

Negotiating Group on Rules

NEGOTIATING GROUP ON RULES

Report by the Chairman to the
Trade Negotiations Committee

17 December 2008

1. Last July, I reported to the Trade Negotiations Committee my intention to circulate new bottom-up draft texts on anti-dumping and horizontal subsidies, and a conceptual roadmap on fisheries subsidies, as the basis on which to carry forward the work of the Negotiating Group on Rules. Since making that report, I have not circulated those texts, nor have I convened any meetings of the Group. Although new texts remain necessary for the work of the Group to progress, it has been my judgment that in view of the situation in the Round as a whole, I needed to be mindful of activities and developments in other areas in deciding not only the timing but also the exact content of those texts.

2. While I have not called any meetings of the Group since my July report, I have remained in close contact with delegations. Most recently, I held a series of bilateral consultations with interested delegations to hear their views as to the way forward. Those consultations confirmed that, as I foreshadowed in my report to the TNC last July, I should now use a different method: We need to move from the Chair's texts to draft texts which will have to describe a gradually emerging consensus reflecting that new, bottom-up approach for anti-dumping and horizontal subsidies, and a conceptual roadmap for fisheries subsidies.

3. I believe that the time has now come for me to produce these new texts, as the first step in resuming the substantive work of the Group. I therefore plan to circulate the texts in the coming days, as soon as I have finalized them in the light of the most recent developments in the Round. At the same time, I also will provide participants with an outline of the programme of meetings that I envisage for the first part of 2009.

4. With respect to Regional Trade Agreements, Members will recall that at the time of the last meeting of the TNC in July 2008, I had indicated that the initial review of the provisionally adopted Transparency Mechanism on Regional Trade Agreements could not be completed because Members felt that the necessary experience with the Mechanism had not yet been built up. The Transparency Mechanism, which was negotiated in the Negotiating Group on Rules, is being implemented by the Committee on Regional Trade Agreements (CRTA) and the Committee on Trade and Development (CTD). The CRTA has now considered 32 RTAs, while the CTD also considered its first RTA under the Mechanism in October.

5. It is my sense that Members continue to believe that while experience is being built up gradually, especially in the CRTA and perhaps shortly in the CTD, it remains insufficient at this time to allow a review of the functioning of the Mechanism to be completed. Nevertheless, I do think that discussions on the functioning of the Transparency Mechanism should take place. I propose therefore to schedule an informal meeting of the Group early in the new Year to begin such consultations. Inputs for this meeting would be greatly assisted by Members' views on the functioning of the Mechanism. I also think that it would be appropriate to ask the Chair of the implementing bodies, the CRTA (and the Chair of the CTD once an agreement has been considered in the CTD) for their views, on their own responsibility, on the functioning of the Mechanism in the CRTA (and the CTD); in addition, I will also ask the Secretariat to outline its experience in implementing the Mechanism. These three elements will help the Negotiating Group to begin its discussions on the functioning of the Transparency Mechanism on RTAs.

6. On systemic issues relating to RTAs, I have been consulting Members. My impression is that no one is disputing the fundamental importance of the issues and to continuing discussions on systemic issues. Nevertheless, as I have argued before, the Group cannot advance and conclude its work in this area without text-based proposals by Members. As time is short, I hope we will see text-based proposals from Members, as instructed by Ministers in December 2005, in time for the next meeting of the Group and to bring these negotiations to a successful conclusion.
