



**General Council – Special Meeting
15 December 2021**

MINUTES OF THE MEETING¹

HELD IN THE CENTRE WILLIAM RAPPARD AND IN VIRTUAL FORMAT ON 15 DECEMBER 2021

Chairperson: H.E. Mr. Dacio Castillo (Honduras)

**1 REVIEW OF THE OPERATION OF THE BALI DECISION ON TRQ ADMINISTRATION –
EXTENSION OF DEADLINE FOR A DECISION ON PARAGRAPH 4 OF THE UNDERFILL
MECHANISM**

1.1. The Chair recalled that, at MC9, Ministers had adopted the Decision on Tariff Rate Quota Administration in document WT/MIN(13)/39 – WT/L/914 which had also required the Committee on Agriculture to review and monitor the implementation of Members' obligations established under the Decision. The issue of the future operation of Paragraph 4 of the Underfill Mechanism had been mandated to be taken during the Review exercise. Although the Review had been concluded in December 2019, Members had agreed to defer the timeline for a decision on the future operation of Paragraph 4 of the Underfill Mechanism to the end of 2021.

1.2. This matter had been taken up by the General Council at its November meeting. At that meeting, the Chair of the Committee on Agriculture had reported that the Committee had agreed to forward the draft decision contained in the Annex of G/AG/32 for the consideration of the General Council and for its subsequent transmission to the Ministerial Conference.

1.3. At the same time, the CoA Chair had noted that some Members had still been consulting their capitals on this matter. At the end of the discussion, he had reminded delegations that, considering the end of the year deadline for a decision, Members could be required to revisit the matter should they not be in a position to reach an agreement at MC12.

1.4. In light of the postponement of MC12, the CoA Chair had convened an Informal open-ended meeting of the Committee on Agriculture on 7 December to consult with Members on the way forward. Subsequent to that meeting, the CoA Chair had informed him, in a letter dated 8 December, that a definitive agreement on a decision on the future operation of paragraph 4 of the Underfill Mechanism had not been deemed feasible within the mandated deadline of end-2021, as some Members had continued to need additional time to finalize their domestic consultations and convey their position on this matter.

1.5. In these circumstances, Members seemed to be agreeable to an exceptional three-month extension of the deadline – that was, up to 31 March 2022, strictly in order to finalize an early decision on this matter. The CoA Chair had also noted that this extension was agreeable on the same understanding reached in the 2019 recommendations of the review (in Annex 2 to G/AG/29) namely, that Members listed in Annex B of the TRQ Decision retained the right to discontinue the application of Paragraph 4 of Annex A beyond 31 March 2022, if no decision was made to extend Paragraph 4 of Annex A in its current or modified form by that date.

1.6. In his letter, the CoA Chair had requested his assistance as General Council Chair in seeking the General Council's endorsement of the agreement reached among Members at the Informal meeting of the Committee on Agriculture. In this regard, he had sent a communication to all

¹ The proposed agenda was circulated in document WT/GC/W/839.

Members on 9 December. He had proposed that if no objection had been received by Tuesday, 14 December, it would be deemed that the General Council had agreed to the exceptional extension of the deadline for a decision on Paragraph 4 of the Underfill Mechanism until 31 March 2022.

1.7. In this regard, he informed delegations that he had not received any objections on the proposed extension in response to his communication. One delegation had however reached out to him to request a meeting of the General Council to take a formal decision on this matter. As a result, he had convened that day's special session to formally take action on this issue.

1.8. Therefore, unless any delegation wished to take the floor at that point, he proposed that the General Council agreed to the exceptional extension of the deadline for a decision on Paragraph 4 of the Underfill Mechanism until 31 March 2022.

1.9. The representative of the United States noted that the United States could support the proposed statement and had also been prepared to support the revised language in Paragraph 4 of Annex A of the Bali Decision on TRQ Administration, in order to determine the future operation of the underfill mechanism by the 31 December deadline. The United States had appreciated the significant efforts, particularly by the Chair of the Committee on Agriculture and Costa Rica, to attempt to resolve this issue in a balanced and pragmatic way that had allowed for sufficient special and differential treatment for developing country Members. The United States was disappointed that Members were not able to agree to the revised language by the deadline at the end of this year but could support a short extension – lasting no longer than 31 March.

1.10. As stated before, the United States was ready to give up its rights under Annex B of the Bali Decision on TRQ Administration, if the Membership could find agreement on revised language. The United States had however reminded Members that in the event that language could not be agreed by the new 31 March deadline, the United States reserved its right, as a Member of Annex B, to no longer apply the underfill mechanism. The United States reserved this right because it needed to see an inclusive mechanism with appropriate special and differential treatment. The United States said that this should be the last extension and urged Members to use the time wisely over the next three months to reach a consensus on this longstanding issue.

1.11. The representative of the European Union agreed to the three months extension of the deadline until March 2022 to reach an agreement between Members on the review of the Bali TRQ decision.

1.12. The General Council so agreed and took note of the statements.

2 OTHER BUSINESS

2.1. The representative of the European Union, speaking under "Other Business", had received information according to which shipments of goods originating in Lithuania were not being cleared through the Chinese customs and that import applications were being rejected. This concerns shipments of goods with Lithuania as country of origin or exportation, or shipments where Lithuanian goods had been shipped as part of EU consignments, or shipments of EU goods containing components from Lithuania. The European Union hoped that this matter, which was of serious concern for the European Union, could be resolved rapidly and in line with applicable WTO rules. The European Union stressed also the need for transparency in relation to the specific measures that were being applied at China's customs, as a requirement under the WTO agreement as an important first step towards a quick and satisfactory resolution of the issue.

2.2. The representative of China, speaking under "Other Business", said that the issue had been raised in other Committees and that technical discussions on the matter were being conducted in its capital with relevant stakeholders. China would abide by the WTO rules and hoped this matter could be solved smoothly.

2.3. The General Council took note of the statements.

2.4. Before closing the meeting, the Chair thanked Members for their flexibility for participating in this urgent meeting. He reminded delegations that the next regular meeting of the General Council was currently scheduled for February 2022 and that the exact dates would be communicated as soon

as possible. He also informed them that further to the meeting of the General Council in November, Ambassador Chambovey and he had initiated consultations for the Appointment of Officers to WTO Bodies for 2022 – that was, for Tier 1. They had held a first meeting with group coordinators the previous week and would have another meeting with them that afternoon. Ambassador Chambovey and he intended to communicate to Members in the coming days any progress made in those initial consultations. With those words, he wished them and their families all the best during the holiday season.
