

**Negotiating Group on Rules**

**NEGOTIATING GROUP ON RULES**

Report by the Chairman to the  
Trade Negotiations Committee

**I. INTRODUCTION**

1. This report updates my May 2006 report to the Trade Negotiations Committee and indicates the steps taken, and the progress made, by the Group since that date.

**II. ANTI-DUMPING & SUBSIDIES & COUNTERVAILING MEASURES, INCLUDING FISHERIES SUBSIDIES**

2. With respect to anti-dumping and subsidies & countervailing measures including fisheries subsidies, the Group worked hard this spring and summer in order to be in a position to ensure that Rules would be ready to make its contribution to this Round. As indicated in the timetable circulated to this body in February, I had set a target of April for the receipt of any remaining text-based proposals in all areas, and a target of June for the Group to complete analysis of those proposals. The Negotiating Group met intensively during the months of May and June to meet this goal, and although proposals continued to flow in after April, we succeeded with a series of sessions in the weeks of 1, 8 and 29 May and again in the weeks of 12 and 26 June to get through the material in front of us.

3. During this period, the Group examined large numbers of proposals, almost exclusively on the basis of specific proposed texts, on anti-dumping. It also received a significant if lesser number of proposals on horizontal subsidies disciplines, reflecting a welcome -- if somewhat tardy -- focus on this important area. In the area of fisheries subsidies, it was a source of significant relief to me as Chairman that we finally received a critical mass of four comprehensive textual proposals on fisheries subsidies, reflecting a range of approaches and levels of ambition, as well as some helpful proposals targeted to specific issues such as special and differential treatment. This allowed me to hold one round of serious Chairman's consultations in this important area.

4. As you all doubtless remember, the Ministers at Hong Kong asked me to prepare and table consolidated texts that would represent the basis for the final stage of the negotiations. Although I would have preferred that subsidies and fisheries subsidies issues had advanced to the stage of comprehensive text-based proposals at the same pace as anti-dumping, in the end I consider that Members individually, and the Group collectively, did what was required in order to put me in a position where I could and would have tabled those consolidated texts in the areas of anti-dumping and subsidies and countervailing measures including fisheries subsidies, had conditions elsewhere in the Round been right. It was of course a profound disappointment to me, as it was to all of us, that this did not prove possible.

### **III. REGIONAL TRADE AGREEMENTS**

5. Since early January this year, the Group's discussions have focused on a draft decision for the provisional application of a "Transparency Mechanism for Regional Trade Agreements", in an effort to deliver a consensus text. Such a text was formally approved at the Group's meeting on 10 July with no comments made. The text has been transmitted to the TNC as document TN/RL/18.

6. As for RTA systemic questions, the Group resumed negotiations in this area after several months of inactivity due to lack of text-based proposals. A room paper recently distributed which outlines a "Checklist on RTA systemic issues for text-based negotiations " was the object of in-depth discussion by many Participants suggesting an interest by Members in further exploring the issues tabled and considered at previous Group's meetings (these are: the "substantially all the trade" concept, the length of transition periods, and the inclusion of special and differential treatment provisions in Article XXIV of the GATT 1994). Participants indicated that the scope of any future work in this area should be comprehensive (with specific reference to Chair Roadmaps on RTAs systemic issues) and not lead to a dilution of current provisions. It has been reiterated that text-based proposals are at this point essential to advance the process.

### **IV. CONCLUSION**

7. Obviously, next steps in Rules depend upon developments not within my control. While we await these developments, I would like to express my deep appreciation to delegations for the serious engagement and constructive efforts they made in this Negotiating Group. All delegations have shown real commitment to achieving good results in this area, and I believe that the Group would be prepared to resume its work at any appropriate time. I have no doubt that, when that time comes, delegations will continue this approach and that the Rules area will be in a position to make its contribution to the successful conclusion of the Round.

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