



General Council
25 February 2013

MINUTES OF MEETING

HELD IN THE CENTRE WILLIAM RAPPARD
ON 25 FEBRUARY 2013

Chairperson: Mrs Elin Johansen (Norway)

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¹ The Proposed Agenda was circulated in document WT/GC/W/666.

1 REPORT BY THE CHAIRMAN OF THE TRADE NEGOTIATIONS COMMITTEE

1.1. The Chairperson invited the Director-General, Chairman of the TNC, to report on the TNC's activities since his last report to the Council.

1.2. The Director-General, Chairman of the TNC, said² he wished to look at the overall picture of what were the elements that would make up the package of deliverables at the Ninth Ministerial Conference (MC9). The starting point for this consideration was the mandate received by Ministers at the Eighth Ministerial Conference (MC8), which included a number of decisions and a series of political guidelines that were the compass directing the path towards Bali. Some of them, such as the strengthening, streamlining and operationalization of the guidelines for the accession of least-developed countries (LDCs), had already been delivered and this was an important sign of commitment and political will – as well as a lesson for the work ahead. MC8 had also asked for a reinvigoration of the Work Programme on E-Commerce, for a report on progress related to the Work Programme on Small Economies, to make recommendations regarding TRIPS non-violation and situation complaints, to undertake focused work in the CTD, all of which were being advanced in their respective bodies.

1.3. He recalled that the informal TNC meeting on 22 February had focused on the DDA elements that were being developed as part of the deliverables for Bali: namely, Trade Facilitation, Agriculture and Development/LDC issues. The message that all would have taken away from that discussion was clear: "run faster or you will not make it to the Bali finishing line". So, he wished to encourage delegations to step up their engagement, listen to each other and accelerate work on all fronts. He had also mentioned that consideration of the extension of the transition period for LDCs under TRIPS Art. 66.1 needed to be urgently looked into, given that the July deadline was fast approaching.

1.4. Aid for Trade was another area that had to be added to the MC9 basket of deliverables. Preparations for the Fourth Global Review of Aid for Trade on 8-10 July were advancing well. The monitoring exercise was harvesting a rich crop of unique information on how developing countries, and in particular LDCs, were seeking to connect to value chains, and on how donors were supporting this process. What really made this year's exercise unique was the information from the private sector. More than 600 replies had been received so far, and particularly impressive was the geographic spread. The replies had come in from over 120 countries and territories, from Antigua to Zimbabwe. But some were still missing; notably from several partner countries that had replied in 2011. He noted that the final cut-off was the end of the month and would urge delegations to get their replies in: delegations might find that even if their governments had not replied, their private sector had.

1.5. All this information meant that there was the basis for a rich debate at the Fourth Global Review. He noted that an information note would soon be issued on preparations for the Review before the next CTD Aid for Trade on 13 March. He further said that the Global Review was a rigorous health check for the Aid-for-Trade initiative. It was an opportunity to discuss how trade could be used for development; a moment to refocus efforts on supporting those countries that were still marginal to the trading system. These themes had immediate relevance for the Ministerial Conference in Bali, and he fully expected the July Review to set the groundwork for a robust work programme which MC9 could take forward.

1.6. Looking at other venues, and several delegations had touched on this at the TNC, there could also be space for a positive outcome in other negotiating areas such as the ITA, where technical discussions were taking place to expand the product and member coverage of the Agreement; or in Government Procurement, where work was focusing on bringing into effect the revised Agreement.

1.7. He said that one had the map and the timeline to get to Bali. All knew that it would take hard work, honest negotiations and a lot of goodwill to get there. With only around 20 weeks of work until the summer break, acceleration was needed across the board in order to get there. At the TNC on 11 April, delegations would have the next opportunity to assess progress in the DDA – in individual areas and horizontally. He called upon delegations to utilize the time in between

² The Director-General's statement was subsequently circulated in JOB/GC/38.

productively and with result-oriented minds. In closing, he noted that the Panel on Defining the Future of Trade, which he had announced at MC8, would be releasing its Report in early April.

1.8. The Chairperson invited any delegation that wished its statement at the informal TNC meeting on 22 February to be included in the Minutes of the present meeting to communicate this directly to the Secretariat.³

1.9. All delegations which spoke thanked the Director-General, Chairman of the Trade Negotiations Committee, for his report.

1.10. The representative of Nepal, speaking on behalf of the LDC Group, thanked the Director-General for underscoring the urgency to decide on the LDC TRIPS extension request. The Group looked forward to working closely with all delegations towards this end. He requested that the content of the statement made on behalf of the LDC Group at the informal TNC on 22 February 2013 be reflected in the minutes of the present meeting as well.⁴

1.11. The representative of Mexico agreed with the Director-General's assessment, including regarding the topics he had identified as candidates for a successful outcome in Bali. There was widespread agreement that Bali was one step towards concluding the Doha Round. It was a pivotal stage because, if nothing was achieved in Bali, Members would distance themselves ever further from the successful conclusion of the Doha Round. Doha would be on the table for as long as was necessary to conclude it, but the sooner Members concluded the Round, the better the world would be.

1.12. Over the course of the past few years, the world had witnessed many free trade agreements and regional agreements that had been concluded due to the lack of progress in the Doha Round. However, the world was also witnessing a summons to an extremely important negotiation. There already was a negotiation in the transpacific area, but there was also going to be a transatlantic negotiation. This could be very important for the deliberations in this Organization, particularly where rule-making was concerned. The Bali outcome had to be ambitious. However, if Members tried to be too ambitious, they might come away empty handed. For that reason, they had to be realistic, efficient and flexible for the time that remained to prepare for the Ministerial Conference.

1.13. The representative of Chile said his delegation agreed with the Director-General's assessment. For a country like Chile, in which 80% of GDP depended on international trade, a rules-based multilateral trading system was of vital importance. It acted as a compass, providing the necessary predictability to be able to navigate in turbulent times. While Chile recognized that regional, plurilateral and bilateral initiatives helped catalyse and stimulate trade liberalization, the central role played by the WTO was nevertheless indispensable. For this reason, if in December this institution was not able to fully assume its responsibilities or to fulfil its mandate, the credibility of the WTO would be seriously undermined. It could permanently lose its important role as the guiding force of the international rules-based trading system. Did Members want to continue seeing fundamental decisions about international trade being adopted elsewhere? Did they want to continue listening to potential answers to new trade issues and challenges which originated in other fora? The answer was no.

1.14. There were four dilemmas that Members had to address. First, either Members relinquished to some extent their legitimate differences and realized that an agreement on Trade Facilitation would not only benefit developed countries but also developing countries, or they would not be able to reach an agreement in this area. Second, either Members accepted a realistic and feasible agreement on Agriculture, or they would achieve no agreement in what was a key area for many Members, including Chile. Third, either they adequately addressed the important demands by LDCs to be integrated into world trade, or there would be no agreement in this area. Fourth, either Members showed the realism and modesty needed to concentrate on this set of doables, avoiding the temptation to incorporate more areas for the time being, or they would once more be faced with a potentially disastrous "Christmas tree" situation.

1.15. Finally, a success in Bali with concrete results, however modest these might be, would send a powerful and concrete political signal, showing the world that the WTO was still operational. It

³ Such statements are reproduced in Annex I to the present records.

⁴ The statement is included in Annex I to the present records.

would make it clear that it was within this Organization that the great, multilateral solutions to global trade challenges were formulated. Bali would thus pave the way towards new and urgent progress. It would be the starting point from which Members would continue to address pressing issues in a fruitful post-Bali period. However, to achieve this, there needed to be tangible results at Bali. On the other hand, if Members did not demonstrate political will or exercise their political skills, the Ministerial Conference would be meaningless. With such an outcome, Members would prove right all those who looked upon the work in the WTO no longer with distrust, but worse still, with the utmost disdain and indifference. Success could be achieved only by showing restraint, realism and historical insight.

1.16. The representative of Peru reiterated his country's commitment to the WTO and to a multilateral trading system that was open, rules-based, fair, predictable and transparent. In an international climate still marked by difficulties and challenges, Peru continued to opt for modernization and a development model characterized by economic and trade liberalization. The policies that Peru had implemented and, above all, the continuity and consistency of these policies, had enabled his country to grow over the last ten years at an annual rate of above 5% of GDP, and to achieve important progress in the area of poverty reduction. However, there were still many challenges to overcome and a long way to go before Peru could achieve its goal of economic growth with social inclusion. In this respect, trade played a key role for his country in terms of generating jobs, reducing poverty and fostering social inclusion. The Peruvian Government, therefore, attached great importance to trade, and consequently, to the work of the Organization.

1.17. Peru believed that Ministers needed to send out a strong signal at Bali reaffirming their commitment to the Doha Round and to strengthening the multilateral trading system. To this effect, Peru supported efforts aimed at achieving a package of deliverables at MC9, due to the cross-cutting, systemic and beneficial impact that this would have for all, particularly for the developing countries. These deliverables should concern Trade Facilitation, Special and Differential Treatment (S&D) and some issues in the area of Agriculture. However, Peru also hoped that a decision could be taken at Bali on a work programme to advance negotiations in the other substantive areas of the Doha Round, with a view to producing more deliverables at the following Ministerial Conference. Agricultural trade, services, better protection of genetic resources and traditional knowledge under TRIPS, and fisheries subsidies were some of the areas that, due to their systemic importance, should be prioritized and form part of this post-Bali work programme. He reaffirmed his country's commitment to constructively supporting this process. Finally, he mentioned the importance that his country attached to trade and transfer of technology, and hoped that a workshop on this issue, proposed in the Working Group by Peru, along with Mexico, Colombia and Costa Rica, would take place in 2013.

1.18. The representative of Egypt highlighted that, while her delegation took note of the work in progress outlined by the Director-General and the possible way forward, and was willing to strive to the utmost to make it possible, the Egyptian position concerning the DDA negotiations was based on a strong commitment to safeguard the integrity of the multilateral negotiations principles, to which all parts had pledged adherence and that were the cornerstone for enabling developing countries to participate meaningfully in international trade negotiations.

1.19. As far as Egypt was concerned, the development priority and mandate of the DDA remained supreme. She emphasized that any early harvest under paragraph 47 could only be a part of the Single Undertaking; it should not be a tool to pre-empt the Single Undertaking. Obviously, it would require multilateral consensus. Egypt's position in this regard was consistent with paragraph 47 stating that early agreements under it had to be assessed to see the overall balance in the negotiations. Moreover, Egypt believed that any outcomes for Bali should include significant progress on issues of importance to developing countries, especially in Agriculture, food security, Cotton, LDCs' issues, elimination of subsidies in 2013, S&D and issues relating to implementation. In this context, Egypt reiterated that Agriculture was a key developmental issue, not only to Egypt but to all developing countries; therefore, it considered that outcomes in this track were essential for a successful Bali. Moreover, there was a need to have a clear road map for post-Bali, in a consensual manner, stating that the remaining issues of the DDA would be concluded after MC9. Finally, she reconfirmed Egypt's commitment to engage in the on-going discussions for a successful MC9 in a pragmatic and transparent manner, in order to deliver a meaningful outcome for the entire membership.

1.20. The representative of Indonesia shared the Director-General's view and concerns over the slow progress in moving forward a deliverable package for MC9 including Trade Facilitation, Agriculture, S&D for developing countries, and LDC issues. Indonesia shared the view on the need to intensify work on all fronts so that a review of progress in the negotiations could take place in the TNC meeting after Easter. In the Agriculture negotiations, particularly on the G-33 proposal, Indonesia welcomed the initiatives of the Chair of the Committee on Agriculture Special Session (CoA SS), Ambassador John Adank, to appoint facilitators, so as to facilitate Members' active engagement in the technical discussions. This would help Members understand the merit of the proposal.

1.21. He also reiterated Indonesia's strong commitment to make MC9 successful in delivering meaningful outcomes for all Members, particularly developing countries and LDCs. Agreement on the package, however small it might be, would give Members the confidence that they could find a way forward to address the remaining issues that they wanted to achieve in Doha. Last but not least, Indonesia reaffirmed its commitment to move the negotiations forward and wished to appeal to all Members to equally show their commitment and flexibility to constructively engage in the process ahead.

1.22. The representative of Barbados, speaking on behalf of the SVEs, said that, on the way forward, the SVEs wished to make a contribution on three elements. First, on the negotiations package to form part of MC9, the SVEs noted that work was being conducted in the areas of Trade Facilitation, Agriculture and Development. The SVEs were committed to working with the membership towards formulating a Ministerial package in these areas that respected the overall commitment to development as encompassed in the DDA. To this end, they urged the membership to reflect on what was truly achievable, useful and development-oriented, and focus on these areas.

1.23. Secondly, the SVEs noted that whilst focus was being placed on the DDA package to be submitted to Bali, sufficient consideration should also be given to the regular work of the WTO. It had been often said that the WTO was more than the DDA. For small economies, a fully functioning Organization was the best safeguard in the multilateral trading arena. SVEs hoped to be part of the active discussion as they sought to elaborate on the elements under their regular work programme that could benefit from Ministerial guidance. Thirdly, on the road map for the post-Bali agenda. The SVEs agreed that this was an important element. However, they were of the view that it was critical to complete the elements of the package for Bali and, in the short-term, focus on developing a balanced Bali package. Thereafter, the post-Bali agenda could be formulated and refined.

1.24. Finally, the SVEs welcomed the open and inclusive manner in which the consultations undertaken by the Chairs in the various areas being considered for the Bali package were conducted. They trusted that such consultations, inclusive of small economies and of those with particular concerns, would continue as efforts were intensified to conclude the contours of a Bali package.

1.25. The representative of Hong Kong, China echoed the Director-General's and previous speakers' comments about the current state of the DDA. He quoted an old saying: "the situation is desperate, but not serious", and noted that the situation would soon be both desperate and serious unless significant progress was made in the following weeks to agree to the parameters of the package for Bali. There was a great deal of technical work to do on several elements in the emerging package, even when Members agreed on the difficult political parameters which had to be decided first. Therefore, he urged all proposals to be put on the table very swiftly and then decisions made on what could realistically be tackled before Bali and which could be taken forward post Bali. There was very little time to avert a potential disaster in Bali. Members had the time, but they had to use it to the full.

1.26. The representative of Cuba noted that the situation was looking fairly bleak. Her delegation endorsed the statements made at the informal TNC by the ACP, African, LDC, C-4 and G-20 Groups, as well as those made by Argentina, Bolivia, China, India and South Africa. Cuba also supported the statements made at the present meeting by Barbados on behalf of the SVEs and Egypt.

1.27. Trade Facilitation continued to be referred to as one of the contenders to form part of a possible package for Bali. However, much remained to be done in this area. One problem was that there was no guarantee that a sufficient amount of predictable, sustainable and non-discriminatory technical and financial assistance would be provided. She doubted that the existing imbalances between Sections I and II, and within each of those Sections, could be corrected over the following months. As regards Development, what was on the table at the moment was also precarious. The negotiations remained deadlocked and the most worrying thing was the little economic value that some of the proposals discussed would have for developing countries, even if such proposals might once have been of certain relevance. In Agriculture, Cuba had also noted a certain reticence towards the proposals of the G-20 and, in particular, the G-33.

1.28. She noted that there was talk about the need to achieve a positive and concrete result in Bali. Cuba agreed, but for what and for whom? No result would be positive unless it favoured the majority of WTO Members, namely the developing countries, responded to their needs and priorities and facilitated their integration into the multilateral trading system. While all hoped that Bali would be a successful conference, this would not be possible unless certain Members let go of their petty concerns and stopped trying to undermine the Doha mandate, the components of which remained fully relevant, including the S&D provisions which had to be strengthened so as to be more precise, effective and operational.

1.29. She reiterated that, as regards work in the coming months, it was very important that Members: (i) maintained transparency and inclusiveness throughout the process, before and during MC9. No exclusionary and undemocratic practices were to be applied; (ii) refrained from imposing any text on Members, or indeed denying the possibility of discussing it as much as might be necessary in the framework of the appropriate bodies; (iii) stood by the agreement not to bring to the Ministerial Conference any decision that had not been adopted by consensus at least eight weeks before the opening of the meeting; (iv) refrained from jeopardizing the Single Undertaking principle adopted in Doha with initiatives aimed at undermining it; (v) settled, once and for all, outstanding implementation issues and gave priority to areas of interest to LDCs. The WTO had to provide immediate solutions to LDC problems, such as duty-free quota-free (DFQF) access to developed country markets and the issue of Cotton. It would be unacceptable not to resolve these long-standing problems. Another issue of great importance was the extension of the waiver for LDCs in the TRIPS Agreement, as mentioned by the Director-General. However, this was, in Cuba's opinion, a regular issue which, according to the mandate, should be resolved before the summer break, and not one that should be viewed as a pro-development Bali outcome; and (vi) ensured that the future agenda steered clear of all attempts to undermine the multilateral nature of the WTO and to bring in new issues. Cuba repeated its total opposition to plurilateral approaches.

1.30. Cuba's main objective was, and would be, to save Doha and fulfil the approved negotiating mandates. Any package for Bali, or for after MC9, had to result in tangible benefits for the poorest countries and those that had waited a long time to see a response from this Organization which addressed their development priorities and basic development needs.

1.31. The representative of Ecuador said that what had been mentioned as possible outcomes for Bali would not lead to a balanced result and it would not comply with the shared objective that development be at the focus of the current round of negotiations. The Trade Facilitation negotiations were unbalanced. Section II on the horizontal mechanism on S&D and technical assistance and capacity building was comparatively showing marginal progress. The provisions contained in this Section had to go much beyond simply providing for longer transition periods and clauses for best endeavours. Section II had to have precise, effective and operational content, legally binding commitments, and predictable, sustainable and adequate mechanisms for providing technical and financial assistance and capacity building.

1.32. Above and beyond Trade Facilitation, other results with concrete trade effect had to be achieved. Progress in the implementation of the objective contained in paragraph 44 of the Doha text was particularly important. The objective in paragraph 44 went above and beyond a simple monitoring mechanism and the 28 proposals in Annex C of the Cancún text. If there had to be an attempt to intensify work, Members had to do so in such a way that results could be achieved on the basis of specific proposals with concrete trade effect which would effectively benefit all Members. To this end, transparency and real inclusiveness had to be the foundations for Members' work.

1.33. The representative of Turkey commended all those who were contributing to preserving full transparency and inclusiveness in the on-going negotiations. Respect for these two principles was fundamental in all initiatives aimed at fulfilling the targets set for and beyond Bali. In this regard, Turkey welcomed the convening of the informal TNC on 22 February and the current General Council.

1.34. With this in mind, he made three brief comments on the three main topics around which the negotiations were concentrated, i.e. Trade Facilitation, Agriculture and development-related issues. First, on development-related issues and expectations of the LDCs, what was needed was the implementation of previous commitments. What was on the table were not new LDC proposals to be negotiated or balanced with other deliverables for MC9. From this point of view, it would not be accurate to talk about an LDC package for MC9. Turkey supported the LDCs and the efforts of their coordinator, Nepal, aimed at ensuring that commitments started being implemented by MC9, independently from negotiations in other areas. Second, regarding Agriculture, Turkey believed that progress in the negotiations needed to intensify and supported the Chairman of the CoA SS in his efforts. Turkey had also replied to the Secretariat's information requests on export credits, export credit guarantees and insurance programmes. Third, on Trade Facilitation, Turkey shared the observations of the Chair regarding a more positive atmosphere among Members, in general. On the one hand, delegations had had fruitful discussions in the facilitator-led process. On the other hand, many Members had started individual initiatives to advance the negotiations in different formats, although those lacked the transparency and coordination that efficiency necessitated. The Negotiating Group would hold its next round of meetings in the week of 11 March and Turkey would continue to positively contribute to the process.

1.35. Turkey shared the views on the need for accelerating the process if something tangible was to be prepared for MC9. However, it also urged Members not to sacrifice the level of ambition while trying to comply with self-imposed deadlines. Finally, he mentioned that accelerating the accession process to the WTO of all countries and LDCs in particular remained a priority and further progress should be registered in this area before MC9.

1.36. The General Council took note of the Director-General's report and of the statements.

2 WORK PROGRAMME ON SMALL ECONOMIES – REPORT BY THE CHAIRMAN OF THE DEDICATED SESSION OF THE COMMITTEE ON TRADE AND DEVELOPMENT

2.1. The Chairperson said that in line with the framework and procedures agreed by the General Council in 2002, the Work Programme on Small Economies was a standing item on the General Council's agenda, and the Committee on Trade and Development reported regularly to the Council on the progress of work in its Dedicated Sessions on this subject.

2.2. The Chairperson read out the report on work in this area on behalf of Mr Maruping (Lesotho), Chairman of the Dedicated Session of the CTD, as follows:

"Since the most recent report in December last year concerning the Work Programme on Small Economies, the proponents of SVEs have been consulting on how to proceed with further work in the area of non-tariff measures (NTMs) on SVE exports. At the General Council meeting last December, Barbados – the SVE coordinator – explained that such work on NTMs was in line with the December 2011 Decision in WT/L/844 taken at MC8 concerning the Small Economies Work Programme. In this regard, a first Secretariat paper on the effects of NTMs on SVE exports was discussed at the CTD Dedicated Sessions last July and November. A main focus of the paper and the subsequent discussions in the Dedicated Sessions concerned such NTMs as Technical Barriers to Trade and Sanitary and Phyto-Sanitary measures.

As concerns work on NTMs and other areas of the Small Economies Work Programme in 2013, it is my understanding that the proponents of SVEs wish to continue with research on non-tariff measures and their effects on SVE exports. In this regard, proponents are currently working on a proposal and soon hope to be able to present it to Members at a Dedicated Session of the CTD."

2.3. The representative of Barbados, on behalf of the SVEs, thanked the General Council Chair acting on behalf of the Chair of the CTD for her report on the work on the Small Economies Work Programme. SVEs had taken very seriously Ministers' instructions that work should continue on this programme under the responsibility of the CTD. In that regard, they had intensified the examination of the possible avenues for meaningful contribution, including the continuation of work on the Secretariat's factual assessments on the topic of NTMs faced by Small Economies, in accordance with the MC8 mandate. Non-tariff barriers (NTBs) and NTMs could be significant barriers as SVEs tried to improve their export performance. Indeed, there was the complaint that such types of barriers were increasing in frequency, complexity and detail. Such an examination of NTBs/NTMs and their effects on Small Economies was therefore timely and helpful as SVEs sought to better integrate their economies into the multilateral trading system. It was important that this matter be given more examination as it had a dampening effect on the exports of smaller economies, in which category SVEs – whether from the Caribbean, Latin America, the Pacific or Africa – fell. SVEs also recognized the challenges of finding solutions to these problems, but did not wish to prejudge the outcomes and were hopeful that the completion of the mandated factual assessment would not only provide a sound analysis from the perspective of small economies but that it would also help to point them in the direction of a solution.

2.4. Small economies had also provided inputs into the Director-General's panel on Defining the Future of Trade and looked forward to an open and inclusive dialogue on the matter. SVEs had also just completed a collaborative effort on developing some proposals for the strengthening of the CTD in response to a recommendation of Ministers coming out of MC8. Over the following weeks, SVEs would be conducting brainstorming sessions on their priorities for MC9. SVEs sought to contribute to the elements on the fulfilment of the work under the Doha mandate, the strengthening of the Organization and an effective and inclusive road map as they sought to complete their existing mandated work. SVEs wished to pledge their continued commitment to the work of the CTD and to the Small Economies Work Programme.

2.5. The General Council took note of the report of the Chairman of the Dedicated Session of the Committee on Trade and Development and of the statement.

3 REVIEW OF THE EXEMPTION PROVIDED UNDER PARAGRAPH 3 OF THE GATT 1994 (WT/L/880)

3.1. The Chairperson recalled that Paragraph 3(a) of GATT 1994 provided an exemption from Part II of GATT 1994 for measures under specific mandatory legislation – enacted by a Member before it became a Contracting Party to GATT 1947 – which prohibited the use, sale or lease of foreign-built or foreign-reconstructed vessels in commercial applications between points in national waters or waters of an exclusive economic zone. On 20 December 1994, the United States had invoked the provisions of Paragraph 3(a) with respect to specific legislation that met the requirements of that paragraph. Paragraph 3(b) of GATT 1994 called for a review of this exemption five years after the date of entry into force of the WTO Agreement – and thereafter every two years for as long as the exemption was in force – in order to examine whether the conditions which had created the need for the exemption still prevailed. The General Council had last considered this matter at its meeting in November 2011 at which it had taken note that under the two-year cycle in Paragraph 3(b), the next review would be held in 2013.

3.2. For the purposes of the conduct of the review in 2013, she proposed that the Council proceed in a manner similar to that in 2011, which had been based on a procedure agreed by the General Council in December 2002. Therefore, all interested delegations could speak for the record at the present meeting with regard to the current review. In addition, interested delegations could submit comments and questions to the United States regarding the operation of the legislation under the exemption, to which the US would be invited to respond. These statements, questions and responses, together with the annual statistical report provided by the US under Paragraph 3(c) of GATT 1994, would form the basis for the current year's review. This matter would be on the Agenda of subsequent General Council meetings in the course of 2013 as the Chair deemed appropriate, or at the request of any Member. The Council would consider this matter again at its meeting in December 2013, where it would take note of the discussions held in the course of the review until then, and take any other action it might agree on. It would also take note that the subsequent review would normally be held in 2015. She also noted that, as provided in paragraph 3(e) of GATT 1994, the exemption was without prejudice to solutions concerning specific aspects of the legislation covered by this exemption negotiated in sectoral agreements or

in other fora. She, then, drew attention to the annual report circulated by the United States in document WT/L/880, and invited the US delegation to introduce the report.

3.3. The representative of the United States said his country welcomed the opportunity to participate in a review of the exemption under paragraph 3 of GATT 1994. This was the eighth review of that exemption. The United States had continued to provide WTO Members with annual statistical reports pursuant to paragraph 3(c) of the exemption, including the most recent one. As set forth in paragraph 3(c), these notifications provided detailed reports of vessel orders and deliveries from US shipyards. Recognizing that there were differing views on the nature of this review, his delegation stood ready to organize informal consultations in which interested delegations were free to ask questions and discuss issues without prejudice to their national positions. The United States also stood ready to respond to questions that were put to it on a more formal basis.

3.4. The representative of the European Union thanked the US for its notification. As his delegation had stated back in 2011 and before, the EU supported this review process. He underlined, once again, the EU's strong concern with this unjustified exemption. The EU continued to view the Jones Act as a piece of legislation that restricted fair competition in shipbuilding and shipping markets and no longer served a legitimate purpose in the present global economy. The prevailing situation had negative economic consequences for the EU's and other countries' shipbuilding industry, but also for the US maritime industry which was faced with higher costs due to the closure of the US markets to foreign-built ships. The EU sincerely hoped that the 2013 review was consequent. It should not become simply a recurring point in the Council's agenda, but rather the starting point to look into a situation that was neither justified nor satisfactory.

3.5. The representative of Japan said that since this exemption was a deviation from the fundamental principles of the WTO, Japan attached great importance to the review and hoped that it would be conducted in an appropriate manner, so that Members would be able to examine in detail whether the conditions which had created the need for the exemption still prevailed.

3.6. The representative of Hong Kong, China said his delegation welcomed the commencement of the eighth review of the Jones Act exemption and would look at the information to be provided by the US for the review very carefully. He also wished to register his delegation's disappointment regarding the reviews that had been conducted since 1999 which had not made any progress towards the elimination of the non-conforming provisions that derogated from the WTO national treatment obligation. Hong Kong, China sincerely hoped that the coming review would bring more positive developments.

3.7. The representative of China said his country highly appreciated the information provided by the US as required by paragraph 3(c) of GATT 1994. However, China believed that a review of this long-standing exemption should focus on examining whether the conditions which had created the need for such exemption still prevailed rather than a purely data sharing process. China shared similar commercial and systemic concerns expressed by previous speakers. His country urged the US to provide persuasive explanation on the necessity to continue this exemption. China wished to participate in any further discussion on this issue.

3.8. The representative of Norway thanked the United States for the statistical documentation circulated in WT/L/880, dated 10 January 2013. This was an important issue, as the waiver in essence made it impossible to sell ships to the United States. With regard to the conduct of the review itself, her delegation believed that it should focus on the salient point of paragraph 3(b), which was the examination of whether the conditions which had created the need for the exemption still prevailed. It was Norway's view that Members needed to move beyond the point of discussing only statistical information submitted under paragraph 3(c), and address also the conditions for exemption. As far as the next practical steps in this process were concerned, Norway was prepared to go along with the procedure suggested by the Chair.

3.9. The representative of Australia said his country supported the review because Australia had an interest in maritime transport and related services, and in exporting a range of maritime vessels, including lightweight fast ferries to as many markets as possible. Current US measures limited Australia's export capacity. While Australia recognised the particular sensitivities of the United States and indeed many other Members in relation to cabotage and coastal shipping, it

considered that there was scope for the United States to take a more open approach in this review in a way that would not undermine the operation of the exemption.

3.10. The representative of the Republic of Korea said that his country had some systemic concerns and commercial interests regarding the United States' exemption under paragraph 3(b) of the GATT. The relevant data by the United States had been submitted, but Korea expected further productive and substantive discussion on this matter in the future.

3.11. The General Council took note of the statements and agreed to revert to this item at a future meeting.

4 UKRAINE'S ARTICLE XXVIII NOTIFICATION – STATEMENTS BY ASEAN; AUSTRALIA; BRAZIL; CANADA; CHILE; COLOMBIA; CROATIA; EGYPT; EUROPEAN UNION; GUATEMALA; HONG KONG, CHINA; ICELAND; JAPAN; KOREA; NEW ZEALAND; NORWAY; OMAN; PARAGUAY; TURKEY AND THE UNITED STATES (WT/GC/152 AND WT/GC/152/ADD.1 AND WT/GC/152/ADD.2)

4.1. The Chairperson drew attention to the communication in document WT/GC/152 and its Addenda 1 and 2, submitted by the European Union on behalf of a number of Members requesting that this item be put on the agenda.

4.2. The representative of the European Union, speaking also on behalf of Croatia, reiterated their strong concerns about Ukraine's Article XXVIII notification circulated on 12 September 2012. In line with the relevant WTO procedures, the EU, like other WTO Members, had submitted a claim of interest. However, it should be very clear that this had been done exclusively to preserve the EU's right to negotiate and defend its interests. As stated in previous meetings, the EU had serious concerns regarding the intent of Ukraine's proposed action as it covered a large number of key tariff lines and sectors, both agricultural and industrial. The EU maintained its deep concerns about the significant destabilisation that the action undertaken by Ukraine could bring to the multilateral trading system, notably by undermining the legal certainty and value of the commitments taken by Members upon their accession to the WTO. The EU reiterated its opinion that the extent of Ukraine's notification went well beyond the intended scope of Article XXVIII. Binding of tariff levels was one of the basic principles of WTO, and served to guarantee the security and predictability of the multilateral trading system. Ukraine's notification, coming so soon after its WTO accession, challenged that basic principle and raised serious systemic concerns. The number of Members supporting this statement and expressing concerns in this forum as well as in previous meetings demonstrated the seriousness of this issue both to individual Members and to the WTO as a whole. They had made their views quite clear: it would be in the interests of all WTO Members for Ukraine to withdraw its notification. His delegation, therefore, reiterated its plea to Ukraine to reconsider its notification.

4.3. The representative of Uruguay reiterated its serious systemic and trade concerns regarding Ukraine's continued intention to modify a significant number of the concessions in its national schedule, thereby seriously affecting the balance of rights and obligations, on the basis of which Members had recently agreed to Ukraine's WTO accession. In the light of these concerns, which Uruguay shared with almost all the Members of the multilateral trading system, his delegation called upon Ukraine to reconsider its position and to withdraw, once and for all, this renegotiation request, the magnitude of which was unprecedented.

4.4. The representative of the United States recalled that at the previous meeting of the General Council an unprecedented number of Members had taken the floor to express concern about Ukraine's proposed action under Article XXVIII. The message from that meeting had been very clear and he saw no need to repeat it in detail. However, he wished to speak to developments or, more particularly, the lack of developments since the last meeting. In early December 2012, the United States had had no choice but to submit a claim of interest to Ukraine in order to reserve the negotiating rights of its stakeholders. Article XXVIII's procedures plainly stated that "if a concession is to be modified, the proposed modification should be stated in the notification or circulated as soon as possible thereafter." Notwithstanding the fact that Ukraine's notification had been filed over five months earlier and that the US had submitted a claim of interest, Ukraine had yet to meet this most basic of requirements of Article XXVIII. This lack of respect for the provisions of Article XXVIII only added to the fundamental reservations already expressed with

regard to Ukraine's proposed actions. In saying this, he wanted to be very clear: the fact that the US had submitted a claim of interest should not be misread or portrayed by Ukraine to mean that it had changed its views on its proposed action. Statements in the Ukrainian press that the United States had "agreed" to negotiate with Ukraine were not true. The US had been absolutely clear that Ukraine's proposed action would have serious multilateral and bilateral consequences.

4.5. While Ukraine had repeatedly attempted to argue that it was within its rights to pursue this action, it was the US's strong belief that Article XXVIII had never been intended to be used as a tool to broadly renegotiate a Member's accession commitments in a manner that fundamentally upset the balance of concessions. His delegation urged Ukraine's new Government to take heed of the outcry of concern from Members in Geneva – the extent to which he had not seen in his time in Geneva – change course and abandon its proposed action under Article XXVIII. Ukraine was acting as a real outlier in the WTO – the potential consequences of that being that US companies and other companies simply might not be drawn to invest in that climate, preferring instead to invest in countries where the government was clearly committed to open markets.

4.6. The representative of Switzerland said that his country had serious concerns about the proposed modifications and the process Ukraine intended to pursue. To Switzerland's knowledge, Ukraine had still not circulated any information about the proposed new tariff rates or how it intended to compensate Members. This ran contrary to the procedures for negotiations under Article XXVIII.

4.7. The representative of Canada reiterated his delegation's very strong concerns with respect to Ukraine's notification informing Members of its intention to invoke GATT Article XXVIII to modify its commitments on 371 tariff lines. Canada had repeatedly registered its concerns of a commercial, systemic and procedural nature in respect of this notification, both bilaterally and in other Councils and Committees of this Organization. Despite these concerns, which were widely shared, and despite an ultimate preference that Ukraine withdraw its notification, Canada had submitted a claim of interest in advance of the 12 December 2012 deadline, not out of desire to negotiate, but out of an interest in preserving its rights. However, Ukraine had not yet acknowledged this claim of interest. Ukraine's decision to disregard the concerns raised by such a wide array of WTO Members should be of concern to the entire membership. Any objective review of the interests affected would make clear the significant challenges posed by Ukraine's notification, including with respect to maintaining Ukraine's balance of rights and obligations required under the WTO.

4.8. The representative of Egypt said that during the previous General Council meeting, her delegation had expressed serious concerns over Ukraine's announcement of its intention to renegotiate a significant part of its WTO commitments. This request would have systemic and commercial implications, and its scope would affect more than 70% of Egypt's exports to Ukraine. Egypt had notified Ukraine on 6 December 2012, in accordance with paragraph 4 of the Procedures for Negotiations under Article XXVIII, of its claim of interest to participate in the renegotiation proceedings envisaged in Article XXVIII of GATT 1994, including the renegotiation of tariff concessions. Since then, it had not been contacted by Ukraine on this matter. Her delegation urged Ukraine to address WTO Members regarding the steps to be taken with respect to the claims of interest it had received, and respond to Members' calls to withdraw its request.

4.9. The representative of Chile said this issue was of the utmost importance. Chile believed that the way in which Ukraine was trying to renegotiate this long list of tariff lines went beyond the intended scope of GATT Article XXVIII. The original intention had been that this "escape clause" be used in very special and specific circumstances, i.e. for a very limited number of products, not for 371 tariff lines covering different products and chapters. The term used in Article XXVIII was "a" concession. In other words, this Article should not be used as an excuse for renegotiating the existing level of commitments. Chile's main concerns were of a systemic nature. A situation like this could undermine the predictability of the multilateral trading system as a whole, especially for developing Members. He recalled that in cases where no agreement was reached between the parties, Article XXVIII could have an undesirable and indirect effect. In such circumstances, the Member affected might withdraw initial concessions from the Member that was requesting renegotiation, but had to do so on a MFN basis. In other words, if no agreement was reached with Ukraine, Chile would also suffer the consequences. For this reason, Chile, like other countries, urged Ukraine to withdraw its request.

4.10. The representative of Colombia recalled that more than five months had elapsed since Ukraine had presented its notification in document G/SECRET/34 under GATT Article XXVIII. Since then, many WTO Members had expressed serious systemic and trade-related concerns in a number of WTO fora relating to the consequences which could ensue from such a notification. Colombia, amongst other aspects, had mentioned that this notification related to a long list of tariff lines and many of these would affect significant portion of its trade. This notification had been issued a very short time after Ukraine had acceded to the Organization and its content affected the delicate balance which had been reached in the negotiations which had led to that country's accession. Colombia, as other Members, had focused very firmly on the practical difficulties involved in finding relevant compensation for such a high number of tariff lines, and on the consequent risks this implied for the system. For that reason, his delegation exhorted Ukraine to reconsider its position on this matter because this position could significantly affect the stability and credibility of the multilateral trading system. Colombia, therefore, called upon Ukraine to withdraw its request under Article XXVIII.

4.11. The representative of Iceland referred to his delegation's earlier statement on this issue. Iceland shared the systemic concerns of the overwhelming majority of the membership. They were obvious: if individual WTO Members were allowed to unilaterally raise their bindings for hundreds of tariff lines, the predictability and transparency of the rules-based international trading system would be seriously undermined. In that case, small economies like the Icelandic one that relied on international trade would probably suffer the most. Iceland would, therefore, once again strongly urge Ukraine to reconsider its request and withdraw its notification which, in Iceland's view, went far beyond the intended scope of Article XXVIII.

4.12. The representative of Singapore, speaking on behalf of ASEAN, said that ASEAN reiterated their continuing concern of the serious systemic implications which could arise from the notification circulated by Ukraine to modify its schedule pursuant to GATT Article XXVIII in G/SECRET/34. Five months after Ukraine had tabled its notification, Members still did not know what Ukraine's real objectives were, what proposed new rates Ukraine was seeking and how it contemplated compensating Members. Given the significant number of tariff lines affected, some of which were of export interest to ASEAN members, it would be difficult, especially for developing country Members, to assess the impact of such a move without clarity on the rationale and objectives behind the notification. The situation was especially worrying for Members without initial negotiating rights (INRs) and principal or substantial supplying interests, since they would not have sight of Ukraine's consultations with rights holders. All were part of an organization that thrived on transparency, inclusiveness and predictability, and the binding of tariff reductions was one of the fundamental principles of the WTO to guarantee the security and predictability of the multilateral trading system. In the interest of the multilateral trading system and the global economy, ASEAN once again urged Ukraine to withdraw its notification.

4.13. The representative of Turkey said that Ukraine was an important trading partner and good neighbour of Turkey and his country took Ukraine's Article XXVIII tariff re-negotiation initiative seriously. Together with a significant number of WTO Members, Turkey had been urging Ukraine to reconsider its notification. Turkey shared the serious systemic concerns expressed by the largest trading constituencies of the WTO. It believed that Ukraine should take into account the fact that this exercise had serious and negative effects on the credibility of the multilateral trading system. Turkey wished to see a positive response from Ukraine to the calls repeated at the present meeting.

4.14. The representative of Hong Kong, China reiterated his delegation's serious concerns regarding Ukraine's intention to modify its tariff concessions on more than 370 tariff lines, and the lack of clarity in Ukraine's proposed modifications more than five months ago. There was also lack of transparency in the process that Ukraine intended to pursue. Like other Members, Hong Kong China was very concerned about the far reaching systemic implications of such a large scale modification of tariff concessions by a Member which had joined the Organization only four years earlier. His delegation strongly urged Ukraine to reconsider its proposed course of action.

4.15. The representative of the Republic of Korea underlined that Korea had already expressed on many occasions its strong systemic and substantive concerns over Ukraine's GATT Article XXVIII notification to modify its schedule of concessions. His delegation took this opportunity to reemphasize its deep concerns that the notification, as it stood, would seriously undermine the predictability and credibility of the multilateral trading system of the WTO. Like other Members,

Korea had had no other choice but to submit its claim of interests to Ukraine at the last minute on 10 December 2012. This had been done solely to reserve Korea's rights under the relevant rules and regulations of GATT. Given the gravity of the concerns highlighted by a broad range of Members over Ukraine's notification, Korea wished to encourage Ukraine to withdraw its notification as soon as possible.

4.16. The representative of Guatemala joined other Members in expressing its concerns regarding Ukraine's notification of its intention to modify a significant number of tariff concessions. Guatemala was not only concerned about the effects of this exercise on its trade interests but also about the serious implications it would have at multilateral level. Guatemala did not question the right of Members, in the present case Ukraine, to make use of the flexibilities and rights established in the WTO Agreements. However, these flexibilities and rights should be exercised with restraint so as to maintain the spirit of cooperation within, and commitment to, the multilateral trading system that had existed since the GATT 1947. On 11 December 2012, Guatemala had sent Ukraine a communication expressing these concerns and reserving its rights. To date, Guatemala had not received any communication from Ukraine. Nevertheless, his delegation continued to urge Ukraine to be more transparent regarding its intentions to modify tariff concessions and to reconsider the serious implications this would have for the multilateral system. Guatemala called upon Ukraine to desist from modifying its Schedule of Commitments and to comply with its current obligations under the WTO Agreements.

4.17. The representative of Brazil said that since September 2012, Members' concern over Ukraine's notification had been expressed in several WTO bodies, such as the Committee on Market Access, the Council on Trade in Goods and the General Council. Brazil's concerns related not only to the possible commercial impact of Ukraine's modification of concessions, but more importantly to the systemic consequences of such action. Given the number of lines involved, it was not clear how Ukraine would be able to maintain a "general level of reciprocal and mutually advantageous concessions not less favourable to trade" as mandated by Article XXVIII of GATT. In pursuance of their rights under GATT provisions, Members could not disregard the obligations imposed by those same provisions.

4.18. The representative of Japan said that since Ukraine had notified its intention to modify its schedule under GATT Article XXVIII in September 2012, there had been numerous occasions – not only in this venue but also in meetings at the Ministerial level – where Ukraine had been strongly urged to reconsider the notification. Ukrainian authorities should have had enough time to contemplate the concerns raised by WTO Members regarding the seriousness of this issue to the WTO system as a whole. Amazingly enough, despite Members' persistent requests, Ukraine had not responded. Given the nature of the matter, Japan invited Ukraine to report back on how its Government would sort out this issue with sincerity. As repeatedly emphasized, it was in the interests of all WTO Members for Ukraine to withdraw its notification. Japan shared with the overwhelming majority of WTO Members serious systemic concerns for the multilateral trading system and looked forward to seeing a responsible reaction from Ukraine to accommodate these concerns if Ukraine wished to be a contributing Member of this Organization.

4.19. The representative of Paraguay said that his country shared the systemic concern of other Members over Ukraine's notification of its intention to modify its schedule of commitments. Paraguay had supported the request to withdraw the notification, as its scope was too broad and the proposed modification lacked clarity. However, it had expressed its interest in participating in the negotiations under Article XXVIII, as the notification affected more than 100 tariff lines involving initial negotiating rights, which considerably exceeded the scope of this Article. His delegation had not been approached by the Ukrainian delegation, nor had Ukraine provided Paraguay with any information concerning the proposed modification. He hoped that this failure to approach his delegation was due to Ukraine's reconsideration of the notification and was a response to the systemic concern expressed by other Members.

4.20. The representative of Mexico said that his delegation once again joined in this collective appeal made by the WTO membership – which had been made here in this General Council as well as in other Bodies; an appeal that Ukraine reconsider its decision to modify its bound tariffs for 371 lines.

4.21. The representative of China said that his delegation joined others in expressing its concerns on this issue, as it had done at the previous General Council. China still believed it was the

cornerstone of the WTO to preserve the value of market access carefully negotiated among Members and to guarantee the security and predictability of the multilateral trading system. China urged Ukraine to seriously and urgently address Members' concerns in a manner consistent with the WTO rules and spirit.

4.22. The representative of Norway said that her country shared the concerns raised by the European Union and a number of other delegations. As many other Members, Norway had submitted a claim of interest in December 2012. It had also raised this issue bilaterally at the highest political level. However, her country regretted that it had yet to receive any further indication or information from Ukraine on how it intended to bring this matter forward. The request from Ukraine raised a number of systemic concerns related to the predictability of commitments in the multilateral trading system, and Norway urged Ukraine to reconsider. Norway remained hopeful that these systemic concerns would be taken into account by Ukraine in its next steps, and that Ukraine would give priority to demonstrate transparency, inclusiveness and responsibility. Norway would continue to follow this case closely.

4.23. The representative of Australia wished to express once again his delegation's concern about Ukraine's notification under GATT Article XXVIII circulated on 12 September 2012. Australia was disappointed that Ukraine had failed to reconsider its notification even in the face of widespread expressions of concern by the WTO membership. The level of concern had not subsided. Australia's concerns were well known and had been raised in the General Council in October and December 2012, along with the joint statement made in the Council on Trade in Goods on behalf of 50 delegations in November 2012. Ukraine's failure to respond to Members' concerns had left Australia with no choice but to submit a claim of interest on 11 December, which Australia had done without prejudice to its position on the legal validity of Ukraine's notification. Australia was concerned about Ukraine's ongoing disregard for the procedural requirements contained in GATT Article XXVIII, and in particular Ukraine's failure to circulate the required information to relevant Members. This called into question the validity of Ukraine's notification and whether any further action by Ukraine based on that notification would be consistent with Article XXVIII.

4.24. The representative of New Zealand said that as stated in previous Council discussions on this issue, as well as in the Council for Trade in Goods and the Committee on Market Access, his delegation shared the systemic and legal concerns that had been expressed so eloquently by other speakers regarding Ukraine's notification. At the previous Council meeting, New Zealand had emphasized the economic questions this notification presented as the range of affected tariff lines were of key interest for New Zealand's exporters. Any modification of these tariffs would inhibit future trading opportunities. Like other Members, New Zealand had registered a claim of interest in December to reserve its rights on the very large number of tariff lines covered by the notification. His country regretted having to take that action and reiterated the call for Ukraine to reconsider and withdraw its notification.

4.25. The representative of El Salvador said her delegation continued to be closely monitoring this topic, both from the systemic as well as trade point of view. El Salvador hoped that the delegation of Ukraine would be able to provide additional information as to the scope of the changes that were covered under its notification under Article XXVIII. Her delegation would also urge Ukraine to follow up with those delegations that had made claims of interest, including El Salvador.

4.26. The representative of Ecuador said that in December 2012, his country had formally reserved its rights on this matter. At the present meeting, Ecuador wished to express its concern over the trade consequences that this measure would have on its exports, which were highly concentrated. His delegation also wished to underscore the fact that in this Organization, such as in any other, the exercise of rights such as those contained in Article XXVIII was also subject to the observance of a whole series of substantive and procedural rules.

4.27. The representative of Ukraine thanked Members for their statements, expressing views and positions, which his delegation highly respected. They reflected the interest Members or the groups of Members had in Ukraine's notification on its intent to modify certain concessions under Article XXVIII of the GATT 1994. His delegation wished to draw Members' attention to some facts and numbers, which it believed, would help in understanding Ukraine's move under Article XXVIII. He encouraged Members to take it as another opportunity to reflect objectively and dispassionately on the WTO as a rules-based system designed to ensure rights to its Members in a broader context. Ukraine's notification covered only 3% of the totality of HS in Ukraine's Customs Tariff

based on 10-digit level and containing over 11,000 tariff lines. Ukraine respected bindings as the underpinning principle of the WTO. In its notification, it had not indicated its intent to withdraw any concession. There was some artificially crafted misperception that Ukraine was raising its bound duties to a high level. How could these statements be true, if Ukraine had not yet started negotiations and did not have any result to make a judgment?

4.28. The history of Article XXVIII had seen proposals that had been larger in scope – some Members had notified their intention to modify over 600 lines and even whole schedules under Article XXVIII. The facts were self-explanatory. In addition, there were cases, when a Member offered to modify just 10-16 lines of sensitive products, trade in which was estimated in billions. Ukraine did not comment on what justification or rationale was behind the above-mentioned steps, nor did it intend to start an extensive theoretical discussion on the results of these previous negotiations. According to the recent WTO report, Ukraine's import share in world trade was 0.45%. The import share of goods proposed for modification in world trade in 2011 was about 0.0009%. Could this seriously impact the global trading system?

4.29. On systemic concerns, his delegation was of the view that it was not Ukraine's 371 tariff lines that were a threat to multilateralism and the predictability of trade. There was a more serious problem that bent the rules and allowed for circumvention of WTO legal certainty: the high percentage of unbound tariffs some Members had had and continued to have while pledging liberalization. It meant that a considerable part of their tariff regime lay outside the concept of predictability and legal certainty proclaimed by the WTO. Ukraine had strong concerns over such cases. It wished to stress that Article XXVIII was a valid norm serving legitimate policy purposes like any other provision of WTO law, so any Member was entitled to invoke it and would do so, if it found it necessary for trade policy considerations.

4.30. Ukraine respected confidentiality, which was why, in bilateral mode, it would propose country-specific compensations in cases where modifications might bear limiting market access potential for a particular Member, so that the interests were balanced. His country would circulate its bilateral proposals based on the results of its internal procedure. On behalf of delegation of Ukraine, he appreciated all the views expressed, took note of them and would duly report to his Capital.

4.31. The General Council took note of the statements.

5 IMPROVING THE GUIDELINES FOR GRANTING INTERGOVERNMENTAL ORGANIZATIONS PERMANENT OBSERVER STATUS IN THE WTO – STATEMENT BY THE CHAIR

5.1. The Chairperson recalled that, at its November 2011 meeting, the General Council had agreed to initiate a process of consultations to consider the issue of Observer Status for IGOs in the WTO, following a communication by the Arab Group entitled "Improving the Guidelines for Granting Observer Status to Intergovernmental Organizations in the WTO" (WT/GC/W/643), which was then supplemented by a further communication in document WT/GC/W/654. Since the Council's December meeting, she had continued her consultations on this matter and, at this time, she was not able to report any change in the positions previously expressed. As this was her last meeting as Chair of the General Council, she would urge continued engagement and encourage delegations to work together with a constructive spirit to address this issue. From her part, she would brief her successor and would suggest that he continue the consultative process on this matter.

5.2. The representative of Oman, on behalf of the Arab Group, said the Group expressed support for the work the Chairperson had done and wished to see a prompt resolution of the issue. Since this issue warranted further attention, the Group wished to see it be part of the agenda for the following General Council meeting.

5.3. The representative of Egypt associated her delegation with the statement delivered by the delegation of Oman on behalf of the Arab Group, and wished to add that for more than a decade, some Members had continued to undermine the guidelines established to ensure the participation of IGOs and their contribution to the work of WTO to ensure the coherence needed in the multilateral trading system. It was a long-standing issue that had constantly been re-appearing on

the agenda of different WTO bodies. Divergence over the interpretation of the guidelines granting IGOs observer status continued to grow with no clear indication as to how some IGOs had been granted permanent observer status while others, with a class development mandate, continued to be barred from receiving the same status. In this regard, Egypt wished to emphasize that all IGOs should be allowed to participate as observers on an equal basis, and any request by an IGO should be gauged on the basis of the technical merits of such request. Egypt called on the two Members that had expressed their reservations on the request of the League of Arab States to reconsider their position, refrain from politicizing the work of the WTO, and warrant that requests for observer status are granted to all IGOs.

5.4. The representative of Turkey said the WTO was the highest platform for the functioning of the rules-based multilateral trading system. With this role, WTO sought universality and further inclusiveness of the multilateral trading system. Such an understanding required promoting and enhancing the participation of IGOs into WTO activities. Turkey believed that the candidacy of relevant IGOs to the WTO for permanent observer status should be taken into account duly and favourably. His delegation believed that the membership should reach a consensus with a constructive outcome on this issue without further delay. As expressed by Oman on behalf of the Arab Group, Turkey wished to return to this issue at the next General Council meeting. He thanked the Chairperson for her efforts on this issue.

5.5. The General Council took note of the statements.

6 APPOINTMENT OF OFFICERS TO WTO BODIES

6.1. The Chairperson recalled that, in accordance with the Guidelines for Appointment of Officers to WTO Bodies approved by the General Council in December 2002 (WT/L/510), she and her colleagues – Mr Bashir (Pakistan), the Chair of the Dispute Settlement Body, Mr Agah (Nigeria) and Mr Matus (Chile), former Chairs of the General Council – had conducted consultations with delegations on a slate of names for the appointment of Chairs to the bodies listed in Groups 1, 2, 4 and 5 in the Annex to the Guidelines. In undertaking the process set out in the Guidelines, she had put into effect the practical steps to improve their implementation in line with her statement to the General Council in July 2012, which had been issued in JOB/GC/22. She wished to thank Mr Bashir, Mr Agah and Mr Matus for their valuable assistance. In line with the practical steps, they had started the process early, with a meeting in December with Group coordinators, and, since then, had consulted delegations both individually and in groups. They had also been in touch separately with various delegations and the Group coordinators. She recalled that this process had included an informal open-ended Heads-of-Delegation meeting which had been held on 18 February.

6.2. She wished to express her warm appreciation for the excellent co-operation received from the Group coordinators during this process. Their role in the consultations, reflecting what had been collectively set out in the practical steps, had resulted in a smooth and efficient process. She also wished to thank all delegations that had been consulted for their cooperative and constructive spirit throughout the consultation process.

6.3. She was, therefore, pleased to be able to inform delegations that, on the basis of these consultations, there was a consensus on the following slate of names:

General Council	H.E. Mr. Shahid BASHIR (Pakistan)
Dispute Settlement Body	H.E. Mr. Jonathan FRIED (Canada)
Trade Policy Review Body	H.E. Mr. Joakim REITER (Sweden)
Council for Trade in Goods	H.E. Mr. Moncef BAATI (Tunisia)
Council for Trade in Services	H.E. Dr. Abdolazeez AL-OTAIBI (Kingdom of Saudi Arabia)

Council for TRIPS	H.E. Mr. Alfredo SUESCUM (Panama)
Committee on Trade and Development	H.E. Mrs. Marion WILLIAMS (Barbados)
Committee on Balance-of-Payments Restrictions	H.E. Ms Päivi KAIRAMO (Finland)
Committee on Budget, Finance and Administration	Mr. Michael STONE (Hong Kong, China)
Committee on Trade and Environment	H.E. Mr. Esteban CONEJOS (Philippines)
Committee on Regional Trade Agreements	H.E. Mr. Francisco LIMA MENA (El Salvador)
Working Group on Trade, Debt and Finance	H.E. Mr. Faizel ISMAIL (South Africa)
Working Group on Trade and Transfer of Technology	H.E. Mrs. Wafaa BASSIM (Egypt)

6.4. Appointments for these bodies would be for one year as usual, in keeping with the general rule in the Guidelines. These appointments would be made formally by the WTO bodies concerned at their subsequent meetings in 2013.

6.5. The General Council took note of the statement and of the consensus on the slate of names for the appointment of officers.

6.6. The Chairperson, on behalf of the General Council, expressed sincere appreciation to the outgoing Chairpersons of all WTO bodies for their very dedicated work in chairing these bodies.

6.7. She also recalled that, in line with the Procedures for the Appointment of Directors-General in WT/L/509, the Chair of the General Council would conduct the process of appointment of the next Director-General, assisted by the Chairs of the DSB and the TPRB who would act as facilitators. In accordance with the Procedures (paragraph 6), "the Chair and the facilitators shall aim to encourage and facilitate the building of consensus among Members, and assist them in moving from the initial field of candidates to a final decision on appointment". Members had just agreed on the slate of names and therefore on the General Council Chair and the two facilitators who would undertake this process. She trusted that Members would offer them full support throughout this process, and that they would trust them in this very important task.

6.8. Before concluding, she recalled that – in keeping with Paragraph 7.3 of the Guidelines for Appointment of Officers to WTO Bodies – the outgoing Chairpersons of the Council for Trade in Goods (CTG) and the Council for Trade in Services (CTS) were to conduct consultations to select Chairpersons for the bodies established under their respective Councils. The Guidelines also provided that these Chairs should announce the start of their respective consultation processes at the February General Council meeting.

6.9. The Chairperson read out a statement on behalf of Mr Mboya Okeyo (Kenya), Chairman of the Council for Trade in Goods, as follows:

"I take this opportunity to inform Members that, in accordance with the Guidelines for Appointment of Officers to WTO Bodies approved by the General Council in December 2002 (WT/L/510), I will be starting consultations for the appointment of Chairpersons of the subsidiary bodies of the Council for Trade in Goods. I will be carrying out this process with a view to propose, at the next meeting of the CTG scheduled on 25 March 2013, a balanced slate of names for approval by that Council. I intend to set aside sufficient time to meet with any interested Members and hear their views and suggestions. A fax to this effect will be sent out tomorrow to all Heads of Delegations indicating my availability during the week of 4 March 2013. I will

conduct further consultations, if necessary. In order to ensure the efficiency of the process and the balance mentioned in the Guidelines, I will work in coordination with the Chairman of the Services Council."

6.10. Mr Joaquim Reiter Sweden, Chairman of the Council for Trade in Services, said that, in accordance with the guidelines for the Appointment of Officers to WTO Bodies, adopted by the General Council in December 2002 (WT/L/510), he would be starting his consultations for the appointment of Chairpersons to the subsidiary bodies of the Council for Trade in Services. He would be consulting with a view to arriving at a proposed slate of names of Chairpersons for 2013 that enjoyed the wide support of the membership. In order to ensure the balance of the slate, as mentioned in the guidelines, he would be consulting with the Chairman of the Goods Council, and would make sufficient time available to meet with any interested Members.

6.11. The General Council took note of the statements.

7 PRESENTATION BY EURASIAN ECONOMIC COMMISSION - STATEMENT BY THE RUSSIAN FEDERATION

7.1. The representative of the Russian Federation, speaking under "Other Business", informed Members that the following day the Eurasian Economic Commission would hold a presentation by Mr Andrey Slepnev, Minister for Trade of the Eurasian Economic Commission taking advantage of his presence in Geneva. The presentation would be devoted to the work of the supranational regulatory bodies of the Customs Union of Russia, Belarus and Kazakhstan. Mr Slepnev would present how the Commission functioned, its sphere of competence and structure. He would also speak about the work of the Commission to fulfil Russia's commitments in taking the accession to the WTO within the competence delegated to the supranational level. The presentation would take place on Tuesday, 26 February in Room S1 at 3 p.m. All Members were cordially invited to this event.

7.2. The General Council took note of the statement.

8 APPOINTMENT OF THE NEXT WTO DIRECTOR-GENERAL - STATEMENT BY INDIA

8.1. The representative of India, speaking under "Other Business", explained that he was raising this issue because a lot of delegations with whom he had had an opportunity to exchange views had expressed some concern and anxiety about the exact process to be followed for the selection of the new Director-General. There were a few points which he wished to mention in this context. First, there was an unprecedented slate of nine candidates for the post. Second, in the past, Members had been generally following the procedure of asking one candidate to withdraw after each round. This might not be possible because of the time constraints; there were just about two months between 2 April and 31 May within which to complete this process. Third, this process should not, in any way, distract or divert the attention of the membership from the equally important, if not most important, business of trying to put together a Bali package. So, it should be carried out as smoothly as possible without any incident and in a very fair and transparent manner as it had always been the case. In this context, Members had to learn from their mistakes; and in the '90s, there was a general acknowledgement that some mistakes had been made. Members should try to correct those mistakes and move on.

8.2. The procedures, of course, were very clearly laid down in document WT/L/509. In particular, he wished to draw attention to the third sentence in paragraph 18 of the document: "the number of candidates expected to withdraw at each stage shall be determined according to the initial number of candidates and made known in advance". One round of consultations would possibly require approximately ten working days. Within those ten working days, Members would have to be consulted, some would have to be approached by telephone or have their views communicated through fax, and then, presumably there would be an informal General Council meeting to inform of the progress of the consultations after each round. Of course, he would defer to the wisdom of the members of the Selection Committee – Mr Shahid Bashir, Mr Jonathan Fried and Mr Joaquim Reiter. There could not possibly be more than four rounds of consultations. Ideally, there should be either three or four rounds of consultations. If eight candidates had to be eliminated in three/four rounds, obviously Members could not stick to the old procedure of asking the candidate who had secured the least support in each round to withdraw. There would have to be more than

one candidate. For example, if Members decided to have three rounds of consultations, then four candidates would be asked to withdraw in the first round, three in the second round, and one in the third round. But it would depend on the consultations and views expressed by the membership on this, presumably in March, when the three members of the Selection Committee would hold consultations on the process.

8.3. By way of a suggestion to the membership, there was a question of multiple choices that should be given from the first round itself. For instance, in the case of three rounds of consultation, three choices could perhaps be given in the first round, two choices in the second round and one choice in the last round. But there could be another set of numbers depending on the consensus. This would enable delegations to support Members from outside their continent and to have broader field available until the second or the last round.

8.4. The last point he wished to mention was about strengthening the hands of the three-member committee, because Members could not let anything distract them from the process of putting together the Bali Ministerial package. Ideally, the three members of the Selection Committee should keep an informal sheet of the consultations – it needed not be made public or shown to the membership – in case some candidate disagreed with and contested the assessment of the Committee that he/she had had less support than many of the others in a particular round of consultations and he/she might have to withdraw as a result. He suggested that the members of the Selection Committee could perhaps call the candidate in and show the record, without specifying which country supported whom. It would help if all three members of the Selection Committee maintained separate tally sheets and, at the end of each round, they would put them together, seal them and lock them up so that the membership knew that this was available and if a particular candidate disagreed with it, he/she could be shown those sheets in confidence.

8.5. The Selection Committee were the trustees of the membership. A heavy responsibility had been placed on their shoulders. Members had every confidence that they would discharge this responsibility very well. To provide them with support, he felt that after consulting on the procedures, the Selection Committee should discuss them – possibly in an informal or formal General Council meeting – so that the membership could get clarity and express whatever last minute reservations they might have, so that consensus could be reached before the consultation process started on 2 April.

8.6. The Chairperson recalled that in the rules of procedure for the General Council, paragraph 25 said that representatives should avoid unduly long debates under "Other Business" and discussions on substantive issues under "Other Business" should be avoided. She thanked the representative of India for his views. She noted that Members had just selected the three Ambassadors and entrusted them with carrying out the process of guiding them to the election of the new Director-General, and was confident that Members trusted them to take this process forward.

8.7. The representative of Nigeria said this was an important issue and his delegation wished to outline a few principles on the way forward. Nigeria assured the membership that it was making this statement with every sense of responsibility and in the overall interest of the Organisation. Nigeria believed that in approving the election of the troika, Members had entrusted in them the responsibility of appointing the next Director-General. However, Nigeria encouraged the troika to endeavour to listen to all Members, both residents and non-residents, as provided for in the Guidelines, in order to gauge the general level of sensitivities with respect to the appointment process. Nigeria also hoped that, by electing them, Members had willingly invested their trust in the troika. All that was required now was for the troika to proceed in a manner that would earn the confidence of Members in the appointment process. Given the challenges facing the Organisation at this particular point in time, Nigeria encouraged the troika to assist Members conclude the appointment process for the next Director-General in a harmonious, transparent and effective manner that would not detract from the task ahead for a successful MC9 at Bali. Nigeria was not calling for the re-negotiation of the 2002 Guidelines, but for their application in a transparent manner.

8.8. The General Council took note of the statements.

9 CHAIRMANSHIP OF THE WORKING PARTIES ON THE ACCESSION OF BELARUS AND UZBEKISTAN - STATEMENT BY THE CHAIR

9.1. The Chairperson, speaking under "Other Business", drew attention to the faxes she had sent on 17 December 2012 and 28 January 2013, in which she had informed Members that, following consultations with members of the Working Parties and the authorities of Belarus and Uzbekistan, respectively, and in keeping with usual WTO practice, it had been agreed that Ambassador Selim Kuneralp (Turkey) would serve as Chairperson of the Working Party on the Accession of Belarus, replacing Ambassador Bozkurt Aran (Turkey), and that Ambassador Choi Seokyoung (Republic of Korea) would serve as Chairperson of the Working Party on the Accession of Uzbekistan. On behalf of the General Council, she wished Ambassador Kuneralp and Ambassador Seokyoung all the best in their work in these functions.

9.2. The representative of Belarus, speaking as an Observer, expressed his delegation's gratitude to the Secretariat and in particular to Deputy Director-General Alejandro Jara for his professionalism during the consultations on the matter of appointment of the Chair of the Working Party on Belarus Accession to the WTO. He also recognized that the Chair's initiative and personal engagement served as a positive impetus to the process. He expressed his country's appreciation to all the members of the Working Party for building a consensus and the deal. Of course, Belarus' special gratitude went to the Government of Turkey and personally to the Permanent Representative, Ambassador Selim Kuneralp, for his devotion to the Working Party's interests. He hoped that the Working Party would resume the work and complete its task under the Chairmanship of Ambassador Kuneralp. Belarus appealed to the Members to provide the Chair with the clear mandate to convene the Working Party meeting in the second part of 2013, as it was envisaged in the calendar on Accession for 2013.

9.3. The General Council took note of the statements.

10 ADMINISTRATIVE MEASURES FOR MEMBERS IN ARREARS - STATEMENT BY THE CHAIR

10.1. The Chairperson, speaking under "Other Business", recalled that at its meeting in October 2012, the General Council had approved a recommendation from the Committee on Budget, Finance and Administration regarding revised Administrative Measures for Members in arrears, as contained in WT/BFA/132, Annex I. These new revised measures had entered into force on 1 January 2013. Among these Administrative Measures was a requirement that, at the end of each meeting of the General Council, the Chairman of the Committee on Budget, Finance and Administration should provide information with regard to which Members and Observers were under Administrative Measures. She, therefore, invited the Chairman of the Budget Committee, Mr Zananavičius (Lithuania), to provide the Council with this information.

10.2. Mr Zananavičius (Lithuania), Chairman of the Committee on Budget, Finance and Administration, recalled that in 2012, the General Council had approved some changes in the procedures for Members and Observers subject to Administrative Measures. These changes had become effective as of the start of 2013. He would list all Members and Observers under all categories of Administrative Measures as at 25 February 2013. Previously, only Members under Administrative Measures in category II and higher were listed. Therefore, the present list would be longer than in the past. There were currently 18 Members and eight Observers under Administrative Measures. He recalled that Members and Observers had received their assessment letters for the 2013 contributions to the WTO budget at the end of 2012. As at the start of every year, a number of Members and Observers became subject to Administrative Measures and some changed categories. The Director-General had also notified them by letter a few weeks before.

10.3. There were currently 13 Members and four Observers in Category I: Afghanistan (Observer); Benin; Equatorial Guinea (Observer); the Former Yugoslav Republic of Macedonia; Greece; Guinea; Lebanon (Observer); Malawi; Mali; Nigeria; St Vincent and the Grenadines; Senegal; Syrian Arab Republic (Observer); Tanzania; Uganda; Uruguay; and Vanuatu. There were two Members and two Observers in Category II: Antigua and Barbuda; Grenada; Iran (Observer); and Liberia (Observer). There were three Members and two Observers in Category III: Dominica; Guinea-Bissau; Sao Tome and Principe (Observer); Sudan (Observer); and the Bolivarian Republic of Venezuela. The Committee on Budget, Finance and Administration would review the situation on

arrears from Members and Observers, including those following a payment plan, at its next meeting and would provide a full report to General Council.

10.4. The Chairperson said that under the new revised Administrative Measures, she was also required at each Council meeting to request Members and Observers in Categories II and III of the Measures to inform the Secretariat as to when their payment of arrears might be expected.

10.5. The General Council took note of the statements.

11 ELECTION OF CHAIRPERSON

11.1. The Chairperson, as the outgoing presiding officer of the General Council, thanked Director-General Pascal Lamy for his interesting, mind-provoking co-operation, inspiring and also challenging at times. She also thanked the senior management of the Organization, including the Deputy Directors-General, and the Council and TNC Division for their hard work and excellent support. She had taken this job with a large degree of respect, following Ambassador Agah's excellent performance the year before, but actually it had been easier than she had thought. Perhaps her year had been easier than Ambassador Agah's and what Ambassador Bashir's would be. Nevertheless, Members' co-operation, support and friendship had made her task almost a walk in the park. She was not sure how she had deserved Members being so helpful and supportive but she was deeply thankful and honoured and she hoped that they would extend the same kind of support to her successor.

11.2. On the basis of the understandings that had been reached on the appointment of officers to WTO bodies, the General Council elected by acclamation H.E. Ambassador Shahid Bashir (Pakistan) as the next Chair of this body.

11.3. The Director-General noted that *The Economist* magazine had recently referred to the honesty and transparency of the Norwegian Government. He thought it was fair to say that Ambassador Johansen had epitomised these qualities during her time as Council Chair. Working with her had been a mixture of directness and confidence. She had done a lot of work. As usual, the work of the Chair did not always appear at the surface – this was probably one of the conditions of efficiency – but he wished to mention, for instance, the new Guidelines for appointing Chairs, which had been a major contribution to the stability of the procedures of this Organization. On his behalf and on behalf of the Secretariat, he expressed gratitude for her work as Chair.

11.4. He also welcomed Ambassador Shahid Bashir for a period which would certainly be just as busy as Ambassador Johansen's had been. Ambassador Bashir had a very challenging year ahead of him, starting with the DG selection and ending with the Bali Conference. Members had just elected him in this position, which meant they put quite a lot of trust in him. The word "trustee" fit extremely well. Ambassador Bashir had been elected as trustee by the Members and the Director-General hoped that this was not just a formal decision, but something that would materialize with the support which a trustee needed when things started getting wrong, which was when trust was necessary. In good times and good weather, one could do without trust, it was the moment when the bullet started rocking, that this was an essential ingredient and he was sure the Members would provide him with that, at the right moment.

11.5. The newly-elected Chairman thanked the membership for reposing trust and confidence in him and for providing him with the opportunity to facilitate their endeavours and to serve the multilateral rules-based system. His predecessor had worked hard with dedication and had had the immense capacity to develop convergence even in the most difficult circumstances. He had had the privilege to work closely with her for quite some time. She had chaired the General Council with integrity and impartiality. He would keep seeking guidance from her experience and expertise. The year 2013 was an important year for the WTO. He recalled that the process of appointment of the new Director-General had been initiated by Ambassador Johansen and there were nine candidates for the job, the highest number of contestants ever in WTO history. Members had given him the responsibility to complete this process of selection in a time-bound manner. The Procedures for the Appointment of Directors-General had been adopted with the consensus of all Members by the General Council on 10 December 2002. He would initiate consultations, along with the incoming Chairs of the DSB and TPRB, with Members to work out the programme built on the agreed Procedures to complete the process efficiently within the given timeframe. Simultaneously,

the endeavour to develop convergence for a successful Ministerial at Bali would continue. He intended to make all efforts to facilitate convergence, in close coordination with the TNC Chair, other WTO bodies, the Secretariat and the membership. Transparency, inclusiveness and consensus would always be his guiding principles. He would remain available to Members, when needed. WTO was a Member-driven organization and could accomplish initiatives with the help of all Members. He solicited Members' support in all the challenges ahead including the appointment of the new Director-General, a successful Bali Ministerial and work in Councils and Committees.

11.6. The representative of Paraguay, on behalf of GRULAC, thanked Ambassador Johansen for all her efforts in leading the Council. She had been effective and efficient and, above all, she had been very open and had engaged in a great deal of open dialogue with all delegations. GRULAC was grateful for this and congratulated her on her chairmanship and on her high level of commitment. GRULAC also welcomed Ambassador Bashir of Pakistan as the new Chair of the General Council. The Group was sure that with him, they would continue to enjoy the support and openness that had always characterized the Council Chairperson. On behalf of GRULAC, he offered full cooperation and assistance, and wished him every success on this delicate mission that would be marked by Bali and the appointment of the new Director-General. GRULAC also extended its support and esteem to Ambassador Fried of Canada, Ambassador Reiter of Sweden and all the new Chairpersons of the WTO bodies and wish them all the best in their important duties.

11.7. The representative of the Kingdom of Saudi Arabia, on behalf of the Asian Group of Developing Members, thanked the outgoing Chairperson for her able leadership during the last year and congratulated and welcomed the new Council Chair and wished him success. Meanwhile, the Group wished to thank all the outgoing Chairs of WTO Bodies for their hard work in 2012 and welcome those who had volunteered to chair the various Bodies of WTO in this busy year.

11.8. The representative of the United States thanked all incoming and outgoing Chairs for the enormous amount of work that went into those positions. In particular, the US appreciated the work that Ambassador Johansen had done and the quantity and quality of it. She was a very strong leader, but a strength always tempered by wisdom and the US delegation was very grateful for her having been there. It was not a small thing at all to have the consensus of almost the entire world in taking this position, and she had never disappointed the confidence that all of Members had invested in her. One small consolation was having just selected a new General Council Chair who also shared the confidence of the membership and the US looked forward to working with Ambassador Bashir.

11.9. The representative of the European Union wished to express his delegation's appreciation to Ambassador Johansen for her leadership, her commitment and her efficiency in leading the work of the General Council. The EU's thanks and appreciation went to all outgoing Chairs. Finally, addressing to the newly-elected Chairman, Ambassador Bashir, he said that the membership had put a lot of trust and responsibility on him for a very demanding period for the Organization. The EU was very confident that this trust and responsibility was put in very good hands.

11.10. The representative of Morocco, on behalf of the African Group, joined the previous speakers in extending the Group's thanks and congratulations to Ambassador Johansen and the Chairs of the WTO Bodies. The African Group also congratulated Ambassador Bashir and assured him that the Group would support him in his efforts.

11.11. The representative of Nepal, on behalf of the LDC Group, joined the previous speakers in sincerely thanking Ambassador Johansen for her able leadership provided to the Council in 2012, when the Council had adopted the revised Guidelines for LDC accession, Lao PDR had joined the WTO, and accession negotiations had progressed in respect of all the LDCs. The Group also congratulated Ambassador Bashir and welcomed him to this esteemed and important position. He assured the newly-elected Chair that, with his depth of knowledge and experience, he had the full confidence of the LDCs. The Group hoped that he would be successful in steering the Council's works which would become all the more important in the year of the Ministerial Conference. The newly-elected Chair had an additional responsibility of orchestrating the process of selecting a new Director-General. LDCs hoped that their issues received due priority under his leadership. The LDCs also thanked all the outgoing Chairs for their outstanding contribution to the various committees and welcomed the new Chairs in their respective positions.

11.12. The representative of Brunei Darussalam, on behalf of ASEAN, joined the others in congratulating Ambassador Bashir on assuming the Chair of the General Council. ASEAN wished to pledge their full support to him during his Chairmanship, in particular, on the process for the appointment of the new Director-General of the WTO and the preparation for the MC9 in Bali at the end of 2013. ASEAN also expressed appreciation to the outgoing Chair, Ambassador Johansen, for all her good work over the previous twelve months. The Group also welcomed and congratulated the other incoming Chairs of the WTO Bodies and thanked the outgoing Chairs.

11.13. The representative of Barbados, on behalf of the SVEs, thanked Ambassador Johansen for her competent leadership of the General Council in 2012 and for the manner in which she had conducted her discussions with Members. The SVEs also welcomed and congratulated Ambassador Bashir on the assumption of the position of new General Council Chair

11.14. The representative of Japan joined others in extending his thanks to Ambassador Johansen and the other Chairs and congratulated Ambassador Bashir on his election as the new Chairman.

11.15. The representative of Oman, on behalf of the Arab Group, thanked Ambassador Johansen for her fruitful efforts, welcomed Ambassador Bashir as the Chairperson of the General Council and looked forward to cooperate with him. The Group also thanked the outgoing Chairs and welcomed the incoming Chairs.

11.16. Throughout the meeting, the representatives of El Salvador; Guatemala; Hong Kong, China; Iceland; India; Indonesia; Korea; Mexico; Peru; Russian Federation; and Singapore also congratulated the outgoing Chair for her work and leadership at the head of the General Council.

11.17. The General Council took note of the statements.

ANNEX I**STATEMENTS BY DELEGATIONS AT THE INFORMAL MEETING OF THE TRADE NEGOTIATIONS COMMITTEE ON 22 FEBRUARY 2013**

At their request, the statements made by a number of delegations at the above-mentioned meeting are included below as part of the Minutes of the General Council meeting.

1. Argentina

We welcome the Director-General's report on the status of the negotiations and endorse the statements made by Brazil, on behalf of the G-20, and by Australia, on behalf of the Cairns Group.

It is essential that the commitment undertaken at MC8 to continue working towards a satisfactory, multilateral conclusion of the Doha Development Agenda in accordance with its mandate should deliver concrete results at the next Ministerial Conference in Bali.

In this respect, Argentina has contributed actively to the efforts made in the respective Committees and Bodies to move forward on Trade Facilitation, development issues (including Special and Differential Treatment) and matters of interest to LDCs.

As a Member of the G-20, Argentina has submitted realistic proposals concerning Agriculture, such as the "understanding" on the administration of tariff quotas and the request for necessary studies in the export competition pillar, which will enable the Group to identify those elements of the pillar that could form a part of future proposals for MC9.

We must not forget that the process of agricultural reform was conceived as an ongoing process until the final objective, namely "to establish a fair and market-oriented agricultural trading system", had been achieved. The existing system of rules is incomplete and nowhere near to reflecting fair trading conditions between the developed countries and the developing and least-developed countries. Article 20 of the Agreement on Agriculture provides a "continuation clause" that requires us to pursue the negotiations. Argentina is prepared to contribute to this process on the basis of the Doha Mandate.

We believe that the "understanding" on the administration of tariff quotas proposed by the G-20 is perfectly achievable and that it should form part of any early harvest package eventually agreed for MC9 in Bali. It is important to remember that improved transparency in the administration of tariff quotas is an outstanding implementation issue. The "understanding" proposed by the G-20 certainly offers improved transparency by setting forth a number of disciplines and monitoring mechanisms. The proposal does not, however, contain any market access elements whatsoever. For this, a political decision should be adopted at the appropriate time.

We cannot ignore the commitment undertaken at the Hong Kong Ministerial Conference to fully eliminate all forms of subsidies by December 2013. This commitment represents a key endeavour in the agricultural reform process and is a vitally important step towards solving the compelling need to correct the imbalances that make it difficult for the developing countries to become fully integrated into the multilateral trading system. Argentina is prepared to explore ways of achieving such an objective.

Before concluding, I would like to say a few words about Trade Facilitation. My delegation has been working positively on the various elements of Section I that were presented by interested delegations. We are aware that we do not have much time, and that there is still much more technical work to be done.

Once again, it should be stressed that we have yet to tackle the immense challenge of creating a system of Special and Differential Treatment that would allow suitable implementation of the Agreement's provisions. That particular discussion should therefore not be left until the end. While we consider the exchange of ideas that is currently taking place to be a positive thing, we will soon need to work on the text, ensuring that we avoid the kind of purely tactical stalling that we have witnessed in the past.

In the next meeting of the Negotiating Group, Members will discuss possible ways of strengthening the process. Our delegation is prepared to participate constructively in that debate, on the understanding that work will also be stepped up in the other areas in which progress could be achieved at the Bali Conference.

2. Bolivia

Generally speaking, Bolivia notes that there is a lack of balance at the moment in the elements that should make up the package of deliverables at the next Ministerial Conference, and that if this situation continues, there will be no positive outcome in Bali. We have Trade Facilitation on the table, a request that has mainly come from the developed countries since the Singapore Ministerial Conference, although there are undoubtedly developing countries that share the same interests in this respect.

Over the last few weeks, negotiations on Trade Facilitation have gained momentum under the impetus of the requesting countries in particular, and the fact that some brackets have been removed shows that a measure of progress has been achieved. The headway we have made once again concerns Section I, while for Section II, which is of interest to the majority of developing countries, conceptual elements are still being discussed, with the added problem that some countries want to lower the level of ambition in this area.

Regarding issues more closely related to the interests of developing countries, in Agriculture for example, Bolivia supports the G-33's proposals on food security and the G-20's proposal on tariff quota administration. We are aware that work is still ongoing and that certain developed countries are putting up obstacles in an attempt to water down the proposals, but the Organization should not accept an outcome in Bali that does not deliver on agricultural issues.

As regards Development, we are concerned that there is nothing substantive on the table. We have heard a lot about Cancún Annex C and the 28 proposals for Special and Differential Treatment, which in their current form lack relevance. We know that there are attempts to water down the Special and Differential Treatment proposals relating to sanitary and phytosanitary standards, although we also recognize that there is still scope to work on these.

We concur that it is important that the Organization should provide solutions to LDCs' problems in previously agreed aspects, such as duty-free quota-free (DFQF) access and the critical issue of Cotton. It would be unacceptable to have results in Bali that do not include solutions to these long-standing problems. The issue of extension of the TRIPS waiver for LDCs is a regular item that, in accordance with the mandate, should be resolved before the summer break, and therefore is not an issue that should be interpreted as a pro-development Bali result.

A post-Bali agenda should include completion of the Doha Development Round and focus on providing solutions to the problems of the poorest countries, which have remained unresolved since the last century.

Finally, the Organization's credibility is not only dented by its lack of results, but also by the fact that the results that are achieved do not meet the needs of the poorest countries. If only a solution to the Cotton problem were found at the meeting in Bali, or if export subsidies were abolished in 2013, in keeping with the commitment undertaken at the Hong Kong Ministerial Conference, then the outcome would be relevant for the world as a whole.

3. Brazil (for the G-20)

The G-20 would like to thank the Chairman of the TNC for his report and assessment of the state of play of the Doha negotiations

The G-20 reaffirms that outcomes in Agriculture are essential for facilitating progress in other DDA issues. As the Group has consistently voiced, Agriculture is the centre-piece of the Doha Round and should, across the three pillars of modalities, be the centre-piece of any set of deliverables, based on the Doha Mandate

The G-20 would like to thank again all delegations for the openness and seriousness with which the G-20 proposals were discussed since they were tabled. We remain confident that the proposal

of an Understanding on TRQ administration will be delivered at the earliest. We would like to thank the Secretariat for the release of the study on TRQ administration, which confirms that an important number of TRQs remain largely underfilled, clearly showing the timeliness and importance of the proposal tabled by the Group.

The G-20 hopes that the remaining studies on export finance will be delivered soon so as to allow a careful examination by Members and the evaluation of new proposals. As highlighted in several occasions by now, the non-papers presented by the G-20 last year were the first outcomes of an exercise among the Group to suggest viable agricultural issues. The G-20 is currently working on a proposal on export competition, bearing in mind that the deadline established in the Hong Kong Declaration is already upon us.

The G-20 recognizes that pragmatism is needed now more than ever. We reassure the membership that the work of the G-20 is guided by the need to move the Round forward by suggesting viable, doable, development issues in Agriculture that can have positive impact on the DDA negotiations.

4. Brunei Darussalam (for ASEAN)

On behalf of ASEAN, we would like to thank Director-General Pascal Lamy for convening this informal TNC meeting and for providing the updates on the consultations on the next steps of the DDA negotiations. ASEAN reiterates our commitment to move the DDA forward in a pragmatic manner at MC9 in December.

ASEAN gives full support for Indonesia's contribution to the multilateral trading system through its offer to host the MC9 in Bali. What we achieve in Bali can help provide momentum towards an eventual conclusion of the DDA. As mentioned in ASEAN's previous statements, we need to focus our efforts in the next few months in order to have a meaningful package, in line with the guidance from MC8 to advance negotiations where progress can be achieved.

We recognize the momentum in the areas of Trade Facilitation, Agriculture, as well as the good work of the Committee on Trade and Development Special Session (CTD SS) on the monitoring mechanism, the Cancún 28 proposals and the six Agreement-specific proposals. ASEAN is supportive of these deliverables for MC9. In Agriculture, we encourage all parties to engage in a constructive spirit to find the needed consensus for the understanding on TRQ administration and the G-33 proposal. We note that the technical discussions on the G-33 proposal have begun. We support this process under the Chair of the Committee on Agriculture Special Session (CoA SS) as they are essential for Members to understand the public stockholding programs in place, and bring Members in a position by March to discuss the substance of the proposal.

We are also mindful that other proposals could be tabled, and would like to urge Members to table them as soon as possible, bearing in mind the tight timeline we have before Bali. This is to ensure proper preparation and successful outcomes for MC9 with a credible and balanced package. The building of consensus takes time, and we have to do so in good faith by tabling realistic and pragmatic proposals. However, as we mentioned previously, this does not mean that we will abandon other elements of the DDA which we cannot include in the MC9 agenda. Members should be prepared, in the spirit of the Single Undertaking, to work on the remaining issues for delivery at subsequent Ministerial Conferences. This way, MC9 will truly live up to the commitment of MC8, to advance negotiations where progress can be achieved and not repeat what has been unsuccessful in the past.

In closing, ASEAN reiterates our strong commitment to actively engage in the preparatory process and contribute to a successful MC9 in Bali, Indonesia.

5. Ghana

Ghana is grateful to the Chairman of the TNC for the update on the next step of the Doha Development Agenda. Ghana supports the statements made by Morocco and Jamaica on behalf of Africa Group and the ACP, respectively.

Ghana believes the WTO remains irreplaceable and that the financial and economic crisis has underlined its importance in discouraging protectionist responses and keeping trade flowing. In

this current long unpredictable world economic situation, there is the need for Members to urgently reinforce the WTO's value not just as a firewall against protectionism but also as a force for recovery. Accordingly, Member States must not allow this great asset to lose its value.

The failure to conclude the Doha Round as envisaged has undoubtedly taken some shine off the impressive record of the WTO. The aims agreed at Doha in 2001 remain as valid as they ever were and the tremendous amount of work that produced the draft texts on the table has certainly not been for nothing. The objectives embodied in Doha such as growth, development and opportunities are more vital than ever.

With regard to the road map to Bali, we need to rebuild trust and confidence among negotiators and achieve outcomes no matter how small the package, in line with the guidance from MC8, both for their own value and to show that the system is still capable of producing results. The further we can get along this road by the time of the Bali Ministerial meeting, the better, though we also need to keep our ambitions realistic. Ghana would positively look at the package of deliverables including Trade Facilitation, some LDCs issues (DFQF, Cotton, etc.) and other elements such as Tariff Rate Quotas (TRQs) administration in Agriculture, food security, Special and Differential Treatment (S&D) and the Monitoring Mechanism provided the deliverables are balanced. Since the Round will not end at Bali, achieving results at that meeting should not undercut our long-term commitment to the Doha Development Agenda.

We acknowledge the very high quality of work that has so far been done in the TF area. For us, the mandate should be the guiding principle. Special and Differential Treatment (S&D) is integral part of the entire DDA process. In this regard, the mandate and the Ministerial Decisions should be respected. The need for effective and enhanced technical assistance as well as support for capacity building to enable developing countries to implement commitments becomes paramount. The S&D process must therefore reflect these principles. Short of that, we will be losing out again in the development aspirations of our countries.

The G-20 proposal on the administration of Tariff Rate Quotas (TRQs) should be supported as far as it is aimed at improving transparency in the administration of TRQs. With respect to the G-33 proposal on food security, which would allow public stockholding of food and also the payment of minimum prices to farmers, we all agree on how important food security is for all countries, particularly least-developed and net food-importing developing countries. Here again, the same considerations should apply. Where possible, a tentative agreement could be reached accompanied by a commitment to negotiate other aspects of the food security issues and indeed all the outstanding issues in the Agriculture negotiations.

Regarding the Cotton issue, it has been agreed that the trade aspects of the Cotton issue would be addressed ambitiously, specifically and expeditiously in the negotiations. It is regrettable that the impasse in the Doha negotiations has not allowed action to be taken on this important issue which is so critical for the livelihoods of millions of people in West Africa and indeed in other parts of Africa.

The implementation of some of the already agreed LDCs issues just mentioned by Nepal, Coordinator of LDCs, is long overdue and should be favourably considered for early harvest.

Finally, the need for the Members of this august institution to rise up to the challenge and make the necessary compromises through constructive engagement with a view to getting a package for Bali to pave the way to define post-Bali issues to conclude the Round and define future agenda for the multilateral trading system is essential. A successful package for Bali and conclusion to the Round would reinvigorate the multilateral trading system and deliver opportunities to all participants, including the smallest, weakest and most vulnerable economies. The development imperative remains crucial. We must take a dynamic approach to fulfilling it, bringing developing and least-developed countries fully within reach of the new trading opportunities that can help them to alleviate poverty and put their economies on the path of sustainable growth and development.

6. Jamaica (for the ACP Group)

Thank you, Director-General, for your informative and helpful update on the state of play and your views on the way forward.

The ACP remains committed to the effort to deliver a balanced and development-friendly outcome at Bali. We share the view that Bali should not be a housekeeping Ministerial and clearly if this is to be the case we must secure, in good time, a set of deliverables on which Ministers can agree.

We are all aware that three areas of focus for Bali are Development and LDC issues, Trade Facilitation and Agriculture. We are also aware that an outcome in only one area will not be sufficient and that a sense of balance between all three, which we have yet to fully define, will be necessary to secure the outcome we desire.

On Development - we recognize the focused work that has been undertaken by the Chair of the CTD SS and Members. We will deepen our engagement in the process with a view to helping to achieve progress that is realistic and meaningful on all issues under discussion.

Equally, on LDC issues, we are optimistic that the proposals that are before us or will be forthcoming from the LDC Group will be given attention and support in keeping with the commitments that we have made.

On Agriculture, we also support the focused efforts of the Chairman and Members in the CoA SS to tackle the issues under negotiation. We will pay close attention to the proposals that are on the table and urge Members to participate fully and constructively in the technical work that is now underway as well as the substantive negotiations that must be undertaken to find convergence.

On Trade Facilitation, we welcome the efforts that are being made to achieve progress in our negotiations, led by the Chair and facilitators, as well as Members in various configurations. We underline the importance of work by individual Members on Section I issues, recognizing that the obligations to be agreed upon must benefit from careful assessments by our competent authorities. Furthermore, we remain hopeful that the innovative approaches introduced in the TF negotiations will be given full effect. We expect that the flexibilities and technical assistance and capacity building (TACB) being negotiated will be effective in meeting the needs of developing countries.

We wish to underline the importance that we attach to prudent policy-making and, in this regard, we hope that it will be understood that there is an inextricable link between having in place the capacity to implement a measure and the assumption of an obligation linked to that measure.

We are confident that we will be able to find an approach to technical assistance and capacity building that gives assurance that the category C commitments will be capable of timely and effective implementation. We should also keep in mind the fact that TACB is an important component in the implementation of the measures linked to these commitments but it is not the only factor.

Finally, we share the view that, while working fervently towards a meaningful outcome in Bali, we must remain committed to finding a way to achieve in good time, the goals set in the DDA mandate. This must be a central factor in any post-Bali road map.

7. Kingdom of Saudi Arabia (for the Asian Group of Developing Members)

I thank you, Mr Chairman, for your comprehensive report on the recent activities of the TNC and the state of the Doha Development Agenda (DDA).

The Asian Group of Developing Members welcomes and supports the call made by Ministers and senior representatives, who met in Davos on 26 January in the margin of the World Economic Forum (WEF), for meaningful results at the Ninth Ministerial Conference (MC9). This call, which is in line with the commitment made by Members at MC8 to continue their work to overcome crucial stalemates and advance the DDA, is critical as the Ministerial Conference will be held in Bali in just over nine months.

In accordance with the political guidance provided at the last Ministerial Conference, Members must rapidly identify areas where progress can be achieved and substantive agreements concluded by the end of the year. It is essential, for the DDA, the WTO and the multilateral trading system, that a negotiated outcome be reached in Bali. Some have referred to it as a stepping stone. In our view, if an agreement is reached at the end of the year, it will be more than just a stepping stone. It will greatly contribute to revitalize the DDA and reinforce the worth of multilateralism, which has suffered from a setback over the past twelve years.

The Asian Group of Developing Members also welcomes the support expressed by Ministers in Davos that the result at MC9 should include, inter alia, developmental needs of Members.

The Asian Developing Members, as a group and individually, will continue to constructively engage in all processes that contribute to the progress of the DDA negotiations. Over the course of the coming weeks, we will continue to closely work with all Members and groupings on Development, Agriculture and Trade Facilitation issues, and positively consider any other proposals that may result in short-term "deliverables". We stand ready to show willingness and flexibility when reviewing reasonable proposals for us to reach agreements at MC9.

As regards modalities, on behalf of the Asian Group of Developing Country Members, I would like to stress the importance of the basic "FIT" principles – namely, full participation, inclusiveness and transparency – when progressing the DDA. These principles together with good faith and mutual trust between Members create an exigency that negotiations must proceed in an efficient manner. It is only where negotiations are conducted efficiently that all Members, including those with limited capacity, can meaningfully take part in the process. It is therefore essential to support the capacity of least-developed and developing Members so that all Members can participate meaningfully in the DDA. This is important for the conclusion of the negotiations and the strengthening of the multilateral system.

Our Group is encouraged by the prospect of an early stocktaking within the context of the overall conclusion of the multilateral trade negotiations. We actively back progress before and after the Bali Ministerial on all negotiating issues, including those perceived as the most contentious, and encourage Members to use every opportunity to make meaningful commitments, particularly for developing and least-developed countries, towards the conclusion of the DDA.

8. Morocco (for the African Group)

I should first like to thank and congratulate the Chairman of the Trade Negotiations Committee (TNC) for the report on his consultations with delegations concerning the next steps on the Doha Development Agenda (DDA).

The African Group first of all wishes to reiterate its great concern over the delay in the negotiations. The African countries are extremely worried by the impasse in the DDA. In this regard, the Group stresses the importance of the DDA and reaffirms its commitment to concluding it in accordance with the existing mandate and on the basis of the progress achieved so far.

The African Group calls upon Member countries to show more dynamism, responsiveness and political will. We believe that the DDA could be concluded through substantial concessions on all sides and thorough, responsible and tireless work, involving the participation of all.

While we reaffirm our strong commitment to doing all that we can to contribute positively to the success of the Ninth WTO Ministerial Conference (MC9), we would also like to make it clear that the Bali Conference can only be successful if the interests of all Members are taken into consideration.

Since the last meeting of the TNC in December 2012, the African Group has undertaken a preliminary assessment of the elements mentioned by the WTO Director-General as potentially making up a "credible early harvest" for Bali. This assessment revealed a serious lack of clarity concerning the scope and value of the key elements for an early harvest which would satisfy the expectations of the African continent, and particularly the least-developed countries (LDCs).

The African Group therefore reiterates the need to achieve, in any agreement reached, a fair and balanced harvest with a special focus on the development dimension. This harvest should first

deliver on development issues and produce meaningful progress on issues of importance for the African Group, including but not limited to Cotton, Agriculture, food security, LDC issues, Special and Differential Treatment and implementation issues.

We stress that Agriculture remains central to Africa's agenda at the WTO and emphasize the urgent need to address tariff peaks and tariff escalation in agriculture. For Africa, these peaks inhibit value addition and job creation on the continent. We reiterate our concerns regarding food security, and support efforts by net food-importing developing countries and LDCs.

The African Group stresses that the "early harvest" should include meaningful results in the Special and Differential Treatment area. We welcome efforts to fully operationalize and strengthen the mandate of the Committee on Trade and Development, and hope that the Bali Conference manages to give practical effect to efforts in this area.

The Group also reaffirms its commitment to a balanced outcome of an agreement on Trade Facilitation, and assures WTO Members of its availability to discuss any new and innovative proposals concerning capacity building and technical and financial assistance with a view to making them more predictable and more clearly spelt out.

The WTO Members' consensus on a provisional "early harvest" agreement should be preceded by a consensual framework that provides the necessary safeguards and guarantees to ensure that all areas of the Doha negotiations will be concluded as soon as possible following the Bali Conference. As you said just this morning, Bali is not an end in itself, but a milestone on the road to the successful conclusion of the DDA.

For this reason, the Group believes that it is essential to have a clear and precise road map for the post-Bali agenda. This road map should be developed in a consensual, transparent and inclusive way, well in advance of the next Ministerial Conference. It should cover the other areas of the DDA which are critical for Africa, in particular those concerning Services and Non-Agricultural Market Access (NAMA).

In accordance with the recommendations of the Eighth Ministerial Conference, "WTO Members need to more fully explore different negotiating approaches" and "advance negotiations where progress could be achieved". Within this framework, the African Group would like to see these new negotiating approaches applied to issues of interest to the African continent as well.

The African Group calls upon all Members, developed or developing, to show the leadership needed to achieve a fair consensus for all at Bali.

The African Group requests that this Statement be included in the minutes of the General Council of 25 February 2013.

9. Nepal (for the LDC Group)

I thank you, Chair, for updating us on your consultations and continuing efforts to facilitate our works. I appreciate the updates on negotiations in different areas.

In this statement I wish to briefly highlight LDCs' priority issues in WTO in general and in the context of MC9 in particular.

Securing LDCs' share in the growth in international trade commensurate with the needs of their economic development has been a key commitment underpinning the WTO Agreement. This fundamental commitment has been reiterated in subsequent decisions and declarations. For years, LDCs have been grappling with challenges in their efforts to expand trade and leverage trade towards development and poverty reduction. This has not been an easy task.

LDCs, with over 12% share of world population, remain grossly marginalized with less than 1% share in world trade. Market access still remains a major challenge for them. Non-tariff barriers, trade distorting subsidies, restrictive rules of origin as well as severe supply-side constraints and trade-related infrastructure deficits continue to hinder LDCs efforts to expand trade. The proportion of the LDCs' global exports enjoying duty-free and quota-free market access, in some

cases, does not exceed 50%. LDCs want to see these dismal figures improve. They underline that the commitment-delivery gap should be bridged to maintain the credibility of the system.

Chair, it is a matter of great concern that half of the 880 million people of LDCs still live on less than a dollar a day. These countries are the most off track in the achievement of the internationally-agreed development goals, including those contained in the Millennium Development Goals. There are growing concerns that LDCs are likely to become the major locus of extreme poverty in the world, as concentration of poverty is shifting towards these countries.

With the deadlock in DDA, promises made in favour of LDCs have remained unfulfilled. Every delayed decision as well as implementation has had negative development effects; and this was the reason that LDCs have underlined, time and again, the need for an early harvest of LDCs package.

The LDC package is not new. Prior to MC8, there was broad consensus on LDC issues as doable and deliverable and were termed as such the best candidates for an early harvest. Unfortunately, MC8 could not deliver on the package other than a decision on Services Waiver which remains to be operationalized. What we want now is the delivery in MC9 of the agenda that MC8 could not deliver. For this, we are carefully working on proposals on our priority issues. The LDCs remain united in pursuing these priority issues.

The agenda of DFQF has been on the table since 1996. Most developed countries and a number of developing countries have implemented it. This week we have circulated, through CTD Secretariat, a communication seeking full and complete information from WTO Members on the implementation of DFQF market access provisions. This information is important to assist the LDCs in their policy decisions aimed to play a more meaningful role in the multilateral trading system. We intend to discuss this issue in the next CTD meeting.

Given their narrow export base and need for preferential market access, LDCs have consistently requested Members for the implementation of DFQF Decision. We want the implementation to result in enhanced benefits through commercially meaningful market access to all LDCs and in a way that leaves no LDC Member worse off. Equally important for us is the issue of preferential rules of origin that are transparent, simple and facilitative. LDCs express sincere appreciation to all partners, both developed and developing, who have provided market access to their products.

MC8 reaffirmed the centrality of development in WTO's work and ensured that LDCs' interests are given due priority in the future work of WTO. Ministers clearly instructed us to work on LDCs' priorities that include market access, rules of origin and Cotton, among others. LDCs underline that this mandate needs to be fully respected in developing the package for the next Ministerial meeting.

We stress that the LDCs issues should remain as topmost priority in WTO and delivering on them should not be made conditional on the progress or lack of progress in other areas.

Given the negligible share of LDCs in world trade, no Member will lose when LDCs gain. Time has come to think out of box with a long-term vision that the rest of the world will eventually gain with LDCs' graduation and enhanced trading profile. This will be in line with international community's recognition as reflected in IPOA that LDCs represent an enormous human and natural resource potential for world economic growth, welfare, prosperity and food and energy security. Our aim is to graduate at the earliest. We have made that common pledge in the Istanbul Programme of Action. We have identified trade as key tool to develop and set the target to double our share in world exports by 2020. This can only be achieved with meaningful international support measures. What LDCs seek is enhanced partnership for development in which trade has a central role to play.

On Trade Facilitation, LDCs remain constructively engaged in negotiations. However, their submitted textual language on S&D provisions in section II is mostly bracketed. We hope these brackets will be cleared soon, as there is a general consensus on the need for providing special provisions for LDCs, which are the most vulnerable Members in WTO. Therefore, they should be given maximum flexibilities across all the issues pertaining to TACB and S&D.

We all know that the DDA was a promising step. It brought development at the centre of trade discourse and this has to be preserved. LDCs remain committed to working closely and

constructively with all Members to enable MC9 deliver a package, which is essential to preserving the credibility of the rules-based multilateral trading system.

In conclusion, Mr Chair, Bali should provide a clear roadmap to accomplish Doha Round at the earliest opportunity with ambitious, comprehensive, balanced and development-oriented outcomes, giving topmost priority to LDCs issues.

10. Oman (for the Arab Group)

The Arab Group appreciates your tireless efforts at coordinating the work and moving the DDA forward in preparation for the upcoming MC9. The Arab Group continues to believe in the value of a rules-based multilateral trading system and is committed to the conclusion of the DDA.

Our Group is composed of developing and least-developed Members, therefore the development dimension of this negotiating round has been of great importance to it. Any early deliverables have to be balanced and development-oriented. Furthermore, any early harvest at MC9 should be accompanied by a firm assurance that the remaining issues of the DDA will be concluded as soon as possible after MC9 and a road map towards the future work on the issues under negotiations.

In the context of MC9 preparation, the Arab Group stands ready to show willingness and flexibility when reviewing reasonable proposals to reach agreements at MC9. The principle of full participation, inclusiveness and transparency, should be respected throughout the process.

The Arab Group will continue to engage in all processes that contribute to the progress of the DDA negotiations and the regular work of the WTO.

11. Pakistan

Mr Chairman, thank you for convening this meeting and sharing your views on the current state-of-play and your vision for Bali and beyond.

Since the beginning of this year, Members are positively engaged in ascertaining possible deliverables at Bali at the end of this year. Deep engagements are visible in Trade Facilitation. Some issues relating to Agriculture, Monitoring Mechanism and Agreement-specific proposals are also on the table. The LDC Group is also active to put forward some proposals in the next few weeks.

In spite of difficulties, a positive outcome in Bali appears to be possible. These may be small steps but important steps in the right direction. Members keeping the multilateral rules-based system in focus will contribute to the credibility of this Organization in the eyes of the stakeholders, media and general public. All the deliverables at MC9 would be in accordance with paragraph 47 of the Ministerial Declaration at Doha. In this backdrop, we agree with the proposal that without impacting the current engagements on some issues, we may start thinking of a post-Bali scenario. I may refer to the general understanding that Bali is to be considered as a stepping stone on the way to address the remaining issues including the conclusion of the Doha Round. Although substantial negotiating capital is being spent on bilateral and regional initiatives, the multilateral rules-based system cannot be put on the backburner. Ministers at the informal WTO gathering at Davos this year gave the understanding to support multilateral system and continue "to deploy the necessary resources" for negotiations in Geneva.

The initial stocktaking of our endeavour so far, around Easter, may help in crystallizing difficulties we are facing, the contours of some possible deliverables at Bali and the future direction of our work this year. My delegation would remain constructively engaged in all negotiations and discussions to develop convergence in all these areas.

12. Paraguay (for GRULAC)

I should like to thank the Director-General for his statement. I fully agree that there is a lack of clarity in our capital regarding the progress and intensification of work we are seeking here in Geneva. We appreciate the considerable efforts he has made to convey the urgency of the situation.

Paraguay greatly welcomes this acceleration process; nonetheless, intensification of our work must not affect the principles of full participation, inclusiveness and transparency agreed at the General Council meeting that marked the start of work for the Ministerial Conference.

We would also like to suggest briefings and conceptual discussions, as well as frequent evaluation of the process, as this will help the developing countries to become more closely involved. This could all be done in informal meetings of this Committee.

We appreciate the work format adopted in the sessions on Agriculture, in which the technical discussions will be open to interested parties. This will ensure the transparency mentioned earlier, and while full attendance is difficult for small delegations such as my own, it is important to have the opportunity to participate.

We endorse the statements made by the Cairns Group and the G-20. My country is very keen to see discussions on export competition and to finish the year with agreed principles for fulfilling the commitments undertaken for 2013. Real progress in this pillar will be most important in restoring credibility and trust in the WTO.

Adaptation of the rules governing agricultural trade must ensure the predictability of trade and widen employment opportunities for rural populations through international trade and the elimination of distorting measures. Paraguay is a major exporter of soya, maize, wheat, meat and rice. Since more than 45% of the population live in rural areas and work exclusively in the agricultural sector, these people depend on agriculture for their food security, development and future prospects.

Another issue of great importance to my country is the future agreement on Trade Facilitation, and together with the Group of Landlocked Developing Countries, we believe that this agreement will help to cut red tape in international trade and thereby reduce additional transaction costs. However, I would recall that the negotiating mandate requires us to improve existing conditions, and provisions such as those on freedom of transit must clearly strengthen GATT Article V.

It is imperative that we establish a Trade Facilitation agreement that contains clear and binding rules, with commitments to be implemented by all Members within a reasonable time frame. This is the only way of ensuring a less costly and more predictable international trading system.

My delegation considers both sections of the agreement to be extremely important, and we therefore see the role of the future Trade Facilitation Committee as a vital one. It must not limit itself purely to extending deadlines or operating the Early Warning Mechanism, but should, from the outset, provide guidance and facilitation for countries facing difficulties in the implementation process or in finding a donor. We also support the Negotiating Group's working methods and its Chairman's leadership, which, from the very start, established the Group's principles of inclusiveness, full participation and transparency. We hope that acceleration of the work before us does not affect these principles.

We are very keen for the work currently under way to develop a longer-term outlook, as we also need to think about the post-Bali agenda. Conducting this exercise will enable us to move forward with greater confidence. We must demonstrate our commitment to fully concluding the Doha Agenda and to continuing the reform process, particularly in Agriculture. We support Chinese Taipei's proposal that a post Bali agenda should be defined and agreed in Bali.

There are also issues affecting our economies today that deserve to be further examined in this body. With this in mind, we are strongly interested in matters concerning the integration of regional and global value chains, trade related investment and trade and the environment, among others.

13. Switzerland

Thank you, Chair, for the overview you gave us on the state of play in view of the Bali Ministerial Conference.

As you mentioned, Ministers in charge of WTO affairs present at the World Economic Forum as well as you, Director-General, met in Davos on 26 January following an invitation of Federal Councillor

Johann N. Schneider-Ammann. The purpose of the informal gathering was to explore ways to deliver substantial results at the Ninth ordinary WTO Ministerial Conference.

The impressions we took home from that meeting were the following:

- The mood of the discussion was a constructive one.
- It was agreed that the negotiations should move step by step and that the first stepping stone should be the Ministerial Conference in Bali.
- The Ministers gave a strong signal that they want to see a set of substantial deliverables in Bali, and at its core, an agreement on Trade Facilitation, some issues related to Agriculture as well as additional issues of special interest to developing and in particular least-developed Members.
- Furthermore, the Ministers stressed that a success in Bali was not the end of our endeavours. On the contrary, such a success would have to be considered as a stepping stone for addressing the remaining issues under the WTO agenda including the Doha Round.

There are copies of the personal concluding remarks by Federal Councillor Schneider-Ammann available at the entrance of this room.

Chair, let me share with you and with the colleagues my impressions about the discussions we had here in Geneva since the Davos meeting:

- Yes, there is some engagement to get to the first stepping stone which is the Ministerial Conference in Bali. However, it is still unclear if there is really a will to walk the talk. Tactics such as trying to put labels on issues according to who is demandeur and who is beneficiary as well as claims such as "there is nothing in there for me" do certainly not help the process. In my view it is rather simple: either we do agree that getting results on a limited but nonetheless meaningful package is possible and good for all of us or we do not agree on that and – as a consequence – we will not succeed.
- It is true: discussions on Trade Facilitation and on Agriculture have picked-up recently. However, we do not have a clear picture on the exact content nor the level of ambition in Trade Facilitation yet. In Agriculture, there is a G-33 proposal which – as it stands today – does not seem doable in the short time we have until Bali. Further, we heard about a new proposal on export competition in Agriculture which could put further stress on our endeavours for Bali. In the other development-specific areas, we do suppose that one or some proposals from the LDC may still come on the table. However, the longer it takes to present such proposals, the shorter will be the time we have to discuss them thoroughly.
- It appears to me that there is a certain disconnection between what Ministers asked in Davos to do and what is really happening here in Geneva. I am concerned that if Members do not get rapidly into the mood of "let's stick together, let's be realistic and not strive for a Christmas tree, let's listen and trust each other and let's work intensively on the doable issues" we will not make sufficient headway in the coming weeks and as consequence we will not be ready for Bali.
- A change in mood, however, can only happen if Members really want to succeed. Each of us and collectively we have to be convinced that a success in Bali on Trade Facilitation, on some Agriculture issues and on other development issues, in particular of interest to the LDCs, is - looked at globally - good for all of us, for our economic operators and for the multilateral trading system as a whole. If this conviction in our undertaking is missing we will not be able to deliver in Bali and we will never be able to deliver on Doha.

14. Switzerland (for the G-10)

As already stated in the last TNC, I would like to recall that the G-10 members – like others as well – have sensitivities in certain areas in Agriculture. Having said this, we continue to look openly and with goodwill into the contributions submitted by Members in recent months as well as into any other genuine agricultural proposals Members can realistically agree on. For the G-10, however, it is important to be timely included in all discussions which may affect this Group.
