

# WORLD TRADE ORGANIZATION

RESTRICTED

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## Committee on Trade in Civil Aircraft

### DRAFT REPORT (1996) OF THE COMMITTEE ON TRADE IN CIVIL AIRCRAFT

1. This report is submitted under Article 8.2 of the Agreement on Trade in Civil Aircraft (hereinafter the "Agreement") and Article IV.8 of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter the "WTO Agreement"). It sets out the activities of the Committee since November 1995.
2. On 8 November 1996 there were 22 Signatories to the Agreement: Canada, the European Communities, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom, Egypt, Japan, Macau, Norway, Romania, Switzerland and the United States. Greece has signed the Agreement subject to ratification. The other countries with observer status in the Committee are: Argentina, Australia, Bangladesh, Brazil, Cameroon, Czech Republic, Finland, Gabon, Ghana, India, Indonesia, Israel, Malta, Mauritius, Nigeria, Poland, Singapore, the Slovak Republic, Sri Lanka, Trinidad and Tobago, Tunisia and Turkey. In addition, China, the Russian Federation and Chinese Taipei have observer status in the Committee. The IMF and UNCTAD are also observers.
3. The Committee on Trade in Civil Aircraft (hereafter the "Committee") held meetings in the period under review: on 7 June, 19 July and 8 November 1996.
4. At the meeting of 7 June 1996 (TCA/M/2), the Chairman reported on the consultations he had carried out since the previous meeting of the Committee and summarized his view of the situation of the Agreement. He characterized this situation as creating a climate of legal uncertainty, in contradiction to the object and purpose of the WTO Agreement. He concluded that, as it proved very difficult to amend the Agreement, the alternative for Signatories was either (i) to terminate or suspend the application of the Agreement; or (ii) to try in good faith to make it function as it stood. In that context, the Chairman tabled an informal proposal consisting of two decisions. The first one related to the meaning of certain institutional provisions of the Agreement and confirmed the legal effects of the entry into force of the WTO Agreement. The second one provided that the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes would apply to dispute under the Agreement. Signatories agreed to examine the proposal and to meet again rapidly to take a decision on these matters. Under "Other Business", the Chairman informed the Committee that Mr. Latrille could no longer serve as Vice-Chairman of the Committee, and that he himself would soon no longer be able to serve as Chairman. Consultations were under way regarding the election of a new Chairman and Vice-Chairman.
5. At the meeting of 19 July 1996 (TCA/M/3), the Chairman concluded that his proposal was not acceptable to all Signatories and that there were no alternatives that would be readily acceptable to all. Under "Other Business", one Signatory referred to the negotiations initiated under Article 8.3 in 1992. In its view, three options were available: (i) terminate the negotiations; (ii) conclude the negotiations by incorporating in the Agreement the results on which consensus had been reached or

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(iii) define a new mandate for those negotiations. The same Signatory also suggested that Article 8.8 of the Agreement be amended pursuant to Article 9.5 to preserve the current relationship between the Agreement and the other agreements annexed to the WTO Agreement while allowing the Agreement to be formally revised to take into account the existence of the WTO.

6. At the meeting of 8 November 1996 (TCA/M/4), [to be added]

7. The Sub-Committee of the Committee on Trade in Civil Aircraft, established on 16 July 1992 to conduct negotiations under Article 8.3 and composed of 32 participants: Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Egypt, European Communities, Finland, France, Germany, Greece, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovak Republic, Spain, Sweden, Switzerland, Chinese Taipei, United Kingdom and the United States, did not hold any meeting during the period under review.

[8. Concluding observations: [to be added]]