

# WORLD TRADE ORGANIZATION

RESTRICTED

**WT/GC/W/81**

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**General Council  
24 April 1998**

## GENERAL COUNCIL

### Annual Report (1997)

#### Draft Addendum<sup>1,2</sup>

At the meeting of the General Council in December 1997 it was agreed that the report of the General Council to the 1998 Ministerial Conference would consist of the 1997 annual reports of the General Council and its subsidiary bodies together with a brief update report of the General Council concerning developments in the first months of 1998, and that Chairpersons of subsidiary bodies would be invited to report orally to the General Council on work done since December 1997.

The present Addendum sets out the actions taken by the General Council in the first months of 1998, and reproduces the oral reports of the Chairpersons of subsidiary bodies on work done since December 1997. The General Council has held [...] meetings since December 1997. The minutes of these meetings, which remain the record of the General Council's work, are contained in documents WT/GC/M/26 - [...].

The following subjects are included in this Addendum:

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<sup>1</sup>The final version of this report will also reflect the General Council meeting on 24 April 1998, and the points will be renumbered as necessary. The oral reports made at that meeting by the Chairpersons of subsidiary bodies will be reproduced as an Annex.

<sup>2</sup>Footnote 8 to the annual report in WT/GC/10 indicated that an addendum to the report would reflect the discussion at the reconvened meeting of the General Council suspended on 14 November 1997. That meeting was not reconvened, however, and on 19 February 1998, the General Council agreed to a proposal by its Chairman that the 14 November meeting be considered closed.

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1.	<u>Preparations for the 1998 Ministerial Conference and the commemoration of the 50th anniversary of the multilateral trading system</u>	
	(a) <u>Organizational matters</u> (WT/GC/M/26, WT/GC/M/27 <sup>3</sup> )	

At the General Council meeting on 19 February 1998, the Chairman read the following statement for the record, identifying points on which consensus appeared to be emerging and matters on which further discussion was required:

"Points on which consensus appears to be emerging:

1. In accordance with the decision already taken by the General Council on 22 October 1997, the Ministerial Conference will begin on the morning of 18 May and will last through the afternoon of 19 May, followed by the commemoration of the 50th Anniversary on 20 May with the participation of Heads of State or Governments. It is understood that these are two distinct events.
2. The substantive agenda for the Ministerial Conference will consist of two broad areas for discussion: implementation of the WTO work programme and future activities of the WTO.

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<sup>3</sup>See footnote 4.

3. There will be a short formal opening of the Conference on the morning of 18 May, followed by two sessions for discussions among Ministers. The first session would cover issues relating to implementation of the work programme; a second session would cover future activities of the WTO. Discussions would begin on the morning of 18 May and continue through the afternoon of that day and the morning of 19 May.
4. The formal closing session of the Conference would be held in the afternoon of 19 May where the relevant decisions would be taken, including election of officers, venue and date of the next Ministerial Conference.
5. Ministers so wishing could provide a general statement to the Secretariat for distribution to other delegations and to the press. These statements would cover two items: implementation and future activities.
6. The commemoration of the 50th Anniversary to be held on 20 May would be open to the participation of all Members of the WTO.

Matters on which further discussion is required:

1. Whether discussion by Ministers on the two substantive items of the agenda should be recorded in minutes of the Conference or should be totally informal, and the amount of time and the priorities to be attributed to the discussions in these two areas.
2. The nature of any action by Ministers concerning these discussions, i.e. the preparation of a Chairman's summing-up, or of a short declaration, and/or of a decision on preparations for the next Ministerial Conference.
3. The scenario for the commemoration of the 50th Anniversary with the participation of Heads of State or Government."

The representatives of Egypt, Pakistan, Korea, Jamaica, Nigeria, India, Bangladesh, Madagascar, and Brunei Darussalam on behalf of the ASEAN Members spoke.

The General Council took note of the statements and that the points raised by delegations would be discussed further in informal consultations.

At its meeting on 2 and 14 April 1998<sup>4</sup>, the General Council further considered preparations for the 1998 Ministerial Conference and the 50th Anniversary commemoration.

On 2 April, the Director-General presented a first report on his consultations concerning substantive aspects of the preparations for the Ministerial Conference and in particular the preparation of a text to be adopted by Ministers.

The representatives of the United States, Egypt, Uganda, Pakistan, Tanzania, Mauritius, India, Japan, Jamaica, Mexico, South Africa, Morocco and Australia, and the Chairman spoke.

The General Council took note of the statements.

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<sup>4</sup>The meeting of the General Council of 2 and 14 April 1998 will remain in session until the Ministerial Conference. The minutes of this meeting will be circulated subsequently as WT/GC/M/27, and an Addendum to this report will reflect the discussion at any reconvened meetings beyond 14 April.

Also on 2 April, the General Council agreed that the Ministerial Conference and the commemoration of the 50th Anniversary be organized along the following points:

1. Discussions among Ministers on the substantive items would be held in working sessions of the Ministerial Conference. Minutes of these discussions would be prepared and circulated to delegations.
2. The records of the 1998 Ministerial Conference would comprise the three statements at the formal opening session, the written statements submitted by Ministers, and the proceedings of the formal closing session, which would, *inter alia*, record a decision on the date, venue and officers of the next Ministerial Conference.
3. The substantive outcome of the Ministerial Conference would be reflected in a short text which would include clear directives, with a time-bound process, for preparations for the third Ministerial Conference, and would deal in a balanced way with both substantive items i.e. implementation of WTO Agreements and future activities. This would be a negotiated text.
4. The commemoration of the 50th Anniversary would be a public event with the participation of ministerial delegations, observer governments and international organizations, and attendance by non-governmental organizations, the press and other personalities who might be invited.

The working sessions would be open to the participation of all Members.

The General Council also agreed on 2 April to a proposal by its Chairman concerning the initiation of a process of consultations by the Director-General with all Members on the possible text of the substantive outcome of the Ministerial Conference. This process would be carried out in close consultation with the Chairman of the General Council. The Director-General would consult on an open-ended basis to ensure that all delegations had an opportunity to register their views. The General Council would meet weekly if necessary to consider progress reports by the Director-General. The Director-General was invited to prepare a draft substantive outcome of the Ministerial Conference for circulation to Members by 20 April; this draft would be based on the discussions in the General Council and on the views obtained by the Director-General in his consultations. The General Council further agreed that the present meeting would remain in session so that further meetings could be organized at short notice.

On 14 April, the General Council agreed that, in the light of recent developments with regard to the attendance of Heads of State or Government at the 50th Anniversary commemoration event, the two events now be organized as follows:

1. The Ministerial Conference would open on the morning of Monday, 18 May as planned for the three opening presentations, namely by the Chairman of the Ministerial Conference, the Director-General, and the Chairman of the General Council. Following these statements, the formal Ministerial Conference would be adjourned.
2. The working session on implementation would begin on the afternoon of Monday, 18 May and continue until early evening. The possibility of continuing this discussion in the morning of Tuesday, 19 May if necessary could be envisaged.
3. Tuesday, 19 May would be designated as the day for the 50th Anniversary Commemoration. Accordingly, the Ministerial Conference would adjourn either on

the evening of Monday the 18th or the morning of Tuesday the 19th, to ensure that the two events remained distinct.

4. The Ministerial Conference would reconvene on Wednesday, 20 May. The working session on future activities would be held in the morning, and the closing formal session at which the results would be adopted would be held in the afternoon.
5. There would be no changes to the agreement regarding the other organizational matters that was reached on 2 April.

(b) Participation of least-developed countries (WT/GC/M/27<sup>5</sup>)

At the General Council meeting on 2 and 14 April 1998, the Chairman made an appeal to Members in a position to contribute to a Trust Fund to be created for the purpose of financing the participation of the least-developed countries at the 1998 Ministerial Conference and the 50th Anniversary commemoration, in keeping with the past practice of voluntary contributions to cover the costs of such participation, to contact the Secretariat as soon as possible.

The representatives of Uganda and Egypt spoke.

The General Council took note of the statements.

(c) Attendance of international intergovernmental organizations (WT/GC/M/27<sup>6</sup>)

At its meeting on 2 and 14 April 1998, the General Council agreed to the following approach with regard to international organization observers at the Ministerial Conference:

1. The organizations that were granted observer status at the Ministerial Conference in 1996 would be invited to the 1998 Ministerial Conference pursuant to paragraph 10 of the guidelines for observer status for international organizations in the WTO (WT/L/161, Annex 3).
2. With regard to other organizations not already invited as observers to the Ministerial Conference, the same procedure as followed for the 1996 Ministerial Conference would apply. In other words, organizations that were observers to the General Council would be invited automatically; those that were observers to subsidiary WTO bodies and that requested attendance at the Ministerial Conference as observers would also be invited; and consultations would be held on requests received from organizations not presently observers to any WTO body.
3. Since Ministers would not read general statements at the Ministerial Conference, but would be invited to circulate written statements, international organizations would be invited to do the same. This applied only to the Ministerial Conference, since the format of the 50th Anniversary commemoration event remained to be decided.

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<sup>5</sup>See footnote 4.

<sup>6</sup>See footnote 4.

(d) Attendance of observers at working sessions (WT/GC/M/27<sup>7</sup>)

At the General Council meeting on 2 and 14 April 1998, the Chairman said that since most of the substantive discussions among Ministers would take place in working sessions held between the formal opening and closing plenary meetings, with the discussions to be reflected in the minutes of these sessions, he understood that observer governments and observer international intergovernmental organizations would be entitled to attend the working sessions although, given the limited amount of time that would be available, it was unlikely they would be able to speak.

The representative of Egypt spoke.

The General Council took note of the statements.

(e) Attendance of non-governmental organizations (WT/GC/M/26, WT/GC/M/27<sup>8</sup>)

At the General Council meeting on 19 February 1998, the Chairman recalled that, in preparing for the 1996 Ministerial Conference, the General Council had agreed on the following procedures regarding the attendance of NGOs: (i) NGOs would be allowed to attend only the Plenary Sessions of the Conference (without the right to speak); (ii) applications from NGOs to be registered would be accepted on the basis of Article V, paragraph 2 of the WTO Agreement, i.e. such NGOs "concerned with matters related to those of the WTO"; and (iii) a deadline would be established for the registration of NGOs that wished to attend the Conference. In order to proceed with the requests from NGOs wishing to attend the next Ministerial Conference in May, and the 50th Anniversary commemoration, he proposed that the same criteria as used for the Singapore Ministerial Conference be applied. In order to allow for the processing of the list of the NGOs having requested registration and its circulation for the information of the Members, the deadline for registration would be 31 March 1998, and confirmation of registration would subsequently be sent to the NGOs.

The representatives of Egypt and Nigeria spoke.

The General Council took note of the statements and agreed to apply the criteria enumerated by the Chairman regarding the attendance of NGOs.

At its meeting on 2 and 14 April 1998, the Chairman informed the General Council that 151 non-governmental organizations had requested a registration form to attend the 1998 Ministerial Conference and the 50th Anniversary commemoration event, and that a list of these organizations would be circulated to Members on 3 April for their information before the confirmation of registration was sent out by the Secretariat on 15 April.

The General Council took note of this information.

2. Committee on Balance-of-Payments Restrictions  
- Reports (WT/GC/M/26)

At the General Council meeting on 19 February 1998, the Chairman of the Committee on Balance-of-Payments Restrictions introduced the Committee's reports on its consultations with Pakistan (WT/BOP/R/39) and the Slovak Republic (WT/BOP/R/40).

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

<sup>8</sup>See footnote 4.

The General Council took note of the statement and adopted the reports in WT/BOP/R/39 and WT/BOP/R/40.

3. Accession  
- Laos (WT/GC/M/26)

At its meeting on 19 February 1998, the General Council considered a communication from Laos (WT/ACC/LAO/1) concerning its interest in acceding to the WTO Agreement pursuant to Article XII.

The representative of Laos (as an observer), Brunei on behalf of the ASEAN Members, Japan, and Australia spoke.

The General Council took note of the statements and agreed to establish a working party to examine the application by Laos, and authorized its Chairman to designate the Chairperson of the Working Party in consultation with representatives of Members and with the representative of Laos.

The Chairman invited Laos, on behalf of the General Council, to attend meetings of the General Council and, as appropriate, meetings of other WTO bodies as an observer during the period in which the Working Party was carrying out its work.

4. Ecuador - Commitments under the Protocol of Accession (WT/GC/M/26)

At its meeting on 19 February 1998, the General Council considered a communication from the United States (WT/GC/W/76) expressing concern that Ecuador had not yet implemented certain commitments in its Protocol of Accession.

The representatives of the United States, Ecuador and the European Communities spoke.

The General Council took note of the statements.

5. Outcome of the major review of the implementation of the Agreement on Textiles and Clothing (WT/GC/M/26)

At the meeting of the General Council on 19 February 1998, the Chairman of the Council for Trade in Goods recalled that he had informed the General Council in December 1997 that the Goods Council had conducted the major review of the implementation of the Agreement on Textiles and Clothing in meetings held from October to December, and that in spite of determined efforts by many, it had not been possible to arrive at sufficient common ground on the summary of the discussions and on a set of conclusions to the review that would attract consensus. In January 1998, consultations had been held with a number of delegations and, as a result of the spirit of compromise and flexibility shown by the Members that had participated actively in the subsequent informal consultations, it had been possible to reach substantive agreement on a text containing a detailed summary of the discussions and conclusions, which had been adopted by the Goods Council on 16 February (G/L/224).

The General Council took note of the statement.

6. Notifications obligations and procedures (WT/GC/M/26)

In November 1996, the Council for Trade in Goods, having considered the report of the Working Group on Notification Obligations and Procedures and the recommendations contained therein (G/L/112), made the following recommendations to the General Council: "(a) The Council requests the General Council to take the necessary steps to eliminate the notification obligations in the Decisions of the GATT 1947 CONTRACTING PARTIES relating to import licensing procedures (L/3756 and SR/28/6); "(b) The Council requests the Ministerial Conference or the General Council to consider the establishment, at an appropriate time, of a body with a mandate to review the notification obligations and procedures throughout the WTO Agreement. Alternatively, consideration might be given to the establishment of a body, or the extension/modification of the mandate of the current Working Group, to conduct, at an appropriate time, a further comprehensive review of the notification obligations and procedures in the agreements in Annex 1A of the WTO Agreement. It was suggested that future work also encompass matters relating to the Central Registry of Notifications, electronic transmission of notifications and further work on the notifications handbook" (G/L/134, Section II). At its meeting on 7, 8 and 13 November 1996, the General Council had approved the recommendations of the Council for Trade in Goods and agreed to revert to this matter at a future meeting.

At the General Council meeting on 19 February 1998, the Chairman proposed that (i) on the basis of discussions held by the former Chairman of the Working Group on Notification Obligations and Procedures, the recommendation of the Council for Trade in Goods in sub-paragraph (b) be kept under review, and reverted to at a future date as appropriate; and that (ii) in pursuance of the recommendation in sub-paragraph (a), the General Council adopt the draft decision in the Annex to WT/GC/W/75 in order to eliminate the notification obligations relating to import licensing procedures in the relevant Decision of the CONTRACTING PARTIES to the GATT 1947.

The representative of the United States spoke.

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

7. Global electronic commerce (WT/GC/M/26)

At its meeting on 19 February 1998, the General Council considered a proposal by the United States regarding global electronic commerce (WT/GC/W/78).

The representatives of the United States, Egypt, Japan, Australia, the European Communities, Canada, New Zealand, Nigeria, Switzerland, India, Pakistan, Brunei Darussalam on behalf of the ASEAN Members, Norway, Turkey, Hungary and Hong Kong, China, and the Chairman spoke.

The General Council took note of the statements.

8. Transparency and derestriction (WT/GC/M/26)

At the General Council meeting on 19 February 1998, the representative of the United States said that the time had come to evaluate the General Council's decision of July 1998 regarding procedures for the circulation and derestriction of documents (WT/L/160/Rev.1), paragraph 7 of which called on the General Council to review and if necessary modify the procedures not later than July 1998. In order to permit the General Council to carry out its responsibilities in relation to the required review, the United States proposed that the General Council agree to organize informal open-ended consultations amongst interested delegations with the aim of considering possible modifications to these procedures.



The representatives of Canada, the European Communities, Mexico, Norway, India and Egypt, and the Chairman spoke.

The General Council took note of the statements and agreed that its Chairman consider ways and means to advance the proposal by the United States.

9. Accreditation of Permanent Representatives to the WTO (WT/GC/M/26)

At the General Council meeting on 19 February 1998, the Chairman said that he had been very encouraged to note that a number of Members had adjusted their WTO accreditation practices to the international practice in respect of representation to international organizations -- outlined in a Note by the Secretariat of 4 December (WT/GC/W/72) -- and hoped that more Members would begin to move in this direction.

The General Council took note of the statement.

10. Comments being directed to individual cases brought before the dispute settlement system (WT/GC/M/26)

At the General Council meeting on 19 February 1998, the Director-General expressed concern that a number of comments had been directed over the past few months to individual cases brought before the dispute settlement system. While these comments had no doubt been made in good faith, in some cases they had not been made on the basis of all the relevant facts. Comments based on a less than complete knowledge of a particular case, or made while it was still in progress, were an unfair challenge to the integrity of the dispute settlement system, to the WTO's rule-based procedures, and to the multilateral trading system. He wished to increase the awareness of this problem among all Members, and would call it to the attention of the appropriate WTO bodies in the context of the review of the dispute settlement system that had to be undertaken before the end of 1998.

The General Council took note of the statement.

11. Observer status

- (a) Governments  
- Cape Verde (WT/GC/M/26)

At its meeting on 19 February 1998, the General Council considered a request from Cape Verde (WT/L/258) for observer status in the General Council and its subsidiary bodies, and agreed to grant this request.

- (b) International intergovernmental organizations (WT/GC/M/26)

At the General Council meeting on 19 February 1998, the Chairman recalled that at the General Council meeting in December 1997, he had reported that consultations had recently been held on the pending requests from international organizations for observer status in the General Council, and that further consultations would need to be held early in 1998. He urged delegations to give further thought to this matter so that it could be settled rapidly.

The General Council took note of the statement.

12. Appointment of officers to WTO bodies (WT/GC/M/26)

At the General Council meeting on 19 February 1998, 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 which he considered that there was a consensus on the following slate of names:

General Council	Mr. John Weekes (Canada)
Dispute Settlement Body	Mr. Kamel Morjane (Tunisia)
Trade Policy Review Body	Mr. Ali Said Mchumo (Tanzania)
Council for Trade in Goods	Mr. Ronald Saborio Soto (Costa Rica)
Council for TRIPS	Mr. Istvan Major (Hungary)
Council for Trade in Services	Mr. Nobutoshi Akao (Japan)
Committee on Trade and Environment	Mr. Chak Mun See (Singapore)
Committee on Trade and Development	Mr. Iftekhar Ahmed Chowdhury (Bangladesh)
Committee on Budget, Finance and Administration	Mr. Wilhelm Meier (Switzerland)
Committee on Balance-of-Payments Restrictions	Mr. Peter R. Jenkins (United Kingdom)
Committee on Regional Trade Agreements	Mr. Jean-Marie Noirfalisse (Belgium)
Working Group on the Relationship between Trade and Investment	Mr. Krirk-Krai Jirapaet (Thailand)
Working Group on the Interaction between Trade and Competition Policy	Mr. Frédéric Jenny (France)
Working Group on Transparency in Government Procurement	Mr. Werner Corrales Leal (Venezuela)

The representative of Norway spoke.

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

13. Election of Chairperson (WT/GC/M/26)

At the General Council meeting on 19 February 1998, the Chairman, as the outgoing presiding officer of the General Council, made a statement (WT/GC(98)/ST/1).

The General Council then unanimously elected Mr. Weekes (Canada) to the Chair.

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