

Negotiating Group on Rules

NEGOTIATING GROUP ON RULES

Report by the Chairman to the
Trade Negotiations Committee

I. STATUS OF WORK

1. It is a pleasure for me to submit my first Report to the Trade Negotiations Committee as Chairman of the Negotiating Group on Rules. Although I was elected Chairman of the Group only in November, and have thus chaired only one meeting, my observations on the status of the Group's work take into account developments since the last written Report of my predecessor in June 2004. In this regard, I observe that, since that Report was submitted, the Group has continued and indeed stepped up the pace of its work.

2. In the area of Anti-Dumping ("AD") and Subsidies and Countervailing Measures ("SCM") including fisheries subsidies, the Group has held three further meetings, on 12-13 July, 27 September–1 October and 1-3 November 2004. The Group will be meeting again on 14-16 December 2004. The Group's meetings on these subjects typically have three components: a formal session, an informal session to conduct an in-depth discussion of elaborated proposals and, beginning with the September 2004 meeting, a period set aside for bilateral and plurilateral consultation among delegations.

3. The Group held formal meetings devoted to the area of Regional Trade Agreements (RTAs) on 29 June, 21 September and 4 November 2004. In addition, the Group had open-ended informal discussions on RTAs' transparency issues. The next meeting is scheduled for on 13 December 2004.

4. To date, nearly 170 formal submissions have been received from Participants. These submissions have been circulated in the TN/RL/W/... series. In addition, the Group has to date received and considered twenty-seven informal elaborated proposals relating to AD and/or to SCM. While these proposals have been circulated as JOB documents, all such proposals received to date have also been circulated at the request of the Participants submitting them as unrestricted documents in the TN/RL/GEN/... series. In the area of RTAs, four background notes, elaborated by the Secretariat at the Group's request, have been circulated as JOB documents.

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

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

6. In his June 2004 Report to the Trade Negotiations Committee, my predecessor emphasized the shift in the emphasis of the Group's work from formal meetings focused on identifying issues that Participants wanted to pursue to an informal process that involves the in-depth examination of

detailed elaborated proposals submitted by Participants. This trend has continued and consolidated, such that formal sessions now represent a small portion of the Group's meetings. It is my sense that Participants generally continue to use this informal process to come to grips with the details of the proposals in question and with their practical implications and to seriously explore the feasibility and desirability of the proposals on the table with a view to finding solutions.

7. The focus of the informal discussions continues to be on trade remedies. Of the 28 informal papers put before the Group, 21 relate to AD or to issues common to AD and countervailing measures, while most of the remaining papers relate primarily albeit not exclusively to countervailing measures. It may be noted that all such papers submitted to date come from the Friends of AD Negotiations, the United States and Canada. Most of these papers further develop issues previously identified in the formal process. A review of the issues identified in the formal process reveals that many, although by no means all, of the issues identified there have now been the subject of informal papers put before the informal process.

8. The issue of multilateral subsidies disciplines has to date received much less attention in the Group. In fact, only two of the informal proposals received to date relate primarily to multilateral subsidy disciplines. While the issue of fisheries subsidies has continued to be the subject of discussion in formal mode, no Participant has yet submitted an informal proposal on the issue. It is my sense that the discussion of multilateral subsidy discipline issues generally, including those relating to fishery subsidies, have not yet reached the degree of specificity that now characterises trade remedy discussions.

9. One new feature of the Group's work in the latter half of 2004 has been increased opportunities for and emphasis on bilateral and plurilateral consultations among delegations. I am convinced that these consultations are an essential element of the negotiating process, as they facilitate a real dialogue among delegations regarding each others' positions and concerns. The degree of mutual understanding that these consultations foster should help the Group to make progress in what will doubtless be a complex and difficult latter phase of the negotiations. Thus, I strongly encourage delegations to continue and intensify these consultations.

B. REGIONAL TRADE AGREEMENTS

10. The Group engaged, as from the June meeting, on the consideration of priority systemic issues identified by Participants, according to the roadmap proposed by the Chairman to sequence discussions. Three meetings were held on a first round of examination of the array of issues on the table. This permitted Participants to refine their views and laid down the basis for more in-depth debate next year, which is expected to focus on a more limited number of issues and be primarily based on specific proposals by Participants.

11. Progress has been registered on various elements of the RTAs transparency process. Participants' commitment to improving procedures and to revitalizing the role of the Committee on Regional Trade Agreements (CRTA) has been firmly reiterated. One particular aspect of the proposed procedures, to entrust to the Secretariat the elaboration of a factual presentation on notified RTAs, has been included, on a provisional and voluntary basis, in the procedures applied to RTAs examined by the CRTA; any practical experience gained in that context will be useful input in the Group's work. I expect further progress in a number of other elements of the transparency process in the next few meetings.
