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**REPORT (2004) OF THE WORKING GROUP ON TRADE, DEBT AND FINANCE
TO THE GENERAL COUNCIL**

1. Under the Chairmanship of Ambassador Péter Balás (Hungary), the Working Group met on 13 May and 4 October. A further meeting is scheduled for 10 December to address the theme of **"better coherence in the design and implementation of trade-related reform and monitoring"**.
2. At the meeting on 13 May, the Working Group addressed the topic of **trade finance**, one of the themes identified for the Working Group's work programme (WT/WGTDF/2, 11 July 2003). In response to previous concerns raised in the Working Group about the issue of trade finance, the International Monetary Fund (IMF) had held a seminar in May 2003 with the involvement of the principal stake-holders, including international financial institutions, other multilateral organizations such as the WTO, regional development banks, export credit agencies and private sector banks. This seminar served as a basis for a paper by the staff of the IMF laying out proposals to ensure more secure and predictable sources of trade-finance. In January, the Director-General, Dr. Supachai, had followed up by inviting the same group of experts to discuss the contribution that the WTO could make to the process. (see WT/WGTDF/W/22 and 23). Dr. Supachai briefed the General Council on 12 February 2004 on his initiative, and suggested that the issue be brought back to the Working Group. The IMF, the World Bank and the WTO Secretariat gave presentations followed by an exchange of views amongst Members. Members also engaged in a discussion of the work programme for the remainder of the year. The report of the meeting is contained in WT/WGTDF/M/7.
3. At the meeting on 4 October, the Working Group addressed the topic of **"trade and financial markets"**. The Secretary-General of the Financial Stability Forum (FSF) addressed the Group regarding the mandate, work and results of the FSF (see WT/WGTDF/W/26). A representative of the IMF presented a study, requested by Members, on "Exchange Rate Volatility and Trade Flows" (WT/GTDF/W/24). Both presentations were followed by a question and answer period. This was followed by a brief exchange on the forthcoming topic of **coherence** for address by the Working Group. The report of the meeting is contained in WT/WGTDF/M/8.