

# WORLD TRADE ORGANIZATION

RESTRICTED

**WT/GC/M/18**

19 March 1997

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**GENERAL COUNCIL**  
**7 February 1997**

## MINUTES OF MEETING

Held in the Centre William Rappard  
on 7 February 1997

Chairman: Mr. W. Rossier (Switzerland)

<u>Subjects discussed:</u>	<u>Page</u>
1. Observer status for international intergovernmental organizations	2
(a) International intergovernmental organizations having ad hoc observer status	2
(b) Requests for observer status by other international intergovernmental organizations	2
2. International Trade Centre UNCTAD/WTO	3
- Report of the Joint Advisory Group	3
3. Conditions of service of WTO staff	5
4. Committee on Balance-of-Payments Restrictions - Consultation with India	9
- Statement by the Committee Chairman	9
5. Ecuador - Commitments under the Protocol of Accession	10
- Communication from the United States	10
6. Appointment of officers to WTO bodies	13
7. Follow-up to the Singapore Ministerial Conference - Working Groups on the relationship between trade and investment, the interaction between trade and competition, and transparency in government procurement practices	14
- Consultations on appointment of chairpersons	14
8. Commemoration of the fiftieth anniversary of the multilateral trading system	16
9. Offices of the Deputy Directors-General	18
- Announcement by the Director-General	18
10. Scheduling of meetings of WTO bodies	20
11. Election of Chairperson	20

1. Observer status for international intergovernmental organizations (WT/GC/W/51)
  - (a) International intergovernmental organizations having ad hoc observer status
  - (b) Requests for observer status by other international intergovernmental organizations

The Chairman recalled that in accordance with the ad hoc arrangements for observer status for international intergovernmental organizations approved at an informal meeting of Heads of Delegations in March 1995<sup>1</sup>, a number of organizations -- the United Nations, UNCTAD, IMF, World Bank, FAO, WIPO and OECD -- had been attending meetings of the General Council regularly. With regard to the IMF and the World Bank, he noted that these organizations were given observer status in the General Council and other WTO bodies as provided for in their respective Agreements with the WTO (WT/L/195). With regard to the other international intergovernmental organizations, he proposed the following: (a) that the organizations that had ad hoc observer status in the General Council, namely, the United Nations, UNCTAD, FAO, WIPO and OECD be granted observer status immediately; (b) that the Chairman consult on the international intergovernmental organizations whose requests for observer status had not yet been considered. A list of these organizations was provided in Section II of WT/GC/W/51. Since the International Grains Council and the Office International de la Vigne et du Vin had withdrawn their requests, and some other organizations might also subsequently do so, a revised document would be circulated later; and (c) that the General Council invite other WTO bodies to proceed in a similar way with regard to observer status for international intergovernmental organizations.

The representative of Jamaica proposed that any consultations regarding observer status for international organizations to be undertaken by the Chairmen of the General Council and of the other WTO bodies be governed by objective and formally agreed criteria. Also, since the WTO was itself a Member-driven organization, similar organizations from amongst those requesting observer status in the WTO should be identified and distinguished clearly from others. He hoped, if there was no objection to his proposal, that one could see circulated shortly the guidelines for the informal consultations.

The Chairman said that guidelines for observer status for international intergovernmental organizations in the WTO already existed, and had been approved by the General Council on 18 July 1996. They were reproduced as Annex 3 of the Rules of Procedure, contained in document WT/L/161.

The representative of the United States said that the Chairman's proposal was broadly acceptable to his delegation. He drew attention to paragraph 4 of the guidelines in WT/L/161, Annex 3, which provided that requests for observer status should be considered on a case-by case basis by each WTO body "taking into account such factors as ... reciprocity with respect to access to proceedings, documents and other aspects of observership ...." Clearly, the idea behind this rule was that observership should be a two-way street. Also implied in this rule was the notion that only those organizations in which the WTO desired observership rights should be considered for observer status in the WTO. Whenever an organization sought WTO observer status, Members should ask whether that was an organization with activities relevant to the WTO which they would want the WTO to observe. If the answer were yes, Members should ensure that the WTO Secretariat obtained a guarantee of reciprocal observer rights in that organization before they agreed to accord it observership rights in the WTO. If the answer were no, on the other hand, the United States did not believe that Members should give favourable consideration to that organization's request for WTO observer status. His delegation would be pursuing this issue further as the consultations proposed by the Chairman continued.

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<sup>1</sup>See WT/GC/M/3, item 3.

The representative of Morocco expressed support for the statements by Jamaica and the United States. He believed there should be valid and logical reasons for granting observer status to one organization and not to another. Observer status requests from organizations should be considered on a case-by-case basis, with full transparency, and in a way that ensured that organizations understood why some requests were granted and others not.

The General Council took note of the statements and agreed to the Chairman's proposal.

2. International Trade Centre UNCTAD/WTO

- Report of the Joint Advisory Group (ITC/AG(XXIX)/157)

Mr. Forteza (Uruguay), Vice-Chairman of the Joint Advisory Group (JAG), introduced the report of the Group on its twenty-ninth session (ITC/AG(XXIX)/157) on behalf of its Chairman, Mr. Baldocci (Italy). The JAG had examined the following matters: (i) review of the ITC's technical cooperation activities in 1995, based on its annual report; (ii) ITC's mission statement; (iii) ITC's contribution to the United Nations Medium Term Plan for 1998-2001; and (iv) the report of the Consultative Committee on the Global Trust Fund.

In his opening statement to the Group, the Executive Director had reported on the ITC's efforts during the past two years to sharpen its vision; clarify its mandate; intensify relations with its parent bodies, beneficiaries, partners and donors; restructure the organization; redefine divisional responsibilities; reallocate resources; redeploy personnel and streamline the organization. The Group had vigorously reaffirmed the relevance and importance of the ITC's technical cooperation activities in 1995 which were judged pragmatic, result-oriented and responding to the countries' needs and potential for trade promotion and export development. The Group had welcomed the ITC's initiative to develop a mission statement and had expressed full support for the formulation of the ITC's strategy, core services, values and *modus operandi*. It had also noted the ITC's contribution to the United Nations Medium Term Plan for 1998-2001. Recalling its endorsement of the proposal for setting up a Global Trust Fund at the twenty-eighth session, the Group had expressed its satisfaction on the establishment of the Global Trust Fund and the effective functioning of its Consultative Committee.

Finally, on behalf of the JAG, he expressed gratitude to the Governments of Canada, China, Denmark, Finland, Germany, India, Japan, Netherlands, Norway, Sweden and Switzerland, which had announced confirmed or possible voluntary contributions to the ITC for its technical cooperation programme.

The representative of Egypt said he looked forward to greater cooperation between the WTO, UNCTAD and the ITC in furthering their technical cooperation activities for developing countries, and in particular for the African region which comprised the majority of the least-developed countries. He expressed gratitude to the governments that had announced voluntary trust fund contributions to the ITC, and hoped that the creation of the trust fund would not mean that normal contributions to the ITC for its much-needed technical assistance activities would be reduced. He paid tribute to the Director-General and the UNCTAD Secretary General for their joint efforts to further technical cooperation for developing countries in close cooperation with the ITC. He asked if the Executive Director of the ITC could inform Members of his plans regarding the follow-up to the Singapore Ministerial Declaration, which contained several points of interest to developing countries, and in particular to the African countries.

The representative of Jamaica said that the central target of the ITC's technical assistance activities should be to strengthen institutional capacity in developing countries such that, over time, fewer and fewer countries required the kind of assistance being offered through seminars and general

discussion. He welcomed the idea of "measurable targets", referred to in paragraph 77 of the report. This was an area that should be elaborated so that one could see what the ITC achieved with its resources within a specific time frame.

The representative of India expressed satisfaction that the ITC had been able to provide valuable inputs for the UNCTAD IX meeting in 1996. The UNCTAD Secretary General had appropriately acknowledged this contribution of the ITC in his address to the JAG last year. Members of the WTO had a similar appreciation for the role the ITC had played, and was expected to play, in assisting developing countries to benefit fully from the results of the Uruguay Round, especially in providing technical expertise to enterprises and to the public and private sectors in developing countries. The involvement of the ITC and UNCTAD in the deliberations of the Committee on Trade and Development last year had proved of great benefit in drawing up concrete plans of action relevant to developing country WTO Members. The spirit of cooperation between the ITC and the WTO was summed up in the commitment of Ministers at Singapore to endorse the recommendations of the Committee on Trade and Development, especially as these related to the compliance of significant new commitments, both substantive and procedural, undertaken by developing country Members at the end of the Uruguay Round. In this connection, India looked forward to the ITC's valuable contribution to the joint meeting to be organized by the UNCTAD, ITC and WTO this year to enhance the trading opportunities of least-developed countries.

In order to be able to deliver on these expectations, the ITC had to find the most efficient structure and method to provide its expertise and assistance. India had noted the attempts under way in the ITC to restructure itself to meet the challenges facing it in the years ahead. As a country that had enjoyed an exceptionally close relationship with the ITC, India wished it success in these efforts. Further, because of its close links with the ITC, India expressed the hope that the restructuring of the organization would take place without losing the invaluable resources and experience the ITC had gathered over the years. Gradual change often had a longer-lasting impact than sudden and abrupt change, especially in the case of institutions like the ITC which symbolized a finely tuned balance between resources and expectations. The contribution of experts from developing countries, including India, had enriched the ITC and helped developing countries immensely in the past. India was concerned, however, at the sharp decline in the numbers in the ITC staff in recent years, and wished urgent steps to be taken to redress the growing imbalance. In view of some recent problems at the senior staff level, India wished to be kept informed of all developments that had a bearing on the efficient functioning of the ITC. India requested that Members continue to keep the activities of the ITC under regular review, especially in view of the mandate collectively endorsed at the Singapore Ministerial Conference. As regards the Global Trust Fund, India was a significant contributor thereto despite its limited resources. It was confident that with the additional resources of this trust fund, the ITC would continue to play its unique role in the design and implementation of tailor-made programmes and projects at the national and regional levels. By playing such a role the ITC would best serve the purpose for which it was established, and enable developing countries to participate meaningfully in the multilateral trading system.

The representative of Singapore, speaking on behalf of the ASEAN countries, said he wished to have information from the ITC on the ratio of technical assistance expenditures to the allocation of resources for its headquarters. Also, he believed it was time to put together a comprehensive paper outlining the technical assistance activities undertaken by the UNCTAD, WTO and ITC. This would enable an assessment of the value and scope of such activities and the need to fund them.

Mr. Belisle, Executive Director of the ITC, said that, post-Singapore, the ITC was very much involved, in collaboration with its parent organizations and others, in developing additional and more efficient ways of helping developing countries in trade matters. He fully agreed with Jamaica's suggestion that the logical conclusion of the ITC's continued assistance activities over the years was that there should one day be no need or reason for it to exist. This would happen once the ITC's job

of national capacity-building had been done and developing countries were able to participate effectively in international trade. As for measurable targets for programmes and projects, he could not agree more with Jamaica. Money that went toward technical assistance should have a very specific impact, and it was the collective duty of all to measure such impact. New projects and programmes of the ITC did include measurable targets, and active discussion on this matter was held at the ITC with the consultative committee that accompanied the Global Trust Fund. On a matter raised by India, he said that the increased presence of experts from developing countries in the ITC at all levels was a must, and the ITC was doing all it could to ensure that these countries were appropriately represented. As regards the ITC's restructuring and reform, governments had been very clear in 1994 as to the necessity of substantial and fundamental reform at the ITC, and this was being undertaken and would be continued to the end. While he was unable at the present meeting to provide a response to Singapore's question on the allocation of funds between the field and headquarters, he stressed that efficient tools had often to be developed at headquarters and customized on a country-by-country basis so as to ensure that one did not reinvent the wheel each time a project was undertaken in a developing country. The ITC's regular budget existed for this very purpose. As for the complementarity of the technical assistance provided by the three organizations, this had been the object of very intense discussions between the parent organizations and the ITC, and much progress had been made in ensuring not only complementarity but the synergy of the technical assistance provided by the three organizations.

The representative of Japan asked why the General Council had not had an opportunity to consider the JAG report earlier, given that it had been circulated in April 1996. The report contained a useful section on review of technical cooperation activities in 1995, and he believed that a more attentive and enthusiastic discussion could be held if delegations had the opportunity to review these activities in the immediately following year.

The Chairman said that the delayed consideration of this report was due to organizational reasons, linked to the unavailability of the Chairman of the JAG and also to the workload related to the preparations for the Singapore Ministerial Conference.

The General Council took note of the statements and adopted the report in ITC/AG(XXIX)/157.

### 3. Conditions of service of WTO staff

The Chairman recalled that, notwithstanding the support of a large number of delegations, it had not been possible in 1996 to reach a consensus on a draft decision on this matter submitted by the him on 18 September 1996. The General Council had therefore decided in November that "it shall in 1997 continue its consideration of the draft decision of 18 September 1996, with a view to reaching a final conclusion by 30 June 1997 at the latest" (WT/L/197). Accordingly, he proposed that an open-ended working group be established to assist the General Council in meeting the above deadline, with the following terms of reference:

- to complete the consideration of the draft Staff Regulations, including the code of conduct;
- to examine the draft Staff Rules;
- to examine the draft regulations of the proposed WTO pension plan;
- to consider the financial management structure of the proposed WTO pension plan;
- to undertake a further study of the conditions for the withdrawal of ICITO from the United Nations Joint Staff Pension Fund, together with a timetable for such withdrawal and the presentation of a conditional request for withdrawal to the UNJSPF Standing Committee at the end of June 1997;

- to make a further, detailed study of the cost implications associated with the draft decision of 18 September 1996 and consult thereon, as appropriate, with the Budget Committee;
- to review the results of the post classification exercise currently in progress; and
- to pursue consideration of a performance evaluation and performance pay system on the basis of the proposals to be submitted by the Secretariat.

The working group should meet as soon as possible in order to establish a timetable for its work and should report at each meeting of the General Council. Its final report, together with final draft texts of the staff regulations and rules, pension plan regulations and a draft decision should be submitted to the General Council by the end of May 1997. The Secretariat would provide the necessary technical support to the working group and make available to delegations upon request a consolidated set of the papers considered by the working groups previously established by the General Council. The working group would be free to invite outside experts.

He also proposed that the General Council authorize its Chairman to designate the Chairman of the working group in consultation with Members. In the course of the consultations he had held on the establishment of the working group, it had been suggested that the WTO Staff Council be represented in the working group as an observer. However, this suggestion had not met with a consensus and required further consultations when the working group started its work.

The representative of Egypt said his delegation agreed to the Chairman's proposal and hoped that the working group would complete its task as soon as possible, and take into consideration also the work of the Budget Committee in order to avoid duplication. To ensure better coordination between the Budget Committee and the working group, his delegation suggested that the Chairman of the Budget Committee be appointed Chairman of the working group.

The representative of Germany welcomed the establishment of a working group and the opportunity to study the matter at hand in that group. His delegation could agree to the terms of reference, provided that each delegation had an opportunity to state its position. Given that Germany was a member of and main contributor to many international organizations, it wished to recall its general position that possible solutions should be found in the framework of the UN common system. Approval of the proposed working group could not therefore be interpreted as anticipating approval of an autonomous WTO system. He welcomed too that the working group would be free to invite outside experts, and said that experts from the International Civil Service Commission and the UN Joint Staff Pension Fund should be given the opportunity to present their views. His delegation could not join a consensus to grant observer status in the working group to the Staff Council, and could not see how decision-making in Member governments could be enhanced by observers. The necessary decisions could only be taken by Members. Noting that Secretariat staff would be present at meetings of the working group, he said that they as well as each delegation would be free to inform representatives of the Staff Council of the deliberations. The Staff Council might also be given the opportunity to address the group at an appropriate time. His delegation believed there was no lack of transparency on this matter, but rather a lack of decision-making.

The representative of Morocco said that while the proposed terms of reference for the working group referred to a review of the results of the post classification exercise and consideration of a performance pay system, an element that appeared to be lacking therein concerned the structure of the Secretariat. His delegation believed that the latter issue should be dealt with appropriately.

The representative of Norway said he believed that the Chairman's proposal could contribute to a relevant decision on salaries and pensions not later than 30 June. Since Marrakesh, Members had repeatedly delayed a substantial decision on this matter. If the WTO wished to retain its credibility,

it could not go for yet another prolongation on 30 June. As regards observer status for the Staff Council in the working group, Norway wished to take this issue up at the group's first meeting.

The representative of the United States supported the Chairman's proposal, and expressed regret that Germany could not join in a consensus to allow the Staff Council to participate as an observer in the working group. Clearly, the Staff Council could not participate on the same basis as delegations. However, Members had nothing to hide from the staff of the Secretariat, and the United States believed it would be useful for the Staff Council to observe the working group's work so that it could at least understand how any position was arrived at.

The representative of Uruguay supported the Chairman's proposal. He also supported the US statement regarding participation of the Staff Council as an observer in the working group. There was nothing to hide in this exercise, and it was important that representatives of those most concerned should participate in the working group's work. The participation of staff representatives in work on similar issues in other organizations had proved very useful. It was one thing to have technical support staff from the Secretariat present at a meeting, and quite another to have observers that represented the Staff Council. Uruguay supported the latter.

The representative of Jamaica said he did not believe it was possible for a body established by the General Council to take a decision on participation when the General Council itself could not reach a consensus thereon. This was not a matter that could be delegated to the working group. The working group was not dealing exclusively or primarily with matters only of interest to the Staff Council. He believed, however, that there was room for parallel activity whereby the Staff Council could be fully involved in areas of interest to it.

The Chairman said it was clear that there was no consensus at present on the Staff Council's participation as an observer in the working group. For this reason, he had not made any proposal in this regard. However, as he had stated earlier, this matter could be raised once again at the start of the working group's work, and a consensus could be reached at that time.

The representative of Hong Kong said that his delegation regarded it as very unsatisfactory that the question of conditions of service for staff continued to be unresolved. It was important now to bring it to a satisfactory conclusion. Hong Kong therefore supported establishment of the working group as proposed by the Chairman, and underlined the importance of observing the set deadline strictly. Also, progress in the working group should be kept under review by the General Council. Finally, Hong Kong supported the proposal that the Staff Council be present as an observer in the working group. This would be in line with modern management practices and with the principle of transparency, and would be helpful to staff morale.

The Chairman said that under his proposal the working group would report at each meeting of the General Council.

The representative of Canada said that his delegation supported the Chairman's proposal, as also the presence of the Staff Council as an observer in the working group for reasons cited by the United States. On the latter question, Canada agreed with the Chairman's remarks in response to Jamaica's statement. Canada believed that a working group comprising all WTO Members could well decide whether or not to invite the Staff Council to attend its meetings. In concluding, he said that there was no consensus in the General Council on Jamaica's views.

The representative of Haiti said that, having listened to the debate, his delegation could agree to the Chairman's proposal with one exception. Haiti believed that an issue as important as the participation of the Staff Council in the working group should not be left to the latter to decide, but

rather should be decided by the General Council. It would be important for the working group's work to know what the staff's views were, because staff were just as concerned in this matter as Members. Referring to tensions that he said had arisen in some other organizations from the bad management of similar issues, he emphasized that the WTO was too important to launch this work without staff participation and to then have to resolve any problems that might subsequently arise. Prevention was better than cure and, for the good health of the WTO, staff participation was needed in the working group. He reiterated that this important decision should be taken by the General Council. If there was no consensus on this matter yet, then consultations should continue.

The Chairman said that, given the apparent lack of consensus, it did not appear possible at the present meeting to take a decision on the question of the Staff Council's participation in the working group. It was important, however, that the General Council decide on the establishment of the working group at its present meeting. He had therefore suggested that the question of the Staff Council's participation be taken up subsequently by the working group itself. Alternatively, the General Council Chairman could be authorized to continue consultations on this matter.

The representative of Singapore, speaking on behalf of the ASEAN countries, supported the Chairman's proposal on the establishment of a working group to study a matter on which a decision had been continuously postponed by Members. The current situation was unfair and unjust to the staff. Given the considerable work the WTO had to do in the near future, it was essential to have a satisfied Secretariat, and anything Members could do in this regard should be done.

The representative of Mexico said the matter at hand was a priority issue and some solution had to be found. He supported the Chairman's proposal to establish a working group to study this matter without prejudging at this stage the question of participation of the Staff Council. It was his understanding that consultations on the latter issue would be continued.

The representative of Korea reiterated his delegation's support for the early resolution of the issue of conditions of service of WTO staff independent of the UN common system. For this reason, Korea supported the Chairman's proposal for the establishment of a working group with a decision on participation of the Staff Council pending. He believed the latter was a secondary matter as far as the process of the working group was concerned. If such participation proved to be inconvenient or difficult for one country or another, then Korea would not favour allowing such participation. This would be a much more realistic approach in terms of facilitating a positive decision on the question of conditions of service of the staff.

The Director-General said he welcomed the establishment of the working group proposed by the Chairman and expressed appreciation to the latter for his efforts. He hoped that the working group would conclude its work and arrive at a positive outcome as soon as possible -- even before the deadline of the end of May -- and that the position of the Staff Council would be taken into account in a transparent way. He could only reiterate at this stage his statement at the Singapore Ministerial Conference, when he had said: "At this moment of celebration I feel obliged to recall the imperative need to establish the WTO Secretariat as an independent unit as soon as possible. This would be only a logical consequence of having created the WTO as a legally independent and sui generis organization. Two years have already gone by since the creation of the Organization, and the time has come to take this decision which has no financial implications but is crucial for the fate of close to 500 staff members. The staff deserved recognition for their dedication and outstanding contribution, and the best way to do that is for Members to decide as soon as possible on the establishment of the Secretariat".<sup>2</sup> He hoped that the time had come, after two years of discussions and clarifications. He recalled that the

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<sup>2</sup>See WT/MIN(96)/SR/9, page 4.



WTO was based on consensus and that consensus required responsibility and flexibility. This had been the reason for the success of the GATT, the Uruguay Round and the Ministerial Conference in Singapore. At this stage of discussion of the issue of conditions of service of WTO staff, the maintenance of inflexible minority positions would appear contrary to the tradition that had guided the success of the multilateral system and the economic success of so many countries. The consequences could be very serious for the system as a whole. He strongly recommended that Members consider these points carefully.

The General Council took note of the statements, agreed to the Chairman's proposal regarding the establishment and terms of reference of a working group to study this matter, and authorized the Chairman to designate the Chairman of the Working Group in consultation with Members. The General Council also agreed that the Chairman should hold further consultations on the question of participation of the Staff Council as an observer in the Working Group.

4. Committee on Balance-of-Payments Restrictions - Consultation with India  
- Statement by the Committee Chairman

Mr. Witt (Germany), Chairman of the Committee, said that the Committee had met on 20-21 January 1997 to continue its consultation with India which it had started in December 1995. The Committee had noted the positive developments in India's economic situation since 1995. It had welcomed India's continued commitment toward economic reform and liberalization, and had noted its progressive removal of quantitative restrictions notified under Article XVIII:B. The Committee had also noted the IMF's statement that India's current monetary reserves were not inadequate and were not threatened by a serious decline. India had cautioned that its Balance-of-Payments needed close monitoring and that the precipitate removal of quantitative restrictions notified under Article XVIII:B could undermine the stability of its economy and the reform process. In the light of ongoing discussions, the Committee had agreed to resume the consultation with India at the beginning of June 1997 to consider a plan for the elimination of measures notified under Article XVIII:B and to conclude the consultations consistently with all relevant BOP provisions. In drawing up a plan, India would give due consideration to Members' interests in a balanced manner.

The representative of the European Communities expressed concern at India's continuing recourse to Article XVIII:B provisions, and looked forward to the resumption of consultations in June and to India's full compliance with its WTO obligations.

The representative of the United States welcomed India's commitment at the January consultation to economic reform and liberalization. The removal of quantitative restrictions notified under Article XVIII:B would be an important element of that reform. The United States looked forward to receiving India's plan to eliminate these measures no later than the second week of May in order to have time to prepare for the June consultations.

The representative of Switzerland reiterated his Government's view that the maintenance of India's measures were not justified under the BOP provisions, and welcomed India's readiness to draw up a programme for the removal of these measures.

The representative of Japan welcomed the progress made at the Committee meeting in January and looked forward to India's submission of a plan to eliminate its quantitative restrictions. He also looked forward to receiving that plan well in advance of the Committee meeting in June in order to have ample time to examine it and prepare for the discussion.

The representative of India said that the statement by the BOP Committee Chairman was based on what had been collectively decided in the Committee following two days of intensive discussions. India stood by the conclusions that had been arrived at in those discussions, and which, as all were aware, had been based on a particular context and on certain understandings. He was therefore concerned at the statements by the Community and Switzerland implying that India was not in compliance with some of its obligations. This was a complicated technical and legal issue that the BOP Committee was competent to look into, and India would stand by the commitments it had made in its consultation with the Committee. He added that the necessary political climate for reform and liberalization in India could be created if major Member countries could ensure increased market access for products in which India had a competitive advantage.

The representative of Korea welcomed the position taken by India, and looked forward to discussing, at the June meeting of the Committee, India's plan to bring its measures into conformity with WTO provisions.

The General Council took note of the statements.

5. Ecuador - Commitments under the Protocol of Accession (WT/ACC/ECU/6)  
- Communication from the United States (WT/L/202)

The Chairman drew attention to the communication from the United States in document WT/L/202, and informed the General Council that Ecuador had recently submitted to the Secretariat, for circulation to Members, information relating to its compliance with the specific commitments contained in the report of the Working Party on its accession (WT/L/77).<sup>3</sup>

The representative of the United States said that Ecuador had been the first country after the entry into force of the WTO Agreement to join the WTO after completion of a full Article XII accession process. After almost three years of negotiations, Ecuador had agreed to a number of specific commitments that in some cases provided a time-limited transitional period to give Ecuador time after accession to take the measures necessary to implement the commitment. Ecuador's barriers to imports covered by these commitments were clear violations of WTO provisions, and the dates arranged had been discussed and approved by all countries in the Working Party. Ecuador had taken several months to consider and approve the accession package. With its approval, it had adopted the provisions of the WTO Agreements into its law. Nevertheless, Ecuador had not implemented a number of its explicit commitments in that Protocol. Ecuador had not yet met its obligation to bring into compliance the application of the Special Consumption Tax on similar domestic and imported products by 1 July 1996, and imports still faced discrimination relative to domestic goods. It had also not lifted its import bans on used tyres, clothes, and automobiles by 1 July 1996, as it had promised, nor taken the steps to implement standards for such imports to address health and safety concerns. Furthermore, Ecuador had not abandoned, upon accession, its practice of discretionary denial for protectionist purposes of import permits for agricultural and other imports. US exports to Ecuador had been blocked by the refusal of Ecuador's authorities to issue permits or to indicate any reason for the refusal. Ecuador had also declined to apply the provisions of the TRIPS Agreement no later than 31 July 1996, as it had promised, notwithstanding the existence of similar obligations already contained in a bilateral agreement, also unimplemented.

Ecuador had a specific obligation to report to the Secretariat annually on its progress towards compliance with the transitional arrangements negotiated, and on the reasons why these commitments

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<sup>3</sup>The communication from Ecuador was subsequently circulated as WT/ACC/ECU/8.

were not being kept. This report had not been made. The United States had been in contact with Ecuador since June 1996 on these issues, attempting to alert Ecuador to its concerns. These concerns had been raised orally and in writing and Ecuador had not even written back. Furthermore, Ecuador had undertaken legislative initiatives which took it even further from the goal of compliance with the WTO Agreement. These actions were harmful to the WTO, to Members' trade interests, and to Ecuador's economic development and its credibility in the WTO. Even if absolute trade volumes affected at the current time were small, this issue was of central importance to the WTO, since Ecuador's actions undermined the balance of rights and obligations established in its accession package. That balance was the foundation of the WTO. The United States urged Ecuador to develop and submit the required report on compliance immediately. Furthermore, Ecuador should begin immediately to take the steps necessary for compliance. If Ecuador was prepared to begin taking the steps necessary for compliance, the United States, and certainly other WTO Members, would be willing to work with it to develop a plan to address these problems. The United States stood ready to work closely with Ecuador to develop a rapid action plan to address these issues, based on a timetable of specific steps to implement Ecuador's WTO obligations. Action should be taken now. Ecuador should speak to these issues, and give tangible evidence of its intent to comply with all its accession commitments.

The representative of Ecuador said that Ecuador's trade policy in recent years had clearly promoted the attainment of the WTO's objective of increasing world trade through freer trade based on multilaterally agreed rules. The latter was one of the main objectives of all WTO Members, which they were seeking to achieve through the application of the Uruguay Round Agreements. The state of implementation of these Agreements, and of Members' compliance with the commitments thereunder, had recently been reviewed at the Singapore Ministerial Conference. After evaluating the progress and the application of each of these Agreements, and analyzing the important commitments that each Member was to have complied with, all knew now how much progress had been made, what had effectively been achieved thus far, and what obligations could not be complied with by Members despite their willingness to do so. He recalled this in light of the General Council's consideration of the US communication in WT/L/102 concerning certain commitments undertaken by Ecuador in its Protocol of Accession (WT/ACC/ECU/6). This communication drew attention to two main facts. First, that Ecuador had become a WTO Member on 21 January 1996, and this after having fully demonstrated that the substantive part of its legal regime and foreign trade practices in all areas were compatible with WTO rules and disciplines. Second, that in its Protocol of Accession, Ecuador had some time-limits to bring into conformity a small number of provisions concerning the application of a domestic tax on the consumption of a limited and selected number of products, whether domestic or imported, and those establishing prohibitions on the importation of used automobiles, used clothes and used tyres. Ecuador had spared no effort in continuing to move towards adopting measures to comply with its WTO accession commitments. It had recently submitted a communication to the Secretariat to inform Members of the state of compliance and to indicate reasons for possible delays in certain areas (WT/ACC/ECU/8). This situation, however, did not have any incidence or major repercussion on trade flows and, despite economic difficulties experienced in 1995 and in 1996, Ecuador's foreign trade regime continued to respect fundamental WTO rules.

As indicated in its recently submitted communication, Ecuador had, on 30 December 1996, implemented amendments adopted by its Congress with a view to the speedy implementation of its accession commitments with regard to the Special Consumption Tax. The delay in this regard had stemmed from the need to define an appropriate formula to avoid fiscal repercussions and imbalances in the country's budget. As regards measures on used goods, subsequent to its accession and in seeking elements of reference in establishing its new regime, Ecuador had found that several Members maintained measures somewhat similar to its own. Yet, and despite the fact that its measures on these products did not substantively affect trade due to the very nature of these goods and domestic consumer preferences, Ecuador had nevertheless initiated a process to bring its provisions into conformity with those of the WTO. It had recently issued various Ministerial decisions to establish compatible criteria

for the importation of used vehicles, based on the need to protect human health and safety and the environment. Local used vehicles were subject to similar regulations. Ecuador would continue to deploy its best efforts to meet its outstanding commitments, particularly in the remaining used-goods sectors, having regard to the need to ensure the protection of human health and the environment. It would require a reasonable period of time to complete the revision of its regulations related to some of these pending commitments.

As regards the protection of intellectual property rights, he recalled that Ecuador had applied since 1993, together with other WTO Members also party to the Andean integration agreement, common legislation that constituted an adequate base for protecting such rights. Ecuador had not neglected this important subject, and did not wish to ignore its WTO commitments in this area. On the contrary, it had undertaken the process of implementing certain measures to regulate various domestic aspects linked to the TRIPS Agreement. In order to incorporate into its national legislation the rights and obligations stemming from the WTO Agreement and the Multilateral Trade Agreements, including the TRIPS Agreement, Ecuador had published these instruments in its Official Register in June 1996, and considered that its accession commitment had been complied with. The completion of the process of issuance of additional rules and regulations was closely linked to the development of technical cooperation programmes that governments and international organizations would be prepared to offer Ecuador. Ecuador could assure Members that in those circumstances, and thanks to such cooperation, it would not need, in this particular case, to avail itself of its rights as a developing country as reflected in the report of the Working Party on its accession.

The representative of the European Communities expressed appreciation for the information provided by Ecuador and looked forward to receiving further information in due course. The Community shared the United States' concerns regarding any failure by an acceding country to bring itself into compliance with all WTO provisions within a reasonable time period as agreed in the conditions negotiated for its accession.

The representative of Venezuela, speaking also on behalf of Colombia, said that, as part of the Andean Community, Ecuador shared with the other countries of that Community a common regime for the protection of intellectual property rights that was in keeping with WTO rules and, more specifically, with the TRIPS Agreement. Ecuador's commitment in joining the WTO obviously covered the TRIPS Agreement as a whole, including the provisions in favour of developing countries and, more specifically, those relating to the five-year transitional period for the adjustment of certain national regulations. A different interpretation of the commitment reflected in paragraph 78 of the report of the Working Party on Ecuador's accession, apart from being inequitable, would create legal distortions within the Andean Community and affect the rights of other members of that integration agreement vis-a-vis the WTO. With regard to the lifting of the bans on the imports of used products, such an obligation should not impair Ecuador's right to impose trade measures intended to protect the environment, or human, animal and plant life, as was legitimately done by most, if not all, WTO Member countries. Proper account should therefore be taken of this factor in assessing Ecuador's compliance with its WTO commitments.

The representative of New Zealand said that Ecuador's accession negotiation had been important for New Zealand, and his delegation was concerned that commitments entered into should be implemented. New Zealand would follow developments on this issue, and would examine the report submitted by Ecuador.

The representative of Switzerland welcomed the information provided by Ecuador, which his delegation would study carefully. Switzerland shared others' concerns about the systemic implications of a country's non-compliance with its WTO obligations as contained in its Protocol of Accession. The terms of each accession were the result of a negotiation, and represented a balance between the

benefits an acceding country could draw from its membership and the concessions that it should make. As his delegation had stated at the TRIPS Council meeting in November 1996, it considered that Ecuador should have applied the TRIPS Agreement as of 31 July 1996, pursuant to the terms of its Protocol of Accession. Switzerland expected Ecuador to implement all its accession commitments as soon as possible.

The General Council took note of the statements.

#### 6. Appointment of officers to WTO bodies

The Chairman said that in accordance with the guidelines for appointment of officers to WTO bodies approved by the General Council in January 1995 (WT/L/31), he had held informal consultations on this matter. On the basis of these consultations, he considered that there was a consensus on the following slate of names:

Chairperson of the General Council	Mr. C. Lafer (Brazil)
Chairperson of the Dispute Settlement Body	Mr. W. Armstrong (New Zealand)
Chairperson of the Trade Policy Review Body	Mr. M. Akram (Pakistan)
Chairperson of the Council for Trade in Goods	Mr. T. Johannessen (Norway)
Chairperson of the Council for TRIPS	Mrs. C. Luz Guarda (Chile)
Chairperson of the Council for Trade in Services	Mr. J. Yung Sun (Korea)
Chairperson of the Committee on Trade and Environment	Mr. B. Ekblom (Finland)
Chairperson of the Committee on Trade and Development	Mr. D. Baichoo (Mauritius)
Chairperson of the Committee on Budget, Finance and Administration	Mr. K. Morjane (Tunisia)
Chairperson of the Committee on Balance-of-Payments Restrictions	Mr. P.R. Jenkins (United Kingdom)
Chairperson of the Committee on Regional Trading Arrangements	Mr. J. Weekes (Canada)

The General Council took note of the consensus on the above slate of names.

The representative of Hong Kong noted that the guidelines for the appointment of officers stipulated that the choice of a chairperson should primarily reflect the capacity of that person to undertake the special responsibilities required of such posts in the WTO system. There was also reference in the guidelines to the presumably subsidiary need for a balance reflecting the overall membership of the WTO, although what sort of balance was not made explicit. In view of this, and given that chairpersons had yet to be appointed for the three working groups established by Ministers at Singapore<sup>4</sup>, it was his understanding that there would be no link between the slate of names just mentioned by the Chairman and the choice of chairpersons for these new groups. He wished to emphasize that in agreeing to the above slate of names, Members were in no way prejudging the outcome of the consultations to be held on the latter appointments. In Hong Kong's view, the essential quality required of the chairpersons selected for these sensitive new areas would be their actual and perceived neutrality.

The representative of Singapore, speaking on behalf of the ASEAN countries, said that their countries had put forward a candidate they had considered to be exceptionally good. However, in

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<sup>4</sup>See Item 7.

the light of an appeal by the Chairman, and to enable him to bring consultations on the above slate to a conclusion, they had agreed to abide by the latter's decision on this matter. He hoped that the ASEAN countries' reasonableness in this situation would be reciprocated at the appropriate time.

The representative of Tanzania said that he had noted the balance achieved in the slate of names, and expressed satisfaction that Africa had been given two out of the eleven posts. While it was true that there was no quota system in the allocation of these posts, decency demanded that Members should be sensitive to the need for regional balance. By expanding the participation of Africa in its leadership, the WTO was sending the correct signals that it was serious in its commitment to stem the tide of marginalization of that continent in its activities. He was convinced that the same spirit would prevail in consultations on posts in other subsidiary bodies, and that no linkages would be made when electing the chairpersons of the three new working groups established by Ministers at Singapore. He hoped that due regard would be given to the need to strengthen Africa's participation in the activities and leadership of the WTO.

As a representative of a least-developed country, he hoped that, as in the past, the WTO would this year continue to pay particular attention to the plight of the LDCs. It was his anticipation that the decisions taken in Singapore concerning the LDCs would be implemented in their spirit. The LDCs looked forward to a practical and fruitful outcome of the envisaged meeting whose aim was to foster an integrated approach to assisting LDCs in enhancing their trading opportunities. That meeting would go a long way in helping their countries stem the tide of further marginalization.

The General Council took note of the statements.

7. Follow-up to the Singapore Ministerial Conference - Working Groups on the relationship between trade and investment, the interaction between trade and competition, and transparency in government procurement practices (WT/MIN(96)/DEC, paragraphs 20 and 21)  
- Consultations on appointment of chairpersons

The Chairman recalled that the Singapore Ministerial Conference had established three working groups on the relationship between trade and investment, the interaction between trade and competition, and transparency in government procurement practices. Paragraphs 20 and 21 of the Singapore Ministerial Declaration (WT/MIN(96)/DEC) contained the mandates of these working groups, and stipulated that the General Council keep the work of each body under review and determine after two years how their work should proceed.

Since these working groups came within the purview of the General Council, he believed it was important that the General Council take the necessary steps to enable these groups to start their work as soon as possible. He therefore proposed that the General Council authorize its Chairman to designate the Chairpersons for these three working groups in consultation with Members.

The representative of Pakistan said that, as the Chairman had rightly stated, it was the General Council that had responsibility for the supervision of the work of these groups. It should therefore be the General Council that approved the appointment of their Chairpersons. Accordingly, it was his understanding that the results of the Chairman's consultations would be presented for the concurrence of the General Council at the appropriate time.

The Chairman recalled that under his proposal the General Council Chairman would be authorized to designate chairpersons of these working groups in consultation with Members. It was clear from this that the Chairman could not make any designation without the approval of Members. The intention

was simply that this approval be obtained at an informal meeting so that the General Council did not have to wait until its next scheduled meeting in April to ensure the appointment of these chairpersons.

The representative of Jamaica said that the designation of the chairpersons of the three working groups should not be left to the Chairman. Rather, the General Council should approve their appointment, and an additional meeting of the General Council could certainly be convened before April for this purpose. While informal consultations had their place in the WTO, they could be overdone, and the legitimacy of the formal institutional arrangements lost.

The representative of Pakistan said that, like Jamaica, his delegation believed that an additional General Council meeting should be convened to approve the nominations for the chairpersons to be proposed by the Chairman following his consultations. There was no reason to depart from the normal procedure in this regard.

With regard to the working groups on investment and competition policy, he said that, pursuant to the Singapore Ministerial Declaration, they were to work in cooperation with similar endeavours under way in UNCTAD, and the timing of their work should be related to the work being done in that organization so as to benefit therefrom. Also, the scheduling of the meetings of the three working groups should be such that it did not add to the burden of smaller delegations. In this connection, he said that the meeting of experts on trade and investment in the UNCTAD had not yet begun its work. Therefore, it would not be possible for the WTO working group on trade and investment to benefit from the work of the group in UNCTAD, a consideration that should be kept in mind with regard to the scheduling of the WTO working group. Similarly, the committee dealing with competition policy in the UNCTAD also had to have substantive meetings this year. He hoped that these considerations would be kept in mind in accordance with the Singapore Ministerial Declaration.

On the follow-up to the Singapore Ministerial Conference generally, he said that one of the criticisms that had been made, especially in some developing countries, was that the Ministerial Conference had unfortunately focused too significantly on new issues and had not dealt with the bread-and-butter issues important to developing countries. He hoped that Members would be able to prove these criticisms wrong. To this end, he hoped that the Secretariat could, in the near future, identify the actions that Members had committed themselves to taking within the WTO in the various areas of its responsibility. Examples of such commitments related to the areas of marginalization, regional arrangements, notifications, developing countries, least-developed countries, textiles and clothing, trade and environment, services and the work programme in the built-in agenda. He hoped that at an early stage, and perhaps at the next General Council meeting, a paper identifying these actions could be made available, so that Members could monitor the progress that had been made in the run-up to future meetings.

The representative of Morocco said he agreed with Jamaica and Pakistan that the decision on the appointment of the chairpersons of the three working groups should be taken by the General Council. An important consideration in making these choices would be the duration of their mandate, i.e. whether their mandate would be limited to 1997 only or extend beyond it.

The representatives of Uruguay and Egypt said they supported the previous speakers' views that the decision on the appointment of the chairpersons should be taken by the General Council.

The representative of Egypt said he wished also to associate the African Group with the last part of Pakistan's statement regarding the follow-up to the Singapore Ministerial Declaration.

The representative of Hong Kong said that his delegation's remarks under item 6 of the Agenda regarding the separateness of this exercise of choosing chairpersons as well as the qualities required of the chairpersons applied also to the present item, and should be taken into account.

The Chairman proposed, in light of the discussion, that the Chairman of the General Council be authorized to hold consultations and to propose to the General Council the names of chairpersons for the three working groups.

The General Council so agreed.

The representative of Morocco said that although Egypt had spoken on behalf of the African Group in support of Pakistan's statement regarding the follow-up to the Singapore Ministerial Declaration, this was not Morocco's position. The points raised by Pakistan had indeed been considered in the course of preparing the Ministerial Declaration. Morocco believed that consensus had been reached in the discussions to the effect that neither the WTO nor the UNCTAD could make their own work dependent on work in the other organization, and that each organization could ask the Secretariat of the other to keep it informed of the progress of work in order to avoid duplication and to ensure that work progressed harmoniously. It was not Morocco's understanding that the work in WTO would in any way be subject to the progress of work in another organization.

The representative of Singapore, addressing a separate but related matter, recalled that the WTO was still without a logo after two years in existence. Since the Ministerial Conference in December, he had been asked by several delegations if his Government would be prepared to offer to the WTO the logo used at the Ministerial Conference. Having consulted with his authorities, he could inform the General Council that Singapore would be pleased to hand over the logo and the copyright thereon to the WTO for its use.

The Chairman said that the General Council would revert to this matter at an appropriate time.

The representative of the United States said that, as a former Chairman of a Sub-Committee of the Budget Committee that had examined the question of the logo, he would endorse the suggestion that the WTO, if it decided it wanted a logo, take Singapore up on its offer.

The representative of India said that he had understood the present Agenda item to be dealing with the follow-up to the Singapore Ministerial Conference only in so far as it concerned consultations on the appointment of chairpersons of the three working groups established by Ministers. As regards the substantive issues related to the follow-up to the Ministerial Conference, he presumed that his delegation would have an opportunity to express its views at an appropriate time.

The General Council took note of the statements.

#### 8. Commemoration of the fiftieth anniversary of the multilateral trading system

The Chairman recalled that with regard to the fiftieth anniversary of the multilateral trading system that would occur early in 1998, Ministers in Singapore had agreed to instruct the General Council to consider how this historic event could best be commemorated (WT/MIN(96)/DEC, paragraph 23).



The representative of Canada recalled<sup>5</sup> that Canada's Minister for International Trade had proposed paragraph 23 of the Ministerial Declaration instructing the General Council to consider how the fiftieth anniversary of the trading system could best be commemorated. Canada proposed a meeting at Ministerial level to commemorate this anniversary. Canada's Minister had made his proposal at Singapore because he considered it important that there be a better public understanding of the fundamental contribution that the multilateral trading system had made to economic growth and prosperity. The commemoration presented an ideal opportunity to highlight to the public the importance of the multilateral trading system to growth and prosperity. A particular point to be emphasized was the integration of developing countries as full and active participants in the trading system. However, all should reflect also on why some WTO Members, particularly the least-developed, had not yet shared fully in the benefits of an open trading system. The commemoration would also provide an opportunity for Ministers to reflect on the management of the WTO as an institution. In considering possible approaches to the fiftieth anniversary commemoration, Canada had looked at how the fortieth anniversary had been commemorated. He recalled that the GATT had organized a high-level round-table to discuss where the GATT and world trade were heading in the context of the early days of the Uruguay Round. One might want to consider utilizing a similar format, although this would obviously need further discussion. The Director-General could perhaps be asked to come up with some ideas and proposals for discussion among delegations.

Canada's vision of such a Ministerial meeting would not involve a Ministerial Declaration nor any Ministerial Decisions. Canada proposed combining the fiftieth anniversary commemoration meeting with the next biennial meeting of the Ministerial Conference, and believed that preparations for such an event should not paralyse the important day-to-day work of the WTO's standing bodies. Preparations for the Singapore Ministerial Conference had been extremely time-intensive and sometimes overly politicized, thereby detracting from the day-to-day work of the organization. Canada did not want to see that happen again. Members had enough substantive work arising from the Singapore Ministerial Conference in terms of the built-in agenda and the further issues they had agreed to discuss. They could not afford the luxury of a preparatory process that distracted them from this important ongoing work. Canada believed that Members needed a period of two or three years to continue with the process of implementation of the Uruguay Round results and to prepare for the new negotiations that were in prospect at the end of the decade. For these reasons, a short one-to-two-day fiftieth anniversary celebration, back-to-back with a one-day stocktaking Ministerial Conference would be the preferred format, which would not entail the same sort of preparations as the Singapore Ministerial Conference and would yet serve important objectives of the institution.

Members shared a common view that the multilateral trading system remained at least as relevant today to their basic objectives as it did 50 years earlier. The commemoration of the fiftieth anniversary represented an ideal opportunity to help the public in each Member country understand how the continued evolution of the multilateral trading system could, and would, contribute to their national aspirations, and how these aspirations were shared by a growing number of countries. Canada looked forward to discussing how to proceed with these suggestions at an early date. Clearly, a meeting of this size and profile would require a number of logistical preparations, including ensuring the availability of adequate meeting and hotel room facilities. He recalled that it had already been agreed that the next Ministerial Conference would be held in Geneva, and this was indeed the site Canada envisaged for the meeting it was proposing. It was therefore important to take an early decision on this matter, and Canada believed this should be done no later than March 1997.

The Chairman said that, as a representative of the host country for the next Ministerial Conference, he could not over-emphasize the importance of taking a decision as soon as possible.

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<sup>5</sup>The full text of Canada's statement was subsequently circulated as WT/GC/8.

The Director-General said he strongly welcomed Canada's statement. He had been discussing this question informally with Ministers and delegations, and the ideas that had come up in these discussions corresponded very much to what had just been said by Canada. He looked forward to a further exchange of views in the coming weeks and months. He recalled that at the end of his statement to the Singapore Ministerial Conference (WT/MIN(96)/7), he had asked Ministers to consider a high-profile celebration of the fiftieth anniversary. He wished to underline the importance of using the occasion of the fiftieth anniversary to reflect together on how all could collectively improve the functioning of the system while remaining true to its fundamental principles, of which non-discrimination was the key. These principles were as important now as they were 50 years earlier. It was essential to ensure that they continued to guide a system which would eventually have some 160 members, and to make it possible for all these members, whatever their economic circumstances, to participate fully in the undertakings and the benefits of the multilateral system. He agreed on the urgency of setting a date for this celebration and for the next Ministerial Conference.

The representative of Morocco supported Canada's statement, and agreed that a date for the proposed meeting should be set as soon as possible. He suggested that the Director-General and the General Council Chairman work together on this matter and hold consultations as soon as possible to come up with practical proposals on which the General Council could subsequently take a decision.

The representative of Cuba welcomed Canada's initiative. Cuba was itself planning to commemorate the fiftieth anniversary of the trading system in view of the fact that Havana had been the site of the UN Conference on Trade and Employment in 1948, which had culminated in the drawing up of the Charter for the International Trade Organization. Cuba proposed to organize an international seminar in Havana towards the end of 1997 that would aim at a critical and constructive appraisal of the past 50 years from a development-oriented perspective.

The representative of New Zealand thanked Canada for focusing attention on this matter. New Zealand agreed that the format of the proposed meeting would need further consideration, and suggested that the Director-General, perhaps in consultation with the General Council Chairman, come up with ideas for Members to consider. It was important to set a time for this meeting as soon as possible. He endorsed Canada's statement that the preparatory process should not paralyse the WTO, and not inhibit its day-to-day work. However, since the meeting would be held some eighteen months after the Singapore Ministerial Conference, he believed Ministers might not wish simply to gather together to toast the organization and publicize its benefits, but also to mark the WTO's achievements over the previous year or so. They might also wish to look ahead and give impetus to particular aspects of the built-in agenda.

The Chairman proposed that the General Council authorize its Chairman to hold consultations on this matter.

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

9. Offices of the Deputy Directors-General  
- Announcement by the Director-General

The Director-General, speaking under "Other Business", recalled his statement on this matter at the General Council meeting on 16 April 1996,<sup>6</sup> and the agreement to defer his consultations thereon until after the Singapore Ministerial Conference. In accordance with the procedures for the future

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<sup>6</sup>WT/GC/M/11, Item 5.

appointments of the Deputy Directors-General (BISD 34S/173), he wished to inform the General Council that he was now initiating his consultations on the posts of the Deputy Directors-General. He would inform the General Council of his decision as soon as possible, and in any case not later than the end of April.

The representative of Morocco said that after two years of the WTO's existence, and the experience that had been gained therefrom, Members needed to closely scrutinise the structure of the WTO as well of its Secretariat. His delegation suggested that when Members considered the question of the posts of the present Deputy Directors-General, they went beyond questions of the renewal or non-renewal of contracts and considered also the reform of the WTO's institutional structure and of the Secretariat. Members were well placed in 1997 to reflect on their institution. There were no Ministerial meetings to prepare for, and substantive preparatory work for the negotiations scheduled for the end of the decade had not yet begun. Although the WTO had worked well thus far, and all had welcomed the performance of the Secretariat, this should not stop Members from reflecting, for example, on how many Deputy Directors-General or divisions the Secretariat needed to have and, equally important, on how many committees and councils the WTO should have. Given the multitude of the WTO's standing bodies, working groups and working parties, small delegations like his own were unable to keep up with the work of the WTO. Some order therefore needed to be brought into the structure, and any apparent problems remedied. He would therefore propose that the Director-General expand the scope of his consultations and, together with the Chairman of the General Council, consider the possibility of institutional reform and the restructuring of the Secretariat. The question of salaries and pensions of WTO staff was linked to that of the structure of the Secretariat. In view of the fact that several other international organizations were in the process of restructuration, he believed that governments could perhaps not accept the WTO Secretariat continuing with a structure that appeared not to be rational. He asked therefore that the Director-General and the General Council Chairman, within their own fields of competence, work on this question and attempt to provide some results by April. He proposed also that the General Council meeting scheduled for April include on its agenda an item entitled: "Possibility of institutional reform and restructuring of the Secretariat".

The representative of Pakistan said that his delegation had not yet determined its position regarding the appointment of the Deputy Directors-General. However, it had some concerns regarding the rationalization of the Secretariat and looked forward to a further opportunity to convey its views.

The representative of Singapore, speaking on behalf of the ASEAN countries, said that Morocco had touched on some important issues. The ASEAN delegations looked forward to being consulted by the Director-General on the appointments of the Deputy Directors-General.

The representative of Mexico said that the concerns raised by Morocco were very important, and that the rationalization exercise was one that Members would have to undertake. However, if he had understood Morocco correctly as suggesting that this exercise be carried out at the same time as the Director-General's consultations on the appointments of the Deputy Directors-General, he believed that this would be too short a time period. His delegation requested that the two issues be clearly separated.

The Chairman said that Morocco's proposal concerning institutional reform and restructuring of the Secretariat could be subject to consultations and placed on the Agenda of the next meeting if Morocco so wished.

The General Council took note of the statements.

10. Scheduling of meetings of WTO bodies

The Chairman, speaking under "Other Business", recalled that on 15 November 1995, the General Council had adopted guidelines on arrangements for scheduling of meetings of WTO bodies (WT/L/106). The objective had been to rationalize the programme of WTO meetings in order to ensure the efficient use of resources and to take into account the difficulties of smaller delegations. On the basis of these guidelines, a calendar of meetings had been prepared for 1996 in which the meetings of all WTO bodies had been spread out as evenly as possible over the 12 months. A similar calendar had been prepared for 1997. However, the calendar established in 1996 had been considerably modified over the course of the year. The increase in meetings had put delegations under considerable strain, and had stretched the Secretariat logistics for servicing meetings to the limit. As a result, there had been a total of 2,340 meetings in the WTO building in 1996, of which 751 had required simultaneous interpretation. Furthermore, 349 scheduled meetings, mostly with interpretation, had been cancelled or rescheduled in 1996, at a cost of Sw F 90,000 in the first six months of that year.

A number of delegations had expressed concern about the excessive number of meetings and their ability to follow them. Although this had mainly involved delegations with limited resources and limited permanent staff in Geneva, even delegations with more ample resources had felt that the guidelines in WT/L/106 had not been adequately adhered to, particularly as regards the convening of informal meetings. While it had to be recognized that 1996 had been particularly difficult because of the preparations for the first Ministerial Conference, the concerns expressed by delegations nevertheless pointed to the need to further intensify efforts to rationalize work in the WTO through a stricter adherence to these guidelines. He therefore intended to suggest to the future Chairperson of the General Council to take this matter into account in consultation with chairpersons of other WTO bodies, to ensure that the guidelines were applied to the fullest extent possible and to seek practical solutions to the problems encountered. He suggested that it might be worth considering whether an additional mechanism for the coordination of the schedules of meetings in the WTO was necessary.

The representative of Tanzania said he hoped that, in light of the proliferation of WTO meetings, due account would be taken of the plight of small delegations. He hoped also that meetings of WTO bodies would not unduly overlap, and that in scheduling these meetings account would be taken of meetings in other major international organizations. The guidelines for scheduling of meetings should be respected and the commitment embodied in the Singapore Ministerial Declaration to facilitate the full participation of small delegations in WTO meetings should be concretized.

The General Council took note of the statements.

11. Election of Chairperson

As the outgoing presiding officer of the General Council, the Chairman made a statement (WT/GC(97)/ST/1).

The General Council then unanimously elected Mr. Lafer (Brazil) to the Chair.