

# WORLD TRADE ORGANIZATION

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**GENERAL COUNCIL**

**14 October 1996**

## MINUTES OF MEETING

Held in the Centre William Rappard  
on 14 October 1996

Chairman: Mr. W. Rossier (Switzerland)

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1. Extensions of waivers pursuant to paragraph 2 of the Understanding in respect of waivers of obligations under GATT 1994
  - (a) Cuba - Paragraph 6 of Article XV of GATT 1994 (G/L/89, G/C/W/51/Rev.1)
  - (b) United States - Former Trust Territory of the Pacific Islands (G/L/101, G/C/W/53)
  - (c) United States - ANDEAN Trade Preference Act (G/L/102, G/C/W/54)
  - (d) Canada - CARIBCAN (G/L/100, G/C/W/52)
  - (e) Communication from the European Communities (G/L/107)
    - European Communities - Fourth ACP-EEC Convention of Lomé (G/L/108, G/C/W/58/Rev.1)
    - France - Trading Arrangements with Morocco (G/L/109, G/C/W/59/Rev.1)
  - (f) South Africa - Base dates under Article I:4 (G/L/104, G/C/W/56/Rev.1)
  - (g) Zimbabwe - Base dates under Article I:4 (G/L/106, G/C/W/57/Rev.1)

The Chairman recalled that at its meeting on 2 October, the General Council had considered this matter and had agreed to revert to it at the present meeting. The General Council had also heard a report from the Chairman of the Council for Trade in Goods on the Council's consideration of the requests for extensions of waivers under this item. He proposed that, unless delegations wished to comment on the draft decisions on the extensions of the waivers, the General Council adopt the draft decisions in accordance with the Decision-Making Procedures Under Articles IX and XII of the WTO Agreement agreed in November 1995 (WT/L/93).

The General Council so agreed.<sup>1</sup>

The representative of the United States recalled that his Government had requested an extension of its waiver on its automotive agreement with Canada to permit its continued implementation by the United States until duties on these products were eliminated completely as a result of the US-Canada Free-Trade Agreement and the North-American Free-Trade Agreement. Action on this request by the General Council had been held up pending bilateral discussions between Japan and the United States. He believed that the United States had now fully answered the questions put to it by Japan, and expected therefore that this waiver request would be acted on positively at the meeting of the Council for Trade in Goods on 15 October. Under these circumstances, the United States expected to bring this waiver extension request before the General Council at its next meeting.

The representative of Japan said that his delegation had sent a questionnaire to the United States shortly after the General Council meeting on 2 October, to which replies had been received only recently. These responses were being examined by his authorities, and he hoped to be able to finalize the consultation with the United States in time for consideration of this request by the Goods Council on 15 October.

The General Council took note of the statements.

## 2. Salaries and pensions of WTO staff

The Chairman recalled that he had held informal consultations on this matter on 3 October, and that Members had been asked to indicate their positions on a draft decision on conditions of service applicable to the staff of the WTO Secretariat that had been circulated on 18 September in document

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<sup>1</sup>The Decisions were subsequently circulated as follows: WT/L/185 - Canada; WT/L/182 - Cuba; WT/L/186 and WT/L/187 - European Communities; WT/L/188 - South Africa; WT/L/183 and WT/L/184 - United States; and WT/L/189 - Zimbabwe.

number 4783. However, no consensus had emerged on this draft decision. Consultations were therefore still under way, and a further informal meeting of the General Council would be held on this matter at the beginning of November.

The Director-General said he wished to recall that the question of the status of WTO staff was a key issue in the implementation of the Marrakesh Ministerial Decision on this subject, and was therefore an important matter in the preparations for the Singapore Ministerial Conference.

The representative of Norway said that the statements by the Chairman and the Director-General had referred to a serious and important matter. It would be wise for Members to use the different possibilities that they now still had, before the Singapore Ministerial Conference, to come to a conclusion on this issue. It would be incomprehensible if Member states went to Singapore without having resolved the question of conditions of service of the Secretariat staff.

The representative of Morocco said he fully supported the statements by Norway and the Director-General. Morocco had consistently stated that in order to have an organization that operated efficiently, this issue should be resolved without allowing the morale of the staff to deteriorate further. He hoped that those delegations that were encountering difficulties in joining the consensus would help in finding a solution to those difficulties. The draft decision submitted by the Chairman was reasonable, and took into consideration current economic realities. Morocco believed that all should try to do a little more for this Organization, of which staff members were a part.

The representatives of India and Thailand said that they fully supported the efforts being made by the Chairman and the Director-General to find a satisfactory solution to this long-standing problem.

The representative of Hong Kong associated his delegation with the previous speakers' statements.

The Chairman noted that this matter had been before Members for some time, and hoped that, in the interests of both the staff as well as the Organization, a positive solution thereto would be found as soon as possible.

The General Council took note of the statements.

### 3. Preparations for the 1996 Ministerial Conference

- (a) Report by the Director-General
  - (b) Progress of preparatory work in WTO bodies
  - (c) Attendance of international intergovernmental organizations as observers
  - (d) Attendance of non-governmental organizations at the Ministerial Conference
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- (a) Report by the Director-General
  - and
  - (b) Progress of preparatory work in WTO bodies

The Director-General said that this was his fourth report of the year to the General Council on the activities of the informal process of the Heads-of-Delegations in the context of preparations for the Singapore Ministerial Conference. In his report in July he had recalled what had been done until then in the informal HOD process and had indicated his ideas as to how one could move forward from there. Since July, two informal meetings had been held on 16 September and 7 October. In September, he had tried to provide an overview of where one stood after delegations' reflections over the summer break on the various issues still pending. Beginning in July, and continuing in September, consultations had been held on the elements that could go into what would be the possible conclusions

of the Ministerial Conference. On the basis of the consultations, an outline of a draft ministerial declaration had been produced. On 7 October, delegations had presented their views on that outline, and he had informed them of some points that had arisen in the course of his consultations in September and early October. At both meetings, new non-papers had been introduced as follows: on 16 September, the European Communities had introduced three non-papers, respectively on technical barriers, TRIPS and competition. Norway and the United States had each tabled revised proposals on labour standards. These and the Community's paper on competition constituted further contributions in the context of these issues in the HOD, while the Community's non-papers on technical barriers and TRIPS had been forwarded to the relevant WTO bodies, in which the Community had been asked to re-submit them. On 7 October, Canada and Japan had tabled a joint proposal on investment, while Hong Kong had circulated a third non-paper on WTO rules. The Community had introduced its non-paper on state-trading and a draft decision on competition. Korea had tabled a non-paper also on trade and competition. Except for the non-paper on state-trading, which the Community had itself said it would pursue in the appropriate WTO body, the other non-papers constituted further contributions in the context of HOD issues.

Since the most recent informal HOD meeting, he had circulated to all Members the draft of the political statement to form Part I of the Ministerial Declaration. Because of the importance of this text, he had made arrangements for providing the text in the three official languages. It would be discussed at an informal HOD meeting on 22 October. In the remaining part of that month, intensive consultations would be held from 16 October on the five outstanding specific HOD issues. Work would also be undertaken on the draft of Part II, on implementation, and Part III, on the work programme. The ultimate structure of the declaration could only be decided when the full view of all the elements to be included was available. A full text of the draft declaration would be readied in time for the informal HOD meeting to be held on 2 November. The few days from 2 to 7 November would be used to effect any necessary adjustment to the draft texts that would be available by then and to finalize his report on the informal HOD process to the General Council on 7 November. It should be the common aim, both for political and technical reasons, to complete all the drafting of any decisions, recommendations, communiqué etc., also by 7 November.

The Chairman said that he would invite the respective Chairpersons of the subsidiary bodies of the General Council as well as the Chairpersons of the DSB and TPRB to report briefly, under their own responsibility, on the progress of preparatory work in those bodies. It would be his intention also to invite the Chairman of the Committee on Trade and Environment to report on the progress of work in that Committee. On the other hand, the Chairmen of the Budget and BOP Committees had informed him that they had nothing to report at that stage with regard to preparatory work for the Ministerial Conference in their respective Committees, and he would not, accordingly, call on them to make reports at the present meeting.

Mrs. Anderson (Ireland), Chairperson of the Trade Policy Review Body, said that the TPRB was well on target to be in a position to present an agreed report to the General Council on 7 November. Summarizing the procedural steps to date, she said that she had circulated an initial draft of the report on 3 September. This had permitted a first exchange of views at the conclusion of the TPRB review of Zambia on 10 September. On the basis of inputs by delegations on that occasion, she had circulated a second draft on 24 September, which had been the basis for detailed discussion at an informal meeting on 25 September. This had been an extremely helpful discussion where the draft had been considered paragraph by paragraph. With the benefit of this detailed input by delegations, she had circulated a third draft on 3 October, inviting any final drafting suggestions and indicating her hope that it would be possible to adopt the report at the conclusion of the New Zealand review on 22 October. A few drafting suggestions had been received which would be incorporated in a fourth draft to be circulated

within the next few days, clearing the way for adoption of the report on 22 October. As to the substance of the report, delegations had sought to examine briefly the extent to which the TPRM was fulfilling its stated objectives, its value to Members, its cost effectiveness, and the scope for further procedural improvements. There was also a section which addressed the specific issue of coverage of developing countries. The overall conclusion of the report was positive, stressing that the TPRM was a unique element in the range of WTO activities. The report outlined a number of ways in which the impact of the TPRM might be enhanced, while ensuring that its distinctive character was preserved. She believed that the report represented a well-balanced, reasonable and succinct look at the TPRM. She was confident that there was a real sense of ownership of the report by Members given the substantial comment and discussion on the draft over the past six weeks.

Mr. Narayanan (India), Chairman of the Council for Trade in Goods, said that regarding the Goods Council's preparations of its report to the Singapore Ministerial Conference, he was continuing the informal process started on 7 October in order to reach agreement on the text for the report. The major issue to be settled concerned the portion of the report on the implementation of the Agreement on Textiles and Clothing and related matters. Discussion on this would continue in parallel in the next formal meeting of the Council as suggested by delegations. With regard to the subsidiary bodies, he had mentioned at the 2 October meeting of the General Council that although there had been a few slippages, work remained on track, and this was still true. There were fourteen subsidiary bodies under the Council, in addition to which there was the Independent Entity under the Preshipment Inspection Agreement. However, at this stage, he would limit his remarks to the fourteen subsidiary bodies. Four of the fourteen had adopted their reports, namely the Committee on Rules of Origin on 11 October, the Committee on Sanitary and Phytosanitary Measures on 8 October, the Textiles Monitoring Body on 1 October, and the Working Group on Notification Obligations and Procedures on 3 October. Reports of two other subsidiary bodies, namely the Committees on Technical Barriers to Trade and Customs Valuation had been finalized and were expected to be adopted on 16 and 25 October respectively.

As regards the Committee on Agriculture, informal consultations were envisaged in order to discuss further and obtain agreement on two reports, and a special meeting of the Committee would be scheduled when the reports were ready for adoption. Further consultations were to be held on the report of the Committee on Market Access, which was expected to be adopted on 18 October or at a special meeting of the Committee soon thereafter. The report of the Committee on Import Licensing was the subject of further consultations, but was expected to be adopted on 23 October. With regard to the Committees on Anti-Dumping Practices, Subsidies and Countervailing Measures and Safeguards, the Secretariat had circulated draft reports on the activities of these three rules-area Committees. The Committees were holding informal consultations that morning to discuss these reports, which were expected to be adopted at the regular meetings of the Committees to be held in the week of 21 October. The Committee on Trade-Related Investment Measures had considered its report at a meeting on 11 October and further consultations would be required to finalize its report. Regarding the Working Party on State Trading Enterprises, a draft report had first been discussed at the meeting of the Working Party on 26 September. Further consultations would be required to finalize the report, which was expected to be adopted on 24 October.

Mrs. Bautista (Philippines), Chairperson of the Council for Trade in Services, said that the Council and its subsidiary bodies were in the course of preparing their reports with a view to producing one final report by the Services Council to the General Council. The final report would cover the work of the Council itself as well as that of the five subsidiary bodies which reported to the Council. The report would contain two parts: the first would be factual, describing the work carried out during 1996; the second would contain recommendations or proposals regarding future work. A draft of the Council's report had already been circulated to Members and would be discussed at an informal

meeting on 24 October with a view to finalizing it at the Council's formal meeting on 30 October. Since its meeting on 30 July, the Council had been considering different proposals regarding its future work. These proposals were essentially based on the provisions of the GATS itself and its built-in agenda, and were largely concerned with the timing of the activities the Council was required to carry out by Article XIX of the GATS. A common view on these proposals was being sought. For example, while many delegations had recognized the need for preparatory work in advance of the next round of negotiations mandated by Article XIX of the GATS, there were different views on the timing of these activities and their resource implications. The report to the Council would also cover the work of the subsidiary bodies, including their proposals relating to future work. In this respect, it would of course be based on the reports of these bodies. With respect to those reports the current situation was as follows: The report of the Committee on Specific Commitments, which had been discussed on 10 October, would be finalized and sent to the Council before the end of the week. The Working Party on GATS Rules was expected to finalize its report that afternoon. The Working Party on Professional Services would finalize its report at a meeting scheduled for 24 October. The Group on Basic Telecommunications would finalize its report at its meeting on 18 October. Finally, the Committee on Financial Services would consider, and hopefully finalize, its report on 22 October. She intended to complete the process and finalize the Services Council report to the General Council at a meeting scheduled for 30 October.

Mr. Armstrong (New Zealand), Chairman of the Council for TRIPS, said that the status of work on the report of the Council for TRIPS to the General Council remained essentially as he had described to the General Council on 2 October. As a result of informal consultations held on 17 and 18 September, there appeared to be agreement on the text of the descriptive part of the report, with the exception of one paragraph on which further work would be necessary. The descriptive part reported on the considerable amount of work undertaken by the Council over the past two years in drawing up and monitoring the operation of notification procedures, initiating the review of the national implementing legislation of those Members already applying the TRIPS Agreement in full, and monitoring the implementation of the provisions of the Agreement on technical cooperation, including ensuring that information on the technical assistance available was accessible to all developing and least-developed country Members. The report also referred to the satisfactory way in which cooperation with the WIPO had evolved, including the conclusion of a cooperation agreement between the two organizations. There had been a first round of discussion on Section IV of the report which would contain the issues, problems and recommendations, if any, that the Council considered should be brought to the attention of Ministers. A number of proposals had been put forward in this regard. The Secretariat had compiled these into a checklist which had been informally distributed to all Members on 9 October, with a revision circulated on 10 October. The proposals made for Section IV included points regarding the full and timely implementation of obligations, the provision of technical cooperation, the undertaking of preparatory work for the built-in agenda, including in respect of the negotiation of a multilateral system of notification and registration for geographical indications for wines, and the negotiations in WIPO on certain copyright and related rights issues. He would resume his informal consultations on the Council's report on 15 October, and would hold a short formal meeting of the Council to adopt formally the report once the work had reached a stage that would warrant it.

Mr. Lafer (Brazil), Chairman of the Dispute Settlement Body, said that the draft report of the DSB on its work in 1996 had been circulated to Members in WT/DSB/W/37. He had received some comments on the draft report, and trusted that it could be finalized by the DSB at its meeting on 16 October. The draft report contained a factual presentation of main activities of the DSB as the body entrusted with the management of the Dispute Settlement Understanding. It also contained a final section summarizing conclusions on the experience with the dispute settlement mechanism during its first two years of existence, to which he drew the attention of Members in particular. He hoped that this draft

provided Members with the necessary information concerning the contribution of the DSU, under the management of the DSB, to greater security and predictability in relations amongst partners in the open multilateral trading system which was of relevance for the work of the 1996 Ministerial Conference.

Mr. Benjelloun-Touimi (Morocco), Chairman of the Committee on Trade and Development, said that work in the CTD in preparation for the Ministerial Conference was well under way, and now focused mainly on finalizing work on the draft report to the General Council, well and particularly on the recommendations to Ministers in Singapore. The report addressed both the work of the CTD and its Sub-Committee on Least-Developed Countries. He was presently holding informal consultations, and intended to submit a final draft report to the Committee on 15 October, at least as regards the descriptive sections of the report. The section relating to the recommendations to Ministers in Singapore would need further consultations before it could be finalized. Regarding the substance of the CTD's work in the past year, he said that the Committee had identified for itself certain priority tasks from among its terms of reference, which included a review of the implementation of provisions in favour of developing country Members. On this subject, he was hopeful that the Committee would make a recommendation. Another subject discussed by the Committee with good results concerned guidelines for the WTO's technical cooperation, on which the Committee would hopefully formally adopt a set of guidelines on 15 October, so that the particular modalities of the implementation thereof could be considered in 1997. A third priority subject concerned the participation of developing country Members in the multilateral trading system, including the review of the impact of the Uruguay Round on developing country Members, on which the Secretariat had prepared a useful study. The Committee had concentrated its efforts in its discussions on the marginalization of the least-developed countries and on how to redress this. For this reason, the fourth subject of discussion in the Committee related to the plan of action for the least-developed countries, which was based on proposals made by the Director-General at the G-7 meeting in Lyon, France. He hoped that a comprehensive plan of action for the least-developed countries would be among the recommendations that the Committee would make in its report.

Mr. Weekes (Canada), Chairman of the Committee on Regional Trade Agreements, said that with a view to identifying the elements that the Committee wished to include in its report, the Committee had had a useful discussion on 7 October based on a checklist of points that had been presented to delegations. Following that meeting, the Secretariat had prepared a draft of the report, which had been discussed at a meeting of the Committee on 11 October. As a result of that discussion, the Secretariat was preparing a revised draft, which would be discussed at an informal meeting in the course of that week. The main focus of the work that had been engaged in would now be on the future work programme of the Committee. The Committee had not outgrown as yet the work programme that it had been given upon its establishment by the General Council, and thus a number of activities that could be carried out in the future could already be identified in keeping with the Committee's existing mandate. There were, however, some other ideas for future work, which the Committee was still considering and which would be the subject of further informal consultations open to all Members. When the final report of the Committee was agreed in these consultations, a short formal meeting would be convened to formally approve it.

Mr. Sanchez Arnau (Argentina), Chairman of the Committee on Trade and Environment, said that the draft report of the Committee contained three chapters. The first two focused on the background of each of the items on the Committee's agenda and the proposals submitted by delegations, and the debates that had followed their submission. The third section summed up the conclusions and recommendations, including those on future work and the institutional future of the Committee, which would be submitted to the Ministerial Conference. An initial draft of the first two chapters concerning the background debates and proposals had been distributed towards the end of July. Several delegations

had made suggestions on that draft, on the basis of which the Secretariat had prepared and was distributing a second draft of these two chapters of the draft report. Regarding the third chapter on conclusions and recommendations, consultations had been held with most of the delegations involved in these debates and, on the basis of an initial debate held at a meeting of the Committee in September, an outline for this chapter had been submitted. The discussion on this outline had been followed by a second debate on the possible contents of the final version, on the basis of which an initial draft of chapter three containing conclusions and recommendations had been circulated. This draft had been the subject of a long and detailed analysis by delegations at an informal meeting, and had given rise to the presentation of written proposals on specific elements contained in the report. On this basis, a second draft of this chapter had been distributed the previous week, which would be discussed at an informal meeting on 17 and 18 October. If necessary, informal consultations would continue the following week. A final meeting of the Committee was scheduled for 24 and 25 October, at which the report as a whole was hoped to be adopted.

The Chairman said that delegations now had an overall view of the state-of-play in the preparatory work in both the HOD process under the Chairmanship of the Director-General and the process in the various WTO bodies. He saw a remarkable sense of unity which augured well for the preparations for the Ministerial Conference. Having heard the reports by the Director-General and the chairpersons of the various WTO bodies, he believed one was now entering a crucial phase in the preparations for Singapore. The following two weeks would be a time of intense activity. On 2 November, as indicated by the Director-General, the complete text of a draft declaration would be submitted to delegations. Also, on 1 November, the Council for Trade in Goods would meet to finalize its own work. By 2 November, therefore, delegations would be able to have a comprehensive, overall picture of what could be submitted to Ministers in Singapore. Since it was the delegations themselves that were putting together the pieces of the puzzle, they should not be faced with any unexpected situations on 2 November. Thus, by 2 November, all would be in a position to proceed towards the conclusion of the process at the General Council meeting on 7 November, and to make any final adjustments as may be necessary to lead to agreed-upon conclusions at that General Council meeting. Some work might well be required on the texts to ensure consistency and coherence, in terms of form.

As one engaged in this final phase, he wished to make some comments and recommendations. First, it was imperative to maintain the deadline of the 7 November General Council meeting for the conclusion of the substantive preparations for the Ministerial Conference. After that date, a number of delegations in Geneva would not be fully operational due to other meetings, as well as the need for them to report to their capitals and receive instructions for Singapore. Logistical requirements imposed this deadline, including the time required for processing the documentation for Singapore, and the fact that the Secretariat would be travelling to Singapore well in advance of the Ministerial Conference in order to ensure that the organisational aspects were fully operational from the first day of the meeting. The 7 November deadline was therefore not to be taken lightly.

Second, if this deadline were to be respected, then the various WTO bodies should strictly maintain their own timetables for their last meetings. He urged delegations to assist both the Director-General and the Chairpersons of the various WTO bodies in meeting their deadlines. Third, the reports from the various WTO bodies should not be draft reports. They would have to be definitive texts, and he expected that all differences of view would be resolved before the reports were finalized. If differences persisted at the end of the last meeting of any WTO body, they would have to be reflected in the report itself, but not in square brackets. Fourth, both under the Director-General's process and in the General Council process, work could only be completed if delegations refrained from introducing new and substantive elements. The time for inputs had now to be considered as past, and it was now time for output. Fifth, considerable commitment, effort and discipline would be required by all over



the following two weeks. He urged all to make substantive contributions to the meetings on the dates on which they were convened. The WTO meetings timetable was already overburdened, as was the Secretariat's capacity to provide interpretation and meeting room facilities. In the following weeks, it would be desirable to avoid any last-minute cancellations of meetings. Such cancellations were not only expensive, but made rescheduling meetings difficult because of the limited availability of time and meeting rooms. He would continue his coordination activities with greater intensity in the coming weeks. The next subject for consultations would concern organizational matters and the proposed agenda for the Ministerial Conference, and the deadlines set for this in the Rules of Procedure (WT/L/161) would have to be respected. This was the first Ministerial Conference, and everything should be done to ensure that it would stand as a credible parameter for future such meetings.

The representative of Morocco said he fully supported the Chairman's statement. When the Chairman had urged that all reports to the General Council be final, he understood that this was because the General Council would merely endorse all the reports and forward them to the Ministerial Conference as texts already endorsed. It would therefore not be very useful to have reports with square-bracketed texts at the General Council meeting on 7 November. He understood this to be the reasoning behind the Chairman's recommendation, since the normal practice was that if a committee or council could not agree on any particular matter, it forwarded that matter to a higher body for further consideration.

The Chairman said that one could not envisage a final report issued by a committee or council that contained square-bracketed text. That was not a final report. If agreement were not possible on a particular matter, the report should itself reflect this fact, and Members could then follow that up in the manner they deemed most appropriate.

The representative of Mexico said he agreed that if there were no consensus on any given matter in a WTO body, then its report should reflect the different positions of Members. However, Mexico believed it was very important not to introduce into any reports proposals by certain Members in a manner that gave the impression that there was a consensus on their inclusion in the report. Mexico was concerned that in the reports of some WTO bodies, proposals by certain delegations on which there was no consensus had been inserted as a new section of the report. Where there was no consensus, Mexico agreed with the Chairman that the report should reflect the opposing views.

The representative of Paraguay said that his delegation also supported the Chairman's statement, and hoped that through an efficient approach to this work one would be successful. As a small delegation, Paraguay was making great efforts to follow the very large number of meetings being held in the preparations for Singapore. With regard to the reports of all the WTO bodies and other related documentation, he emphasized that they should be distributed in sufficient time to all delegations in the three working languages of the WTO, so that delegations could consult more easily with their capitals. His delegation attached the highest importance to this aspect because it did not participate in all the plurilateral consultations.

The Chairman said that he had noted Paraguay's statement, and would give it particular attention. All delegations should be able to participate fully in this crucial phase of the preparatory work.

The General Council took note of the statements.

(c) Attendance of international intergovernmental organizations as observers

The Chairman recalled that at the 2 October meeting of the General Council, it had been agreed that four international intergovernmental organizations that were not already observers to the WTO

and that had requested observer status at the Ministerial Conference, should be invited to Singapore. Since that meeting, another organization that was not already an observer to the WTO, namely the United Nations Economic and Social Commission for Western Asia (ESCWA), had submitted a request for attendance, and he proposed that this request be considered positively.

The General Council agreed to grant the ESCWA observer status at the Ministerial Conference.

The representative of Morocco asked whether the list of organizations that fell into this category - namely, those that were not already observers in any WTO body and requested observer status at the Ministerial Conference - was closed or still open. He believed that a list of all such requests should be distributed so that the requests could be acted on in the correct manner, on the basis of consultations, rather than be presented to delegations at a formal meeting for immediate action.

The Chairman said that there were very few international organizations that did not already have observer status in the WTO. The ESCWA was a UN regional commission, and he had believed that no delegation would object to granting it observer status, and had therefore not held consultations. He would clearly hold consultations on requests from other organizations on which a consensus might be in doubt, and would keep Morocco's comments in mind.

The General Council took note of the statements.

(d) Attendance of non-governmental organizations

The Chairman said that in adopting on 18 July the guidelines for arrangements on relations with NOGs and at the same time the procedures for the circulation and derestriction of WTO documents, the WTO had contributed to the improvement of transparency and development of communication with NGOs. In that respect, the Singapore Ministerial Conference was significant as it was the first major opportunity for the WTO to have its relations with NGOs placed under public scrutiny. On an overall note, the WTO's public image was that of a newly established organization that was doing important work and was functioning quite well. At the same time, one should not forget that in many countries public support for the multilateral trading system was crucial to reaching the goals that had been set for the WTO. The fact that NGOs with a broad range of interests wished to follow the work of the WTO in Singapore was an accurate reflection of the importance attached by the public to the activities of the organization. These considerations had been uppermost when, also on 18 July, the General Council had decided to provide facilities to the NGOs during the Ministerial Conference. As had been requested by the General Council on 2 October, the Secretariat had put together in an informal document, number 5278, the information on the modalities for attendance of NGOs at the Ministerial Conference, which had first been circulated during the informal consultations held on 4 October.

He recalled that the General Council on 2 October had agreed to extend the deadline for registration to 15 October. Since the General Council would not meet again before 7 November, and in order not to delay unnecessarily the process of registration of NGOs, agreement had been reached in informal consultations on a way to move the process forward, as follows: (a) the Secretariat would establish for 16 October, one day after the registration deadline, as an addendum to the list distributed on 2 October, a list of those additional NGOs which had presented requests for registration and which had received registration forms since 2 October, and would circulate on 22 October a final list of those NGOs to whom confirmation would be sent; and (b) the facilities provided for NGOs at the Singapore Ministerial Conference might be reviewed by the General Council in the light of the experience gained from this first Ministerial Conference. He added that confirmation of registration would allow NGOs entrance to the plenary session of the Ministerial Conference at the Suntec Conference Centre, entrance

to the conference room made available for NGOs in the Westin Hotel, and participation in social and cultural events. He hoped that with these two suggestions one could agree to move the process forward.

The representative of Pakistan said that, as his delegation had already informed the Chairman, it had requested information and clarification from the Secretariat on the question of the relationship with matters related to the WTO of certain NGOs whose names appeared in the list circulated by the Secretariat on 1 October. His delegation appreciated being given the time required to consider such clarifications, and would come back to the Chairman in the light of these clarifications in the time-frame indicated by him.

The representative of Morocco said that the suggestions made by the Chairman seemed appropriate. The informal procedure, and the consultations that the Chairman had held, were the best way to deal with this very sensitive issue, and his delegation supported this process. The issue of the NGOs would be important for the WTO in the future.

The representative of Korea said that some NGOs from Korea had indicated their interest in attendance at the Singapore Ministerial Conference, and his delegation wished to express its appreciation for the arrangements that had been made in regard to this matter.

The General Council took note of the statements and agreed to the Chairman's procedure.

4. WTO Press Release on trade and foreign direct investment

The representative of India, speaking under "Other Business", expressed concern at the recent issuance by the Secretariat of a Press Release entitled "Trade and Foreign Direct Investment - New Report by the WTO". To the best of his knowledge, neither the General Council nor any other WTO body had seen, much less adopted, this "report". It was a matter of regret for his delegation that material on a highly controversial subject was being circulated with a misleading title giving the impression that it had the blessing of the WTO membership. In fact, it was his understanding that the Press Release had not yet been made available to WTO Members. He had no knowledge whatsoever as to the reasons and circumstances under which the Press Release had been issued. He had heard rumours that the report in this Press Release was part of a bigger document and that the section relating to trade and foreign direct investment was being released in advance. It was a matter of deep regret for his delegation that on a topic that was currently under informal discussion in the Heads-of-Delegations preparatory process for the Singapore Ministerial Conference, the Secretariat should have issued a document giving what appeared to be a one-sided view of this matter. What concerned his delegation was not so much the material contained in the Press Release, but rather the action of the Secretariat in issuing a document on a controversial issue currently being debated, without taking Members into confidence. His delegation's attitude would not change, nor would he support such an action of the Secretariat, if the Secretariat were to put out a document supporting his delegation's views on this subject. The issue here was not the pros and cons of a multilateral investment agreement, but something more fundamental and important for delegations. It related to the role of the Secretariat and the relationship of the Secretariat with delegations. The respect and credibility that the WTO Secretariat commanded with delegations like his own was directly related to the fact that the Secretariat did not try to take sides when delegations had different approaches to issues. He had an uncomfortable feeling that the Press Release in question perhaps signified a determined departure from what delegations had understood the role of the Secretariat to be. He noted that the Press Release had indicated that two Directors of the Secretariat would hold a media briefing on the afternoon of 16 October. It appeared that the Secretariat was trying to push one particular point of view on this subject. He requested the Director-

General to indicate whether this was the intention. If the answer were yes, he might wish to revert to this subject at the Heads-of-Delegations meeting, as well as at the next meeting of the General Council with a possible suggestion that the agenda of the Singapore Ministerial Conference include the subject of the relationship between the Secretariat and the Members of the WTO so that delegations like his could have clarity on this subject.

The representative of Malaysia said that he shared India's concern and supported fully its statement. His delegation would welcome any explanation concerning this matter.

The representative of Mexico said that the issue raised by India deserved careful consideration. Although his delegation had had no prior knowledge of the particular case referred to by India, it had often found itself in an uncomfortable position in the past when certain views and trends of thought in WTO discussions were reflected in documents made available to the public. Mexico therefore shared India's concerns. This matter deserved to be examined collectively at an appropriate time to see how one should proceed in the future so that such situations for one delegation or other could be avoided.

The representative of Morocco said that although India had raised an important and relevant problem, he would urge delegations not to deal with this matter at this time, in view of the deadlines and the importance of the preparatory work for the Ministerial Conference. While the WTO might be the continuation of the GATT, it was nonetheless a new organization, and one did not always need to refer back to what was done in the past. That being said, this problem certainly deserved attention. He believed, however, that it should be put on hold until after the Ministerial Conference. In the meantime, the Secretariat should perhaps be asked to abstain from fanning the flames on controversial issues.

The representative of Norway expressed support for Morocco's statement. His delegation had noticed a tendency in the General Council to raise under "Other Business" important and relevant questions that other Members had no prior knowledge of and were therefore unprepared for substantive discussion on. His delegation fully shared the basic concerns raised by India. However, if other delegations were to be able to relate to this matter, they should have been given the possibility of familiarizing themselves with this problem in advance, rather than having to take it up under "Other Business".

The representative of Tanzania said that while he had not seen the press release referred to by India, he endorsed and associated his delegation with the sentiments expressed by India. The question of investment was a very important one, and touched all countries, particularly the African and least-developed countries. One was currently in the process of discussing whether there was merit in proposing a discussion at Singapore without commitment to negotiations. That being the case, small delegations felt very uncomfortable to be seen, when they expressed a different view, as if they were contradicting the position of the Secretariat. He hoped that a clarification would be made as to the best way this matter should be handled.

The Chairman noted that any delegation was entitled to propose an item for discussion under "Other Business", particularly if that item concerned a matter that arose after the convening notice for the meeting with the items proposed for the regular part of the agenda had been circulated ten days prior to the meeting, as required by the Rules of Procedure (WT/L/161). However, as Rule 25 of those rules stipulated, unduly long debates under "Other Business" should be avoided. Any matter raised under "Other Business" had to be considered as mostly for the purposes of providing information. There was therefore no question of reaching any conclusions on this matter at this point, and an appropriate follow-up would be provided at a subsequent meeting.

The representative of India said it had not been his intention to spring any surprises. He had made clear in his statement that his delegation had a concern on which it only sought a clarification from the Director-General at this stage. Depending on that clarification, his delegation would consider reverting to this matter at the informal Heads of Delegations meetings or at the next General Council meeting with a possible suggestion. It had not been his intention to have any particular point endorsed at the present meeting.

The Director-General said he wished to make clear that the press release in question merely reproduced for advance circulation a chapter on trade and foreign direct investment from the forthcoming WTO Annual Report for 1996. This was in keeping with the past practice of releasing a press statement before the annual report on international trade was published. The chapter recognized that the question of whether a multilateral negotiation should take place, and if so why it should take place in the WTO, was an open question. He did not believe, therefore, that the Secretariat had made any innovations in this matter. He would, however, look into this question with all the attention that it required.

The General Council took note of the statements.

5. Observer status for international intergovernmental organizations

The Chairman, speaking under "Other Business", recalled that, in accordance with the *ad hoc* arrangements for observer status for international intergovernmental organizations approved at an informal meeting of Heads of Delegations on 16 March 1995<sup>2</sup>, and as agreed at the General Council meeting on 2 October 1996, the following organizations had been invited as observers to the present meeting: United Nations, UNCTAD, IMF, World Bank, FAO, WIPO and OECD. It was his understanding that, pending agreement on the organizations to be accorded observer status in the General Council in accordance with the guidelines for such status agreed on 18 July<sup>3</sup>, the above organizations would also be invited to the next meeting.

The General Council took note of this information.

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<sup>2</sup>See WT/GC/M/3, item 3.

<sup>3</sup>See WT/L/161, Annex 3.