

Negotiating Group on Rules

NEGOTIATING GROUP ON RULES

Report by the Chairman
to the Trade Negotiating Committee

I. STATUS OF WORK

1. Due to the general situation in the DDA negotiations following the Ministerial Conference in Cancún, the Negotiating Group on Rules held no further meetings in 2003 after its meetings of 21-23 July 2003. The Group was able to restart its work when the General Council took note, at its 11 February 2004 meeting, of the consensus regarding the appointment of officers to WTO bodies (WT/GC/M/85). That consensus included the appointment of myself, Eduardo Pérez Motta, Ambassador of Mexico, as Chairman of the Negotiating Group on Rules.

2. The Group held formal meetings on 11 March 2004, to discuss issues relating to Regional Trade Agreements ("RTAs"), and 16 March 2004, to discuss issues relating to Anti-Dumping ("AD") and Subsidies and Countervailing Measures ("SCM") including fisheries subsidies. The summary records of these meetings are reflected in documents TN/RL/M/12 and /13. The next meetings of the Group are scheduled for 26-28 April 2004 (AD and SCM including fisheries subsidies), and 5 May 2004 (RTAs). The April meeting will include open-ended informal sessions for discussion of elaborated proposals to be submitted by participants, in addition to its formal sessions. The May meeting of the Group will also be partly devoted to the informal discussion of RTAs' transparency matters and of "systemic" issues.

3. At the 11 March 2004 meeting, the Group expressed readiness to take up the work from where it had been left in July 2003. It emphasized the importance of progressing on various outstanding elements of an RTAs transparency proposal, while commencing substantive discussions on "systemic" issues. The Group requested that three informal documents be made available well in advance of the next meeting, to serve as a basis to the debate: a Chair's stock-taking note on transparency of RTAs; his suggested roadmap for the sequencing of discussions on "systemic issues"; and an example of presentation of an RTA by the Secretariat.

4. At the 16 March 2004 meeting, as at prior meetings, the Group based its substantive discussions of issues relating to AD and SCM including fisheries subsidies on formal written proposals and other submissions of participants. In particular, the Group discussed the one new paper on AD that has been received, as well as written answers to follow-up questions submitted by participants in the areas of AD and SCM. Participants also commented on the Compilation of Issues and Proposals Identified by Participants in the areas of AD and SCM including Fisheries Subsidies (TN/RL/W/143), which was circulated before Cancún.

5. To date, a total of 145 submissions have been received from participants. These submissions have been circulated in the TN/RL/W/... series.

II. OUTSTANDING ISSUES

6. 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

A. ANTI-DUMPING, AND SUBSIDIES AND COUNTERVAILING MEASURES INCLUDING FISHERIES SUBSIDIES

7. In my view, the work of the Group is now back on track. As has always been the case, the substantive discussions at the 16 March meeting on AD and SCM including fisheries subsidies were constructive and informative, and this augurs well for the future. On procedural issues, the Group engaged in a very useful discussion and decided, as a means of intensifying the process and deepening its consideration of the issues on the table, to begin to hold open-ended informal meetings. The first of these informal sessions will be held during the Group's 26-28 April meeting.

8. The informal process is intended to focus in detail on elaborated proposals submitted by participants and circulated as job documents. In particular, and without prejudice to their rights to submit formal proposals, participants are invited to present elaborated proposals in respect of issues that have been identified for negotiation, setting forth in detail the precise changes that they seek to the existing rules. To allow participants to prepare for the detailed informal consideration of these issues, elaborated proposals are to be submitted several weeks in advance of the meeting at which they will be discussed. The deadline for elaborated proposals to be discussed at the 26-28 April meetings was 8 April.

9. I believe that working in informal mode on the basis of detailed proposals is the best, if not only, way for the Group to continue to progress in its very significant task of considering the many issues identified by participants for negotiation. I am confident that the participants will engage in this process in the same constructive spirit that has characterized the work of the Group to date.

B. REGIONAL TRADE AGREEMENTS

10. In the light of the outcome of the Group's 11 March meeting, I am confident that participants will be able to advance substantively in their work in the coming weeks and months. In particular, the improvement of RTAs' transparency seems to remain high in the Group's agenda; I think that here the credibility of the WTO is at stake and, as well, to a considerable degree, the operational nature of the Committee on Regional Trade Agreements. On "systemic" matters, I am confident that future detailed submissions by participants on the issues identified will help the Group to elaborate the existing rules.
