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Committee on Subsidies and Countervailing Measures

MINUTES OF THE SPECIAL MEETING HELD ON 31 OCTOBER, 8 AND 22 NOVEMBER AND 13 DECEMBER 2002

Chairman: H.E. Mr. Milan Hovorka (Czech Republic)

1. The Committee on Subsidies and Countervailing Measures ("the Committee") held a special meeting on 31 October, 8 and 22 November and 13 December 2002.

2. The Chairman stated that the Committee's 31 October special meeting had been convened by airgram WTO/AIR/1938. The Committee adopted the following agenda:

- A. REVIEW OF THE 2001 NEW AND FULL SUBSIDY NOTIFICATIONS LISTED IN WTO/AIR/1844 1
- B. REVIEW OF CERTAIN OTHER NEW AND FULL SUBSIDY NOTIFICATIONS, AS DISCUSSED AT THE COMMITTEE'S SPECIAL MEETING ON 25 JULY 2002 5
- C. CONTINUATION, AS NECESSARY, OF THE COMMITTEE'S CONSIDERATION OF ARTICLE 27.4 REQUESTS AND RESERVATIONS OF RIGHTS AS MEMBERS LISTED IN ANNEX VII..... 8
- 1. **New documentation received 8**
- 2. **Reversion to 19 September proposal by Australia, Canada, the European Communities, Japan, Switzerland, and the United States concerning approval of qualifying requests to extend the transition period for export subsidies provided by certain developing country Members pursuant to G/SCM/39 11**

A. REVIEW OF THE 2001 NEW AND FULL SUBSIDY NOTIFICATIONS LISTED IN WTO/AIR/1844

3. The Chairman stated that a list of the 2001 new and full notifications for review at the Committee's meeting pursuant to the procedures agreed at the Committee's May 2001 meeting had been circulated to Members of the Committee in WTO/AIR/1844, dated 24 June 2002. In addition, as discussed at the Committee's special meeting on 25 July 2002 and indicated in WTO/AIR/1938, the Committee would also review, under agenda item B, the 2001 new and full notifications of Chinese Taipei, Japan, Norway, Slovenia and the United States, which had been received too late to be reviewed under the Committee's previously-agreed procedures.

4. He recalled that the Committee had adopted procedures for review of 2001 new and full subsidies notifications at its May 2001 meeting (G/SCM/W/441). Under those procedures, these subsidy notifications were to be reviewed in three special meetings to be held in conjunction with the regular meetings of the Committee in fall 2001, and in spring and fall 2002. This was the third of that series of meetings. Pursuant to the procedures, only notifications distributed in all three working languages not less than nineteen weeks before a meeting could be reviewed at that meeting.

Accordingly, the Committee had before it twenty-three additional notifications which had been circulated before that deadline. The review of subsidy notifications was to be conducted on the basis of written questions and answers provided before the meeting. As indicated in WTO/AIR/1844, written questions regarding these notifications had been due no later than 15 July 2002. Written answers to written questions had been due no later than 16 September 2002. All written questions and answers which had been available in time were included in the document package available from the documentation centre. As indicated in the airgram, due to the volume of material involved, delegations had been asked to bring their own copies of the notifications.

5. Before taking up the notifications one by one, the Chairman noted that many of them were also relevant to requests pending before the Committee pursuant to Article 27.4. Thus, while in many cases no questions had been posed in respect of the review under the present agenda item, written questions and answers had, of course, been exchanged on all of these notifications in that other context. The Committee would be turning to Article 27.4 later in the meeting, and the floor would be open at that time for any further follow-up discussion of any of these notifications and related documentation in that context as well.

6. Turning now to the review of notifications, the first notification on the Committee's agenda was that of Antigua and Barbuda, which could be found in document G/SCM/N/71/ATG. No written questions had been received in respect of the notification in the context of this review, although Antigua and Barbuda also had supplemented its G/SCM/N/71 notification in the context of its request for an extension pursuant to Article 27.4, and written questions and answers had been exchanged for that purpose. There were no questions posed nor comments made with regard to this notification.

7. The next notification was that of Australia, which could be found in document G/SCM/N/71/AUS and G/SCM/N/71/AUS/Corr.1. The European Communities had posed written questions in respect of this notification in G/SCM/Q2/AUS/21. Australia had responded to these questions in document G/SCM/Q2/AUS/22. There were no further questions posed nor comments made with regard to this notification.

8. The next notification was that of Barbados, which could be found in document G/SCM/N/71/BRB and G/SCM/N/71/BRB/Corr.1. No written questions had been received in respect of this notification in the context of this review. Barbados also had supplemented its G/SCM/N/71/BRB notification in the context of its request for an extension pursuant to Article 27.4, which was the subject of a subsequent agenda item. There were no questions posed nor comments made with regard to this notification.

9. The next notification was that of Belize, which could be found in document G/SCM/N/71/BLZ/Suppl.1 and Corr.1. No written questions had been received in respect of this notification, in the context of this notification review. This notification also was relevant in the context of the Article 27.4 requests, where written questions and answers had been exchanged. No comments were made nor questions posed with regard to this notification.

10. The next notification was that of Botswana, which could be found in document G/SCM/N/71/BWA. No written questions had been received in respect of this notification, and there were no comments made nor questions posed by Members with regard to this notification.

11. The next notification was that of Colombia, which could be found in document G/SCM/N/71/COL. The European Communities submitted had written questions on this notification in the context of this review, and Colombia had submitted responses. These could be found in documents G/SCM/Q2/COL/9-10, respectively. This notification also was relevant in the context of Colombia's request pursuant to Article 27.4, in which context additional questions and answers had

been exchanged. There were no further questions posed nor comments made with regard to this notification in this context.

12. The next notification was that of Costa Rica, which could be found in document G/SCM/N/71/CRI. No written questions had been received in respect of this notification in the context of this review. This notification was also relevant to Costa Rica's request pursuant to Article 27.4, in which context questions and answers had been exchanged. No comments were made nor questions posed by Members with regard to this notification.

13. The next notification was that of Croatia, which could be found in document G/SCM/N/71/HRV. No written questions had been received in respect of this notification. No comments were made nor questions posed by Members with regard to this notification.

14. The next notification was that of Dominica, which could be found in documents G/SCM/N/71/DMA and G/SCM/N/71/DMA/Corr.1. No written questions had been received in respect of this notification in the context of this review, although written questions and answers had been exchanged on it in the context of the Article 27.4 exercise. No comments were made nor questions posed by Members with regard to this notification.

15. The next notification was that of the Dominican Republic, which could be found in document G/SCM/N/71/DOM. No written questions had been received in respect of this notification in respect of this review. This notification was relevant to the Dominican Republic's request pursuant to Article 27.4, where it had been the subject of written questions and answers. No comments were made nor questions posed by Members with regard to this notification.

16. The next notification was that of El Salvador, which could be found in documents G/SCM/N/71/SLV and G/SCM/N/71/SLV/Suppl.1. No written questions had been received in respect of this notification in the context of this review. This notification was relevant in the context of Article 27.4, and written questions and answers had been exchanged in that respect. No comments were made nor questions posed by Members with regard to this notification.

17. The next notification was that of Fiji, which could be found in document G/SCM/N/71/FJI. No written questions had been received in respect of this notification in the context of this agenda item. Some new documentation had been received concerning this notification in the context of Fiji's Article 27.4 request, and would be taken up under the relevant agenda item later in this meeting.

18. The delegate of the United States stated that, upon reflection, his delegation had realized that the document posing questions to Fiji should actually have been double-symbolled and should have appeared both under this agenda item and the next. There was some question here as to whether or not Fiji even had an extension request in for these programmes, so the questions themselves related to the new and full notification of Fiji. He requested that the Secretariat take the necessary steps to ensure that the document was double-symbolled. The United States' questions were accordingly circulated in document G/SCM/Q2/FJI/4-G/SCM/Q3/FJI/8. Fiji's written responses in this context were contained in document G/SCM/Q2/FJI/5.

19. The next notification was that of Grenada, which could be found in document G/SCM/N/71/GRD/Suppl.1. No written questions had been received concerning this notification in respect of this review. This notification also was relevant to Grenada's request pursuant to Article 27.4, however, in which context written questions and answers had been exchanged. No comments were made nor questions posed by Members with regard to this notification.

20. The next notification was that of Jamaica, which could be found in document G/SCM/N/71/JAM. This notification also pertained to Jamaica's request pursuant to Article 27.4. In

the context of the review under the present agenda item, written questions had been received from the European Communities in G/SCM/Q2/JAM/3 and Jamaica's written answers can be found in G/SCM/QQ2/JAM/4.

21. The delegate of the European Communities wished to pose a follow-up question: If the "approved product" definition was linked to the "approved manufacturer" definition, what would the definition be of an "approved manufacturer" under the Export Industry Encouragement Act?

22. The delegate of Jamaica replied that the definition of "approved manufacturer" would be under Article 4 of the Export Industry Encouragement Act. She noted that that legislation had been notified and circulated to Members.¹

23. No further comments were made nor questions posed by Members with regard to this notification.

24. The next notification was that of Jordan, which could be found in document G/SCM/N/71/JOR. No written questions had been received in respect of this notification in respect of this agenda item. This notification was relevant in the context of Article 27.4, where written questions and answers had been exchanged. No comments were made nor questions posed by Members with regard to this notification.

25. The next notification was that of Mauritius, which could be found in document G/SCM/N/71/MUS. No written questions had been received in respect of this notification in the context of this agenda item, although written questions and answers had been exchanged in the context of Article 27.4. No comments were made nor questions posed by Members with regard to this notification.

26. The next notification was that of Panama, which could be found in documents G/SCM/N/71/PAN and G/SCM/N/71/PAN/Corr.1. This notification was pertinent to Panama's request pursuant to Article 27.4, and had been the subject of written questions and answers in that context. In the context of the review under the present agenda item, the European Communities had submitted written questions on this notification and Panama had submitted written responses. These can be found in documents G/SCM/Q2/PAN/7-8, respectively. As indicated in the airgram convening this meeting, these questions and answers had already been considered in the context of the Article 27.4 process at the Committee's 25 July special meeting. No further comments were made nor follow-up questions posed by Members with regard to this notification.

27. The next notification was that of Papua New Guinea, which could be found in document G/SCM/N/71/PNG. No written questions had been received in respect of this notification under the present agenda item. This notification was relevant to Papua New Guinea's request pursuant to Article 27.4, where it had been the subject of written questions and answers. No comments were made nor questions posed by Members with regard to this notification.

28. The next notification was that of Saint Kitts and Nevis, which could be found in document G/SCM/N/71/KNA. No written questions had been received in respect of this notification for the present review. This notification was also relevant to the Article 27.4 process, and written questions and answers had been exchanged there. No comments were made or questions posed by Members with regard to this notification.

29. The next notification was that of Saint Lucia, which could be found in document G/SCM/N/71/LCA. No written questions had been received in respect of this notification in this

¹ G/SCM/Q3/JAM/8.

context. This notification also was relevant to Saint Lucia's request pursuant to Article 27.4, and written questions and answers had been exchanged in that regard. No comments were made nor questions posed by Members with regard to this notification.

30. The next notification was that of Saint Vincent and the Grenadines, which could be found in document G/SCM/N/71/VCT. No written questions had been received in respect of this notification in the context of this review, but there had been written questions and answers in the context of Saint Vincent and the Grenadines' Article 27.4 request. No comments were made nor follow-up questions posed by Members with regard to this notification.

31. The next notification on the agenda was that of Suriname, which could be found in document G/SCM/N/71/SUR. No written questions had been received in respect of this notification in the context of this review. The United States had submitted some new questions concerning this notification in the context of Suriname's Article 27.4 request, which would be discussed under the relevant agenda item. No comments were made nor questions posed by Members with regard to this notification.

32. The next notification was that of Uruguay, which could be found in document G/SCM/N/71/URY. No written questions had been received in respect of this notification under this agenda item, although here again, questions and answers already had been exchanged on it in the Article 27.4 context. No comments were made nor questions posed by Members with regard to this notification.

33. The Committee took note of all statements made and concluded its review of these 2001 new and full subsidies notifications listed in airgram 1844.

B. REVIEW OF CERTAIN OTHER NEW AND FULL SUBSIDY NOTIFICATIONS, AS DISCUSSED AT THE COMMITTEE'S SPECIAL MEETING ON 25 JULY 2002

34. The Chairman recalled that, pursuant to the discussion at the Committee's special meeting of 25 July 2002, the 2001 new and full notifications of five other Members were also before the Committee for review, in spite of having being received too late to be reviewed under the procedures adopted by the Committee for review of the 2001 new and full subsidies notifications. Written questions on this group of notifications were due by 6 September and written responses were due by 21 October 2002.

35. The first such notification was that of Chinese Taipei, which could be found in document G/SCM/N/71/TPKM. Written questions on this notification had been submitted by the United States and Australia, and Chinese Taipei had responded to these questions in writing. The questions and answers could be found in documents G/SCM/Q2/TPKM/1, 2 and 3.

36. The delegate of Australia thanked the delegation of Chinese Taipei for its responses. Her delegation had a follow-up question concerning the response to question 1 on the Research and Development Funds contained in document G/SCM/Q2/TPKM/3. She asked the delegation of Chinese Taipei to explain what they meant by "the average ratio of the granted fund." She stated that Australia wished to know whether there was a ceiling on a specific grant to an enterprise.

37. The delegate of Chinese Taipei replied that, in all applications, the highest ratio never exceeded 23 per cent.

38. No further comments were made nor questions posed by Members with regard to this notification.

39. The next notification was that of Japan, which could be found in documents G/SCM/N/71/JPN and G/SCM/N/71/JPN/Suppl.1. Written questions on this notification had been submitted by the United States and Australia, and Japan had responded to these questions in writing. These questions and answers are found in documents G/SCM/Q2/JPN/32-34. No further comments were made nor questions posed by Members with regard to this notification.

40. The next notification was that of Norway, which could be found in documents G/SCM/N/71/NOR and G/SCM/N/71/NOR/Suppl.1. Written questions on this notification had been submitted by the United States and Australia, and Norway had responded to these questions in writing. These questions and answers are found in documents G/SCM/Q2/NOR/13-16. No further comments were made nor follow-up questions posed by Members with regard to this notification.

41. The next notification was that of Slovenia, which could be found in document G/SCM/N/71/SVN. Written questions on this notification had been submitted by the United States and Australia, and Slovenia had responded to these questions in writing. These questions and answers are found in documents G/SCM/Q2/SVN/8-10. No further comments were made nor follow-up questions posed by Members with regard to this notification.

42. The next notification was the notification of the United States, which could be found in document G/SCM/N/71/USA. Written questions on this notification had been submitted by Australia, the European Communities and Japan, and the United States had responded to these questions in writing. These questions and answers are found in documents G/SCM/Q2/USA/22-25. The Chairman noted that, shortly before the Committee's meeting, the United States had submitted a supplement to its notification, in G/SCM/N/71/USA/Suppl.1. While this supplement had been received too late to be reviewed at this meeting, the Chairman asked that in the intervention of the United States, the nature of the supplement be briefly explained for the benefit of Members. The Chairman stated that the supplement would be on the agenda for review at the Committee's next meeting.

43. The delegate of the United States expressed his delegation's appreciation to the Committee for its patience in waiting for the long-overdue US notification. He stated that his delegation did want to reiterate its commitment to the principle of transparency. The United States recognized its obligations under Article 25. The United States had also devoted additional resources since the last meeting towards the compilation of future notifications in the hope that the United States could stay on schedule in the future. With respect to the questions, he thanked Japan, Australia and the European Communities for their questions. With respect to the supplement, it was a revision of the subsidies that were provided by the United States. The United States had submitted a similar chart with its initial notification; however, there had been many areas where the information provided had been incomplete. The purpose of the supplement was to provide additional information and it was an attempt to provide all the information required under Article 25.

44. The delegate of the European Communities stated that his delegation had put significant efforts into reviewing the subsidy notification of the United States and drafting questions on the notifications. The European Communities had been waiting eagerly for this opportunity for quite some time. He stated that his delegation appreciated very much that the United States had done the same and had put significant efforts into drafting replies to the questions posed by the European Communities. He thanked the United States for this. He stated that the European Communities had a few follow-up questions on the notification. These questions were subsequently circulated in G/SCM/Q2/USA/26.

45. The delegate of the European Communities also stated that, in its question 25, the European Communities had asked where the United States included export credit guarantees in the current

notification in regard to agriculture? The US answer had been: "US agricultural export credit guarantees were not included in our notification. Such guarantees are provided according to the commitments in the Agreement on Agriculture". The delegate of the European Communities stated that Members had been told in the Subsidies Notification Seminar held earlier in the week that agricultural subsidies should not only be notified pursuant to the Agreement on Agriculture but also pursuant to the Agreement on Subsidies and Countervailing Measures.

46. The delegate of the United States expressed his appreciation to the European Communities for their additional questions. He stated that the questions were very good, especially in light of the on-going discussions with respect to subsidies to the fisheries sector. He said that he was not able to answer these questions at this time. His delegation would contact the administering authorities and would provide written answers as soon as possible. **No written responses to the EC questions have yet been received from the United States.**

47. No other comments were made nor questions posed with respect to this notification.

48. The Chairman stated that the review of this notification contained in document G/SCM/N/71/USA was concluded and referred the examination of the supplement to the notification to the next meeting of the Committee.

49. The Chairman stated that this concluded the Committee's review of 2001 new and full notifications for this meeting. He thanked all delegations for the questions and answers presented in writing in advance of this meeting. Especially for those delegations whose notifications had been reviewed on short notice, the Committee certainly appreciated the time pressure that was on all delegations to conduct the review at this meeting. He stated that the Committee owed particular thanks to the flexibility of delegations, as well as to the efficiency of the delegations presenting questions and providing answers, which had allowed the Committee to take advantage of this meeting to review these notifications. He reminded delegations that, if they desired written answers to any oral follow-up questions posed, they should submit these questions to the notifying Member and to the Secretariat by 7 November 2002. Written answers to any such follow-up questions should be provided by 6 December 2002.

50. He also recalled at this point that the Committee's special meeting was the third and final scheduled special meeting to review 2001 new and full notifications of subsidies. He urged all Members who had not made a 2001 notification to make every effort to meet this obligation as soon as possible. He hoped and expected that those delegations that still had notifications outstanding would apply what they had learned in the Subsidies Notification Seminar to quickly submit their notifications. He stated that about half of the Members had still not yet complied with their obligation to submit their 2001 new and full subsidies notifications. As there were no further special meetings planned for the review of 2001 new and full notifications, the Chairman proposed that any such notifications that had not already been reviewed (*i.e.*, those received too late for review at this meeting, and any received in the future), be reviewed at the Committee's next regular meeting, in Spring 2003, subject to the same deadlines and procedures that had applied for the reviews of these notifications to date. The Chairman asked whether this was acceptable to Members.

51. So decided.

52. The Chairman recalled the discussion of the Committee at its special meeting in May 2001 concerning the priority and frequency of future subsidy notifications by Members. In particular, he recalled the view expressed by the 2001 Chair of the Committee that Members' experience with the notification process seemed to show that the effort and resources required to prepare annual updating notifications were essentially equal to those required for new and full notifications, while, in practice, the updates had received little attention in the Committee review process. The Chairman noted that

Members seemed to believe that their resources would be best utilized by giving maximum priority to submitting new and full notifications every two years, and by de-emphasizing the review of the annual updating notifications. The idea was to allow Members to focus, in alternating years, first on making their own notifications, and then on reviewing other Members' notifications, with the expectation that the overall level of transparency should increase. Members were currently operating on this basis, for a two-year trial period, to see whether, in practice, an intensified effort in respect of new and full notifications would be effective in improving compliance, particularly now that Members had had the Subsidies Notification Seminar. The Committee would therefore be in a position to review the situation at the end of the trial period, in 2003, to determine whether to continue the existing arrangements for any further period. He asked all Members to carefully reflect upon this issue and to be prepared to address the issue of frequency of subsidy notifications and procedures for the Committee's review of such notifications, early in 2003. At the same time, the Committee would need to consider what procedures should be applied to the review of 2003 new and full notifications, which would be due by 30 June 2003. The Chairman thanked all delegations for their participation.

53. The Committee took note of all statements made.

C. CONTINUATION, AS NECESSARY, OF THE COMMITTEE'S CONSIDERATION OF ARTICLE 27.4 REQUESTS AND RESERVATIONS OF RIGHTS AS MEMBERS LISTED IN ANNEX VII

1. New documentation received

54. Under this agenda item, the Chairman suggested that the Committee first take up those requests for which new documentation had been received since its last meeting. After that, he intended to open the floor for any comments or questions in respect of the other requests and reservations of rights for which no new documentation had been received.

55. Turning first to the "fast-track" extension requests and reservations of rights, based on the procedures in G/SCM/39, the Committee first took up the request of Fiji, and, in particular, the new documentation received in respect of that request since the Committee's 19 September meeting. Since then, Fiji had provided, in response to a request from the United States, copies of its legislation pertaining to the programmes for which it was seeking extensions. This legislation had been circulated in document G/SCM/Q3/FJI/7 and G/SCM/Q3/FJI/7/Suppl.1. In addition, the United States had submitted some new questions concerning Fiji's request. These questions were contained in document G/SCM/Q3/FJI/8, seeking clarification from Fiji as to whether certain programmes were included in its extension request, and whether certain programmes were tax and duty exemptions as referred to in G/SCM/39. The delegation of Fiji was not represented in the Committee meeting, but these new questions had already been forwarded to that delegation. Fiji's written responses were contained in G/SCM/Q3/FJI/9. No further comments were made nor questions posed in respect of this request.

56. The Committee next turned to new questions in respect of Suriname's request, which had been submitted by Japan and the United States in documents G/SCM/Q3/SUR/8 and 9, respectively. These questions sought clarification of the basis of Suriname's request, and in particular, whether Suriname currently had any export subsidies in effect. To date, no written response had been received from that delegation, and Suriname did not have a representative at this meeting.² The Chairman stated that he would be in close touch with that delegation with a view to clarifying the situation and seeking responses to those questions posed by Japan and the United States.

² Suriname subsequently clarified, in document G/SCM/N/74/Suppl. 2, that Suriname "wished to withdraw the request regarding the extension of the transition period for export subsidies."

57. The Chairman proposed to continue by taking up the new documentation concerning the Annex VII(b) Members' reservations of rights pursuant to G/SCM/39. This was thus a slightly different order from that in the airgram in respect of new documentation.

58. On this basis, the Committee next turned to Kenya's replies to questions received from the United States in respect of Kenya's reservation of rights as a Member listed in Annex VII(b). Members would recall that the United States had asked Kenya to submit the legislation underlying the programmes listed in Kenya's reservation of rights, and Kenya had now done so. The legislation had been circulated in document G/SCM/Q3/KEN/8.

59. The delegate of the United States expressed his delegation's appreciation to Kenya for the provision of its legislation. In light of the standstill requirements of the "fast-track" procedures, the United States believed that the provision of legislation was critical for future evaluations of whether and how the standstill provisions were being respected.

60. The next reservation of rights in respect of which new documentation had been received since the Committee's last meeting was that of Sri Lanka. Sri Lanka had submitted replies to questions received from the United States in respect of its reservation of rights. The United States had requested Sri Lanka to submit copies of its relevant legislation, and Sri Lanka had done so. The legislation would be circulated in document G/SCM/Q3/LKA/10. The Chairman stated that the Secretariat had informed him that this was quite a lengthy document, and thus had taken some time to prepare for circulation.

61. The delegate of the United States expressed his delegation's appreciation to Sri Lanka for the provision of its legislation. He recognized it was a rather lengthy document and appreciated the effort that had been made in submitting it.

62. The Chairman stated that this brought the Committee to the end of the new documentation received in respect of the pending G/SCM/39 "fast-track" requests and reservations of rights. Before moving on to the "non-fast-track", Article 27.4 requests, he opened the floor for any delegation that might have further oral questions in respect of any of the other "fast-track" requests or reservations of rights. As no delegation asked for the floor, the Chairman thanked the delegations that had either submitted new documentation, or had participated in the discussion, for their contributions to the Committee's deliberations, and for the gratitude expressed in response to the effort of those who had taken time to provide the Committee with the requested information or national legislation. He was very heartened by the fact that there were, at this point, almost no new questions on these fast-track requests and reservations of rights. This was a strong indication of the very high comfort level that Members had achieved in respect of virtually all of the programmes identified for extension on the basis of the fast-track procedures, both as to these programmes' eligibility and as to the necessary level of transparency having been provided. He believed that the process had been a highly positive and constructive one, and could only urge Members to continue in that same spirit as the Committee moved forward in the final stages of this process.

63. Turning to the requests based on Article 27.4 alone, the Chairman noted, as indicated on the agenda, that the only new documentation concerned the request of Thailand. There was, first, the joint request by Ecuador and Peru for a calculation pursuant to Article 27.6 concerning Thailand's export competitiveness, contained in document G/SCM/47-G/SCM/Q3/THA/16. Second, there were the results of the requested calculation, which had been circulated in a Secretariat note in document G/SCM/48. Before opening the floor, the Chairman pointed out an important element reflected in the cover note accompanying the calculations. In particular, although Ecuador and Peru had requested that the calculations be performed in respect of products eligible for, or benefiting under, the programmes for which Thailand was seeking an extension, Thailand to date had not been able to provide a detailed list of products corresponding to the four-digit HS codes. As a result, the

Secretariat had had no choice but to perform the calculations for all products exported by Thailand. Should additional product detail be provided by Thailand, the Secretariat could circulate a revised version of the calculation document, which would indicate relevant products under the programmes.

64. The delegate of Ecuador stated that his delegation did not have any specific points to raise or any detailed analysis of this. These matters had been under analysis extensively in lengthy and exhaustive meetings that the Chairman had convened in the past. Ecuador wished to stress that there were some pending issues and that they would be looking into this in upcoming meetings.

65. The delegate of Peru thanked the Secretariat for the paper that his delegation had recently received on Thailand's export competitiveness. As his colleague from Ecuador had stated, there was more precise information still to arrive. Peru had met on 30 October with the delegation of Thailand, and Peru had a better idea of what type of information Peru could expect. Peru hoped that this information would arrive as soon as possible.

66. The delegate of Thailand thanked the Secretariat for preparing the export competitiveness calculation for consideration at the meeting. However, Thailand thought that it would not be timely for the Committee to discuss it at this time, since time should be spent on requests for extension. Moreover, in view of the fact that bilateral consultations with delegations interested in Thailand's Article 27.4 extension request were taking place, Thailand appreciated the opportunity to make use of that until the Committee reverted to this document.

67. As no other delegation had any follow-up questions concerning Thailand's request, nor any oral comments or questions concerning any of the other Article 27.4 requests based on Article 27.4 alone, the Chairman thanked delegations for the questions and answers and comments that they had presented. He asked delegations to submit any follow-up questions in writing not later than close of business on Thursday, 7 November, so that the relevant delegations had the maximum time to prepare their answers.

68. Before turning to the next sub-item under agenda item C, the Chairman thanked all delegations for their constructive participation in the Committee's exchange of views under this agenda item. He would inform the Committee of his activities in respect of the Article 27.4 requests, both those based on "fast-track" procedures, including reservations of rights, and those based on Article 27.4 alone. Since the Committee's last meeting, he had been consulting in respect of all aspects of the Article 27.4 process. Under the Committee's next agenda item, the Chairman would provide a detailed report on his activities in connection with the 19 September proposal for an "early harvest" on the "fast-track" requests that had been tabled by a group of delegations. He noted that he had been consulting with delegations, not only about the "fast-track" programmes that were listed in that "early harvest" proposal, but also about the "fast-track" programmes that were not listed in that original proposal, to try to determine what the remaining issues were for those programmes that had led to their not being listed at that time. His impression, based on those contacts, was that a great deal of progress had been made in this regard in understanding and resolving the issues and doubts that were outstanding in respect of some programmes. The discussion in the Committee of the outstanding "fast-track" requests confirmed this impression. He noted, in particular, that for almost all of these requests, no new questions or points for discussion had been raised. He took this as a clear signal that Members were satisfied as to the eligibility under the "fast-track" procedures of the vast majority of the programmes notified under those procedures, and as to the level of transparency. It appeared that virtually all of the "fast-track" programmes were now ripe for decision. Those few programmes for which some doubts remained had been clearly identified in the Committee's discussions and in written questions.

69. In respect of the reservations of rights by Members listed in Annex VII(b), the Chairman was similarly optimistic as to the Committee's progress. He noted with particular appreciation the efforts

of the delegations of Kenya and Sri Lanka to submit the copies of their relevant legislation for the information of all Members, in advance of this meeting. He reported to Members that, following the Committee's September meeting, he had held consultations with the Members that had reserved rights, in which context the requests for documentation that remained outstanding at that time had been reviewed. These delegations had all reaffirmed their commitment to review their own situations and to submit any such outstanding documentation. He believed that this had now been done, *i.e.* that all of the questions raised concerning the reservations of rights had been answered. He noted that the absence of new questions, as well, seemed to signal that Members were, for the time being, satisfied with the degree of transparency provided in respect of these reservations of rights. His suggestion would be not to put them back on the agenda for the Committee's next meeting unless any new questions were raised in the meantime.

70. The Chairman stated that he had not forgotten about the other requests, those based on Article 27.4 on its own. The Members that had made such requests had been indicating to him their concern that those requests be given due consideration and attention, as soon as possible. He had been in touch with all of these delegations, and had had a series of consultations with them and others -- some one-on-one, and some in small groups of the most interested Members. The Committee's discussion here showed that at least for some of those requests, additional detailed groundwork was needed, as a number of complex issues had been raised and had to be clarified. These requests had to be handled differently from those on the fast track, in the sense that there was a multilateral Committee process that needed to be fully engaged, but at the same time, there was an extremely important and substantive bilateral track, as these requests each had to be justified, to the satisfaction of all Members, on the basis of the requesting Member's economic, financial and development needs. Thus, the requesting Members had to engage in detailed discussions with Members that had expressed concerns or doubts. It was only once those concerns were fully addressed that the Committee would have the basis on which to consider possible decisions. He said that he was extremely gratified by the efforts that delegations had been making this week to intensify their contacts on these requests. He thanked the delegation of Thailand for sending a large and very capable team from Bangkok and Paris for this purpose. The presence in Geneva of so many capital-based experts was a good opportunity for very substantive contacts. The Chairman understood from delegations that these discussions had been very helpful to all concerned in deepening their understanding of the nature of, and reasons for, Thailand's request.

71. To summarize concerning the requests based on Article 27.4 alone, the Chairman stressed that he remained at the disposal of interested Members to facilitate the consideration of these Article 27.4 requests, in whatever format Members considered to be the most appropriate. He emphasized the need for individual delegations to continue to engage bilaterally on the issues of concern to them in respect of these requests, as only in this way would the Committee, as a whole, develop a basis on which to proceed. He would be in touch with both delegations whose requests were on the table and also those who had raised questions or expressed concerns regarding those requests.

72. The Committee took note of the statements made.

2. Reversion to 19 September proposal by Australia, Canada, the European Communities, Japan, Switzerland, and the United States concerning approval of qualifying requests to extend the transition period for export subsidies provided by certain developing country Members pursuant to G/SCM/39

73. The Chairman stated that this agenda item -- reversion to the 19 September proposal by a group of delegations for decisions on qualifying "fast-track" Article 27.4 extension requests -- had taken up a considerable amount, if not all, of his time since the Committee's last meeting. Under the previous agenda item, he had alluded to some of his efforts in regard to the "fast-track" requests. He wished to provide, at this stage, a more comprehensive overview for the benefit of the Committee,

both on the consultations that he had held, and on how he proposed to move forward. He recalled that the proposal tabled on 19 September consisted, on the one hand, of a list of programmes of Members for which the proponents proposed immediate decisions based on the "fast-track" procedures. The list tabled at that time included most of the programmes for which "fast-track" extensions were requested. Based on his contacts with delegations, his impression was that the list seemed to have expanded since then, as the necessary degree of comfort had now been reached with respect to all but a handful of those programmes, where remaining doubts or concerns had been clearly identified. The other part of the proposal was draft decision language, for which two texts were proposed: one that would be applied to the requests based on G/SCM/39 as such, and the other to address the portion of Colombia's request based on the language of paragraph 10.6 of the Ministerial Decision on Implementation-Related Issues and Concerns. At the 19 September meeting, a number of comments had been made in respect of the draft decision language. In particular, certain concerns had been expressed by Members with requests pending that the language must sufficiently indicate that there was a time horizon beyond the 2003 period that would be formally covered by this year's extension decision. Some other Members had stressed that the decision must make clear that no new category of WTO Members be created.

74. The Chairman stated that he had taken the responsibility to circulate new draft decision language, proposing some changes to that originally tabled so as to reflect the comments and concerns expressed at the meeting. He had invited all Members to open-ended informal consultations for comments on his proposed changes. During those consultations, some additional concerns had been expressed, in particular, in respect of how the overall time horizon of the fast track process should be reflected in decision language. Certain proposed solutions had been identified, and agreed in principle, at that time, in particular, the introduction of language referring to paragraphs 1(f) and 1(g) of G/SCM/39. The concern to not create a new category of Members was returned to, and there had been some discussion of his proposal of essentially reproducing in the decision text the language of paragraph 7(c) of G/SCM/39. He had made that proposal because paragraph 7(c) had been put into the "fast-track" procedures to address precisely the same concern.

75. A further issue had been raised during those consultations, namely, a proposal to introduce a sentence into the last paragraph to indicate that the decision to grant an Article 27.4 extension would not apply to agricultural products. This suggestion had generated considerable discussion, as a number of Members had indicated that the final paragraph of the text was fully sufficient, and had been originally drafted with the intent of ensuring that no rights and obligations under any other WTO Agreement -- which of course would include the Agreement on Agriculture -- would be affected by the decision. The suggestion of an explicit reference to agriculture in the context of this decision, however, had been seen by these Members as venturing into territory beyond the scope of the Ministers' Decision and beyond the mandate of this Committee. Furthermore, they were concerned that an explicit reference to one other Agreement would necessitate explicit references to other Agreements. Members in favour of such an explicit reference continued to indicate, however, that they needed a strengthened text, as they were concerned that extensions pursuant to Article 27.4 might be used to circumvent commitments on agricultural products under the Agreement on Agriculture.

76. Following these open-ended consultations, the Chairman had held further consultations with interested delegations concerning these outstanding issues on the draft decision language, and on the basis of those further consultations, he had faxed out to the full Committee a second Chairman's revision, on 23 October. He reported that, in respect of all but the final paragraph of the document that he had faxed, the reservations that had been expressed had been lifted. The document, as faxed, seemed to be fully acceptable in respect of all paragraphs except the final one, at least to that large group of Members that had intervened in respect of the decision language. What was clear concerning the last paragraph was that, on the substance, there was no disagreement among Members. All agreed that no decision under Article 27.4 could alter any commitments under any other WTO Agreement, including the Agreement on Agriculture, or allow Members to circumvent those

commitments, or modify the relationship between the Agreement on Subsidies and Countervailing Measures and any other WTO Agreement. The problem had been finding a way to reflect this idea in the form of legal text, so as to sufficiently make this point, without prejudicing any Member's position as to complex issues of legal interpretation which would not be resolvable by this Committee. Taking all of this discussion into consideration, the Chairman made one further proposal in respect of the final paragraph, which he read out to Members, because this was the only pending information which was not available to the full membership at this time. The final sentence would read as follows:

"This decision does not affect any rights, obligations or commitments of Members under any other WTO Agreement with respect to the programme; and is without prejudice to the existing and future relationship between the SCM Agreement and any other WTO Agreement; and has no precedential value for any other purpose."

77. The Chairman stated that he firmly believed that this language gave every possible legal guarantee that the Article 27.4 decisions could not and would not alter any other rights, obligations or commitments of Members, while not prejudicing anyone's positions as to the fundamental questions concerning the legal relationship between the two Agreements of most concern to Members in this latest debate. He emphasized that these questions were not within either the capability or the mandate of this Committee to resolve. He was encouraged to note that the Committee seemed to have a near-consensus on this last proposal, as only one delegation had indicated the need for a few more days to further reflect on it.

78. He believed that the Committee was extremely close to having all necessary elements in place for a large number of positive decisions on the "fast-track" requests. He stated that he had very much expected that the Committee would be taking those decisions during this session, and regretted that this had not turned out to be the case. Bearing in mind the situation, he would not be asking Members to comment on any particular points at this time. He suggested that the Committee suspend this meeting on this agenda item. He stated that it would be his intention to reconvene on this point on Friday, 8 November at 3:00 p.m.. In the meantime, he would remain in close touch with all interested delegations, with a view to making as much progress as possible on all fronts. He asked Members whether his suggested way of proceeding was acceptable.

79. The Committee took note of the statements made and agreed to proceed accordingly. The meeting was thus suspended in respect of this agenda item.

80. When the special meeting was reconvened on 8 November, the Chairman recalled to Members that this meeting was a continuation of the Committee's special meeting of 31 October 2002, which had been suspended in respect of agenda item C(ii), "Reversion to 19 September proposal by Australia, Canada, the European Communities, Japan, Switzerland, and the United States concerning approval of qualifying requests to extend the transition period for export subsidies provided by certain developing country Members pursuant to G/SCM/39".

81. Before opening the discussion, he explained how he intended to conduct the meeting. As indicated in the reminder fax for the meeting that had been sent by the Secretariat on 7 November, the Committee meeting would start in formal mode. During this formal part of the meeting, the Chairman would report and invite comments from the floor. In this context, he noted that on, 7 November, the Secretariat had received a paper submitted jointly by the sponsoring delegations concerning the "early harvest" proposal. This paper was subsequently circulated as document G/SCM/W/521. The Chairman stated that he would invite those sponsoring delegations to introduce the paper. After this formal part, he intended to switch to informal mode. During the informal session, it would be extremely useful to turn the Committee's attention to the list of programmes notified under the "fast-track" procedures. He proposed to go one-by-one through that list to hear any views of Members. In

particular, if any Member had doubts as to whether a given programme met the criteria set forth in G/SCM/39, this would be an opportunity to identify those doubts, in an informal manner, with the possibility for informal discussion as to any issues identified. If no Member raised any doubts about a given programme, this would be a very useful clarification as well. The Chairman asked whether this way of proceeding would be acceptable to Members.

82. The Committee so agreed.

83. The Chairman recalled that, at the Committee's 31 October meeting, he had reported to the Committee concerning the Article 27.4 extension process, by making a comprehensive report on his activities since 19 September in respect of the "early harvest" proposal. In the week of 4 November, the Chairman had faxed out the text of that report to all Members, as he thought that this would be useful to delegations in preparing for this meeting. In the meantime, the Chairman had held a series of bilateral and small-group consultations with various delegations, seeking to identify, with as much precision as possible, the remaining obstacles that the Committee might be facing in taking decisions on those fast-track requests that were now ripe for decision.

84. The Chairman recalled that, concerning the generic decision language that would be applicable to the requests based on G/SCM/39, the Committee had reached a near-consensus, with only one delegation retaining a reservation, only in respect of the final paragraph. He had been encouraged, during his consultations, by the positive reaction to both the content of his report and to him having circulated it in writing to the Committee. These positive reactions further reinforced his understanding that Members were in full agreement on the substantive point involved, namely, that no extensions pursuant to Article 27.4 of the SCM Agreement could alter or affect, in any way, rights or obligations or commitments of Members under any other WTO Agreement, which, of course, included the Agreement on Agriculture. He was cautiously optimistic that the Committee could have full approval of the generic decision language in the next few days.

85. Given this remaining reservation, however, the Committee was once again unable to move to decision-making at this point in this meeting, which was unfortunate. The Committee had a clear directive from Ministers, which it had to carry out. For the Members who had requests on the table, the Chairman stated that he was aware that they needed decisions as early as possible to enable them to make all necessary legislative and other adjustments. He stated that it would be his intention to reconvene the Committee in the very near future for this purpose.

86. The Chairman recalled that the "early harvest" proposal by a group of delegations had contained two draft decision texts, one for the programmes for which extension was requested based on document G/SCM/39, and one for the programmes for which extension was requested by Colombia based on paragraph 10.6 of the Ministerial Decision on Implementation-Related Issues and Concerns. In his initial proposed changes to the draft decision language tabled on 19 September, the Chairman had introduced certain technical changes to both of the original texts, to reflect the comments made at that meeting. Since circulation of his original suggested amendments to both texts, the Committee's discussion had focused exclusively on the generic text. The relevant agreed changes to the generic text could eventually be transferred to the other text, along with any other agreed modifications, by consensus of the Committee, once all substantive issues had been addressed in respect of the programmes for which extension was requested based on paragraph 10.6 of the Ministerial Decision.

87. On the substantive issues that remained pending in respect of these programmes, the Chairman stated that he had met with the delegations concerned to seek clarification as to where they were in their bilateral contacts. He stated that, on the one hand, all had assured him that their contacts were continuing, including at very high levels back in capitals. On the other hand, he was informed that, unfortunately, these issues had not yet been fully resolved. He assured all of those delegations

that he was ready to assist them, in any way that he could, should they find it useful. He encouraged all of them to redouble their bilateral efforts, and to think as creatively as possible concerning solutions. Time was now very short, and Members had to make every effort to progress in this matter.

88. The Chairman asked that Members once again be ready to join him for informal consultations, as necessary. After Members had had the opportunity to make their comments during this formal session, he intended to suspend on this agenda item, and reconvene this meeting in the week of 18 November.

89. The Chairman reminded all Members that this work on the "fast-track" requests did not mean that Members had forgotten about the non-fast-track requests that are pending. He intended to return to those requests in informal consultations in days to come, to see what progress was being made in contacts between and among interested delegations, and to offer his assistance to help to move those processes forward. That process was by nature different from the fast-track process, as all Members were well aware. Each of those other requests had to stand on its own substantive justification in terms of the requesting Member's economic, financial and development needs, and this implied, first and foremost, bilateral discussions to identify terms and conditions of any such possible extensions. The Chairman opened the floor concerning the "early harvest" proposal for various "fast-track" requests.

90. The delegate of the United States wished to make a couple of brief remarks to recall that the paper tabled on 7 November had been jointly submitted by Australia, Canada, the European Communities, Japan, Switzerland and the United States. His delegation might also offer comments regarding the process of addressing the requests made. The paper was submitted in order to record formally the two non-papers that had been presented at the 19 September meeting. That did not mean, in any sense, that the sponsors did not think that the process had advanced since September. The sponsors simply had thought that it would be worthwhile to put their original proposal on the formal record so that Members could see what that proposal had been. The sponsors were all in agreement that the Chairman and the Secretariat and the Members had significantly improved the draft that had been originally tabled back in September. The sponsors thought, as the Chairman had noted in his remarks, that the current second revision of that draft was quite close to adoption and the sponsors were certainly quite pleased with the work that the Committee had done on the draft.

91. A list had been provided by the sponsors with respect to programmes which they viewed as ripe for "early harvest" at the 19 September meeting. That list was reflected in the minutes of the September meeting.³ However, there had been rather extensive consultations taking place since then and the sponsors shared the Chairman's impression in the informal meeting that the 19 September list was probably capable of being expanded considerably. In order to facilitate that process, the sponsors had prepared another list to incorporate not only the programmes for which they had been prepared to grant an extension back in September, but also additional programmes in respect of which certain remaining questions had been resolved. There were very few remaining programmes under the "fast-track" mechanism left. Issues that still needed to be resolved had clearly been identified. Before an agreement could be reached on those requests, the United States intended to participate in the informal meeting and, if there were questions, the United States would try its best to clarify the few remaining doubts.

92. He requested the Secretariat to record the expanded list of early-harvest programmes in the minutes as though he had read them out in the meeting. This list was as follows:

³ G/SCM/M/42.

**EXPANDED LIST OF PROPOSED ARTICLE 27.4
"EARLY HARVEST" PROGRAMMES**

Antigua & Barbuda

- Fiscal Incentive Act Cap 172 (December 1975)
- Free Trade and Processing Zone Act No. 12 of 1994

Barbados

- Fiscal Incentive Program
- Export Allowance
- Research & Development Allowance
- International Business Incentives
- Societies With Restricted Liability

Belize

- Fiscal Incentives Act
- Export Processing Zone Act
- Commercial Free Zone Act
- Conditional Duty Exemptions Facility under Treaty of Chaguaramas

Colombia

- Special Import-Export System for Capital Goods and Spare Parts (SIEX)
- Free Zone Regime (ZF)

Costa Rica

- Duty Free Zone Regime
- Inward Processing Regime

Dominica

- Fiscal Incentives Programme

Dominican Republic

- Law No. 8-90 to "Promote the Establishment of New Free Zones and Expand Existing Ones"

El Salvador

- Export Processing Zones and Marketing Act, as amended

Fiji

- Short-term Export Profit Deduction, to the extent that it does not include the Export Finance Facility (EFF) and the Export Credit Ratio (ECR) programmes, based on the sponsors' understanding these were three distinct programmes
- Export Processing Factories/Export Processing Zones Scheme
- The Income Tax Act (Film Making and Audio Visual Incentive Amendment Decree 2000)

Grenada

- Fiscal Incentives Act No. 41 of 1974
- Statutory Rules and Orders No. 37 of 1999
- Qualified Enterprises Act No. 18 of 1978

Guatemala

- Exemption from Company Tax, Customs Duties and Other Import Taxes for Companies under Special Customs Regimes
- Exemption from Company Tax, Customs Duties and Other Import Taxes for the Production Process Relating to Activities of Managers and Users of Free Zones
- Exemption from Company Tax, Customs Duties and Other Import Taxes for the Production Process of Commercial and Industrial Enterprises Operating in the Industrial and free Trade Zone

Jamaica

- Export Industry Encouragement Act
- Jamaica Export Free Zone Act

- Foreign Sales Corporation Act
- Industrial Incentives (Factory Construction) Act

Jordan

- Partial or Total Exemption from Income Tax of Profits Generated from Exports under Law No. 57 of 1985, as amended

Mauritius

- Export Enterprise Scheme
- Pioneer Status Enterprise Scheme
- Export Promotion
- Freeport Scheme

Panama

- Official Industry Register
- Export Processing Zones

Papua New Guinea

- Section 45 of the Income Tax

St. Kitts & Nevis

- Fiscal Incentives Act No. 17 of 1974

St. Lucia

- Fiscal Incentives Act No. 15 of 1975
- Free Zone Act, No. 10 of 1999
- Micro and Small Scale Business Enterprises Act, No. 19 of 1998

St. Vincent & Grenadines

- Fiscal Incentives Act No. 5 of 1982, as amended

Uruguay

- Automotive Industry Export Promotion Regime

93. His delegation was pleased with the work the Committee had done on these requests. It had taken considerably more work to get to this stage than anyone had anticipated at the Doha Ministerial, but the Committee was quite close. The United States was confident that there was still a possibility that an agreement could be reached on those requests, if not in this meeting, then at the Committee's next meeting.

94. The Chairman thanked the delegation of the United States for its intervention and for clarifying the nature of the paper that had been presented on behalf of a group of countries. He opened the floor for discussion and invited delegations to comment on the paper introduced by the sponsors, or in regard to the overall process regarding this initiative.

95. The delegate of the European Communities echoed what the delegation of the United States had said, in the sense that the document tabled on 7 November was an exercise of formalization of what had happened in September and did not constitute a new stage in the process. When the Committee moved to informal mode, Members would see that the documents now on the table were the most recent versions which had been produced following various discussions, and the list of measures which would eventually benefit from such decisions. The document that had been circulated by the sponsors in G/SCM/W/521 was not intended to provoke new discussion separate from those other documents.

96. The delegate of Japan joined his colleagues from Australia, Canada, the European Communities, Switzerland and the United States, who had jointly proposed this decision. Japan shared the view that the Committee was very close to reaching an agreement. There was almost consensus on the substance of granting extensions and on the expanded list. Japan looked forward to constructive discussions in the course of this meeting.

97. The delegate of El Salvador first thanked the delegations of Australia, Canada, the European Communities, Japan, Switzerland and the United States for the paper which they had officially submitted at this meeting and which had been the basis for the informal consultations Members had had since the September meeting. He stated that he would not talk about the document itself because El Salvador believed that the Committee had already made progress and reached a different phase. El Salvador wanted to thank those delegations for their initiative and the fact that they were prepared to approve the programmes of El Salvador and the other countries that had made their request on the basis of document G/SCM/39. El Salvador also wished to thank the other Members for the flexible approach they had shown throughout the consultations and hoped that those that were still to give an answer would do so as soon as possible. El Salvador was concerned that this process should not be blocked by systemic issues. El Salvador had always held the position that this process was in order to review whether the programmes met the requirements of the conditions established in paragraph 2 of document G/SCM/39, and the requirements of transparency in paragraph 3 of the same document. El Salvador regretted that the discussion had departed so far from the mandate given by Ministers in Doha. Nonetheless, El Salvador was prepared to go along with the consensus for the proposal the sponsors had made and hoped that most Members would, as soon as possible, be able to join that consensus.

98. The delegate of the Dominican Republic thanked the delegations that had taken the initiative at the 19 September meeting in order to put forward a proposal for the decision on the basis of the very intensive consultations Members had held. The Dominican Republic would give its support to the submission of the Chairman, as the result of the consultations. The delegation wished once again to ask for flexibility on the part of those delegations from whom Members were still waiting for a response in order for the decision to be taken as soon possible.

99. The delegate of Panama reiterated Panama's support for the proposal made by the Chairman and stated that his delegation was pleased to see that the different programmes under the fast-track process had been included in the list. He expressed the hope that these would be judged on their own merits.

100. The delegate of Ecuador thanked the Chairman for having convened this meeting. Ecuador certainly appreciated and recognized the tremendous amount of work that the Chairman had done on this, which had enabled the Committee to meet about a week after the 31 October meeting held. Ecuador also recognized the very constructive work done by the Chairman, which had enabled the Committee to make progress to get close to a consensus, particularly as regarded those requests made exclusively under the procedures contained in document G/SCM/39.

101. In this context, the Chairman's report read out on the 31 October session, which had been subsequently distributed to the Members of the Committee, constituted an important element in reaching this consensus. In that report, the Chairman had reflected the discussion held, the problems encountered, and, at the same time, he had made a positive proposal for a solution to address the requests based on G/SCM/39. That was the impression the Ecuadorian delegation had gleaned, and which had been communicated to the capital. Every possible effort had been made to get a response in the shortest possible period of time. However, his delegation had not as yet received such a response for reasons which were publicly well known, and which had been unforeseen, and which meant that the public authorities had not been able to get to their workplace and carry out the necessary discussions to deal with this matter. As soon as these events had been overcome, a response on this issue in respect of the requests under document G/SCM/39 would be received.

102. He noted that the Chairman had suggested that the Committee would soon be going into an informal mode. He wished to conclude his statement by saying that Ecuador saw that new proposals had been made by the proponents of the "early harvest". Ecuador also saw that, in one of those

proposals, *i.e.* Annex II to G/SCM/W/521, new elements had been introduced, new elements beyond those which had originally been contained in the original "early harvest" proposal. Since this new proposal had been distributed only a few moments ago, and given that most delegations had not yet been able to get a copy, perhaps the Chairman could allow delegations some time to get a copy. As he had said, there were new elements, which his delegation had to analyze carefully and also communicate them to capital. He wished to assure the Chairman that his delegation would return to this point in informal mode and wished to express his gratitude to the Chairman.

103. The delegate of Peru thanked the Chairman for his tremendous efforts, enthusiasm, and ability, and thanked the proponents of the draft decision for the submission contained in document G/SCM/W/521 of 7 November. Peru had taken note of the fact that this was to formalize what had been proposed earlier. It had been discussed informally by the Committee. Peru recognized that there might be some modifications in some of the Annexes to that document. Peru therefore reserved the right to come back on any of these changes. From a constructive point of view, Peru was prepared to give its approval to the programmes on the "early harvest" list which fell within the procedures set out in G/SCM/39, and not to those which came under the heading of any other type of processes.

104. The delegate of the United States stated that he appeared to have created precisely the type of confusion that he had hoped to avoid. The paper in document G/SCM/W/521 was in no way a new proposal from the proponents. It was just the same proposal which had been put on the table back in September, but which had never actually been formally submitted to the Committee. It had not been, until now, any sort of official WTO document. This was merely formalizing a draft decision text that had been previously tabled. As mentioned in his earlier comments, the sponsors thought that the Committee had done great work informally to improve the text. The sponsors were aware that there was just one bracket in one sentence remaining so that, if there was a decision to be taken, the sponsors would much prefer to work from the Chair's text, which improved what the sponsors had originally submitted. The only change that the sponsors had made since September was in terms of additional programmes that the sponsors were prepared to accept. This was indicated in a separate paper which was available as a non-paper for consideration by other Members. The delegate of the United States stated that he thought that it might be useful to put this into context, knowing the particular tribulations facing people. The last thing his delegation would want Ecuador to do would be to try to discern differences between this text and what Members had spoken about back in September.

105. The delegate of Venezuela stated that, while his delegation recognized, and expressed its gratitude for, the tremendous effort taken in order to bring Members to the brink of consensus on this decision, Venezuela believed that the work which lay ahead was going to be quite hard. He also stated that Venezuela agreed with the concerns voiced by Peru in respect of document G/SCM/W/521, and with their comments on document G/SCM/39.

106. The delegate of Colombia thanked the Chairman and the Secretariat for the work done and, in particular, for the way in which the Chairman had committed himself to this whole process. He also thanked the proponents of document G/SCM/W/521 for their initiative, and for the impact this document would have. Colombia very much regretted that it had not been possible to make further progress on this. Colombia was facing some very difficult circumstances, which were well-known, particularly by neighbouring countries. Although, in this situation, Colombia had very serious difficulties, Colombia was nonetheless facing its responsibilities in the system and recognized the overall value of the exercise. Having taken part in this process from the very outset in a very constructive manner, Colombia confirmed that it would continue to respect its commitments. To conclude, Colombia expressed its concern that the political commitments taken by Ministers in Doha were being ignored in Geneva.

107. The delegate of Bolivia expressed its gratitude for the most recent document, which would be conveyed to the capital. Bolivia also wished to give its support to the comments made, and the questions raised, by the delegate of Peru.

108. The delegate of Ecuador apologized for taking the floor once again, but as he was uncertain of the appropriate time to make comments -- in formal, as opposed to informal, mode -- he wished to make certain additional comments in respect of the other requests made exclusively under Article 27.4 of the SCM Agreement, and paragraph 10.6 of the Ministerial Decision, and in relation to which Ecuador had voiced its concerns. Ecuador's position was well known in the room. There was nothing new to be added. The *status quo* remained. As the Chairman and all Members of the Committee would clearly understand, this was because this was a process which involved consultations and favourable progress, not only on the basis of momentum imparted by one party, but also by the other parties involved in the whole process. As delegations -- *i.e.* Peru -- had said, it was clear that Ecuador's position remained the same.

109. The Chairman stated that he was not going to summarize the discussion. He was confident that Members knew the directives given to the Committee by Ministers. He indicated that it would be his intention to suspend the meeting in order to allow him to conduct another series of consultations in various formats and then to resume the meeting on this suspended item in the week of 18 November 2002. Before switching to the informal session, he expressed his gratitude for all the kind words extended to him. He stated that he was totally at the Members' disposal. He encouraged those Members who were still in bilateral consultations to speed up those discussions with a view to narrowing down all remaining differences.

110. The Committee took note of the statements made and agreed to proceed accordingly. The meeting was therefore once again suspended in respect of this item.

111. When the special meeting resumed on 22 November, the Chairman reminded delegations that this was a continuation of the special meeting which had begun on 31 October, and had been reconvened, and once again suspended, on 8 November. On both of those occasions, the meeting had been suspended in respect of agenda item C (ii), "Reversion to 19 September proposal by Australia, Canada, the European Communities, Japan, Switzerland, and the United States concerning approval of qualifying requests to extend the transition period for export subsidies provided by certain developing country Members pursuant to G/SCM/39". The reason for these prior suspensions had been to allow additional time to pursue outstanding issues in respect of one request, and to allow one delegation to reconsider the reservation that it had placed on the last paragraph of the proposed decision text to be used to approve extension requests based on the procedures in document G/SCM/39.

112. The Chairman stated that, since the Committee's last meeting, he had continued his informal consultations with a large number of delegations with a view to seeing what progress the Committee might make. He had learned of some developments that had allowed him to reach a number of conclusions. First, he stated that he was very happy to learn that the one delegation that had placed a reservation on the last paragraph of the text of the decision for the requests based on the procedures in document G/SCM/39 had lifted that reservation. That delegation had informed him that it had lifted its reservation on the clear understanding of the Committee -- as reflected in the Chairman's report of 31 October and recalled at the Committee's session of 8 November -- that no extensions pursuant to Article 27.4 of the Agreement on Subsidies and Countervailing Measures could alter or affect, in any way, rights or obligations or commitments of Members under any other WTO Agreement, which of course included the Agreement on Agriculture. Hence, the final technical obstacle to the Committee's being able to consider those "fast-track" requests for decision had been removed.

113. On another front, the Committee was well aware that the request of Colombia for a fast-track extension of two programmes, based on paragraph 10.6 of the Ministerial Decision on Implementation-Related Issues and Concerns, continued to be the subject of bilateral discussions between Colombia and several other Members. It had been apparent throughout the Committee's discussions over the past month and a half that most Members of the Committee were ready to approve the request of Colombia as submitted, *i.e.* on the basis of paragraph 10.6. Indeed, the "early harvest" proposal from a group of delegations, originally tabled at the Committee's meeting of 19 September and again the subject of this session, had, from the very beginning, included those two programmes of Colombia, with a proposed text for a decision to be taken on that basis.

114. Thus, most Members appeared to have no difficulties with Colombia's request. That said, however, it was clear that, to date, the Committee had not been able to reach a full consensus in this regard, as several delegations had continued to express concerns with that request. Two new questions had been submitted this week in respect of this request, and answers had been provided. These documents were available in the room and were subsequently circulated as G/SCM/COL/18 and /19. The Chairman stated that he had been in contact with the delegations concerned over the past few days, with a view to hearing from them, in very concrete terms, the precise nature of their concerns, as it was the Chairman's view that only on the basis of a very detailed technical discussion could progress be made toward finding a solution that finally might be accepted by all.

115. The Chairman expressed his view that those discussions thus far had been extremely helpful and constructive. The delegations concerned had all shown a real willingness to consider the issues from all sides and to engage in an open and creative way, on the clear understanding that this was without prejudice to their official and final positions. With further focused discussions, a way forward might be found. The Chairman renewed his commitment to assisting the delegations concerned in every way that he could.

116. The Chairman expressed his intention to ask the Committee to take the decisions in this meeting in respect of those programmes for which extension was requested on the basis of the procedures in document G/SCM/39, contained in the list that had been distributed by the delegations of Australia, Canada, the European Communities, Japan, Switzerland and the United States and considered at the Committee's session of 8 November. A packet of documents containing the texts of each of those proposed decisions was available at the back of the room. It was clear that questions were still pending in respect of two of the programmes identified by Fiji. Thus, there seemed to be a consensus in respect of extension of three of Fiji's programmes, but at this point there appeared not to be a consensus in respect of those two programmes, so decisions would be proposed only for the three. The Chairman also recalled in this context that it was clear from the informal discussions on 8 November and the list of programmes in the room document presented by a group of delegations, there was a working consensus in the Committee that, but for the requests of Colombia and Fiji to which he had just referred, all of the programmes identified in the room document met the relevant criteria for extension and thus were ripe for decision. For the record, the Chairman stated that Suriname, which was not included in that list, had withdrawn its request for an extension. The communication to that effect had been circulated to the Committee in document G/SCM/N/74/SUR/Suppl.2.

117. The Chairman proposed that the Committee take those decisions where consensus existed. He expressed his intention to gavel these decisions one-by-one, and then to open the floor for any statements for the record. Once this was done, the meeting would be suspended once again, specifically in respect of Colombia's request and the two unresolved programmes of Fiji. The rest of this agenda item would be finished at that point, and the decisions that had been taken would be effective. The only part of this agenda item that would remain open thus would be the request of Colombia and part of the request of Fiji.

118. The Chairman stressed that proceeding in this way was entirely without prejudice to those suspended items and the respective positions of delegations. Those requests remained before the Committee as submitted, and the purpose of the suspension was to provide the Committee with some additional time to resolve the outstanding issues. The Chairman stated that he would remain in very close contact with the concerned delegations to try to assist them in any way that he could.

119. The Chairman stated that he would convene a meeting of interested delegations to further consider the pending requests that were based on Article 27.4 alone. The Chairman asked any delegation that would like to participate in that meeting to let him know through the Secretariat. The Committee obviously did not have much time left to complete its consideration of those requests. Therefore, the Chairman stated that he would certainly need to be calling upon Members frequently over the next several weeks for that purpose.

120. The Chairman stated that it was his understanding, based on his discussions with a number of delegations, that the way that he proposed to proceed in this meeting was generally acceptable. Once the decisions were taken, the floor would be opened for any statements for the record. The Chairman asked whether the way of proceeding as suggested by the Chair was acceptable to the Committee.

121. The Committee so agreed.

122. The Committee approved the following extension requests. The document symbols of the decision documents are shown in parentheses.

Antigua & Barbuda

- Fiscal Incentive Act Cap 172 (December 1975) (G/SCM/50)
- Free Trade and Processing Zone Act No. 12 of 1994 (G/SCM/51)

Barbados

- Fiscal Incentive Programme (G/SCM/52)
- Export Allowance (G/SCM/53)
- Research & Development Allowance (G/SCM/54)
- International Business Incentives (G/SCM/55)
- Societies With Restricted Liability (G/SCM/56)

Belize

- Fiscal Incentives Act (G/SCM/57)
- Export Processing Zone Act (G/SCM/58)
- Commercial Free Zone Act (G/SCM/59)
- Conditional Duty Exemptions Facility under Treaty of Chaguaramas (G/SCM/60)

Costa Rica

- Duty Free Zone Regime (G/SCM/61)
- Inward Processing Regime (G/SCM/62)

Dominica

- Fiscal Incentives Program (G/SCM/63)

Dominican Republic

- Law No. 8-90 to "Promote the Establishment of New Free Zones and Expand Existing Ones" (G/SCM/64)

El Salvador

- Export Processing Zones and Marketing Act, as amended (G/SCM/65)

Fiji

- Short-Term Export Profit Deduction (G/SCM/66)
- Export Processing Factories/Export Processing Zones Scheme (G/SCM/67)

- The Income Tax Act (Film Making and Audio Visual Incentive Amendment Decree 2000) (G/SCM/68)

Grenada

- Fiscal Incentives Act No. 41 of 1974 (G/SCM/69)
- Statutory Rules and Orders No. 37 of 1999 (G/SCM/70)
- Qualified Enterprises Act No. 18 of 1978 (G/SCM/71)

Guatemala

- Exemption from Company Tax, Customs Duties and Other Import Taxes for Companies under Special Customs Regimes (G/SCM/72)
- Exemption from Company Tax, Customs Duties and Other Import Taxes for the Production Process Relating to Activities of Managers and Users of Free Zones (G/SCM/73)
- Exemption from Company Tax, Customs Duties and Other Import Taxes for the Production Process of Commercial and Industrial Enterprises Operating in the Industrial and free Trade Zone (G/SCM/74)

Jamaica

- Export Industry Encouragement Act (G/SCM/75)
- Jamaica Export Free Zone Act (G/SCM/76)
- Foreign Sales Corporation Act (G/SCM/77)
- Industrial Incentives (Factory Construction) Act (G/SCM/78)

Jordan

- Partial or Total Exemption from Income Tax of Profits Generated from Exports under Law No. 57 of 1985, as amended (G/SCM/79)

Mauritius

- Export Enterprise Scheme (G/SCM/80)
- Pioneer Status Enterprise Scheme (G/SCM/81)
- Export Promotion (G/SCM/82)
- Freeport Scheme (G/SCM/83)

Panama

- Official Industry Register (G/SCM/84)
- Export Processing Zones (G/SCM/85)

Papua New Guinea

- Section 45 of the Income Tax (G/SCM/86)

St. Kitts & Nevis

- Fiscal Incentives Act No. 17 of 1974 (G/SCM/87)

St. Lucia

- Fiscal Incentives Act No. 15 of 1975 (G/SCM/88)
- Free Zone Act, No. 10 of 1999 (G/SCM/89)
- Micro and Small Scale Business Enterprises Act, No. 19 of 1998 (G/SCM/90)

St. Vincent & Grenadines

- Fiscal Incentives Act No. 5 of 1982, as amended (G/SCM/91)

Uruguay

- Automotive Industry Export Promotion Regime (G/SCM/92)

123. In approving the request of Fiji for extension of the Short-Term Export Profit Deduction programme, the Committee took note of the following explanatory statement by the Chairman. As mentioned at the beginning of the meeting, questions remained outstanding in respect of the inclusion in Fiji's request of its 'Export Finance Facility' and 'Export Credit Ratio' programmes. Moreover, due to the way in which Fiji's detailed notification was presented, it was not entirely clear whether these two programmes were part of the 'Short-Term Export Profit Deduction' programme. This was one of the questions that remained unanswered. For this reason, a group of delegations had proposed approving the 'Short-Term Export Profit Deduction' programme to the extent that the extension did

not include the 'Export Finance Facility' and the 'Export Credit Ratio'. As this was the apparent basis for a consensus in respect of this programme of Fiji, a footnote to that effect therefore had been added, by the Chair, to the respective decision document. The footnote also made clear that excluding the 'Export Finance Facility' and the 'Export Credit Ratio' from the decision with respect to the 'Short-Term Export Profit Deduction' programme was without prejudice to the Committee's separate consideration of those two programmes. The Chairman expressed his intention to suspend this meeting in respect of those two programmes, to allow Fiji more time to respond, and to allow the Committee more time to clarify the issues that had been raised. The Chairman added that Fiji had been fully briefed on the 8 November proposal by a group of delegations, and on the situation in the Committee in respect of the 'Export Finance Facility' and the 'Export Credit Ratio' programmes. At his request, the Secretariat had been in close contact with the Fijian officials in this regard.

124. The Chairman opened the floor for any statements delegations might wish to make at this time.

125. The delegate of Colombia regretted the fact that the Committee had not been able to take a decision regarding Colombia's request in the course of this session. She thanked the Chairman for his efforts. She also thanked the Secretariat and the group of countries that had submitted the proposal at the September meeting, and which had been subsequently circulated as document G/SCM/W/521. It had included Colombia as one of the countries benefiting from the early harvest for the "fast-track" extension mechanism. She further thanked the group of countries -- that, together with Colombia, had presented this Implementation issue in mid-2001 -- for their understanding in the transparency process that had been conducted. All WTO Members, including those that still had concerns as to Colombia's request, had gone along with the consensus in Doha. Colombia was convinced of the legal and political value of the decision adopted by the Ministers and had participated constructively in the process. Colombia had responded in detail to all the questions asked by WTO Members and had provided all the information that had been requested of it. Colombia had also submitted all current legislative materials. She stated that she was not going to go into detail on the domestic situation in Colombia, because these circumstances were well-known to all WTO Members. In spite of the situation that affected Colombia, paradoxically, some Andean countries had still not been able to go along with the consensus. Colombia continued to work with several delegations and their capitals to resolve the concerns that had been expressed regarding elements of the decision in the multilateral context and also other elements that had been linked to its decision, which originated in sub-regional dynamics. Colombia was convinced that, given the will of all countries, a solution would be found.

126. The delegate of Ecuador thanked the Chairman for giving his delegation the floor at this meeting where the Committee was approving the extensions requested under document G/SCM/39. His delegation appreciated and recognized the enthusiastic and intensive work that the Chairman had carried out, which had enabled the Committee to successfully conclude the process in respect of some beneficiary developing Members. Ecuador could withdraw its reservation concerning the need to include a special mention that the extensions granted pursuant to document G/SCM/39 would not be applied to agricultural goods. Ecuador could accept the final paragraph of the draft decision proposed by the Chair in its final version, on the understanding that there would be an express, detailed and clear mention in the minutes of this formal session reflecting the Chairman's report to the special session of the Committee on Subsidies and Countervailing Measures of 31 October 2002. In particular, his delegation requested that the following portion of that report be contained in the minutes of this meeting: "What is clear concerning the last paragraph is that on the substance, there is no disagreement among Members. All agreed that no decision under Article 27.4 can alter any commitments under any other WTO Agreement including the Agreement on Agriculture, or allow Members to circumvent those commitments or modify the relationship between the SCM Agreement and any other WTO Agreement". In this way, Ecuador confirmed the withdrawal of the objection of the reservation and the approval of the subsidies under document G/SCM/39.

127. He expressed the concern of Ecuador with respect to some implications that the decisions that the Committee was adopting in this meeting would have in the future. First of all, the procedure outlined in document G/SCM/39 -- according to which extensions were allowed for export subsidy programmes of sixteen American countries -- established a waiver for the existence of export subsidy programmes covering all types of goods. Those sixteen American countries would benefit from that extension until the end of 2007, in accordance with paragraph 1(e) of the above-referred procedure. Secondly, those Members had the possibility of requesting the continuation of the extension of those subsidies indefinitely, on the basis of annual renewals which had to be authorized by consensus by the SCM Committee after determining the need for such subsidies to be maintained. On the date of entry into force of the Free-Trade Area of the Americas-- in December 2005 at the latest -- sixteen American countries would have an extension, in practical and real terms, of subsidies for four more years, from year 2005 until 2009. In the view of Ecuador, the Free-Trade Area of the Americas would come into existence with a serious systemic distortion because almost half of its thirty-four Members could potentially be authorized to use subsidies indefinitely under WTO rules. Other Members of the Free-Trade Area of the Americas -- such as Ecuador and some Andean countries, which did not have those subsidies -- would obviously be at a disadvantage in that situation and would be unprotected against competition which might ruin their productive and export sectors. This serious systemic distortion would not only ruin the production and export sectors which did not receive subsidies, but it could also undermine the negotiations to set up the Free-Trade Area of the Americas.

128. Ecuador considered that these extensions could not be indefinite. They should adhere to the procedures laid down under document G/SCM/39: an extension until the end of 2007, plus two more years for the dismantling of the subsidies. Full compatibility with negotiations between the WTO and the FTAA should be ensured; otherwise there would be an extension of these subsidies of four more years, until the year 2009. Ecuador wished the record to reflect its understanding that extensions granted in this meeting were done exclusively under the coverage of document G/SCM/39, and that these extensions could not be extended indefinitely. Ecuador would thus be able to recall its understanding and interpretation.

129. The Chairman stated that the report that he had made during the meeting of 31 October would be fully reflected in the minutes of that meeting. The Chairman recalled that this special meeting was a continuation of the special meeting which had, in fact, started on 31 October.

130. The delegate of Peru expressed the satisfaction of his delegation and gave thanks for the cooperation provided by the delegations whose requests for extension had been approved in this meeting. These delegations had made great efforts in terms of transparency and other Members had shown a very positive and constructive spirit when looking at each of these requests for extension. He thanked the Chairman for his efforts and diplomacy shown in helping the Committee to reach a satisfactory solution, which were the exact terms in the decision that had now been approved.

131. He stated that, in the view of Peru, the extensions agreed in this meeting did not imply, in any way, a change in the commitments of any of the Members contained in the Uruguay Round Agreements, including the Agreement on Agriculture. Secondly, from the legal point of view, the agreed extensions constituted an extension until December 2007 of the transitional period provided for in the Agreement on Subsidies and Countervailing Measures. This extension should not be interpreted as an incentive for subsequent extensions going beyond that deadline. In participating, and accepting concrete commitments, in the Uruguay Round, Members had agreed to progressively eliminate export subsidy programmes over a given period of time. Peru was willing to examine special situations, as had been done this time, and to take decisions on these special situations and agree on extensions, if necessary, in the case of small economies or special emergency situations. This showed Peru's commitment to the special, vulnerable circumstances of these countries. He stated that this must not, however, lead to a deterioration of the commitments that Members had undertaken to eliminate export subsidies. Otherwise, the very delicate balance of commitments and obligations of

other developing countries, such as Peru, would be altered. Peru had eliminated and dismantled all of its export subsidy programmes and Peru had been participating in negotiations -- at sub-regional, regional and world level. Peru had been acting in good faith and had been working on an equal footing in order properly to compete in other markets.

132. With respect to the intervention of the delegation of Colombia, Peru regretted the fact that the Committee had not been able to take a decision in this meeting. However, Peru was sure that delegations could continue working and making major efforts towards taking that decision. Peru hoped that, in the short term, Members would be able to find a mutually satisfactory solution for all parties.

133. The delegate of Panama thanked the Chairman and the Secretariat for their work, which had led to the approval of various requests at this meeting. He extended this to those Members who had participated actively in this process. He stated that his delegation would continue to follow with interest the process agreed by Ministers in Doha to reaching a satisfactory solution on all the decisions that had been taken.

134. The delegate of the United States recalled that the United States had been included among the group of countries that had supported the adoption of the decisions concerning Article 27.4 requests as of September of this year. The United States was pleased with the decisions taken in this meeting and wished to express its appreciation to the Chairman and to the other Members of the Committee.

135. As noted in previous interventions, the United States certainly appreciated the transparency and cooperation of those Members that had requested extensions in responding to the United States' rather numerous requests for information, which had enabled this process to work efficiently, notwithstanding the technical complexities involved. The United States believed that this demonstrated the ability of this Committee to fulfil its mandate as a properly functioning technical Committee. His delegation wished to acknowledge and express the United States' appreciation to Ecuador for its flexibility in withdrawing its reservation in respect of the text that the Committee had used to take the decisions. Additionally, his delegation wished to express the United States' appreciation to the delegation of Colombia for its courageous decision to support the consensus for the G/SCM/39 programmes that had been adopted in this meeting. The United States regretted that decisions concerning Colombia's SIEX and Free-Zone Regime programmes had not been adopted at this session, but his delegation was optimistic that positive decisions could be taken at the next opportunity. The United States was particularly encouraged to hear the remarks in this respect from the delegation of Peru. The United States continued to support the approval of the Colombian programmes and encouraged the interested parties to resolve their remaining differences as soon as possible. Lastly, his delegation wished to express its appreciation to Ecuador for many of the points it had made in its statement. He noted, in response to the comments of Peru, that the United States was very cognizant of the sacrifices that were being made by those Members who had already eliminated their export subsidy programmes, and the United States was most appreciative of that.

136. The delegate of El Salvador thanked the Chairman for all his efforts and the time that he had devoted to the approval of the requests at this meeting. He also thanked all Members for the flexibility they had shown, especially those Members who had taken the initiative of presenting the first draft decision to take a decision as soon as possible on the requests in document G/SCM/39. His delegation regretted that no decision had been taken on Colombia's request. El Salvador had no objection to approving Colombia's request, and his delegation encouraged Members to continue consultations to find a satisfactory solution for all parties.

137. The delegate of the Dominican Republic thanked the Chairman and the Secretariat for the efforts they had undertaken to find a satisfactory solution in this meeting. She also thanked the delegations which had contributed positively to this process, in particular, the group of delegations

which had originally proposed the draft decision. The Dominican Republic also wished to express its thanks to Ecuador and Colombia for the flexibility they had shown with respect to this matter. The Dominican Republic had no objection to the request put forward by Colombia. Her delegation appealed to the solidarity that should exist between all developing countries so that a positive solution could also be achieved in that case.

138. The delegate of the European Communities thanked the Chairman. He stated that, without the Chairman's sense of persuasion and diplomacy, this whole process that the European Communities had supported from the very beginning would not have been possible. He also expressed his appreciation to all the delegations that participated in this process, and especially to the ones that had had the difficult task of answering some detailed questions about their own national programmes. He also expressed his appreciation for Ecuador's flexibility and wished to conclude by warmly appreciating Colombia's support to this process. For the record, he reiterated that the European Community fully supported Colombia's request and that the European Communities were fully ready to discuss it further in the next few days. He also reiterated that the European Communities had always accepted that Colombia met the terms of the separate text agreed at Doha.

139. The delegate of Barbados expressed his appreciation to all Members for having approved the extension of the five programmes submitted by Barbados under the procedures outlined in document G/SCM/39. She stated that her delegation had, on many occasions, highlighted the critical importance to the economic development of Barbados that these programmes play and represent. She acknowledged formally the key role that the Chairman had played in guiding this process through so skilfully to this particular interim -- not in terms of the decision but in terms of the process -- outcome. She expressed her appreciation to those Members that had particular concerns of a procedural nature with regard to the approval of this "early harvest" package. Barbados was happy that these Members had been able to see the way clear to allow the approval of this package as it was presently configured and of the decision, as drafted and approved in its final form. Barbados, like other delegations, was very hopeful and eager to see a consensus emerging in the very near future which would allow the approval by this Committee of the remaining requests under consideration which had been submitted by Colombia and Fiji. She registered Barbados's full support for the requests and for the approval of the programmes that had been submitted by these two countries for an extension.

140. The delegate of Costa Rica thanked the Chairman for his hard work and the efforts that he had undertaken to move forward on this topic. He also thanked the Secretariat for its cooperation. The Secretariat had always been there when Costa Rica had most needed it. He also expressed his thanks to the group of countries that had proposed the document on the concept of "early harvest". He expressed his satisfaction for the Committee's decision to grant the extensions requested under document G/SCM/39. Costa Rica regretted the fact that the decisions arrived at in this meeting did not include certain proposals as identified by Colombia. Some Members had said that they were ineligible for this early harvest. Costa Rica trusted that, despite the fact that Colombia's requests had not been approved in this meeting, further consultations under the Chairman's guidance would enable Colombia to be included in the near future.

141. The delegate of Mauritius thanked the Chairman and the Secretariat for all the efforts put in to having the Committee consider and approve all these requests. This delegation also thanked all the Members of the Committee for having favourably considered and approved Mauritius' requests.

142. The delegate of Venezuela congratulated the Chairman for having led the Committee to a solution in such a complex matter. He also thanked the Secretariat for its support. He expressed Venezuela's gratitude for contributions by other delegations in this matter. Venezuela agreed entirely with what had been said by Peru and Ecuador. Venezuela broadly recognized the basic role to be played by subsidies in economic and social development programmes. Venezuela believed that, in

the current negotiations, all WTO Members should seek the greatest flexibility to ensure that the developing world could continue making use of this tool. Venezuela believed that, in the case of developing countries, subsidies played a basic role, in that they were legitimate tools for development, in areas such as production diversification and the search for value-added production. Their positive effects could always compensate for the distorting effects that they could cause, provided that subsidies were used in a controlled and temporary way. On a regional and intra-regional level, Venezuela and other countries had suffered the distorting effects, on their production and exports, of subsidies that had been applied for decades.

143. His delegation wished to make it quite clear that Venezuela was prepared to firmly support all extension requests for export subsidy programmes as outlined in document G/SCM/39 with a view to considering them and adopting them as quickly as possible. Venezuela had great sympathy for countries such as Antigua and Barbuda, Barbados, Costa Rica, St. Kitts and Nevis, Saint Lucia and Saint Vincent and Grenadines. He added that Members must respect the spirit of paragraph 2 of Article 27, and subsidies should be eliminated progressively. Similar to what other delegations had said, he wished to underline that these extensions could not be unlimited in accordance with paragraphs 1(e) and (g) of the procedures in document G/SCM/39.

144. Venezuela wished to echo the systemic regional aspects which could be significantly impacted by the granting of extensions that impaired the interests of Members continuing to apply the rules and disciplines. Venezuela believed that the history of the GATT and the WTO with respect to the application of exceptional rules showed the systemic effect that those rules caused when they were used by large Members, or by many Members, or applied for an indefinite period of time.

145. Finally, Venezuela wished to go along with what had been said previously by Ecuador, Peru and others with respect to the need to maintain the required coherence and compatibility between the standards and disciplines of the WTO and the negotiations of regional systems, such as the Free-Trade Area of the Americas. The establishment of these regional systems should avoid the inclusion of a distortion which could impair the viability of the production and export sectors of many of the Members.

146. The delegate of Jordan expressed his delegation's sincere appreciation to the Chairman and to the Secretariat for their outstanding efforts and extensive organized work to conclude this issue. He also expressed his delegation's sincere thanks to the Members that had made the submission on the approval of qualifying the requests, which had helped in reaching a satisfactory decision.

147. The delegate of Uruguay joined the previous speakers in congratulating the Chairman for his efforts that had led to the adoption of the decisions during this meeting. Uruguay also thanked the Secretariat for its cooperation and expressed its gratitude to all of the delegations that had participated in this process. The delegation also wished to express Uruguay's thanks to the delegations of Colombia and Ecuador for the flexibility they had shown. Uruguay regretted the fact that the decision on Colombia had not been taken in the course of this meeting, but thought that, through the consultations that Colombia and Ecuador continued to hold, a solution would be found very soon which would enable the Committee to adopt a decision.

148. The delegate of Switzerland recalled that Switzerland had been among the countries supporting the adoption of the extension requests early in the process. He thanked the Chairman and the Secretariat for their hard work. Switzerland also wished to thank Colombia for having shown flexibility, and hoped that a decision with respect to the Colombian programme could be taken soon. In this respect, Switzerland took positive note of the comments made by Peru.

149. The delegate of Argentina thanked the Chairman for his ceaseless efforts, the way in which he had been guiding this process and his readiness to hear the legitimate concerns raised by various

delegations throughout this process. His efforts had made it possible for the Committee to adopt these decisions. Argentina recognized that subsidies could play a major role, on a temporary basis, in the economic and social process of developing countries that were enjoying these extensions. Bearing in mind that the final objective of Article 27.4 was the progressive elimination of export subsidies, Argentina felt that such extensions could not be indefinite in length and had to remain within the strict terms of document G/SCM/39, that is, until the end of 2007, plus two final years for complete dismantling. Argentina wished to go along with what other delegations had said, in the sense that export subsidies had to have a final termination date and could not be extended indefinitely.

150. The delegate of Bolivia thanked the Chairman because he had played a very important role with respect to the agreement that the Committee had reached during this meeting. It had been a hard job, but a positive one. He hoped that the Committee would be able to continue along these lines. His delegation supported the statements made by other delegations which had intervened during this meeting, particularly those of Ecuador, Peru and Venezuela. He said that Bolivia understood perfectly the conditions and concerns which had led a group of countries to request an extension in order to continue granting export subsidies despite the fact that their programmes might have an impact, mainly on regional trade. The Bolivian delegation had made a positive contribution to this result, on the understanding that these were transitional measures and that the objective was to reduce them with a view to eliminating them. This result, as pointed out in the last paragraph of each of the decisions, should not affect the rights and obligations of Members. With respect to the request by Colombia, Bolivia hoped that consultations would continue and that the Committee would be able to achieve a satisfactory result for all Members.

151. The delegate of Canada stated that, as one of the original proponents of the "fast-track" process, Canada was very pleased with the outcome of this meeting. He thanked the Chairman for his extremely hard work in arriving at this meeting's success. Canada noted the flexibility shown by Colombia and Ecuador in order to arrive at the approval of the decisions. Canada looked forward to working with other Members for the further consideration of Colombia's request in the near future.

152. The delegate of Saint Lucia thanked all partners and the former Chairman, who had gotten this process going in Doha, with the strong support of fellow developing countries. She also thanked developed countries for their support. She thanked Colombia for its extreme flexibility. She also thanked the Chairman for taking this process forward.

153. The delegate of Chile thanked the Chairman and the Secretariat for their efforts and thanked, as well, all delegations for the very extensive information they had provided to the Committee. Like other delegations, Chile wished to highlight the temporary nature of the extensions that the Committee was granting, and Chile hoped that, in 2007, these programmes would be eliminated. Bearing in mind the systemic impact of the non-approval of the Colombian programme, Chile expressed its interest in participating in any informal meetings on this topic.

154. The delegate of Japan stated that he was pleased that the Committee had been able to approve various decisions granting extensions under document G/SCM/39. He thanked the Chairman for his leadership and hard work in order to have the decisions approved. He also thanked the Secretariat for its hard work in compiling all the information that had allowed Members to come to a decision. He also thanked Colombia and Ecuador for their flexibility shown in this meeting. Japan looked forward to the adoption of the decision concerning the granting of the extension requested by Colombia. Japan was willing to work on the request continuously and positively.

155. The delegate of Brazil thanked the Chairman and the Secretariat for all their efforts on this very important issue and for working hard and finding ways to accommodate the Members' concerns in the text of the extension decisions. Specifically, the final paragraph now said that it could not affect any rights, obligations and commitments of Members and did not constitute a precedent for any

other matter. The delegate of Brazil stated that, like other delegations that preceded him, he wished to underscore the transitional nature of the extensions that were being granted in this meeting.

156. The Chairman joined the delegations that had intervened in the meeting in expressing his gratitude to Ms. Morgan and Ms. Hainsworth from the Secretariat for their tremendous efforts. He stated that he was extremely grateful to his predecessor, Mr. Remo Moretta, for all he had done. He expressed his gratitude to all delegations for their flexibility, for the constructive approach and the understanding that they had shown for the concerns, needs and interests of others. For at least some delegations, this was going to be the end of the exercise, but not for the Chairman. The Committee still had a couple of issues open. He stated that it was his intention to call delegations next week to meet again in order to discuss those remaining issues, i.e., the request by Colombia, the two remaining programmes submitted by Fiji, as well as, of course, the requests which had been made on the basis of Article 27.4. The Chairman said that the final versions of the decisions that the Committee had taken would be distributed as WTO documents after the meeting.

157. The Committee took note of the statements made and agreed to proceed accordingly. The meeting was once again suspended.

158. When the Committee's special session reconvened once again on 13 December 2003, the Chairman recalled that the special meeting had been suspended in respect of the agenda item concerning the "early harvest" proposal of a group of delegations for the Article 27.4 fast-track requests. At the 22 November session, after the Committee had taken the decisions on most of those "fast-track" requests, the Chairman had again suspended, but did not close, the meeting. This was because there were still two sets of requests that remained pending under that agenda item. One was for two programmes of Fiji, and the other was for the proposal for decisions in respect of two programmes of Colombia, for which the extension requests were based on paragraph 10.6 of the Ministerial Decision on Implementation.

159. As Members were aware, since 22 November, the Committee had received a communication from Fiji clarifying that the two programmes in question had not been included in its original request, that those programmes did not fall within the scope of the eligibility criteria in the fast-track procedures, and that Fiji was therefore withdrawing its fast-track request for those programmes. This was circulated as document G/SCM/Q3/FJI/9. Thus, those two programmes were no longer before the Committee. That left Colombia's request as the only open item on the agenda of the 31 October meeting. As Members also knew, the Committee had before it a number of extension requests based on Article 27.4 alone. Those requests were not covered by the Committee's open agenda item from the 31 October meeting. He therefore suggested, for the Committee formal procedures during this session, that the Committee conduct its business in two separate special meetings to be conducted in parallel. One would be the resumed special session of 31 October; the second one would be a meeting convened on 13 December, to be devoted to considering the requests based on Article 27.4 alone. His intention was, after making a report on the current state of deliberations in respect of the fast-track request of Colombia, to again suspend the former session. Then, he intended to open the special meeting of 13 December.

160. As he had just explained, the only item remaining here was the fast-track extension request of Colombia, in respect of the Free Zone Regime and the SIEX programmes. Members would recall that these programmes had been included in the "early harvest" proposal tabled by a group of delegations on 19 September, a summary of which proposal had been circulated by those delegations in document G/SCM/W/521.

161. Members would also recall that that proposal in respect of Colombia had not, as of the Committee's 22 November session, attracted a full consensus in the Committee, although many delegations had indicated their support for it. Since that time, the Chairman had been in extremely

close contact with the interested delegations, through bilateral contacts and plurilateral consultations, and the delegations also had been consulting among themselves almost continuously, both in Geneva and in their respective capitals. During these various processes, a number of proposals had been made as to the possible basis for decisions to be taken. Some of the delegations concerned had submitted proposals, and the Chairman himself had tried his hand at a text. He believed that all of these proposals had served a very useful purpose in clarifying the situation and the positions of the respective delegations, and had played a very constructive role in the process.

162. The delegate of Colombia wished to thank the Chairman for all of his efforts he had undertaken, of course, with the support of the Secretariat. His delegation was very much aware of the enormous amount of time which the Chairman and the Secretariat had devoted in his attempts to assist delegations in reaching a satisfactory solution. In respect of Colombia's request, this morning, when he had woken up, he had opened the window and had hoped to see the sun shining brightly. However, there was, unfortunately, a bit of a fog and he hoped that this had nothing to do with what was happening at this Committee meeting, or, if it did, at least he hoped that there would be sunshine in the afternoon so everyone could go off to the mountains happy and satisfied with a satisfactory result.

163. Colombia wished to introduce a proposal to the Committee. The proposal contained three essential points. The first two were texts of Decisions, one of them for the Plan Vallejo programme and the second for the Free Zones programme. The second part was a letter which repeated Colombia's interpretation, to the effect that the extension Colombia was requesting did not, in any way, change the commitments Colombia had made under the Agriculture Agreement. This letter would be circulated formally, obviously once the decisions were adopted (it was subsequently circulated in document G/SCM/N/74/Suppl. 1). Finally, the third part was the dismantling of the Transport Compensation Mechanism. Since it seemed that this request would be denied, this programme would be dismantled within the time-frame set forth in the SCM Agreement. All of this obviously had to be viewed, and approached, as a package.

164. In the proposed draft decisions, Colombia, as it had always done, interpreted the Decision taken by the Ministers in Doha as fully entitling Colombia to request the extensions it had requested under the procedures in document G/SCM/39. Nevertheless, because of the concerns of certain of Colombia's trading partners – and, more specifically from its partners in the Andean region – Colombia had shown some flexibility, and he would try to give details of this flexibility. The decisions were within the coverage, or scope, of paragraph 10.6 of the Doha Ministerial Declaration on Implementation-Related Issues and Concerns. However, in spite of the fact that, as far as Colombia was concerned, Colombia still considered that it was fully entitled to receive what the other 19 countries had already received in the 22 November decisions of the Committee, Colombia would be giving up two years of what had been granted to the others under paragraph Article 10.6 of the Doha Ministerial Declaration. Similarly, in keeping with this flexible approach, Colombia was quite ready to renounce -- to give up -- the possibility of requesting an additional extension under Article 27.4 of expiry of the current period or requested period. In other words, Colombia's proposed decision included a period of extension of three years, without any possibility of there being any further extension.

165. In addition to that, Colombia had provided a full set of guarantees to its trading partners and to the Members of this house regarding the implementation and application of this decision. This decision obliged Colombia to take immediate steps so as to satisfy the commitments Colombia had undertaken. In other words, Colombia was obliged to submit a draft law in respect of Free Zones, and the same would apply to the Vallejo Plan programme.

166. With this process, Colombia had worked with other Members of this house and, as the Chairman had mentioned, had worked in a very active way with its Andean trading partners, who had

always been very ready to listen to what Colombia had had to say in terms of its needs. In turn, Colombia had been flexible with them, in that Colombia had attempted, as much as possible, to reflect the needs they had expressed. In particular, at this time, he wished to thank Ecuador and Venezuela for their flexibility.

167. The records of the Doha Ministerial Conference recognized the special circumstances facing Colombia. Because of the consequences of the decisions and because of the circumstances facing Colombia, paragraph 10.6 of the Doha Ministerial Declaration on Implementation-Related Issues and Concerns had been amended by the Ministers in Doha so as to provide Colombia with the same treatment as had been given to other countries. Colombia ventured to hope that this situation would be carefully considered by all Members and, more specifically, by its Andean trading partners, and Colombia hoped that its request could be favourably dealt with at this meeting.

168. The Chairman stated that, as he had previously indicated, his intention had been simply to give the floor to Colombia to introduce its proposal. According to his judgement, he believed that he needed more time to consult the delegations concerned with a view to arriving at a mutually acceptable solution. However, he noted that the delegation of Ecuador was requesting the floor.

169. The representative of Ecuador merely wished to state how useful the WTO could be when there were divergences in regional economic and free-trade integration processes. The subject that the Committee was dealing with was one that had occupied, and exercised, the minds of the Andean Community countries for a long time. As Colombia had said, they had made enormous progress in this area and Ecuador fully supported Colombia's request, as presented at this meeting and as described by the Ambassador of Colombia. Ecuador understood that this process had to be completed, and he merely wished to assure the Ambassador of Colombia that when he had opened the window that morning, or rather, when he had read the weather forecast, he was sure that the sun was going to shine this afternoon.

170. The Chairman stated that a foggy morning was quite often followed by nice sunshine in the afternoon. He was confident that this would happen this afternoon. He suggested that the Committee suspend this meeting and reconvene in the afternoon to continue the discussions on the request submitted by Colombia.

171. The Committee took note of the statements made and agreed to proceed accordingly. The meeting was once again suspended.

172. When the Committee's special meeting resumed in the afternoon of 13 December, the Chairman wished to express his sincerest gratitude to interpreters for being patient with the Committee process. As there might be a slight further postponement, he asked Members whether it would be acceptable to them to resume the meeting without interpreters.

173. The Committee so agreed.

174. The Chairman stated that he was happy to report that further discussions among interested delegations appeared to have borne fruit. Drawing Members' attention to the draft decision texts concerning Colombia that had been circulated earlier, he wished to flag certain modifications to the proposed texts. The reference to 2006 in the chapeau of paragraph 10 would be changed to 2004. In the first sub-paragraph of paragraph 10, the reference to the year 2007 would be changed to 2006. There was also an agreement to drop the word "immediately" in the third line of this sub-paragraph. That sub-paragraph would therefore read: "Colombia will ensure the conformity of its laws and regulations with its commitments under this decision. The benefits, as described in paragraph 9, shall not, in any case, be extended beyond 2006. In consequence, the Colombian authorities shall adopt

appropriate actions to comply with this decision. Among such actions, Colombia shall undertake the reform of its legislation by 30 June 2003 so as to bring it into conformity with this decision."

175. The representative of the European Communities indicated that his delegation could certainly go along with the substance of the decision as now presented and wished to congratulate and warmly thank all the parties concerned for reaching this result. The European Communities had some minor suggestions for the drafting of the text which it hoped would be acceptable to all, and it certainly did not want them to alter an agreement. In sub-paragraph (i) of paragraph 10, it might be better to refer to "the subsidies as described" or "the export subsidies as described in paragraph 9" since the word "benefits" did not appear in paragraph 9. The European Communities also thought it might improve the clarity of that sentence if, after, 2006, the words "including the extension period provided in the last sentence of Article 27.4" could be added. He thought that it was implicit and that, in other decisions, the Committee had made clear that point. Finally, in the last line of paragraph 12, the European Communities preferred to drop the words "all relevance, direct or indirect", which, again, did not appear in other decisions. If, however, another delegation found these important, the European Communities would withdraw that request.

176. The representative of the United States said that, like the European Communities, his delegation wished to congratulate the parties concerned for reaching an agreement on the substance of this decision. His delegation welcomed it. The United States thought that it was a good basis and that it would work. Like the European Communities, the United States also had a technical drafting question on the very same sentence. He wished to make the clarification that the reference to 2006 clearly included the final two year period that was provided under Article 27.4. He also wanted to propose the change of "benefits" to "export subsidies", so that the second sentence of paragraph 10(i) would read as follows: "The transition period for the elimination of export subsidies shall not in any case be extended beyond 2006, including the extension period provided by the last sentence of Article 27.4". The Committee was granting an extension of a transition period for the elimination of export subsidies. Lastly, the United States also saw merit in dropping the reference to "all relevance, direct or indirect" in paragraph 12. However, like the European Communities, if there was a reason to retain it, the United States would be interested to know what that reason was.

177. The Chairman suggested taking these points one by one, and asked whether it would pose any difficulty for Members to replace the reference to "benefits" in paragraph 10(i) with a reference to "export subsidies"; and to add the phrase "including the final two year period provided for in the last sentence of Article 27.4 of the SCM Agreement" at the end of the second sentence of paragraph 10(i) in order to make it clear that 2006 was the final date. The sentence would read: "The transition period for the elimination of export subsidies as described in paragraph 9 shall not in any case be extended beyond 2006, including the final two year period provided in the last sentence of Article 27.4". He also asked whether it would pose any difficulty for Members to delete the reference to "relevance, direct or indirect" in paragraph 12, in order to preserve the consistency between this text and the 22 November decisions relating to the "fast-track" requests. Paragraph 12 would now read: "This decision does not affect any rights, obligations or commitments of Members under any other WTO Agreement with respect to the programme and it is without prejudice to the existing and future relationship between the SCM Agreement and any other WTO Agreement, and has no precedential value for any other purpose." As no delegation took the floor, the Chairman understood that these changes did not pose difficulties for any delegation.

178. The delegate of Peru stated that Peru had not made any notification under the SCM Agreement because, a long time ago, Peru had undertaken a profound economic reform, which had included the opening of its market and the elimination of all export subsidies. These measures had led to a fundamental restructuring of Peru's entire production process. Peru was convinced that international trade was one of the most dynamic and useful tools for sustainable economic growth available to developing countries. In that sense, Peru was determined to promote the development of

its competitive businesses in order to increase their participation in global trade. For these reasons, Peru viewed with particular concern the requests by several developing countries for extension of the transition periods for export subsidies to the extent that the continued application of such subsidies created a situation of unfair competition for Peruvian exports. In the case of Colombia, in particular, as it was a neighbouring country and a partner in the Andean Community, in which countries had committed themselves to adopting common economic policies. These policies had to be reflected in the negotiations that they were conducting with MERCOSUR, and with a view to finalizing the FTAA. For all of these reasons, his Government considered it to be an utmost priority that the Andean countries compete on a level playing field, both in their intra-regional trade and in third country markets. Despite these factors, and the fact that there were a number of products in respect of which Peru and Colombia were direct competitors, his Government, taking into consideration the special circumstances invoked by the Government of Colombia, was willing to give its approval exceptionally to an extension of two years for the transition period of the SIEX and Free Zone programmes, with the understanding that there would be an explicit commitment by Colombia that these programmes would be progressively dismantled until their total elimination by 31 December 2006.

179. The representative of Bolivia wished to thank the Chairman and the Secretariat for all of their work that had enabled a positive result at this meeting. Bolivia had a small, open economy and had taken into account the specific needs of Colombia, which was an important member of the Andean Community. Bolivia supported the decision with the amendments to which the Chairman had just referred. In this regard, Bolivia hoped and expected that all of the Andean countries would have the possibility to use and to apply all the rules of the WTO with the goal of trade liberalization.

180. The representative of Colombia wished first of all to thank the Chairman for all of his hard work and the commitment that he had to achieve an appropriate resolution in respect of these requests. He also wished to thank the Secretariat, Ms. Morgan and Ms. Hainsworth, and was well aware that delegations had used their much of their time, including private time. He also wanted to thank all the Members for taking an important decision to the benefit of his country, and for understanding Colombia's current situation. He also wanted to apologize to delegations, not only for keeping them here until late in the evening, but also because the resolution of this issue had been linked to many things that were not part of their multilateral work. Rather, they had been part of Colombia's regional and intra-regional agreements that had to be settled outside of Geneva. He hoped that the Andean Community could show a better face in the future.

181. The Committee approved the following extension requests of Colombia (the document symbols of decision documents are indicated in parentheses):

- Free-Zone Regime (G/SCM/93)
- Special Import-Export System for Capital Goods and Spare Parts (SIEX) (G/SCM/94)

182. The Chairman gave his sincere appreciation to all of those who had been involved in this process. He wished to commend the Andean Community countries for the manner in which they had been pursuing their own national interests, while, at the same time, having in mind the interests of the region, and showing sufficient understanding and support for this organization. At the same time, he wished to express his gratitude to the Members of the Committee -- not only to those with whom he had been consulting, but to the whole membership -- for the understanding they had shown of the difficulties experienced by the countries concerned in reaching an agreement which would be acceptable to all of them.

183. The Committee took note of all the statements made. The meeting was adjourned.
