular meeting of the General Council.

2. At the General Council meetings in February, May, July, October and December the Director-General, as Chairman of the Trade Negotiations Committee, reported on each occasion on the TNC's activities since his previous report to the General Council.³

3. At the February meeting, the representatives of Egypt (on behalf of the Arab Group); Gabon (on behalf of the African Group); Zambia (on behalf of the LDC Group); Colombia; Mexico; Japan; Nepal; European Union; India; Bangladesh; Hong Kong, China; Turkey; Cuba; Switzerland; Chinese Taipei; Norway; United States; China; and Pakistan spoke. The General Council took note of the Director-General's report and of the statements.

4. At the May meeting, the representatives of Australia; Zambia (on behalf of the LDC Group); Gabon (on behalf of the African Group); Chad (on behalf of the C-4); Korea; Japan; Chinese Taipei (on behalf of the Recently Acceded Members (RAMs) Group); European Union; South Africa; United States; Bangladesh; Mexico; Norway; China; Turkey; India; Brazil; and Barbados spoke. The General Council took note of the Director-General's report and of the statements.

5. At the July meeting, the representatives of Costa Rica; India; Zambia (on behalf of the LDC Group); Gabon (on behalf of the African Group); Morocco (on behalf of the Arab Group); European Union; Brazil; Burkina Faso (on behalf of the C-4); Dominican Republic (on behalf of the Informal Group of Developing Countries); Cuba; Ecuador; Argentina; South Africa; Norway; Pakistan; Switzerland; and Bolivarian Republic of Venezuela spoke. The General Council took note of the Director-General's report and of the statements.

6. At the October meeting, the representative of the Dominican Republic (on behalf of the Informal Group of Developing Countries and on his delegation's own behalf) spoke. The General Council took note of the Director-General's report and of the statements.

7. At the December meeting, the representatives of Gabon (on behalf of the African Group); European Union; Zambia (on behalf of the LDC Group); Chile; Brazil (on behalf of the G-20); Switzerland; Mauritius (on behalf of the ACP Group); Peru; Norway; Kenya; Sri Lanka; Cuba; Jamaica; Mexico; India; Turkey; and Nepal spoke. The General Council took note of the Director-General's report and of the statements.

(b) Work Programme on Small Economies

(i) Reports (WT/GC/M/125-129)

8. In 2002, the General Council took note of a framework and procedures for the conduct of the Work Programme on Small Economies, which had been agreed by Ministers at Doha (WT/MIN(01)/DEC/1, paragraph 35), under which this Work Programme would be a standing item on the General Council's agenda and which also provided that the Committee on Trade and

³ The Director-General's statements were subsequently circulated as JOB/GC/1, 2, 3, 4 and 7, respectively.

Development (CTD) would report regularly to the General Council on the progress of work in its Dedicated Sessions on this subject. Ministers at Hong Kong instructed the CTD, under the overall responsibility of the General Council, to continue the work in the Dedicated Session and to monitor progress of the small economies' proposals in the negotiating and other bodies. In 2006, on the basis of a report by the Chair of the CTD in Dedicated Session, the General Council took note that Members would be pursuing the substantive work under this work programme.

9. At the February General Council meeting, the Chairman of the Dedicated Session of the CTD, reporting on developments in this area, said *inter alia* that the latest report on the Work Programme on Small Economies in document WT/COMTD/SE/6 had been circulated to the Seventh Ministerial Conference. A proposal (TN/RL/GEN/162) had been made on additional flexibilities for Small, Vulnerable Economies (SVEs) under Article III of the draft Chair's text on fisheries subsidies, and had been discussed in the Rules Negotiating Group. The Dedicated Session would continue to monitor any future proposals made by SVEs and include them in the compilation document circulated as WT/COMTD/SE/W/22/Rev.4.

10. The representative of Barbados (on behalf of the SVEs) spoke. The General Council took note of the report and of the statement.

11. At the May meeting, the Chairman of the Dedicated Session, reporting on developments in this area, said *inter alia* that proponents were continuing to follow the negotiations and the regular work of the WTO, and were planning to make new proposals in some of the negotiating groups. These would be added to the document (WT/COMTD/SE/W/22/Rev.4) which compiled all the proposals made to date by the proponents and provided a detailed record of their work.

12. The representative of Barbados (on behalf of the SVEs) spoke. The General Council took note of the report and of the statement.

13. At the July meeting, the Chairman of the Dedicated Session, reporting on developments in this area, said the proponents were continuing to participate in the negotiations and to monitor issues of their concern, in particular with respect to Agriculture, NAMA, Services, Aid-for-Trade and Fisheries Subsidies. Proponents were also engaged in a process of internal reflections regarding future work in these and other areas.

14. The representative of El Salvador (on behalf of the SVEs) spoke. The General Council took note of the report and of the statement.

15. At the October meeting, the Chairman of the Dedicated Session, reporting on developments in this area, said that proponents of SVEs continued to be active in the DDA negotiations and that they had also been following the recent consultations and work on the Aid-for-Trade initiative. The Secretariat was revising a paper which compiled all the proposals made by the proponents of SVEs.

16. The representative of Barbados (on behalf of the SVEs) spoke. The General Council took note of the report and of the statement.

17. At the December meeting, the Chairman of the Dedicated Session, reporting on developments in this area, noted that Members had recently discussed the latest revision of the Secretariat paper (WT/COMTD/SE/W/22/Rev.5) compiling all proposals concerning SVEs and the Small Economies Work Programme. The proponents of SVEs had indicated that they would continue to seek flexibilities in agriculture, NAMA and services, trade facilitation and fisheries subsidies.

18. The representative of Barbados (on behalf of the SVEs) spoke. The General Council took note of the report and of the statement.

(ii) *Graduation of the Maldives from LDC status on 1 January 2011 - Communication from the Maldives (WT/GC/M/129)*

19. At the December meeting, the representative of Maldives noted that the item had been placed on the agenda at his delegation's request (WT/GC/130) and informed the Council that Maldives would graduate from the UN list of Least-Developed Countries from 1 January 2011. Despite its graduation, Maldives remained a vulnerable economy and therefore wished to call for Members' understanding with respect to flexibilities accorded to small economies in the various areas of the DDA.

20. The representatives of the European Union; Zambia (on behalf of the LDC Group); Bangladesh; and Barbados (on behalf of the SVEs) spoke. The Council took note of the statements.

(c) *Aid for Trade (WT/GC/M/128)*

21. At the October meeting, the Director-General highlighted the question "Is Aid for Trade working?", which had been asked in letters sent to Members in conjunction with the OECD, and introduced the joint WTO-OECD monitoring and evaluation exercise which would underpin the Third Global Review of Aid for Trade, scheduled for July 2011, the focus of which would be to assess the impact and outcome of Aid for Trade on the ground. He called on Members to submit self-assessment questionnaires and case stories as the main input for the Review.

22. The representatives of Turkey; Zambia (on behalf of the LDCs); United States; European Union; Australia; Japan; Korea; China; Tanzania; and Chinese Taipei spoke. The General Council took note of the statements.

(d) *Follow-up to the August 2004 General Council Decision and the Hong Kong Ministerial Declaration on the Doha Work Programme – Report by the Director-General on the development assistance aspects of cotton (WT/GC/M/129)*

23. In Paragraph 1.b of the 1 August 2004 Decision on the Doha Work Programme (WT/L/579), the General Council, *inter alia*, instructed the Secretariat to continue to work with the development community and to provide the Council with periodic reports on relevant developments. The Council also instructed the Director-General to consult with relevant international organizations, including the Bretton Woods Institutions, the Food and Agriculture Organization and the International Trade Centre, to direct effectively existing programmes and any additional resources towards development of the economies where cotton has vital importance. Ministers at Hong Kong reaffirmed the 2004 mandate, and asked the Director-General to provide updates at appropriate intervals to the General Council, while keeping the Sub-Committee on Cotton fully informed of progress.

24. At the December meeting, the Director-General recalled that the Doha mandate on cotton proceeded on two tracks: the trade policy aspect and the development assistance aspect. On the latter, a recent round of consultations had taken place in which Members had considered the tenth version of the Evolving Table on Cotton Development Assistance (WT/CFMC/6/Rev.9), which showed that the value of specific development assistance to cotton stood at US\$ 570 million. On the trade policy aspects, progress was linked to overall progress in the agriculture negotiations, in the context of which intensified consultations were taking place, which had reaffirmed the consensus that cotton should be resolved building on the December 2008 draft modalities.

25. The representatives of Zambia (on behalf of the LDC Group) and Egypt spoke. The General Council took note of the statements.

2. Transparency for Preferential Trade Arrangements (WT/GC/M/127-129)

26. In December 2006, the General Council adopted a Decision on Transparency for Preferential Trade Arrangements (WT/L/672) inviting the Committee on Trade and Development to consider transparency for preferential trade arrangements under paragraph 2 of the Enabling Clause – other than RTAs – and to report back within six months for appropriate action by the General Council. Subsequently, in 2007, 2008 and 2009, the General Council agreed to extend the deadline for the CTD to consider this matter and to report back for appropriate action by successive six-month periods, i.e. until July 2010.

27. At the July General Council meeting, the Chairman of the Committee on Trade and Development (CTD), reporting on the CTD's consideration of this matter, said that significant progress had been made in the discussion on the establishment of a transparency mechanism for PTAs and that a text was now well stabilized, and was close to being in a form that the CTD could agree on. In order to be able to conclude this work, the CTD had agreed to request that the General Council allow it until December 2010 to consider the matter further and report back to the General Council.

28. The representatives of India; Brazil; China; Ecuador; Dominican Republic; United States; Mexico; El Salvador; and Turkey spoke. The General Council took note of the report by the Chairman of the CTD and the statements and agreed that the deadline for the CTD to consider this matter and to report back for appropriate action be extended to December 2010.

29. At the October meeting, the Chairman of the CTD reported that delegations had eventually been able to bridge the gaps in their positions, and that the CTD had approved the text on a Transparency Mechanism for Preferential Trade Arrangements and had agreed to transmit the text, contained in WT/COMTD/71, to the General Council with a recommendation for adoption by the Council. The CTD's consideration of transparency for preferential arrangements, which had begun in early 2007 based on the mandate given by the General Council, had now been concluded. Some Members were completing their internal procedures in order to allow the Mechanism to be adopted in the near future.

30. The representatives of Brazil; United States; Canada; Japan; European Union; China; Chinese Taipei; and Egypt spoke. The General Council took note of the statements.

31. At the December meeting, the Chairman noted that the internal procedures to allow the Transparency Mechanism to be adopted had been completed, and proposed that General Council adopt the draft Decision establishing a Transparency Mechanism for Preferential Trade Arrangements in WT/COMTD/71.

32. The representatives of the European Union; India; China; El Salvador; Egypt; Switzerland; Japan; Brazil; Korea; United States; Mexico; Canada; St. Lucia; and Cuba spoke. The General Council took note of the statements and adopted the Decision (WT/L/806).

3. Work Programme on E-Commerce – Review of Progress (WT/GC/M/129)

33. In December 2009, at the Seventh Ministerial Conference, Ministers adopted a Decision on the Work Programme on Electronic Commerce (WT/L/782) which called, *inter alia*, for intensive reinvigoration of work under the Work Programme, and instructed the General Council to hold periodic reviews of the progress on the Work Programme in preparation for the following Ministerial Conference.

34. At the December meeting, DDG Singh, who had been dealing with the Work Programme on behalf of the General Council Chairman and his predecessors since 2005, reporting on the

consultations he had recently held on the matter in line with the Ministerial Decision, said that no work on E-Commerce had been done in 2010 under the Work Programme, but noted that some delegations had reported that work related to E-Commerce had been done in certain areas. Delegations had called for a re-invigoration of the Work Programme and some had signalled their intention to submit proposals to take it forward.

35. The representatives of Chinese Taipei; Cuba; and China spoke. The General Council took note of the statements.

4. Committee on Budget, Finance and Administration – Reports and recommendations (WT/GC/M/126-129)

36. At its meetings in May, July, October and December, the General Council considered reports by the Committee on Budget, Finance and Administration on its meetings of March (WT/BFA/115), May and July (WT/BFA/116 and 117), October (WT/BFA/118) , and November and December 2010 (WT/BFA/119, 120 and 121) respectively. At each meeting, the Chairman of the Committee introduced the reports.

37. At the May meeting, the representatives of China; Côte d'Ivoire; and Mali spoke. The General Council took note of the statements, approved the Budget Committee's specific recommendation in paragraph 25 of its report in document WT/BFA/115, and adopted the report.

38. In addition, the Director-General provided an update to the General Council on the Secretariat's efforts to find solutions with Members that had long-standing arrears. The General Council took note of the statement.

39. At the July meeting, the representatives of Togo; China; Ecuador; United States; and the Director-General spoke. The General Council took note of the statements, approved the Budget Committee's specific recommendations in paragraphs 20, 23 and 25 of its report in WT/BFA/116, and adopted the reports.

40. At the October meeting, the Director-General encouraged delegations to download documents directly from the Members' website and to use electronic versions of documents. This was part of the Secretariat's efforts to reduce paper circulation, cut costs and contribute to the collective endeavour of making the WTO carbon neutral. The General Council took note of the statements, approved the Budget Committee's specific recommendations in paragraphs 19 and 21 of its report in document WT/BFA/118, and adopted the report.

41. At the December meeting, the General Council approved the Budget Committee's specific recommendations contained in paragraphs 14 and 16 of its report in document WT/BFA/119, and in paragraphs 14 and 18 in document WT/BFA/120 – including the draft Resolution referred to in paragraph 14. The General Council also adopted the draft Resolution on the Revised Expenditure of the WTO in 2011 and the Ways and Means to Meet Such Expenditure, in paragraph 14 of WT/BFA/120. Finally, the Council adopted the Committee's reports in WT/BFA/119, 120 and 121.

42. In addition, the Director-General updated the Council on the improvements concerning Members in arrears, which had reached the lowest level since 1995.

43. The representative of Niger spoke. The General Council took note of the statements.

5. TRIPS Council matters – Review under Paragraph 8 of the Decision on Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement – Report of the Council on TRIPS (WT/GC/M/129)

44. In August 2003, the General Council adopted a Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. Paragraph 8 of that Decision provides that the TRIPS Council shall review annually the functioning of the system set out in the Decision with a view to ensuring its effective operation, and shall annually report on its operation to the General Council.

45. At the December meeting, the Chairman of the TRIPS Council introduced the report by the TRIPS Council (IP/C/57 and Corr.1) on its seventh annual review of the functioning of the system set out in the Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health. He said that the report also provided an update on the status of acceptances of the Protocol Amending the TRIPS Agreement.

46. The representatives of Brazil; Cuba; India; Ecuador; Zambia (for the LDC Group); Canada; Switzerland; China; and United States spoke. The General Council took note of the report of the TRIPS Council (IP/C/57 and Corr.1) and of the statements.

6. Information on EU Schedule CXL – Statement by the European Union (WT/GC/M/125)

47. At the February General Council meeting, the European Union provided information on the certification of the EU's revised schedule upon its enlargement to 15 member States in 2005. The EU explained that, when the then EC had proposed a new schedule CXL in 1996, reservations had been raised by several Members and that the schedule had remained non-certified since then. The Members concerned had now lifted their reservations, and the EU understood that the Director-General would circulate the Schedule as certified.

48. The representatives of Australia; New Zealand; Canada; United States; Argentina; and Switzerland spoke. The General Council took note of the statements.

7. Amendment to the procedures leading to the certification of HS 2002 changes (WT/GC/M/129)

49. At the December meeting, the General Council considered a draft Decision in document G/MA/W/104 on proposed amendments to the procedures for the introduction of Harmonized System 2002 changes to schedules of concessions using the CTS Database.

50. The representative of India spoke. The General Council took note of the statement and adopted the Decision (WT/L/807).

8. Accession matters

(a) Belarus (WT/GC/M/125)

51. In January 1995, the General Council decided to transform the GATT 1947 Working Party on the Accession of Belarus into a WTO Working Party.

52. At the February meeting, the Chairman informed Members that following consultations with members of the Working Party and the authorities of Belarus and in keeping with usual WTO practice, it had been agreed that Mr Aran (Turkey) would serve as Chairperson of this Working Party,

replacing Ms Horn (Sweden), who had resigned as Chairperson. The General Council took note of the statement.

(b) Ethiopia (WT/GC/M/128)

53. The Working Party on the Accession of Ethiopia was established in February 2003.

54. At the October meeting, the Chairman informed the Council that, following consultations and in keeping with WTO usual practice, it had been agreed that Mr Smidt (Denmark) would serve as Chairman of this Working Party. The representatives of Zambia (on behalf of the LDC Group); Denmark; and Ethiopia (as an Observer) spoke. The General Council took note of the statements.

(c) Samoa (WT/GC/M/127)

55. The Working Party on the Accession of Samoa was established in July 1998.

56. At the July meeting, the Chairman informed the Council that following consultations and in keeping with WTO usual practice, it had been agreed that Mr Kitajima (Japan) would serve as Chairman of this Working Party, replacing Ms Sato (Japan), who would no longer be available to serve in this capacity. The representatives of Turkey and Zambia (on behalf of the LDC Group) spoke. The General Council took note of the statements.

(d) Syria (WT/GC/M/126)

57. At the May meeting, the representative of Egypt, on behalf of the Arab Group, introduced the communication in document WT/GC/127 concerning the request by Syria for accession to the WTO (WT/ACC/SYR/1, 3 and 4).

58. The representatives of Turkey; Dominican Republic (on behalf of the IGDC); Gabon (on behalf of the African Group); India; Pakistan; Malaysia; Indonesia; Cuba; Bolivarian Republic of Venezuela; China; Djibouti; Bangladesh; Brazil; Bolivia; and Mauritius spoke.

59. The Chairman proposed that the General Council agree to establish a Working Party with standard terms of reference and membership, which he read out. The General Council so agreed.

60. The Chairman then invited the representative of Syria to consult with the Accessions Division of the Secretariat as to further procedures, in particular with regard to the basic documentation to be considered by the Working Party. He also invited Syria, on behalf of the General Council, to attend meetings of the General Council and, as appropriate, meetings of other WTO bodies as an Observer during the period when the Working Party was carrying out its work. The representative of Syria (as an Observer) spoke. The General Council took note of the statements.

(e) Accession of developing countries – Communication from Gabon on behalf of the Informal Group of Developing Countries (WT/GC/M/125)

61. At the February General Council meeting, the representative of the Dominican Republic (on behalf of the Informal Group of Developing Countries) noted that the item had been placed on the agenda at the request of Gabon on behalf of the Informal Group of Developing Countries (WT/GC/126). On behalf of the IGDC, he thanked the Director-General for his 2009 annual report on WTO accessions in document WT/ACC/13, which provided a review of the processes of current initiatives and of the state-of-play of the individual accession cases.

62. The representatives of Nigeria; Zambia (on behalf of the LDC Group); Pakistan; Turkey; Bangladesh; Chinese Taipei, Bolivarian Republic of Venezuela; Paraguay; China; Egypt (on behalf of the Arab Group); United States; Argentina; European Union; Japan; and India spoke. The General Council took note of the statements.

(f) Accession of LDCs

(i) *Accession of LDCs – Statement by Zambia on behalf of the LDC Group (WT/GC/M/126)*

63. At the May General Council meeting, the representative of Zambia (on behalf of the LDC Group) said that the Group hoped that the forthcoming dialogue on LDC accession to the WTO would allow all Members to better understand and appreciate the particular situation of acceding LDCs, with a view to expediting the conclusion of the accession process for LDCs that were at an advanced stage of accession. The General Council took note of the statement.

(ii) *Accession priorities for 2010 in respect of LDCs – Communication from Zambia on behalf of the LDC Group (WT/GC/M/128-129)*

64. At the October meeting, the representative of Zambia (on behalf of the LDC Group) noted that the item had been placed on the Agenda at the request of the LDC Group (WT/GC/128). He stressed that accessions of LDCs needed to be conducted in accordance with the letter and the spirit of the 2002 General Council Decision on Accession of the Least-Developed Countries. The accession priorities for LDCs in 2010 were Vanuatu, Yemen and Samoa.

65. The representatives of Tanzania; Australia; European Union; Dominican Republic (on behalf of the IGDC); Japan (on behalf of the Chairman of the Working Party on the Accession of Samoa and on behalf of his own delegation); Bangladesh; Chinese Taipei (on behalf of the RAMs); Turkey; New Zealand; Morocco (on behalf of the Arab Group); Nepal; United States; Bolivarian Republic of Venezuela; Ukraine; Korea; China; Colombia; Cuba; Norway; Switzerland; and Yemen (as an Observer) spoke. The General Council took note of the statements.

66. At the December meeting, at the suggestion of the Chairman, this item was taken up together with the item on WTO Accessions: 2010 report by the Director-General, referenced in point (g) below.

67. The representative of Zambia (on behalf of the LDC Group) noted that the item had been placed on the Agenda at the request of the LDC Group (WT/GC/129) and updated the Council on the state-of-play of the three prioritized LDC accessions (Vanuatu, Samoa, and Yemen).⁴

(g) WTO Accessions: 2010 report by the Director-General (WT/GC/M/129)

68. At the December Council, at the suggestion of the Chairman, this item was taken up together with the item on Accession Priorities for 2010 in respect of LDCs, referenced in point (f)(ii), above.

69. The Director-General introduced his 2010 Report on Accessions (WT/ACC/14). He explained that 2010 had seen significant developments on accessions, with the re-activation of a number of Working Parties and progress on many individual accessions and that work was also advancing on the completion of an Accession Commitments Database. He also stressed that particular attention was accorded to LDCs' accessions.

⁴ The discussion under this item is reflected in paragraph 70.

70. The representatives of the Dominican Republic (on behalf of the IGDC); Australia; Pakistan; Nigeria; Paraguay; India; European Union; Hong Kong, China; Japan; Turkey; United States; Venezuela; China; Brazil; New Zealand; Canada; Cuba; Zambia (on behalf of LDC Group); Oman; Chinese Taipei; Colombia; Yemen (as an Observer) and Iran (as an Observer) spoke. The General Council took note of the statements.

9. Waivers⁵

- (a) Introduction of Harmonized System 1996 Changes into WTO Schedules of Tariff Concessions – Argentina (WT/GC/M/127)

71. At its July meeting, the General Council considered a draft decision in document G/C/W/632 providing for a waiver from the provisions of Article II of GATT 1994 until 30 April 2011 for Argentina, to enable it to implement the HS 1996 changes into its Schedule of Concessions. The Chairperson of the Council for Trade in Goods reported on the consideration of the draft decisions by that Council.

72. The General Council took note of the report and, in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93), adopted the Decision (WT/L/801).

- (b) Introduction of Harmonized System 2002 changes into WTO Schedules of Tariff Concessions – Draft Decision (WT/GC/M/129)

73. At its December meeting, the General Council considered a draft decision (G/C/W/637) providing for a waiver to suspend the application of the provisions of Article II of GATT 1994 until 31 December 2011 to enable Members to implement domestically the recommended amendments to the Harmonized System nomenclature pending incorporation of such changes into their Schedules of Concessions. The Chairperson of the Council for Trade in Goods reported on the consideration of the draft decision by that Council.

74. The General Council took note of the report and, in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93), adopted the draft decision (WT/L/808).

- (c) Introduction of Harmonized System 2007 changes into WTO Schedules of Tariff Concessions – Draft Decision (WT/GC/M/129)

75. At its December meeting, the General Council considered a draft decision (G/C/W/638) providing for a waiver to suspend the application of the provisions of Article II of GATT 1994 until 31 December 2011 to enable Members to implement domestically the recommended amendments to the Harmonized System nomenclature pending incorporation of such changes into their Schedules of Concessions. The Chairperson of the Council for Trade in Goods reported on the consideration of the draft decision by that Council.

76. The General Council took note of the report and, in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93), adopted the draft decision (WT/L/809).

⁵ A list of waivers granted by the General Council in 2010, as well as waivers previously granted and still in force in 2010, is contained in document WT/GC/W/629.

(d) Review of waivers pursuant to Article IX:4 of the WTO Agreement (WT/GC/M/127, 129)

77. Under Article IX:4 of the WTO Agreement "[a]ny waiver granted for a period of more than one year shall be reviewed by the Ministerial Conference not later than one year after it is granted, and thereafter annually until the waiver terminates."

78. At its July meeting, the General Council considered the following waivers for review under Article IX:4:

- (i) LDCs – Article 70.9 of the TRIPS Agreement with respect to pharmaceutical products, granted on 8 July 2002 until 1 January 2016 (WT/L/478)
- (ii) Preferential treatment for least-developed countries, granted on 27 May 2009 until 30 June 2019 (WT/L/759)
- (iii) European Union – Preferences for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and the Former Yugoslav Republic of Macedonia, granted on 28 July 2006 until 31 December 2011 (WT/L/654, WT/L/799 and Corr.1)
- (iv) European Union – Application of autonomous preferential treatment to Moldova, granted on 7 May 2008 until 31 December 2013 (WT/L/722, WT/L/800 and Corr.1)
- (v) Mongolia – Export duties on raw cashmere, granted on 27 July 2007 until 29 January 2012 (WT/L/695)
- (vi) United States – Former Territory of the Pacific Islands, granted on 27 July 2007 until 31 December 2016 (WT/L/694, WT/L/798)
- (vii) United States – Caribbean Basin Economic Recovery Act, granted on 27 May 2009 until 31 December 2014 (WT/L/753, WT/L/794)
- (viii) United States – African Growth and Opportunity Act, granted on 27 May 2009 until 30 September 2015 (WT/L/754, WT/L/795)
- (ix) United States – Andean Trade Preference Act, granted on 27 May 2009 until 31 December 2014 (WT/L/755, WT/L/796)

79. In so doing, the General Council considered reports on implementation of the respective waivers submitted by the European Union (WT/L/799 and Corr.1, WT/L/800 and Corr.1) and the United States (WT/L/798, WT/L/794, WT/L/795, WT/L/796).

80. The representatives of Bolivia; Ecuador; Brazil; Cuba; Chile; Dominican Republic; Zambia (on behalf of the LDC Group); Bangladesh; Bolivarian Republic of Venezuela; Argentina; Nicaragua; Colombia; and Jamaica (on behalf of CARICOM) spoke. The General Council took note of the above-mentioned reports and of the statements.

81. At its December meeting, the General Council considered the following waivers for review under Article IX:4:

- (i) Kimberley Process Certification Scheme for rough diamonds, granted on 15 December 2006 until 31 December 2012 (WT/L/676)

- (ii) Canada – CARIBCAN, granted on 15 December 2006, from 1 January 2007 until 31 December 2011 (WT/L/677, WT/L/804)
- (iii) Cuba – Article XV:6 of GATT 1994, granted on 15 December 2006 until 31 December 2011 (WT/L/678, WT/L/803)

82. In so doing, the General Council considered reports on implementation of the respective waivers submitted by Canada (WT/L/804) and Cuba (WT/L/803). The representatives of Jamaica and Trinidad and Tobago spoke. The General Council took note of the above-mentioned reports and of the statements.

10. The financial and economic crisis and the role of the WTO – Communication from Argentina, Ecuador and India (WT/GC/M/125-127)

83. At the February meeting, the Council continued to discuss the communication from Argentina, Ecuador and India in WT/GC/W/617 and Add.1.⁶

84. The representatives of Argentina; Ecuador; India; China; Turkey; United States; Brazil; Bolivia; Bolivarian Republic of Venezuela; Canada; European Union; Cuba; Dominican Republic; Japan; Mexico; Paraguay; Chile; Switzerland; and Chinese Taipei spoke. The General Council took note of the statements and agreed that the Chairman would recommend to his successor that he undertake consultations on the best way forward concerning this proposal, without prejudice to the position of any Member, and report back to the Council at its next meeting.

85. At the May meeting, the Chairman reported on the consultations he had recently held on the best way forward concerning the proposal contained in WT/GC/W/617 and Add.1, which had involved over 30 interested delegations.

86. The representatives of Argentina; Chile; European Union; Hong Kong, China; Chinese Taipei; United States; Japan; Switzerland; India; Brazil; Ecuador; China; Cuba; Mexico; Norway; and Bolivia spoke. The General Council took note of the statements.

87. At the July meeting, the Chairman reported on the consultations he had recently held, at which Argentina, Ecuador and India had introduced a proposal regarding the organization of a symposium covering the possible trade effects of measures taken by Members in response to the financial crisis, in both the goods and services areas, under the auspices of the Trade Policy Review Body (TPRB), while avoiding any overlap with the work already conducted by the Committee on Trade in Financial Services. He noted that there appeared to be consensus on holding such symposium under the auspices of the TPRB, in line with the proposal, and that he would therefore refer the matter to the Chairman of the TPRB.

88. The representatives of European Union; Argentina (also on behalf of Ecuador and India); Korea; Hong Kong, China; Brazil; and El Salvador spoke. The General Council took note of the statements.

11. Transparency Mechanism for Regional Trade Agreements – Implementation on a permanent basis – Communication from China, India and Pakistan (WT/GC/M/126)

89. At the May General Council meeting, the representatives of India and China introduced their joint communication (WT/GC/W/621), which called on the General Council to ask the Chairman of the Negotiating Group on Rules to begin immediate consultations aimed at reviewing, and if

⁶ This communication was first considered by the General Council at its meeting in December 2009.

necessary modifying, the Transparency Mechanism in the light of the experience gained from its provisional operation, and replacing it by a permanent mechanism.

90. The representatives of Argentina; Australia; Chile; New Zealand; Mexico; Switzerland; Mauritius; Gabon (on behalf of the African Group); Canada; Brazil; United States; Japan; El Salvador; Hong Kong, China; European Union; Norway; Korea; Ecuador; Turkey; Saint Lucia; Morocco and Chinese Taipei spoke. The Chairman noted that the proponents could submit their proposal to Negotiating Group on Rules and said he would inform the Chair of that group about the discussion that had taken place in the General Council. The General Council took note of the statements.

12. Harmonization Work Programme under the Agreement on Rules of Origin

(a) Harmonization Work Programme under the Agreement on Rules of Origin – the Way Forward – Communication from China, India and Pakistan (WT/GC/M/126)

91. At the May General Council meeting, the representatives of India, Pakistan and China introduced their joint communication on the Harmonization Work Programme (WT/GC/W/622 and Add.1), which sought to accelerate the work mandated by Ministers in the Uruguay Round.

92. The representatives of Indonesia; Philippines; Sri Lanka; Australia; Brazil; New Zealand; Colombia; Canada; Guatemala; United States; Hong Kong, China; Turkey; Switzerland; El Salvador; European Union; Norway; Chinese Taipei; Chile; Japan; Ecuador; and Barbados spoke. The Chairman said that given the different perspectives, he would consult with Members on how best to proceed. The General Council took note of the statements.

(b) Statement by the Chairman (WT/GC/M/127)

93. At the July meeting, the Chairman noted that the newly-appointed Chair of the Committee on Rules of Origin had made some suggestions on how to advance work in this area, and suggested that the Council revert to this matter at a later stage. The General Council took note of the statement.

13. Consultations on Members' priorities for 2010 – Statement by the Chairman (WT/GC/M/126)

94. At the May meeting, the Chairman reported on the informal consultations he had held with Members on their priorities for the General Council in 2010. The General Council took note of the statement.

14. Eighth Ministerial Conference – Statement by the Chairman (WT/GC/M/128 - 129)

95. At the October General Council meeting, the Chairman recalled that at the Seventh Ministerial Conference, Ministers had agreed that the next regular session of the Conference would be held at the end of 2011. On the basis of contacts he had had with delegations, there seemed to be wide acceptance that the next Ministerial Conference should be held in Geneva. In light of a number of factors, it appeared that the most suitable dates for the Conference were 15-17 December 2011. In due time, other aspects of the Conference, such as its format and programme, would need to be discussed and he and his successor as General Council Chair would consult with delegations on these issues. The General Council took note of the statement.

96. At the December meeting, the Chairman announced that, in the interests of using time efficiently, he intended to use his consultations on the Appointment of Officers to WTO bodies to start discussing various aspects of the Eighth Ministerial Conference, such as its format and

programme. This would only be the start of this particular process, and further consultations on these issues would be necessary.

15. Administrative Measures for Members in Arrears (WT/GC/M/125-129)

97. At its meeting in May 2006, the General Council approved a recommendation from the Committee on Budget, Finance and Administration with regard to revised Administrative Measures for Members in Arrears (WT/BFA/86) under which, *inter alia*, at each meeting of the General Council the Chairman of the Budget Committee would provide information with regard to which Members were under Administrative Measures in Categories II through IV, and the General Council Chairman would request Members in Categories III and IV to inform him before the next Council meeting as to when the payment of arrears might be expected.

98. At the February, May, July, October and December General Council meetings, in pursuance of the revised Administrative Measures, the Chairman of the Committee on Budget, Finance and Administration provided information with regard to which Members were under Administrative Measures in Categories II through IV.⁷ Also in pursuance of the revised Administrative Measures, the General Council Chairman requested Members in Categories III and IV to inform him before the next meeting of the Council as to when their payment of arrears might be expected. The General Council took note of the statements.

99. In addition, at the October meeting, the Director-General noted that in the previous 20 months, the total number of Members subject to administrative measures had been reduced. The General Council took note of the statement.⁸

16. WTO Pension Plan (WT/GC/M/128)

100. At the October Council meeting, the Chairman of the WTO Pension Plan Management Board introduced the Annual Report of the Management Board for 2009 (WT/L/802). The General Council took note of the Annual Report and of the statement.

17. International Trade Centre UNCTAD/WTO (WT/GC/M/127)

101. At its July meeting, the General Council considered a report of the Joint Advisory Group of the International Trade Centre UNCTAD/WTO on its Forty-third Session (ITC/AG(XLIII)/232). The Chairman recalled that, in keeping with customary practice, this report had been considered initially by the Committee on Trade and Development at its meeting on 28 June 2010. The Chairman of the CTD reported on the Committee's consideration of the report.

102. The representatives of Zambia (on behalf of the LDC Group) and Japan spoke. The General Council took note of the statements and adopted the report of the Joint Advisory Group.

18. Review of WTO activities (WT/GC/M/129)

103. At its December meeting, the General Council considered annual reports for 2010 from WTO bodies that had been drawn up in pursuance of the Decision concerning procedures for an annual overview of WTO activities and for reporting under the WTO (WT/L/105). The Chairman drew the Council's attention to the letters he had received from the Chairmen of the Committee on Regional

⁷ At the December meeting, Mr J.M Mignon (France) made the statement on behalf of the Chairman of the Committee on Budget, Finance and Administration.

⁸ See also paragraphs 38 and 42, above.

Trade Agreements and of the Committee on Trade and Development⁹ which informed him that their Committees had been unable to adopt their respective reports in time for the General Council meeting.

104. The Chairman of the Committee on Government Procurement and the Chairman of the Working Group on Trade, Debt and Finance spoke. The General Council took note of the statements.

105. The representatives of Cuba; India; Egypt; European Union; China; Zambia (on behalf of the LDC Group); and United States spoke. The General Council took note of the statements and of the reports of the WTO bodies, including the reports of the bodies under the Plurilateral Trade Agreements, in documents WT/DSB/51 and Add.1, WT/TPR/269, G/L/947/Rev.1, S/C/34, IP/C/56, WT/CTE/17, WT/BOP/R/101, WT/BFA/122, WT/WGTDF/9, WT/WGTTT/12, GPA/106 and WT/L/805.

106. The General Council then adopted the draft annual report for 2009 of the General Council (WT/GC/W/627 and Corr.1), on the understanding that the Secretariat would make the necessary adjustments to it so as to include matters considered at that meeting.

19. Appointment of officers to WTO bodies (WT/GC/M/125-126 and 129)

107. At the February meeting, the Chairman said that in accordance with the Guidelines for Appointment of Officers to WTO Bodies (WT/L/510), he and his colleague, Mr Gero (Canada), the serving Chair of the Dispute Settlement Body, had conducted consultations with delegations on a slate of names for the appointment of Chairs to the bodies listed in Groups 1, 2, 4 and 5 in the Annex to the Guidelines. In line with what had been agreed at the October 2009 Council meeting, they had also been consulting with delegations on the appointment of Chairs to the bodies established by the TNC.

108. With regard to the appointments to WTO bodies other than those under the TNC, and on the basis of these consultations, there was a consensus on the following slate of names:

General Council	H.E. Mr John Gero (Canada)
Dispute Settlement Body	H.E. Mr Yonov Frederick Agah (Nigeria)
Trade Policy Review Body	H.E. Mr Bozkurt Aran (Turkey)
Council for Trade in Goods	H.E. Dr. Anthony Mothae Maruping (Lesotho)
Council for Trade in Services	H.E. Mrs. Elin Østebø Johansen (Norway)
Council for TRIPS	Mr Martin Glass (Hong Kong, China)
Committee on Trade and Development	H.E. Mr Erwidodo (Indonesia)
Committee on Balance-of- Payments Restrictions	Mr Raimondas Ališauskas (Lithuania)
Committee on Budget, Finance and Administration	Mr Pasi-Heikki Vaaranmaa (Finland)
Committee on Trade and Environment	H.E. Mr Eduardo Muñoz Gómez (Colombia)
Committee on Regional Trade Agreements	H.E. Mr Alfredo Suescum (Panama)
Working Group on Trade, Debt and Finance	H.E. Mr Federico A. González (Paraguay)
Working Group on Trade and Transfer of Technology	H.E. Mr Hisham M. Badr (Egypt)

⁹ JOB/GC/5 and 6, respectively.

109. Appointments for these bodies would be for one year, in keeping with the general rule in the Guidelines. They would be made formally by the WTO bodies concerned at their subsequent meetings in 2010.

110. With regard to the appointments to bodies under the TNC, and on the basis of these consultations, there was a consensus on the following slate of names:

Special Session of the Committee on Agriculture	H.E. Dr. David Walker (New Zealand)
Special Session of the Council for Trade in Services	H.E. Mr Fernando De Mateo Y Venturini (Mexico)
Negotiating Group on Market Access	H.E. Mr Luzius Wasescha (Switzerland)
Special Session of the Council for TRIPS	H.E. Mr Darlington Mwape (Zambia)
Negotiating Group on Rules	H.E. Mr Guillermo Valles Galmés (Uruguay)
Special Session of the Dispute Settlement Body	H.E. Mr Ronald Saborío Soto (Costa Rica)
Special Session of the Committee on Trade and Environment	H.E. Mr Manuel A.J. Teehankee (Philippines)
Special Session of the Committee on Trade and Development	H.E. Mr Thawatchai Sophasienphonong (Thailand)
Negotiating Group on Trade Facilitation	H.E. Mr Eduardo Ernesto Sperisen-Yurt (Guatemala)

111. In addition, Mr Valles Galmés (Uruguay), Chair of the Rules Negotiating Group, would shortly be recalled to capital, and the Council Chair would be undertaking consultations on finding a new Chair for the Rules Negotiating Group in due course. These chairpersons, with the exception of the Rules Negotiating Group, would serve until the next Session of the Ministerial Conference, in keeping with the term of office established by the TNC and the General Council.

112. The General Council took note of the statement and of the consensus on the two slates of names for the appointment of officers. The Chairpersons of the General Council, the Council for Trade in Goods and the Council for Trade in Services spoke and the General Council took note of the statements.

113. At the May meeting, the Chairman reported that consultations were proceeding to find a replacement for the departing Chair of the Negotiating Group on Rules. The General Council took note of the statement.¹⁰

114. At the December meeting, the Chairman said that in accordance with the Guidelines for Appointment of Officers to WTO Bodies (WT/L/510), he would be starting the selection process for the appointment of chairpersons to the WTO bodies listed in Groups 1, 2, 4 and 5 in the Annex to the Guidelines. In accordance with paragraph 7.1(b) he would be assisted in this process by the serving

¹⁰ In a fax dated 18 June 2010, the Chairman informed delegations that consultations he had undertaken with Mr Agah had shown a consensus among Members to appoint of Mr Dennis Francis (Trinidad and Tobago) as the successor of Mr Valles Galmés (Uruguay) and that Mr Francis would be formally elected Chair at the following formal meeting of the Negotiating Group on Rules.

Chair of the Dispute Settlement Body, Mr Agah (Nigeria) and by the former Chair of the General Council, Mr Matus (Chile).

115. The General Council took note of the statement.

116. In addition, he recalled that he had recently carried out consultations regarding the appointment of a successor to Mr Thawatchai Sophastienphong (Thailand), Chairman of the Special Session of the Committee on Trade and Development, who had informed him that he would shortly be leaving Geneva. In these consultations, consensus had emerged to appoint Mr Bashir (Pakistan) as Mr Sophastienphong's successor.

117. The General Council took note of the statement.

20. Election of Chairperson (WT/GC/M/125)

118. At the February Council meeting, the Chairman, as the outgoing presiding officer of the General Council, made a brief statement.

119. The General Council then unanimously elected Mr John Gero (Canada) to the Chair.

120. The Director-General, the newly-elected Chairman, and the representatives of El Salvador (on behalf of GRULAC); Gabon (on behalf of the African Group); Viet Nam (on behalf of ASEAN); Mauritius (on behalf of the ACP); Egypt (on behalf of the Arab Group); Dominican Republic (on behalf of the Informal Group of Developing Countries); Zambia (on behalf of the LDC Group); Turkey; United States; European Union; and Mexico spoke. The General Council took note of the statements.
