

## **Working Group Summaries for December 1 & 2 at the WTO Seattle Meeting**

### *Committee of the Whole*

USTR Ambassador Charlene Barshefsky in the meeting of the Committee of the Whole asked that delegations send senior officials with decision-making authority to the Working Groups. She stressed that this authority should include the ability to change positions from those held in Geneva and avoid going over the same ground covered there. Otherwise, she pointed out, it would be extremely difficult to produce a ministerial declaration. Barshefsky warned the ministers present that no element of the Ministerial Declaration is final until all elements are agreed upon, but expressed confidence that working together they could reach a successful outcome.

### *Agriculture Working Group*

Singapore Minister George Yeo chaired the Agriculture Working Group. The ministers discussed new paragraphs on agriculture for the draft ministerial declaration. The text dealt with:

- The objectives of the negotiations — whether agricultural products should ultimately be treated the same way as industrial products
- Provisions for developing countries (discussed on December 2)
- Further reductions in subsidies and protection
- “Multifunctionality” (how to deal with non-trade objectives such as environmental protection, food security, etc.) and other issues
- A proposed timetable for the negotiations

The discussion followed two broad tendencies. One group favored the ultimate goal of complete integration of agricultural trade into the same rules as other products, the total elimination of export subsidies (only providing support to non-trade objectives through policies that do not distort trade), and substantial increases in market access. The other group emphasized agriculture’s differences from other sectors and therefore rejected the ultimate goal of integrating agricultural trade into the same disciplines as other products. This group insisted it could not accept the elimination of export subsidies and stressed the need to take “multifunctionality” into account. The members of the Agricultural Working Group met again the next morning, December 2.

### *Working Group on Implementation and Rules*

Canadian International Trade Minister Pierre S. Pettigrew chaired the Working Group on Implementation and Rules. Many developing countries expressed concern and called for action regarding: 1) difficulty in implementing certain WTO agreements and a request for extending deadlines in TRIPS, TRIMS and Customs Valuation; and 2) imbalance in certain agreements and the need for changes in certain provisions of the Anti-Dumping, Subsidies and Textiles Agreements. They supported Seattle action on certain issues and called for the remaining ones to be reviewed and completed in one year.

The US claimed to be working with other members for a meaningful market-access package for LDCs, and welcomed the EU to join its initiative on capacity building. It indicated that it could be flexible regarding TRIMs, Customs Valuation, Agriculture, SPS, rules of origin and making S&D provisions more operational.

The EC said that its initiative for duty-free treatment of LDC exports is done, and that it has appealed to the US, Japan and Canada to join in. It also committed to a substantial contribution to the WTO technical cooperation program. On rules, the EC supports negotiations on Anti-Dumping, Subsidies, TBT, State Trading, TRIMs, regional trade agreements, and environment-related issues. It also indicated a certain degree of flexibility regarding implementation issues.

Japan said that abusive use of anti-dumping measures should be regarded as a disguised form of protectionism that nullifies tariff reductions overnight. It said that improvement of the AD Agreement is a lynchpin of the new Round, and that many developing countries support this.

Jamaica argued that the 71 ACP (Asia, Caribbean and Pacific) countries have been marginalized regarding certain WTO issues. It called for turning special and differential treatment into hard commitments, the extension of transition periods for TRIMs and Customs Valuation, and an increase in funding and human resources for technical cooperation. It asked that the waiver for preferential trade treatment given to ACP countries be extended.

Iceland proposed negotiations to remove subsidies on fisheries. It was supported by a number of delegations, including the US, Peru, Indonesia, Norway, Chile and Ecuador. A new draft text on implementation was circulated by several delegations.

### *Working Group on Market Access*

Minister Mpho Malie of Lesotho chaired the Working Group on Market Access. This group's draft declaration contains a number of unresolved issues, although the portion on access to services markets is less controversial. The issues in question include:

- Coverage and scope of the negotiations — whether they should cover all non-agricultural products or whether some could be excluded
- Overall objective of the negotiations (the current text does not say by how much tariffs should be reduced)
- Non-tariff measures affecting access to markets (anti-dumping measures, customs valuation, import licensing, rules of origin, safeguard measures, subsidies, etc.)
- How the negotiations should be organized
- How to address developing countries' concerns (one proposal is for exports from least developed countries to be given "bound" zero tariffs in richer countries)

### *Singapore Agenda and Other Issues*

Minister Mpho Malie of Lesotho chaired the meeting on Singapore Agenda and Other Issues. Ministers discussed investment and competition policy. The chairman asked whether members could agree to start negotiations on investment and/or competition as part of the round of negotiations that will incorporate agriculture, services and other topics; if not, he asked if they could agree to develop elements that might eventually be incorporated into agreements on these issues and return to the question of whether or not to undertake negotiations at the Fourth Ministerial Session. A large number of delegations called for negotiations to be launched at this ministerial conference. Many other delegations said the issue is not yet ripe, and that study and analysis should continue in the Working Groups on investment and competition set up at the Singapore Ministerial Conference in December 1996.

The chairman highlighted three points that emerged from members' interventions:

- Wide recognition of the importance of investment and competition
- The consequent need to move forward on these issues
- The need for credible forward movement and not merely an effort to save face.

### **December 2 Working Group Negotiations Summary**

#### *Committee of the Whole*

Ambassador Barshefsky urged the ministers to redouble their efforts toward a successful outcome, citing the need to produce agreed text as the immediate aim. The chairpersons of the various Working Groups reported on the progress made so

far.

### *Agriculture*

The chairman, Brigadier-General George Yeo of Singapore, introduced a new one-page draft on agriculture, the result of lengthy consultations through the night and morning. He explained the organization of the material and stressed that the draft was based only on his consultations. The draft contained some compromise wording that tried to strike a balance between different views on the key issues involved. Some 60 countries commented, largely confirming their existing positions on such vital matters as:

- Integrating agriculture into the mainstream of WTO rules
- The final objective for reducing export subsidies (whether to eliminate or not)
- Market access
- Domestic support
- Non-trade concerns and multifunctionality
- Developing country issues

At the end, the chairman said he would try to amend his draft according to the comments but he warned countries not to raise their expectations too high, noting that agriculture is a difficult subject.

The draft was inserted into a complete draft text for the declaration and countries had to decide in the coming hours whether to accept it or whether to seek further amendments, this time in the context of the declaration as a whole.

### *Implementation and Rules*

The chairman, Minister Pettigrew of Canada, presented a new text on implementation issues which he said was his best effort in bridging the sharp differences in this area. He noted the significant gap between this delegation's proposal and the position of most delegations. The new text contains proposed immediate decisions, subjects for negotiations, a new plan of action for the full and effective integration of LDCs into the multilateral trading system and reinforcement of technical cooperation for developing countries, particularly LDCs as well as small, vulnerable economies and transition economies.

### *Singapore Agenda and Other Issues*

Roughly 45 delegations spoke and positions on all issues remained largely

unchanged. On TRIPS, delegations reiterated positions on extending protection of geographical indications to other products. On Government Procurement, various positions were maintained. On Trade Facilitation, many developing countries are still reluctant to negotiate new rules, but stressed the need for enhanced technical cooperation. On Coherence and proposed Working Groups, some developed countries recommended placing all working groups under one umbrella, while many developing countries advocated establishing many, separate groups.

### *Market Access*

Questions raised in the consultations held by Chairman Mpho Malie of Lesotho focused on the methodology of tariff-cutting negotiations. One suggestion is for a harmonized approach that would facilitate comparisons of tariff-reduction proposals. Another position is using the combination of request-offer and harmonization in the negotiations. Certain major traders are calling for a reference in the text to an effective increase in market access. The Accelerated Tariff Liberalization initiative for certain product sectors was also raised.

### *Systemic Issues*

Elements raised by member governments in this discussion chaired by Foreign Minister Juan Gabriel Valdés of Chile concerned:

- derestriction of documents
- WTO organizational structure to improve transparency and decision-making
- improving information flows
- enhancing public understanding of and participation in the workings of the organization.

Four proposals are currently on the table, from Mexico, the EU, the US and Norway. The Mexican and EU proposals received widespread support. The US proposal, which calls for establishing more formal channels of communication between the WTO and the NGO community and the establishment of an advisory body, received some support from the EU, Norway, Japan and Switzerland. A number of delegations questioned the role of NGOs in an intergovernmental organization.

### *Trade and Labor Standards*

This working group, chaired by Vice-Minister Anabel González of Costa Rica, discussed proposals for creating a labor standards working group within the WTO or a body operated jointly by a number of international organizations. Opinions differed, with a number of developing countries opposing the creation of either

type of body.

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