

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

COUNCIL
5/6 November 1986

STATUS OF WORK IN PANELS AND IMPLEMENTATION
OF PANEL REPORTS

Statement by the Director-General

Addendum

Twice a year, I submit a report to you on all cases in which the time-limit of 30 days for the constitution of panels was not met and in which panel recommendations were not implemented. My most recent report has been circulated to you as document C/141. However, I believe it would be useful for me also to provide some information which sets the functioning of the dispute settlement process in a longer-term time perspective.

Since 1948, there have been altogether about 100 complaints under Article XXIII:2 of the General Agreement. The exact number of complaints is difficult to determine because in some cases contracting parties have brought disputes to the attention of the Council without specifically invoking Article XXIII:2. The 100 complaints represent only a very small portion of the disputes that were settled in accordance with the General Agreement because most disputes about the interpretation or implementation of the General Agreement are settled through bilateral consultations without any involvement of the CONTRACTING PARTIES. It is probably not exaggerated to say that the main practical function of the Article XXIII:2 procedures, over the years, has been to provide an incentive to settle disputes by mutual agreement.

About one half of the complaints brought to the GATT, 52 to be exact, led to the submission of a report by a panel. The other cases were settled during sessions of CONTRACTING PARTIES, by working parties, by groups of experts or through bilateral consultations before the Panel had met. Of the 52 panel reports submitted to the CONTRACTING PARTIES or the Council, 46 were adopted; of these, four with understandings and one "in principle", the others without any qualifications. In three cases, the parties settled the dispute in a mutually satisfactory way and the complainants no longer insisted on the adoption of the report. In two cases the reports were not, or not yet, adopted but the measures complained against were withdrawn in accordance with the recommendations of the Panel. Thus, 50 of the 52 reports submitted by panels were (a) adopted or (b) led to a mutually satisfactory solution and hence to a withdrawal of the complaint or (c) were implemented without adoption

On the period of time required to complete the panel procedures, it will be of interest to note that since 1982, when the most recent changes in the panel procedures were introduced, the Council has adopted seven panel reports and that in these cases slightly more than twelve months elapsed on average between the decision of the Council to establish the panel and the decision of the Council to adopt the panel report. The time that elapsed between the first meeting of the panel with the parties and the submission of its report was on average less than six months. During these six months the panels gave the parties time to submit their arguments and their rebuttals, time to comment on the factual part of the report and also time to reflect on their conclusions. The period of time taken at different stages of the panel procedure, in these cases, does not appear to have been unreasonable.

It is, of course, not necessary for me to emphasize that a key to confidence in the dispute settlement procedures is that they should be seen to be working expeditiously.