

## GENERAL COUNCIL

### Annual Report (1999)

#### Addendum

The present Addendum contains the portion of the General Council's report relating to the preparations for the 1999 Ministerial Conference. This 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), and sets out the actions taken by the General Council in the period since its previous annual report<sup>1</sup> regarding the preparations for the Ministerial Conference.

In carrying out its task, the General Council has held 7 Special Sessions since the period covered by the previous report.<sup>2</sup> The minutes of these Special Sessions, which remain the record of the General Council's work, are contained in documents WT/GC/M/34, 39, 42, 43, 44, 47 and 49.

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- **Preparations for the 1999 Ministerial Conference (WT/GC/M/34, 39, 42, 43, 44, 47 and 49)**

At the Second Session of the Ministerial Conference in May 1998, Ministers decided that a process would be established under the direction of the General Council to ensure the full and faithful implementation of existing agreements, and to prepare for the Third Session of the Ministerial Conference. Ministers also decided that, in this regard, the General Council would meet in Special Session in September 1998 and periodically thereafter to ensure full and timely completion of its work (WT/MIN(98)/DEC/1).

At its Special Session in September 1998, the General Council held an initial discussion on the substantive issues arising from the Ministerial Declaration of May 1998, in particular paragraphs 9, 10 and 11, including proposals by Members, and agreed to establish a schedule of monthly informal intersessional meetings in the last quarter of 1998 and the beginning of 1999 to further address these issues. The General Council also agreed to meet again in Special Session in the second half of February 1999 to take stock and decide on further work in the preparatory process.

At its Special Session on 25 February 1999, the General Council held a further discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members. In so doing, the General Council considered an oral report by the outgoing Chairman on the work done in the informal intersessional meetings held since the September 1998 Special Session,

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<sup>1</sup>The annual report of the General Council for 1998 was circulated as WT/GC/15 and Corr.1.

<sup>2</sup>An addendum to the present report will reflect the proceedings of any further meetings of the General Council in special session in November 1999 in preparation for the Ministerial Conference.

at which Members pursued a discussion of the issues identified in paragraph 9 of the Ministerial Declaration sequentially.<sup>3</sup>

The General Council also considered the organization of further work on these issues on the basis of a proposal by the Chairman.

The representatives of New Zealand, Uruguay, Norway, the European Communities, Japan, Bolivia, Guatemala, Korea, Hungary (also on behalf of Bulgaria, Czech Republic, Poland, Romania, Slovak Republic and Slovenia), El Salvador (also on behalf of Cuba, Dominican Republic, Honduras and Nicaragua), Malaysia (on behalf of the ASEAN Members), Costa Rica, Australia, Egypt, Argentina, India, the United States, Pakistan, Brazil, Colombia, Switzerland, Canada, Venezuela, South Africa, Morocco, Tanzania, Mauritius, Chile, Mexico, Iceland, Uganda and Hong Kong, China and the Chairman spoke.

The General Council took note of the statements and of the report by the outgoing Chairman on the work done since the September 1998 Special Session, and agreed to the following indicative programme for the organization of further work in the second phase, covering the period March to July:

24 and 26 March	Special Session: Suggested focus – Proposals on paragraph 9(a) of the Ministerial Declaration
12-13 April	Informal meeting
22-23 April	Special Session: Suggested focus – Proposals on paragraphs 9(b)-9(d) of the Ministerial Declaration
3-4 May	Informal meeting
20-21 May	Special Session: Suggested focus – Further discussion of proposals on paragraphs 9(a)-9(d) of the Ministerial Declaration
7-8 June	Informal meeting
21-22 June	Special Session: Suggested focus – Proposals on paragraph 10 of the Ministerial Declaration
6-7 July	Informal meeting
9 July	Special Session: Suggested focus – Further discussion of proposals on paragraphs 9 and 10 of the Ministerial Declaration
28-29 July	Special Session: Suggested focus – Further discussion of proposals on paragraphs 9 and 10, and the organization of future work

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<sup>3</sup>Checklists of issues raised by delegations pertaining to items discussed at each meeting were circulated by the Secretariat under its own responsibility as the following informal Job No. documents: 6155, 7095, 7123, 434, 441, 920 and 1023.

It was understood that, in addition to the suggested focus for each meeting, delegations would have the right to revert to any issue at any meeting, and that the programme might be reviewed and if necessary modified in the light of developments.

At its Special Session on 24 March 1999, the General Council continued its discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members, with a focus on proposals on paragraph 9(a) of the Ministerial Declaration.

The representatives of Uruguay, Australia, the Dominican Republic (also on behalf of Cuba, Honduras and Nicaragua), Cuba (also on behalf of the Dominican Republic, Honduras and Nicaragua), the United States, El Salvador (also on behalf of Cuba, the Dominican Republic, Honduras and Nicaragua), Egypt, Honduras (also on behalf of Cuba and the Dominican Republic), India, Hungary (also on behalf of Bulgaria, Czech Republic, Poland, Romania, Slovak Republic and Slovenia), Nicaragua (also on behalf of Cuba, the Dominican Republic and Honduras), Japan, Costa Rica, Pakistan, Argentina, the European Communities, Venezuela, Mauritius, New Zealand, the Dominican Republic (also on behalf of Cuba, El Salvador, Honduras, Nicaragua and Pakistan), Switzerland, Norway, Sri Lanka, Canada, Korea, Brazil, Malaysia (on behalf of the ASEAN Members) and Hong Kong, China and the Chairman spoke.

The General Council took note of the statements, and agreed to a proposal by the Chairman that the Special Session scheduled for 22-23 April be rescheduled for 3-4 May, and that the informal meeting scheduled for 3-4 May be rescheduled for 10-11 May.

At its Special Session on 20 May 1999, the General Council continued its discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members, with a focus on proposals on paragraphs 9(a)-9(d) of the Ministerial Declaration. It also discussed, under "Other Business", the role of the General Council in the preparation of the negotiating guidelines and procedures for the mandated negotiations on services.

The representatives of Hungary, Norway, Australia, European Communities, the United States, Zambia (also on behalf of Pakistan, Jamaica, Kenya, Uganda, Tanzania and Sri Lanka), Japan, Malaysia (on behalf of the ASEAN Members), Hungary (on behalf of the CEFTA countries), Uruguay, New Zealand, Chile, Switzerland, Argentina, Iceland, Brazil, Australia, Canada, Turkey, Costa Rica, Singapore, Indonesia, Egypt, Guatemala, Thailand, Cuba, India, Venezuela, Mexico, Bolivia, Colombia and Hong Kong, China and the Chairman spoke.

The General Council took note of the statements.

At its Special Session on 17 June 1999, the General Council continued its discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members, with a focus on proposals on paragraph 10 of the Ministerial Declaration. It further considered the indicative schedule of meetings agreed in February.

The representatives of Mexico, Hungary (on behalf of the CEFTA countries and Latvia), Egypt, Uruguay, Australia, Norway, Chile, Costa Rica, Switzerland, Cuba, Korea, Singapore (also on behalf of the Philippines), Canada, India, Pakistan, United States, Guatemala (also on behalf of the Dominican Republic, El Salvador, Honduras and Nicaragua), the European Communities, Jamaica, Malaysia (on behalf of the ASEAN Members), Japan, Sri Lanka, Dominican Republic, Turkey, Czech Republic, New Zealand, Brazil and Hong Kong, China and the Chairman spoke.

The General Council took note of the statements, and agreed that the formal Special Session scheduled for 9 July be brought forward to 7 July, and that the informal meeting scheduled for 6-7 July be held only on 6 July.

At its Special Session on 7 July 1999, the General Council continued its discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members, with a focus on proposals on paragraphs 9 and 10 of the Ministerial Declaration.

The representatives of New Zealand (on behalf of the APEC Members), Brazil, Argentina, Bangladesh (on behalf of the least-developed country Members), Japan, the European Communities, Norway, Korea, India, Uruguay, Hungary (also on behalf of Bulgaria, Czech Republic, Latvia, Slovak Republic and Slovenia), Turkey, Australia, Pakistan, Egypt, Cuba, Chile, Costa Rica, Philippines (on behalf of the ASEAN Members), Czech Republic, Iceland, the United States, Morocco, Singapore, Thailand, Mauritius and Hong Kong, China and the Chairman spoke.

The General Council took note of the statements.

At its Special Session on 29 July 1999, the General Council continued its discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members, with a focus on proposals on paragraphs 9 and 10 of the Ministerial Declaration, and the organization of future work.

With regard to the organization of future work, the Chairman said that the next phase of work would require the General Council to produce the text or texts and the recommendations to be sent to Ministers at Seattle for their decision. Clearly, there was now a substantial amount of material on the table from which to distil recommendations to Ministers, and that the process of distillation had already begun in recent informal meetings. In view of the task ahead, the next phase might be characterized as recommendation-driven and multi-layered. Recommendation-driven in the sense that its main aim was to produce recommendations to Ministers, and because it would be important to focus the work around draft recommendations as soon as possible. Multi-layered because Phase 3 should be structured with maximum flexibility in order to make the most efficient use of the limited time available. This entailed a process which, firstly, combined frequent informal General Council meetings - hopefully more and more at the Head-of-Delegation level - with less frequent Special Sessions. This level of meetings would be the guarantee of transparency and full participation, and all results in other fora would have to be brought back to it. Secondly, there would be a need, as on all past occasions, to hold other informal consultations at short notice to take up specific issues, and for detailed drafting work. Such consultations were an essential part of a result-oriented process. They should, of course, be conducted in full respect of transparency and non-discrimination. It might, if Members agreed, be useful to associate the Director-General with such consultations. Thirdly, he would be stepping up his own consultations with delegations at the individual level, and he expected that delegations would also be intensifying the pace of their own multilateral and plurilateral discussion. Clearly, the General Council would be the body to which the work in this multi-layered process would all come back to. While he had noted the emphasis that delegations had placed on the primacy of the General Council in the preparatory process, in all the past experience a multi-layer structure such as he had outlined had been proven indispensable to enabling the work at the level of the General Council to reach a successful outcome. Since the core of work in Phase 3 would be the recommendations to be submitted to Ministers, it was important to get a draft setting out possible elements on the table as soon as possible, and he understood that some delegations were actively considering possible language. On his own responsibility as Chairman, he intended to circulate a draft outline of a Ministerial text or texts to delegations in the first week of September. This would be an outline, and without prejudice to Members' positions regarding the elements that might eventually be included in the text or texts that would go forward from the process to Ministers. His intended outline would take into account the work in Phases 1 and 2 and could serve as a basis for assisting the

work in Phase 3. With this aim in mind, he would circulate shortly to delegations a schedule of work in Phase 3 beginning with an informal General Council meeting on 8 September. He suggested that at that meeting Members continue their examination of specific proposals, including any that might have been submitted over the summer break, and undertake a first reading of the draft outline. The process in the next phase would clearly have to be flexible, with more meetings added as necessary. He suggested that the General Council aim to finish its work in Phase 3 in Geneva by the beginning of November in order to allow time for consideration of the resulting text in capitals, as well as time for translation and processing. The Special Session that he would propose be scheduled at the beginning of November could, however, remain on call so that any necessary amendments could be made.

The representatives of Venezuela, Brazil, Hungary (also on behalf of the CEFTA countries and Latvia), Japan, Kenya, the United States, Singapore, Panama, Korea, the European Communities, India, Norway, Canada, Mauritius, Australia, Peru, Mexico, Uganda, Chile, Uruguay, Cuba, Bolivia and Hong Kong, China spoke.

The General Council took note of the statements and agreed to the Chairman's suggestions for the organization of further work in the process.

At its Special Session on 23 September 1999, the General Council continued its discussion of the substantive issues arising from the Ministerial Declaration of May 1998, including proposals by Members, as well as the further organization of work. It also held a discussion on the basis of a draft outline of a Ministerial text circulated by the Chairman on 8 September under his own responsibility (Job(99)/5230).

The representatives of New Zealand, Canada, Uruguay, Brazil, Japan, Hungary (on behalf of the CEFTA countries and Latvia), Bolivia, Pakistan, the European Communities, Australia, Guatemala, India, Colombia, Korea, Philippines, Singapore, Dominican Republic, Cuba, Switzerland, Malaysia, Mexico, Honduras, Egypt, Romania, Indonesia, Argentina, Norway, Uganda, El Salvador, Iceland, Bangladesh, Thailand, Bulgaria, Mauritius, Venezuela, South Africa and Hong Kong, China spoke.

With regard to the organization of further work, the Chairman said he sensed that the large majority of delegations were agreed that one should move forward with a sense of urgency towards the drafting of a text for Ministers, and that all the inputs that had been made should be taken fully into account in the further process that all would be embarking on. Having listened carefully to all the points of view that had been expressed, including that the immediate process should be inclusive and allow the opportunity for all delegations to participate in the building up of an initial overall text for further consideration, it was his intention to conduct in the following week an intensive process of informal consultations at the Heads-of-Delegation level. His aim in conducting this process would be to circulate, on the basis of the discussions at those consultations as well as the work thus far, an initial text of a draft declaration immediately thereafter. The discussion the following week would be open-ended as regards participation, and would be the opportunity for delegations to indicate to him what they wished to see in the first draft that he intended to circulate. Clearly, the intensive informal meetings could not be a repeat of the discussion that had been held thus far in the second phase, but would have to focus on the content of the text to be submitted to Ministers. On this basis, he intended to circulate to delegations as soon as possible a programme for these meetings setting out the times and the subjects for discussion on each of the elements that I will intend to take up.

The General Council took note of the statements and agreed to the Chairman's suggestions for the organization of further work in the process.

The General Council further considered, under "Other Business", a proposal by the United States regarding a WTO Symposium, to be held at Seattle on 29 November, on International Trade

Issues in the First Decades of the Next Century which, consistent with Article V:2 of the WTO Agreement, would aim at encouraging an informal dialogue between WTO Members and representatives of non-governmental organizations on issues likely to affect the international trading system of the WTO in the next century in order to (i) enhance awareness of the issues involved; (ii) provide a forum for exchange of ideas; and (iii) increase the understanding of the WTO's contributions in these areas.

The representatives of the United States, Costa Rica, Egypt, Korea, the European Communities, Japan, Bolivia, Argentina, Canada, Australia, Brazil and Mexico spoke.

The General Council took note of the statements and endorsed the proposal by the United States ad referendum to allow the delegation that had expressed difficulty with it a few days' time to consult with its capital.<sup>4</sup>

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<sup>4</sup> The delegation concerned having removed its reservation, the proposal was considered endorsed.