

Negotiating Group on Rules

NEGOTIATING GROUP ON RULES

Report by the Chairman
to the Trade Negotiations Committee

I. STATUS OF WORK

1. Since my last report, the Negotiating Group has held one formal meeting (3, 6, 7 February). The summary report of that meeting will be circulated in document TN/RL/M/6.
2. In its meetings to date, the Group's agenda has been structured around the following subject areas: Anti-Dumping; Subsidies and Countervailing Measures, including Fisheries Subsidies; and Regional Trade Agreements (RTAs). All three subject areas have been discussed at some length in the meetings. The Group has also moved into a more intensive phase of its work in regard to transparency of RTAs, in an open-ended informal mode.
3. The Group has received a total of 64 submissions to date. A complete list of submissions received as of the date of this report is annexed.
4. Negotiations on anti-dumping, subsidies and countervailing measures are proceeding primarily on the basis of written submissions from participants. On RTAs, the issue-identification phase is nearly complete. Procedural issues, and in particular RTAs transparency, were identified as priority for negotiations and are being tackled informally; systemic issues have so far been mainly addressed in formal meetings.

II. OUTSTANDING ISSUES

5. Other than the issue of observers – a question with horizontal implications – there are no outstanding procedural issues in the Group at this time.

III. FUTURE WORK

6. At its February meeting, the Group agreed that its next formal meeting would be held on 19-21 March. Additional formal meetings are scheduled 5-7 May and 18-20 June 2003, subject to the overall demand for meetings within the WTO. The Group has already held four informal meetings on RTAs, and will hold further informal meetings as appropriate.
7. In my view, the Group has made substantial but uneven progress. With respect to anti-dumping and subsidies and countervailing measures, including fisheries subsidies, the Group is proceeding with the "initial phase" of issue identification.
8. In the area of anti-dumping (and to a lesser degree, countervailing measures), the process of issue identification is well advanced. While additional issues undoubtedly will be identified in the

coming months, a wide and diverse range of participants have made substantial submissions and proposals, many at a high degree of specificity. Further, participants have moved forward in seeking to explore the precise parameters of many of these proposals, including through a helpful process of written questions and answers. Thus, it appears to me that our work in this area is on-track.

9. In the area of multilateral subsidies disciplines there is less cause for satisfaction. While the limited number of submissions is not in itself cause for concern, those submissions which have been received tend to be general in nature. Further, many participants that have signalled their intention, or can be expected, to make proposals, have not yet done so. Regarding the sub-item of fisheries subsidies, progress is particularly slow. To date, specific proposals are lacking, and, in spite of the explicit reference to fisheries subsidies in the mandate, the Group is sharply divided on the propriety of sector-specific work in this area.

10. Many participants have emphasized the linkages between work in the Rules Group and that of other negotiating bodies. In my view, there are also linkages between the different areas of the Rules Group's mandate. It would thus be desirable if the work of the Group were to advance in a balanced way on multiple fronts. Therefore, I urge those participants that have a negotiating agenda in the Rules area to put their issues before the Group in a concrete manner as soon as possible. I further urge all participants to engage in a constructive manner, and without prejudice as to outcomes, on each area of the Group's mandate.

11. On RTAs, the Group will continue its work on the various "RTAs transparency" elements and, at a later stage, enter into preliminary discussions on other, systemic issues.
