MEETING OF 12 DECEMBER 1993

Note by the Secretariat

1. The Sub-Committee held its eleventh meeting on 12 December 1993 under the Chairmanship of Mr. Mikael Lindström (Sweden). Participants discussed the revised text (AIR/RN/12/Rev.1 of 12 December 1993) of the Draft Revised Agreement on Trade in Civil Aircraft, which the Chairman had circulated to participants at the outset of the meeting. The Chairman explained that this text reflected proposed changes, which he understood had consensus support among participants in the Sub-Committee, to the text of 10.12.93 (AIR/RN/12). He asked whether the text could be agreed.

2. One participant said that while his delegation continued to have concerns with certain aspects of the text and with regard to the compromise struck, the revised text was acceptable and constituted a substantial reinforcement of existing disciplines in the civil aircraft sector. Another participant said that in his delegation’s view, the text was not a basis for concluding the negotiations; he cited three major areas of concern: the disciplines on production subsidies and the caps set in Article 8, the provisions on "certain subsidies", and the exemption from countervailability of royalty-based financing schemes under Article 10. He said that while his delegation was prepared to resume negotiations for a revised Aircraft Agreement during the course of the following year, there was no possibility of concluding such negotiations by the deadline of 15 December.

3. Other participants expressed the view that the text was the basis on which a new Agreement could be rapidly concluded. One participant suggested that to continue the negotiations during the course of 1994 would not facilitate the task of concluding a new agreement; his delegation was prepared to work over the following 24 hours to finalize the text currently before the Sub-Committee. Another participant agreed that a delay would not facilitate agreement on a text, and urged that an attempt be made over the following 24 hours to reach agreement.

4. The Chairman suggested that participants carefully consider the matters at hand. In his view, the work of the Sub-Committee had, for the time being, been taken as far as possible, and he would suspend its work following the present meeting. He would convene a meeting of the full Committee the following day.