MEETING OF 26-30 SEPTEMBER 1988

Note by the Secretariat

1. The Negotiating Group held its ninth meeting on 26-30 September 1988 under the Chairmanship of Mr. J.L. Katz (United States). It adopted the agenda contained in GATT/AIR/2665.

2. The Group had the following new documentation before it:

- MTN.GNG/NG14/8: Note on the eighth meeting
- MTN.GNG/NG14/W/24: Proposal by the delegation of Canada concerning institutional co-operation between the GATT, IMF and IBRD
- MTN.GNG/NG14/W/25: Proposal by the Nordic countries concerning the appointment of "discussants" for trade policy reviews
- MTN.GNG/NG14/W/26: Proposal by Mexico on the link between trade, monetary and financial issues
- Chairman's paper of 5 September 1988: "Increasing the contribution of the GATT to achieving greater coherence in global economic policy-making through strengthening its relationship with other organizations responsible for monetary and financial matters"

Papers by Jamaica and the European Communities concerning Negotiating Objective (iii) were circulated in the meeting, to be issued as MTN.GNG/NG14/W/27 and W/28 respectively.
Negotiating Objective (iii): "to increase the contribution of the GATT to achieving greater coherence in global economic policy-making through strengthening its relationship with other international organizations responsible for monetary and financial matters."

3. Introducing document MTN.GNG/NG14/W/26, the representative of Mexico said that questions relating to the nexus of trade, monetary, financial, debt and development went beyond the sole competence of this Group and were relevant to the whole Uruguay Round. Principles and rules should be established in the GATT, the IMF and the World Bank to monitor and avert the imposition by creditor countries of measures detrimental to the export earnings of debtor countries, especially when adjustment programmes were being carried out. Solutions to the problems faced by developing countries required a complete view of the relationships between trade, finance and other matters. Active cooperation should be encouraged among all members of the international community, but in particular the more advanced countries, in order to monitor developments in the fields of finance, money and protection and promote more dynamic and equitable economic growth. This required an action strategy whose basic objective should be to ensure that the macro-economic policies followed by developed countries were fully compatible among themselves and consistent with developing countries' structural adjustment programmes. On the domestic level, non-inflationary economic growth, employment creation, and investment in productive areas should be promoted.

4. To carry out the action strategy, a coordination and consultation framework should be established among the GATT, the IMF and the World Bank so as to make it possible to formulate policies which would foster a favourable environment for world economic recovery and development. The framework could be formed by a GATT Standing Ministerial Group working together with the Development Committee of the IMF/World Bank. Working Groups in each institution should examine issues in their own spheres of competence and submit their conclusions to the overall framework group, which should bring forward main policy lines for agreement. For example, reviews could be made to ensure that developing countries did not face adverse cross-conditionality in different programmes; GATT could be consulted in the formulation of trade policy objectives included in IMF or World Bank lending programmes; unforeseen circumstances leading to difficulties in fulfilling debt servicing and other financial commitments, could be monitored; and GATT could recognize and give credit to trade policy adjustments adopted by countries independently or as part of World Bank or IMF programmes. One important rôle for the framework of cooperation would be to promote negotiations within the Uruguay Round to facilitate developing countries' access to major markets, particularly in agriculture, tropical products, natural resource-based products and manufactures of interest to developing countries.

5. Three particular means of cooperation were proposed in the Mexican paper. Firstly, technical level cooperation among the secretariats should lead to a study of the linkages between trade, monetary and financial problems. Secondly, a GATT representative office to the IMF and IBRD in Washington should be established in order to ensure a continuous exchange
of information among the organizations. Thirdly, trade policies should be regularly reviewed in GATT. To implement the framework for cooperation within GATT itself, Mexico proposed a full meeting at Ministerial level once a year, with a prior preparatory meeting of senior officials. The need was also stressed to consider whether the relevant Articles of the GATT, the IMF and the World Bank should be amended through appropriate protocols or understandings resulting from the Uruguay Round. The GATT Secretariat, in coordination with IMF and World Bank officials, should strengthen its support for the participation of contracting parties in the meetings of the Framework.

6. The representative of Canada, introducing MTN.GNG/NG14/W/24, recalled that many of the issues under discussion in the Negotiating Group had been noted in the Annex to an earlier Canadian proposal (MTN.GNG/NG14/W/21). From the discussion so far, Canada concluded that it would be useful to have a joint assessment, by the three institutions most closely involved in the trade/finance area, of the problems encountered in practice in this area and how these could be solved. Canada thus proposed that the Chairman of the TNC at Ministerial level request the Director-General of GATT, along with the heads of the IMF and the World Bank, to carry out, and to consult with others as appropriate on, a review of the current avenues of cooperation among the institutions, as well as to explore ways in which greater coherence in global economic policy-making might be achieved. He emphasized that the latter went far beyond the question of institutional co-operation into the broader concerns of the Punta del Este Declaration. The three heads of institutions should also propose ways of fostering linkages among themselves and their institutions in order to develop such greater coherence.

7. The representative of the European Communities, introducing MTN.GNG/NG14/W/28, recalled the Community's constant insistence on the need for coherence between trade, finance, monetary and developmental questions. This attitude governed the EC's views of all aspects of the Group's negotiating mandate. He recognized that the work done by the Group on surveillance of trade policies, based on the Chairman's discussion papers, had led to virtual agreement. But this was not enough on its own. For the Community, the discussion in the Group must contain an overall balance on both substance and presentation. The Community sought concrete results both at the Montreal meeting and at the end of the Round, but these would require progress on all three headings of the negotiating mandate. It was important that Ministers should be fully involved in the GATT and that their participation should lead to collective commitments. Thus, the Community approved of the idea of regular annual Ministerial meetings. But he questioned whether a group of 96 Ministers - or more - could be an effective forum for managing the world trade system. The idea of a restricted group was perhaps premature at this stage. The Community, along with other participants, could not envisage ceding rights and obligations undertaken under GATT, as a contract, to a restricted group of Ministers. But he could envisage the creation of a small consultative group along the lines suggested in the Chairman's paper, on condition that the Community participated fully in it in a way which reflected its own balance. In respect of the third negotiating mandate, he felt that too much emphasis
had been placed on the responsibilities of GATT as a single institution, while ignoring the fact that efforts in the field of trade policies could be completely negated by a lack of convergence in macro-economic policies at domestic or world levels. He noted that these concerns had been taken up in the Chairman's paper. The Community's proposal focused on the need to ensure the success of the Uruguay Round by doing everything possible to encourage the expansion and liberalization of world trade and, at the same time, to strengthen the multilateral trading system. This would be the essential contribution of GATT to better coherence. It would also assist in improving economic conditions so that the most indebted developing countries could achieve better growth. Thus, trade liberalization commitments undertaken by those countries in the framework of the Uruguay Round should be taken into account by institutions such as the Fund and Bank as contributions to structural adjustment and reform. The GATT should support the overall adjustment process at both domestic and world-wide levels, and at the same time discourage the introduction of restrictive trade measures as a result of pressures arising from budgetary, financial or monetary policies. It was clear that the GATT, as an institution, could not directly bring about solutions to the problem of international debt. Moreover, as a trade policy institution, GATT should not even dream of moving into areas of policy beyond its own competence. But there was a clear obligation for GATT, as its contribution to the whole complex of policies, to indicate clearly the importance of a stable and predictable international economic environment for the solution of international trade problems. Without this, the trade policy results of the Uruguay Round would be completely nullified.

8. The representative of Jamaica, presenting document MTN.GNG/NG14/W/27, said that the functioning of the GATT system should be seen as a framework encompassing the outcome of negotiations leading to a strengthened GATT multilateral trading system, rather than a subject for negotiations. He recalled Jamaica's earlier request for written submissions from the IMF, World Bank and UNCTAD concerning the attainment of Uruguay Round objectives and for a note from the Secretariat on ways in which the GATT could be put on a firmer footing. Such information should help the Negotiating Group to come to preliminary conclusions on the achievement of its specific negotiating objectives in respect of the linkages between trade, money, finance and development. The type of information sought was listed in paragraph 3 of the Jamaican discussion paper. Next, he drew attention to questions relating to the appropriate policy framework for multilateral surveillance in GATT. In this connection, Jamaica had made some suggestions, annexed to the document, for the outline format for country reports under the proposed trade policy review mechanism. It was not yet clear to him, however, that it was useful to transform GATT from a specific, measure-oriented institution to a broad, general policy-oriented one. In addition, Jamaica questioned how far surveillance functions in GATT, even if objectively carried out, could move the policies of major countries, in particular, in the right direction; it was also necessary to have effective domestic surveillance mechanisms within the major industrialized countries, which could look at the costs and benefits of various policies for the domestic economy. Referring to the Chairman's paper, he noted that most of the substantive proposals contained in
paragraph 9 referred to measures undertaken by developing countries. These should, however, be balanced by the enhanced surveillance of the policies of the major industrial countries. While he regarded the Canadian paper (MTN.GNG/NG14/W/24) as positive, he did not see it as a matter for the TNC to request the Director-General to consult with the heads of the other institutions: the Chairman of this Negotiating Group should, if there were consensus in the Group, make such a request. In regard to the paper submitted by Mexico, he felt that, while the proposals were useful, care must be taken not to multiply bureaucratic layers of discussion.

9. Many participants expressed their appreciation of the papers presented by delegations, as well as the note circulated by the Chairman. There was a large measure of agreement on the analysis of the international economic environment presented in the Chairman's paper. Some participants focused on the importance of increased monetary stability as a key to establishing a stable basis for trade policy making. They recalled the adverse effects on national economies and on international trading conditions caused by unstable movements in exchange rates and interest rates, often in opposing directions. Greater stability in these areas would help to discourage protectionist pressures and contribute to solving the problems of highly indebted countries. Others supported the proposals by Canada for immediate inter-institutional consultation and those by Mexico for a longer-term standing body. However, care should be taken to ensure that policy measures taken following consultations between the institutions were consistent with GATT principles. Credit should be given in GATT for trade measures taken by indebted countries under programmes agreed with the IMF and World Bank: in parallel, debtor countries undertaking adjustment programmes with trade components should benefit from contributions in the area of trade from their creditors.

10. Other participants, while broadly agreeing with the diagnoses presented by the Chairman's and Mexican papers, stressed the need to draw operational conclusions at the institutional level. The proposals for exchange of information, closer liaison and consultations made by the EC and Canada were seen as realistic. It was important that each of the institutions, operating in the different areas of their own competence, worked in a co-ordinated fashion towards consistent ends. For GATT, substantial results from the Uruguay Round were therefore essential. Strengthening of the institution through closer surveillance of trade policies and improvements in the decision-making process (Objectives (i) and (ii)) was another major element. The Canadian proposal for a joint study of co-operation possibilities by the heads of the organizations was valuable; however, the time frame of twelve months envisaged was too long and an interim report should be foreseen by mid-1989. The Secretariat should explore the ideas for institutional co-operation presented in the Group. The Canadian representative pointed out that the time frame presented in MTN.GNG/NG14/W/24 was purely indicative.

11. One participant, in this connection, recalled his desire to have the views of the Secretariat on the subject of institutional co-operation. However, even if the proposed inter-secretariat study was carried out, this should not detract from the need for this Group, as governmental
representatives, to take a view on collaboration among the organizations and the links among the three objectives of the Group. He agreed with the Mexican paper on the need to take up all the problems relating to the links between trade, money, finance and debt. Proposed "framework" for Mexico's consultation, however, seemed very ambitious in a number of areas: part of these ambitions could be achieved through the way in which the overall economic environment might be considered during trade policy reviews. The modalities of joint meetings within the three organizations, would require careful consideration. Achievement of the first and second negotiating objectives would be a major contribution to the achievement of the third, as suggested in Paragraph 7 of the Chairman's paper; in addition, the existence of closer links among the relevant organizations could in itself contribute to closer cooperation on matters of substance.

12. One participant expressed the view that, in considering this negotiating objective, the Group should be concerned at this stage only with improving the institutional connections between GATT and the international financial institutions. It was important, in this connection, for GATT itself to be reinforced through the introduction of the trade policy review mechanism, as well as making a significant contribution through trade liberalization in important areas. He felt that the Mexican proposals, as they stood, were too ambitious: institutional links, as outlined in the recent Canadian proposal, should be the first step in the process of co-ordination.

13. Others stressed that the desired inter-organizational cooperation should go beyond purely institutional aspects. It was pointed out that there appeared to be differences between the proposals for "credit" in negotiations made by the EC and Mexico, which should be clarified. The Mexican paper specified the areas of interest to developing countries. Greater precision also needed to be given to the concept of the institutional mechanism for credit set out in the EC paper, as well as to the counterpart concessions envisaged. Creditor contracting parties should contribute, through opening markets, to assisting the serious efforts made by indebted countries to develop and restructure their own markets. It was noted that while there was a clear measure of agreement on the diagnosis of the situation, there was less clear indication of what should be done. Reservations were expressed about the possible transformation of GATT into a "policy" or "executive" institution; in this context, some participants recalled the contractual character of GATT, which distinguished it from the Fund and Bank. The proposals for greater connections with financial institutions, including those contained in the Mexican proposal, needed further reflection: such cooperation should not be limited to the IMF and the World Bank. One participant, agreeing that the reinforcement of GATT itself was the first priority, sought strengthened disciplines and closer adherence to them within the GATT system. Substantive strengthening of the GATT system should come before closer institutional linkages. Care should be taken not to impinge on contractual obligations through the creation of new "policy" mechanisms. The objectives of the proposed joint meetings of Trade and Finance Ministers would need to be clarified further. Another agreed with the EC that it was appropriate and desirable to consider the effects on trade policy of events occurring outside the field of trade policy, such as the effects of incoherent macroeconomic policies or
unpredictable fluctuations in exchange rates. The object of these negotiations was not to see how trade policy would contribute to greater global coherence but to determine how GATT, as an institution, could effectively contribute to greater global macroeconomic coherence through strengthened relationships with the international monetary and financial institutions. He did not believe that joint meetings of Trade and Finance Ministers would contribute to such a process.

Negotiating Objective (ii): "to improve the overall effectiveness and decision-making of the GATT as an institution, including, inter alia, through involvement of Ministers"

14. Most participants agreed that regular Ministerial meetings at CONTRACTING PARTIES' level would provide overall political guidance for GATT. There was also wide agreement that such meetings should take place not less often than every two years.

15. Views were still widely divided on the concept of a small Ministerial group, which it was felt needed further reflection. Such a group, if it were to be formed, should not usurp the decision-making functions of the CONTRACTING PARTIES. Points requiring further thought included:

- size and composition of a small group: it was recognized that such a group must be representative, that all contracting parties which wished to do so should have an opportunity to participate, and that modalities of selection should be clearly defined: the points made by the EC (paragraph 5 above) were noted;

- nature of the group: it should not be executive or decision-making, but consultative and advisory in nature. Doubts were expressed, however on the possibility of Ministers being cast in such a rôle. There should be no confusion with smaller, formal Ministerial groups, with decision-making authority, which existed in other organizations. Others felt that the consultative nature of such a group in which the voices of participants other than major trading countries could be heard, would be its main advantage;

- formal or informal setting: some participants reiterated that it would be desirable to bring the ongoing series of informal Trade Ministerial meetings on to a firmer footing within GATT. Others said that it was the non-institutionalized nature of such informal gatherings, without pressure for results or commitments, which was their value. To bring them within the GATT framework would detract from this. In addition, such meetings were taking place for specific purposes (e.g. review of progress in the Uruguay Round) and should not become general and routine;

- transparency: the subjects and results of deliberations in a small group must be reported to all contracting parties. It was felt that a lack of transparency in the procedures of the Consultative Group of Eighteen had been a handicap. However, the usefulness of such a forum for frank and private discussions among Ministers was also recognized;
- Need to define the relationship to the GATT as a whole: in particular the relationship with the CONTRACTING PARTIES and the Director-General.

Negotiating Objective (i): "to enhance the surveillance in the GATT to enable regular monitoring of trade policies and practices of contracting parties and their impact on the functioning of the multilateral trading system"

16. The representative of Sweden, on behalf of the Nordic countries, introduced document MTN.GNG/NG14/W/25. He said that the basic assumption underlying the proposal was that the planned trade policy reviews would take place in a committee of all contracting parties. The role of the "discussants" proposed was merely to lead off the discussion. The Secretariat should select discussants in a balanced manner. The Nordic proposal was technical in nature, but not unimportant. Its aim was to make trade policy surveillance more efficient and penetrating. The ideas put forward represented one possible procedure: others could also be envisaged.

17. The representative of Jamaica, referring to MTN.GNG/NG14/W/27, recalled the paper by a member of the Secretariat on surveillance which had, at his request, been circulated to members of the Negotiating Group. He called attention to the connection between surveillance in GATT and coherence of policies. He noted that the surveillance of macroeconomic policies carried out by the IMF under its Article IV, while not involving any binding commitments, could provide a degree of moral suasion on all members; while by contrast, the surveillance carried out by the World Bank, limited to the policies of borrowing countries, did not cover the macroeconomic or trade policies of developed economies. These would be covered by the proposed GATT review mechanism. In considering the policy implications of the enhanced surveillance proposal, he had examined the draft outline for country reports and had made some suggestions in the Annex to his paper. For example, he suggested that import promotion measures, particularly for increasing trade from developing countries, should be included; that other charges, such as excise taxes, should be considered as well as tariffs; that State trading institutions, import or export monopolies, restrictive business practices and internal distribution systems should be considered, set in the context of "national treatment" provisions; and that domestic surveillance mechanisms should be established wherever possible and included in the surveillance procedures. Long-term arrangements between developed countries for some key commodities (e.g. grain, oil) had a major impact on some world prices and these should not escape surveillance. He felt that the surveillance process should also take full account of available information on macro-economic, structural adjustment or other appropriate policies from other relevant international financial or economic institutions, including the IMF, IBRD and OECD.

18. Many participants made further comments on the Chairman's discussion paper, the proposals circulated by India on behalf of developing countries in MTN.GNG/NG14/W/23 and the Nordic and Jamaican proposals. It was widely accepted that enhanced surveillance through the trade policy review
mechanism should not be a basis for the enforcement of specific obligations under GATT or for the institution of dispute settlement procedures: rather, that surveillance of trade policies and practices should contribute to better adherence by contracting parties to GATT commitments, through regular collective appreciation of individual contracting parties' trade policies and practices and their impact on the functioning of the multilateral trading system. It was also accepted that all contracting parties should be subject to review, but that the frequency of reviews should vary according to the importance of the contracting party in the trading system. Most participants agreed that the major trading countries should be subject to review every two years, with other "core" countries every four years and remaining contracting parties every six years; some, however, felt that more frequent reviews would be desirable.

19. It was generally accepted that the focus of country surveillance should be on trade policies and practices. Many participants, however, stressed that these must be viewed against a background of the macroeconomic objectives and policies of the country under review. A number of participants cautioned against such "background" considerations becoming themselves a subject for review: in this connection, the suggestion was made that the country under review should decide on aspects of the "background" which should be considered relevant. Note was also taken of the proposals made by developing countries in MTN.GNG/NG14/W/23 concerning external aspects, including monetary and financial developments, affecting trade of developing countries.

20. There was broad agreement that, although all contracting parties should report regularly on their trade policies, consideration should be given to a simplified reporting format for least-developed contracting parties. Further discussion would be necessary concerning the format for country reports and the questions of simplification and centralization of notifications to GATT and of the coordination of information contained in country reports with GATT notifications.

21. The relationship of trade policy reviews to consultations under balance-of-payments provisions of the General Agreement or under Protocols of Accession was also discussed. A number of participants stated, in this connection, that the trade policy review should be the most complete survey of individual countries' policies to be undertaken in GATT and that it should be taken into account when considering other consultations. Some, however, referred to the particular objectives and different frequency of balance-of-payments or accession discussions and said the objectives should not be confused.

22. In respect of the review body, while some participants still felt that a special committee should be established, most agreed that the GATT Council, in special meetings, was the appropriate body. While some participants supported the Nordic proposal for "discussants" who could lead the discussion at review meetings, it was evident that more reflection would be needed on this point. Consideration would also need to be given to the relationship between the review mechanism and the present review of developments in trade policy conducted by the Council.
23. Differing views were expressed on the nature of the reports to be furnished by the consulting country and the Secretariat and the desirability of Secretariat visits to capitals for discussions with consulting countries. One participant proposed that Secretariat visits to capitals should only be made in the case of core countries. There was general agreement that the reports by the consulting country and Secretariat, together with a record of the points made during the reviews, should be published in order to ensure the greatest possible transparency.

Summing-up of discussions: General Remarks

24. The Chairman gave his impressions of the discussion which had taken place during informal sessions held on 28 and 29 September on the three negotiating objectives. Although progress had been less rapid than he had hoped, the discussions had been useful in indicating points of agreement and disagreement. In respect of Negotiating Objective (iii), it appeared that a number of delegations felt it was premature at this stage to arrive at an agreed text. In respect of Ministerial involvement under Negotiating Objective (ii), there appeared to be general agreement on the need for such involvement at plenary level, with meetings not less frequently than every two years. Wide differences, however, persisted on the question of a small Ministerial Group, on which some delegations maintained strong reservations. The function and composition of such a group had been the principal issues. The Chairman had suggested that the group could be composed on the basis of shares of world trade, with provision for rotation so that no delegation would be excluded from participation at some time. He had proposed that trading entities with 5 per cent or over of world trade would serve on the group: that a second group of eight would come from the next sixteen countries; and that remaining countries wishing to participate would supply a further six members. No country in the second and third groups would be able to serve in successive terms, hence rotation would be assured. The proposal was open to suggestions. Discussions on Negotiating Objective (i) had served to clarify issues contained in the Chairman’s paper but it was clear that a number of questions would require further clarification.

25. The representative of Jamaica, in a statement circulated as MTN.GNG/NG14/W/29, emphasized the interrelationship of the three aspects of the mandate in contributing to strengthening the GATT system. Various aspects of the proposed surveillance mechanism, including the outline format for country reports, the question of discussants and the financial implications would need further discussion. Jamaica supported greater Ministerial involvement in the work of the CONTRACTING PARTIES but agreed with others that further consideration of many aspects of a small group would be necessary. Further discussion in this Negotiating Group of GATT’s contribution to “coherence” of global policy making would also be desirable: in this connection he noted that the Director-General could appropriately undertake consultations with the heads of the IMF or World Bank on his own responsibility or as chairman of the GNG, without a request from the TNC at Ministerial level.
26. The representative of the European Communities, amplifying his earlier statement, said that coherence of global economic policy-making was the key aspect of the Group's negotiating mandate. A trade policy surveillance mechanism, which would include an "early warning" element, was the essential GATT contribution to coherence. The opportunity to establish this should not be let go by. Secondly, coherence among trade, monetary, finance and development policies also implied equality of treatment among the international institutions concerned with these policies. Cooperation among the three institutions must thus be at two levels; secretariats (including Directors-General) and policy-making bodies (in the case of GATT, the CONTRACTING PARTIES). All three institutions had gaps and "grey zones" in their operation. GATT was less strongly represented in the committees of the Bank and Fund than these organizations were in GATT Committees: this imbalance should be rectified to provide for equality of treatment and ensure that the voice of GATT in respect of trade policy was fully heard in the other institutions. In respect of the Canadian proposal for inter-organizational consultations, he also felt that it would be preferable for the Director-General, on his own initiative, to consult with the other institutional heads to arrive at a common evaluation of the situation, without any request from a negotiating body.

27. Thirdly, political commitment by policy-makers was necessary to ensure that the strengthening of the General Agreement could contribute to greater coherence. Ministerial involvement was a means to this end. He felt that it was inevitable that, in the long run, a restricted group of Ministers would be established to discuss essential questions of policy, as distinct from questions of contractual rights and obligations. The question of the selection of such a group was ultra-sensitive, but with the passage of time and in the light of progress in other Negotiating Groups a solution would inevitably be found: however, it was not necessary or desirable to hasten the decision. Ministerial involvement was essential to ensure that policy surveillance (as distinct from the surveillance of trade measures) would receive due attention. Lastly, he stressed the essential nature of coordination, at national and international levels, of economic policies, in order to ensure the good functioning of trade policies. Improvement in rules and mechanisms for trade policies alone would be useless without such coherence and coordination in trade, financial and monetary policies.

28. Other participants drew attention to the need for progress in this Negotiating Group to be linked to others, in an overall package, as well as specific issues remaining to be resolved in each aspect of the negotiating objective. In this connection, some participants pointed out that negotiations were proceeding and should continue; continuing questions and concerns at this stage were quite legitimate; more detailed discussion on a number of issues would be useful. Others emphasized the need for concrete agreements at the mid-point of negotiations. Still others recognized that many aspects had already been clarified, although there were still a good number of legitimate specific concerns. There were already many elements of convergence.
Chairman's report to the Group of Negotiations on Goods

29. The Chairman gave a brief outline of the structure of the report which he would give to the Group of negotiations on goods. For each negotiating objective, the report would be in two parts: the first describing the work done in the Group and the second outlining any agreed recommendations to Ministers or proposals for further work. He encouraged delegations to submit negotiating proposals before the next meeting on 24 October.