## **GENERAL AGREEMENT**

## ON TARIFFS AND TRADE

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CONTRACTING PARTIES Fiftieth Session 8-9 December 1994

#### **COUNCIL OF REPRESENTATIVES**

## Report on Work since the Forty-Ninth Session

In accordance with the Decision of 4 June 1960 establishing the Council of Representatives, the Council is required to report to the CONTRACTING PARTIES on the matters considered between sessions of the latter.

In carrying out its task, the Council has held 8 regular meetings and 11 special meetings since the Forty-Ninth Session in January 1994. The minutes of these meetings, which remain the record of the Council's work, are contained in documents C/M/269-C/M/276, C/RM/M/41, C/RM/M/43 - C/RM/M/49 and C/RM/M/51-C/RM/M/53. Adoption of this report, which summarizes the action taken by the Council, will constitute approval by the CONTRACTING PARTIES of that action.

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## 1. Work Program resulting from the 1982 Ministerial meeting

## (a) <u>Dispute settlement procedures</u>

## (i) Status of work in panels and implementation of panel reports (C/M/273, 276)

In November 1989, the Director-General had announced that in future he would make his periodic report on the status of work in panels and implementation of panels reports at the Council meetings in June and November (C/M/237).

At the Council meeting on 21 June 1994, Mr. O'Toole, Assistant Director-General (Coordination), introduced the Director-General's report in C/188.

The representatives of Venezuela and Argentina spoke.

The Council took note of the statements and of the Director-General's report in C/188.

At the Council meeting on 10 November 1994, the Director-General introduced his report in C/190.

The representative of Sweden spoke.

The Council took note of the statements and of the Director-General's report in C/190.

## (ii) Roster of non-governmental panelists

At their Fortieth Session in November 1984, the CONTRACTING PARTIES had decided to establish a roster of non-governmental panelists, on a trial basis and for a period of one year, in order to facilitate the composition of panels in cases where parties to disputes were unable to agree on the panelists (BISD 31S/9). In November 1985, the Council had approved the first roster of non-governmental panelists (L/5906). Since then, the Council had regularly extended the roster for fixed periods of time, and in November 1990, had agreed to extend the roster provisionally for a further period until the conclusion of the Uruguay Round negotiations on dispute settlement rules and procedures (L/6763).

#### (1) Extension of Roster (C/M/273)

At its meeting on 21 June 1994, the Chairman proposed that since the Uruguay Round was now concluded, the Council extend the roster, as set out in C/W/813, until the entry into force of the Understanding on Rules and Procedures Governing the Settlement of Disputes contained in Annex 2 of the Agreement Establishing the World Trade Organization.

The Council so agreed.

The Chairman proposed also that the roster be issued henceforth as an unrestricted document in the L/- series.

The Council so agreed.

#### (2) <u>Nominations to the Roster</u> (C/M/272, 273, 274)

At its meeting on 10 May 1994, the Council approved proposed nominations to the roster by Brazil (C/W/788), Colombia (C/W/789), and India (C/W/792).

At its meeting on 21 June 1994, the Council approved a proposed nomination to the roster by the European Communities (C/W/795).

At its meeting on 20 July 1994, the Council approved proposed nominations to the roster by Uruguay (C/W/815) and India (C/W/816).

## (b) Quantitative Restrictions and Other Non-Tariff Measures

- <u>Technical Group on Quantitative Restrictions and Other Non-Tariff Measures</u> (C/M/274, 275)

At its meeting in June 1993, the Council had invited its Chairman to hold consultations on the date of the next meeting of the Technical Group on Quantitative Restrictions and Other Non-Tariff Measures after the conclusion of the Uruguay Round.

At its meeting on 20 July 1994, the Chairman informed the Council that on the basis of his initial informal consultations, it appeared that delegations agreed that work on the documentation regarding quantitative restrictions and other non-tariff measures should continue, but that a meeting of the Group this autumn might not necessarily be required. Contracting parties had noted that the Sub-Committee on Institutional, Procedural and Legal Matters of the Preparatory Committee for the World Trade Organization (WTO) would consider how this work should continue once the WTO had entered into force. He therefore proposed that delegations reflect further on this matter and revert to it at the next Council meeting.

The Council took note of the statement and agreed to the Chairman's proposal.

At its meeting on <u>4 October 1994</u>, the Chairman informed the Council that in the light of further informal consultations, there appeared to be general agreement that the Technical Group should not meet in the autumn, on the understanding that countries would continue to update notifications of quantitative restrictions and other non-tariff measures, until a decision was taken on the future work to be carried out in this area under the WTO.

The Council took note of this information.

## 2. Trade Policy Review Mechanism

Part I of the CONTRACTING PARTIES' Decision of 12 April 1989 (BISD 36S/403), establishing a trade policy review mechanism on a provisional basis, provides that the trade policies of all contracting parties will be subject to periodic review to be carried out by the Council at special meetings. The Decision also provides that country reports under the review mechanism will be based on an agreed format to be decided upon by the Council, and that the Council will establish a basic plan for the conduct of the reviews as well as a programme of reviews for each year in consultation with the contracting parties directly concerned.

Part I.F of the Decision further provides that the Council will undertake an overview of developments in the international trading environment, which will be assisted by an annual report by

the Director-General setting out major GATT activities and highlighting significant policy issues affecting the trading system.

(a) Decision on arrangements for the continued operation of the Mechanism (C/M/272)

At their Forty-Ninth Session in January 1994, the CONTRACTING PARTIES had agreed that informal consultations should be held on issues relating to the operation of the Trade Policy Review Mechanism (SR.49/1).

At its meeting on 10 May 1994, the Chairman informed the Council that he had held recent consultations on this subject and proposed the draft decision contained in the Annex to document C/W/790 for adoption.

The Council adopted the Decision (L/7458).

(b) <u>Country reviews</u> (C/RM/M/41, 43 and Add.1, 44, 45 and Add.1, 46, 47, 48\*, 49\*, 51\*, 52\*, 53\*)

At its special meeting on <u>3-4 February 1994</u>, the Council conducted a review of the trade policy of Australia (C/RM/M/43 and Add.1).

At its special meeting on <u>7-8 February 1994</u>, the Council conducted a review of the trade policy of Peru (C/RM/M/46).

At its special meeting on 9-10 February 1994, the Council conducted a review of the trade policy of Iceland (C/RM/M/44).

At its special meeting on 16-17 February 1994, the Council conducted a review of the trade policy of the United States (C/RM/M/45 and Add.1).

At its special meeting on 21-22 March 1994, the Council conducted a review of the trade policy of Senegal (C/RM/M/41).

At its special meeting on 22-23 June 1994, the Council conducted a review of the trade policy of Tunisia (C/RM/M/47).

At its special meeting on <u>27-28 September 1994</u>, the Council conducted a review of the trade policy of Macau (C/RM/M/48\*).

At its special meeting on <u>5-6 October 1994</u>, the Council conducted a review of the trade policy of Hong Kong (C/RM/M/49\*).

At its special meeting on <u>21-22 November 1994</u>, the Council conducted a review of the trade policy of Canada (C/RM/M/ 51\*).

At its special meeting on <u>29-30 November 1994</u>, the Council conducted a review of the trade policy of Indonesia (C/RM/M/ 52\*).

At its special meeting on 1-2 December 1994, the Council conducted a review of the trade policy of Zimbabwe (C/RM/M/ 53\*).

<sup>\*</sup> To be issued.

## (c) Programme of reviews

(i) <u>1994</u> (C/M/270, 273, 274, 276)

In July 1993, the Council had agreed to a programme of reviews for 1994 (L/7285).

At its meeting on <u>22-23 February 1994</u>, the Chairman informed the Council that Israel had requested a postponement until November 1994 of its trade policy review initially scheduled to be held on 21-22 March.

The Council took note of this information.

At the Council meeting on 21 June 1994, the Chairman, in response to a request from the United States, said that the schedule for the conduct of remaining TPRM reviews under the 1994 programme would be communicated in the near future.

The Council took note of the statement.

At its meeting on 20 J<sup>1</sup> / 1994, the Chairman informed the Council of the schedule for the remaining TPRM reviews under the 1994 programme.

The Council took note of this information.

At the Council meeting on 10 November 1994, the Chairman noted that the 1994 programme of remaining TPRM reviews had still been subject to some revision and a revised schedule of reviews for 1994 would be circulated shortly. He then informed the Council that a statement on the proceedings in the Trade Policy Review Mechanism up to the Fiftieth Session of the CONTRACTING PARTIES would be included in his presentation of the report of the Council.

The Council took note of this information.

(ii) 1995 (C/M/273, 274, 276)

At the Council meeting on 21 June 1994, the Chairman informed the Council of the programme of reviews for 1995, and said that, subject to the entry into force of the Agreement establishing the World Trade Organization, the 1995 reviews would be conducted by the Trade Policy Review Body, under the provisions of Annex 3 of the Final Act.

The Council took note of the statement and agreed to the 1995 Programme of Reviews.

At its meeting on 20 July 1994, the Chairman informed the Council that following a request from the Slovak Republic, the latter would be included in the programme of reviews for 1995 (L/7494).

The Council took note of this information.

At its meeting on 10 November 1994, the Chairman informed the Council that the 1995 programme of TPRM reviews had been subject to some revision and a revised schedule of reviews to be held under the 1995 programme would be circulated shortly.

The Council took note of this information.

## 3. Committee on Tariff Concessions

## (a) <u>Designation of Chairperson and Vice-Chairperson</u><sup>1</sup> (C/M/270, 271)

At their Forty-Fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies (SR.44/2).

At its meeting on <u>22-23 February 1994</u>, the Council approved the appointment of Mrs. Bautista (Philippines) as Chairperson of the Committee on Tariff Concessions.

At its meeting on 23 March 1994, the Council approved the appointment of Miss Thompson (Australia) as Vice-Chairperson of the Committee on Tariff Concessions.

## (b) Report (C/M/273, 276)

In December 1993, the Council had taken note that the Committee on Tariff Concessions had decided to report twice yearly to the Council and, under the item related to "Ongoing negotiations and submission of HS documentation by contracting parties under waivers" to provide detailed factual information on the status of the waivers.

At the Council meeting on 21 June 1994, the Chairman of the Committee introduced the Committee's report (TAR/267 and Corr.1).

The representatives of the European Communities and Sweden on behalf of the Nordic countries spoke.

The Council took note of the statements and adopted the report in TAR/267 and Corr.1.

At its meeting on 10 November 1994, the Chairperson of the Committee on Tariff Concessions informed the Council that because of time constraints, the Committee had decided to submit a full report on its activities exceptionally directly to the CONTRACTING PARTIES at their Fiftieth Session. In the meanwhile, she informed the Council on the main activities of the Committee during the second half of the year.

The Chairman spoke.

The Council took note of the statements.

#### 4. Trade in Textiles

#### - Report of the Textiles Committee (C/M/276)

At the Council meeting on 10 November 1994, the Chairman said that the report of the Textiles Committee would be submitted directly to the CONTRACTING PARTIES' Fiftieth Session in December.

The Council took note of the statement.

<sup>&</sup>lt;sup>1</sup>Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

# 5. Committee on Balance-of-Payments Restrictions

## (a) <u>Designation of Chairman<sup>2</sup></u> (C/M/270)

At their Forty-Fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies (SR.44/2).

At its meeting on <u>22-23 February 1994</u>, the Council approved the appointment of Mr. Witt (Germany) as Chairman of the Committee on Balance-of-Payments Restrictions.

## (b) Programme of consultations for 1994 (C/M/270)

At the Council meeting on <u>22-23 February 1994</u>, the Chairman drew attention to the Committee's proposed programme of consultations for 1994 (C/W/784).

The Council took note of the information in C/W/784.

#### (c) Consultations (C/M/274, 275)

At the Council meeting on 20 July 1994, the Chairman of the Committee introduced the Committee's reports on its consultations with Tunisia (BOP/R/214), Israel (BOP/R/215) and Poland (BOP/R/216).

The Council took note of the statement and adopted the reports in BOP/R/214, BOP/R/215 and BOP/R/216.

At the Council meeting on <u>4 October 1994</u>, the Chairman of the Committee introduced the Committee's reports on its consultations with the Slovak Republic (BOP/R/218) and Sri Lanka (BOP/R/219).

The Council took note of the statement and adopted the reports in BOP/R/218 and BOP/R/219.

# (d) Notes on meetings (C/M/274, 275)

At the Council meeting on 20 July 1994, the Chairman of the Committee drew attention to the points raised under "Other Business" at the Committee's meeting in June 1994 (BOP/R/217).

The Council took note of the information in BOP/R/217.

At the Council meeting on <u>4 October 1994</u>, the Chairman of the Committee drew attention to the points raised under "Other Business" at the Committee's meeting in July 1994 (BOP/R/220).

The Council took note of the information in BOP/R/220.

<sup>&</sup>lt;sup>2</sup>Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

#### 6. Korea - 1995-1997 Programme of liberalization (C/M/272)

In October 1989<sup>3</sup>, Korea had agreed to disinvoke Article XVIII:B by 1 January 1990, and had undertaken to eliminate remaining restrictions in a generally even manner, on an m.f.n. basis, over two three-year programmes beginning on the expiry of its liberalization programme in 1992. Korea had further undertaken to notify the Council of its three-year programmes by March of the year before their introduction, and to give all due consideration, in drawing up the programmes, to the interests of other contracting parties in a balanced manner.

At its meeting on 10 May 1994, the Council considered Korea's 1995-1997 liberalization programme (L/7449 and Corr.1).

The representatives of Korea, New Zealand, the United States, Japan, Australia, Chile and Canada spoke.

The Council took note of the statements.

#### 7. Canada - Licensing regulations on imports of pasta (C/M/271)

At its meeting on 23 March 1994, the representative of the European Communities informed the Council of new licensing regulations in Canada affecting pasta products with a maximum weight per package of 2.3 kilos.

The representative of Canada spoke.

The Council took note of the statements.

## 8. EEC - Trade measures affecting the imports of whitefish (C/M/270)

At the Council meeting on <u>22-23 February 1994</u>, the representative of the United States expressed concern at the European Economic Community's recent trade measures affecting the imports of whitefish.

The representatives of New Zealand, Canada, Peru and the European Communities spoke.

The Council took note of the statements.

## 9. Korea - Standards for frozen sausage (C/M/272)

At the Council meeting on 10 May 1994, the representative of the United States expressed concern at a recent change in regulations in Korea which had prevented the entry into Korea of sausages exported from the United States.

The representatives of Canada, the European Communities, Australia, Korea and Argentina spoke.

The Council took note of the statements.

<sup>&</sup>lt;sup>2</sup>See BOP/R/183 and Add.1.

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# 10. <u>Mexico - Certificates of origin for products subject to anti-dumping and countervailing duties</u> (C/M/274, 275)

At its meeting on 20 July 1994, the representative of Austria expressed concern at Mexico's decree introducing obligatory certificates of origin for about 300 items.

The representatives of Brunei Darussalam on behalf of the ASEAN countries, Hong Kong, the European Communities, Sweden on behalf of the Nordic countries, Switzerland and Mexico, and the Chairman spoke.

The Council took note of the statements.

At its meeting on 4 October 1994, the Council again considered the matter.

The representatives of Switzerland, Mexico, Hong Kong and Malaysia on benalf of the ASEAN countries spoke.

The Council took note of the statements.

## 11. United States - Sales of subsidized soyabean oil to China (C/M/270)

At the Council meeting on <u>22-23 February 1994</u>, the representative of Brazil expressed concern at the United States' forthcoming sales of soyabean oil to China under its Export Enhancement Programme.

The representatives of Argentina, Australia, Uruguay, the United States and the European Communities spoke.

The Council took note of the statements.

# 12. <u>United States</u> - Executive Order relating to the identification of trade expansion priorities (C/M/271)

At the Council meeting on 23 March 1994, the representative of Japan expressed concern over a recent Executive Order in the United States which administratively reintroduced procedures similar to the "Super 301" provision in effect in 1988-1989 under the US Omnibus Trade and Competitiveness Act of 1988.

The representatives of the United States, the European Communities, Hong Kong, Korea, Argentina, Australia and Thailand on behalf of the ASEAN countries spoke.

The Council took note of the statements.

#### 13. <u>United States - Subsidized exports of poultry meat to the Middle East (C/M/273)</u>

At the Council meeting on 21 June 1994, the representative of Brazil expressed concern at the negative consequences of practices under the Export Enhancement Programme by the US Government and traders on poultry meat in Brazil's traditional markets, namely the Middle East, and in particular the Gulf States.

The representatives of Argentina and Australia spoke.

The Council took note of the statements.

#### 14. United States/Japan Agreement on trade issues (C/M/275)

At the Council meeting on <u>4 October 1994</u>, the representative of the European Communities expressed his Government's interest in having more information on the United States - Japan Agreement signed on 1 October 1994.

The representatives of Australia and Switzerland spoke.

The Council took note of the statements.

## 15. Canada - Article XIX action on boneless beef (C/M/270, 271, 272, 273, 276)

At the Council meeting on <u>22-23 February 1994</u>, the representative of Australia expressed his Government's continuing concern at Canada's Article XIX actions on beef.

The representatives of Canada. Argentina, New Zealand and the European Communities spoke.

The Council took note of the statements.

At its meeting on 23 March 1994, the Council again considered this matter.

The representatives of Australia, Canada, the European Communities and Argentina spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 10 May 1994, the Council again considered the matter.

The representatives of Australia, Canada and the European Communities spoke.

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

At its meeting on 21 June 1994, the Council again considered this matter.

The representatives of Australia, the European Communities and Canada spoke.

The Council took note of the statements and agreed to revert to this matter at a future meeting, if necessary.

At its meeting on 10 November 1994, the Council again considered this matter.

The representatives of Australia, New Zealand, Canada and the European Communities spoke.

The Council took note of the statements and agreed to revert to this matter at a future meeting, if necessary.

#### 16. Trade and Environment

- Review of work under way in the GATT relating to the follow-up to the United Nations
Conference on Environment and Development (UNCED) (C/M/269)

At their Forty-Eighth Session in December 1992, the CONTRACTING PARTIES had agreed that the Council should hold a meeting to review, and as necessary supplement, the work under way in the GATT relating to the follow-up to the United Nations Conference on Environment and Development (UNCED), undertaken by the Committee on Trade and Development (CTD) and the Group on Environmental Measures and International Trade (EMIT).

At its meeting on 22 February 1994, the Council conducted a review of the work under way int the GATT relating to the UNCED follow-up. In doing so, it considered a report by the CTD (COM.TD/W/509), as well as reports by the EMIT Group (Let/1870, TRE/12, 13 and 14 and Corr.1, and L/7402). The Council also considered a draft report by the Secretariat (Spec(94)5) prepared in response to a request by the United Nations Under-Secretary-General for Policy Coordination and Sustainable Development.

The representatives of the European Communities, New Zealand, Austria, Thailand on behalf of the ASEAN countries, Argentina, Australia, India, Canada, Colombia, Brazil, Switzerland, Hong Kong, Uruguay, Japan, Mexico, Hungary, Venezuela, Sweden on behalf of the Nordic countries, the United States, Egypt and Korea, and the Chairman spoke.

The Council agreed that the Secretariat submit, on its own responsibility, a report to the Commission on Sustainable Development on the UNCED follow-up activities in the GATT, based on document Spec(94)5, and taking into account delegations' suggestions and comments. The Council then took note of the statements, and agreed that the review of work under way in the GATT on the follow-up to UNCED had been conducted. The Council also agreed that further UNCED follow-up work in the GATT would await the decision of Ministers at Marrakesh on 12-15 April 1994 regarding the future work programme on trade and environment.

#### 17. Recourse to Articles XXII and XXIII

- (a) European Economic Community
  - (i) <u>Member States' import régimes for bananas</u> (C/M/270, 271, 272, 273, 274, 275, 276)

In February 1993, the Council had established a panel to examine the Community's member States' import régimes for bananas. The Panel report (DS32/R) had been considered by the Council at its meetings in June, July, September, October and December 1993, and at the Forty-Ninth Session of the CONTRACTING PARTIES in January 1994.

At its meeting on 22-23 February 1994, the Council considered this matter.

The representatives of Mexico and Chile, and the observer from Panama spoke.

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

At its meeting on 23 March 1994, the Council again considered this matter.

The Chairman spoke.

The Council took note that the positions on this matter remained unchanged and agreed to revert to this matter at a future meeting.

At its meeting on 10 May 1994, the Council again considered this matter.

The representatives of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, Mexico, Thailand on behalf of the ASEAN countries, Chile, the United States, Argentina, Canada, Japan, Brazil, El Salvador, Uruguay, the European Communities, Jamaica, India, Paraguay, Côte d'Ivoire, Cameroon, Ghana, Saint Lucia, Madagascar, Bolivia, Dominica, Cuba, Australia, Trinidad and Tobago, the Dominican Republic, Egypt, Saint Vincent and the Grenadines and Mauritius, and the observers from Ecuador and Panama, and the Chairman spoke.

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

At its meeting on 21 June 1994, the Council again considered this matter.

The representative of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the Chairman spoke.

The Council took note of the statements and also took note that the positions of delegations that had expressed their views in previous meetings remained unchanged, and agreed to revert to this matter at a future meeting.

At its meeting on 20 July 1994, the Council again considered this matter.

The representatives of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the European Communities, and the Chairman spoke.

The Council took note of the statements and also took note that the positions of delegations that had expressed their views in previous meetings remained unchanged, and agreed to revert to this matter at its next meeting.

At its meeting on 4 October 1994, the Council again considered this matter.

The representative of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the Chairman spoke.

The Council took note of the statements and also took note that the positions of delegations that had expressed their views in previous meetings remained unchanged, and agreed to revert to this matter at its next meeting.

At its meeting on 10 November 1994, the Council again considered this matter.

The representative of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the Chairman spoke.

The Council took note of the statements and also took note that the positions of delegations that had expressed their views in previous meetings remained unchanged, and agreed to revert to this matter at its next meeting.

## (ii) Import régime for bananas (C/M/271, 272, 273, 274, 275, 276)

In June 1993, the Council had established a panel at the request of the Governments of Colombia, Costa Rica, Guatemala, Nicaragua and Venezuela to examine the European Community's common import régime for bananas.

At its meeting on 23 March 1994, the Council considered the Panel report (DS38/R).

The representatives of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, Colombia also on behalf of Venezuela, the European Communities, Costa Rica, Mexico, Saint Lucia also on behalf of other ACP countries, Jamaica, Nicaragua and the Dominican Republic, and the observers from Ecuador and Panama, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 10 May 1994, the Council again considered this matter.

The representatives of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, Mexico, Thailand on behalf of the ASEAN countries, Chile, the United States, Argentina, Canada, Japan, Brazil, El Salvador, Uruguay, the European Communities, Jamaica, India, Paraguay, Côte d'Ivoire, Cameroon, Ghana, Saint Lucia, Madagascar, Bolivia, Dominica, Cuba, Australia, Trinidad and Tobago, the Dominican Republic, Egypt, Saint Vincent and the Grenadines and Mauritius, and the observers from Ecuador and Panama, and the Chairman spoke.

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

At its meeting on 21 June 1994, the Council again considered this matter.

The representative of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the Chairman spoke.

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

At its meeting on 20 July 1994, the Council again considered this matter.

The representatives of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the European Communities, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 4 October 1994, the Council again considered this matter.

The representative of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 10 November 1994, the Council again considered this matter.

The representative of Guatemala also on behalf of Mexico, Honduras, Ecuador and Panama, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

#### (iii) Restrictions on imports of lemons<sup>4</sup> (C/M/273, 275)

At its meeting on 21 June 1994, the representative of Argentina informed the Council of his Government's request for Article XXIII:1 consultations with the Community on this matter under urgency procedures (DS45/2).

The representatives of the European Communities, Australia, Uruguay and Brazil, and the Chairman spoke.

The Council took note of the statements.

At its meeting on 4 October 1994, the Council again considered the matter.

The representative of Argentina spoke.

The Council took note of this information.

## (iv) French regulations concerning the trade description of scallops (C/M/273, 276)

At the Council meeting on 21 June 1994, the representative of Canada recalled that by a temporary order of January 1994, France had permitted scallops to be labelled in a manner acceptable to Canada but only until 31 December 1995. He informed the Council that a modification to the order was planned to be introduced on 1 July 1994 which would again damage exports of scallops from Canada.

The representatives of Chile and the European Communities spoke.

The Council took note of the statements.

At its meeting on 10 November 1994,<sup>5</sup> the Council considered the regulations on the labelling of scallops at the request of Chile.

The representatives of Chile, Canada, Peru, the European Communities, Argentina and the United States spoke.

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

## (v) Regulations affecting the sale of imported bovine semen in Italy (C/M/276)

In October 1993, the representative of Canada had informed the Council of Article XXIII:1 consultations with the Community on regulations affecting the sale of imported bovine semen in Italy (DS42/1).

At the Council meeting on 10 November 1994, the representative of Canada expressed concern at the non-implementation of written assurances provided by the European Communities following Article XXIII:1 consultations held in February 1994 on this matter.

<sup>&</sup>lt;sup>4</sup>Carried in earlier Council reports as "EEC - Countervailing charges on lemons".

<sup>&</sup>lt;sup>5</sup>Carried in Council Minutes as "EEC - French regulations concerning the labelling of scallops".

The representative of the European Communities spoke.

The Council took note of the statements.

#### (b) Japan

(i) Restrictions on imports of certain agricultural products (C/M/270)

In March 1988, the Council had adopted the Panel report (BISD 35S/163).

At the Council meeting on <u>22-23 February 1994</u>, the representative of Australia reiterated his Government's concern at the non-implementation by Japan of the Panel's recommendations in respect of dairy products and starch.

The representatives of Japan and Chile spoke.

The Council took note of the statements.

(ii) <u>Customs duties, taxes and labelling practices on imported wines and alcoholic beverages</u> (C/M/276)

In November 1987, the Council had adopted the Panel report (BISD 34S/83) on customs duties, taxes and labelling practices on imported wines and alcoholic beverages of Japan.

At the Council meeting on 10 November 1994, the representative of the European Communities expressed concern at the inappropriate level of measures introduced in Japan in application of the Panel's recommendations.

The representative of Japan spoke.

The Council took note of the statements.

#### (c) Poland

- Import regime for automobiles (C/M/276)

At its meeting on 10 November 1994, the Council considered a request by India (DS40/2) for the establishment of a panel to examine Poland's import regime for automobiles originating in the European Communities.

The representatives of India, Japan, Korea, Brunei Darussalam on behalf of the ASEAN countries, Hong Kong, Australia, Chile, Mexico, the United States, Brazil and Poland spoke.

The Council took note of the statements and agreed to establish a panel to examine this matter and authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.

The representative of the European Communities reserved the Community's right to participate in the panel deliberations. The representatives of Japan, Korea, Australia, Mexico, New Zealand, Canada, Brazil, Switzerland, Turkey and Austria reserved their governments' rights to make third-party submissions to the panel.

The Council took note of the statements.

#### (d) <u>United States</u>

(i) <u>Legislation concerning the use of imported tobacco by domestic cigarette</u> manufacturers (C/M/270, 275)

At its meeting on <u>22-23 February 1994</u>, the Council considered a request by Argentina for the establishment of a panel to examine its complaint regarding United States' legislation concerning the use of imported tobacco by domestic cigarettes manufacturers (DS44/8).

The representatives of Argentina, the United States, Turkey, Australia and Brazil spoke.

The Council took note of the statements and agreed that as provided for in the April 1989 Decision in respect of multiple complainants (BISD 36S/61, paragraph (F)(d)(1)), the matter referred to the CONTRACTING PARTIES by Argentina in DS44/8 be examined by the Panel previously established by the CONTRACTING PARTIES at their Forty-Ninth Session (DS44/9) to examine the complaints by Brazil, Canada, Chile. Colombia, El Salvador, Guatemala, Thailand and Zimbabwe relating to the same matter.

At its meeting on 4 October 1994, the Council considered the Panel report (DS44/R).

The representatives of Brazil also on behalf of Argentina, Chile, Colombia, El Salvador, Guatemala, Thailand and Zimbabwe, Canada, the Philippines on behalf of the ASEAN countries, Honduras, Sweden on behalf of the Nordic countries, India, the European Communities, Australia, Turkey and the United States spoke.

The Council took note of the statements, adopted the Panel report in DS44/R and agreed that, in accordance with the procedure adopted by the Council in May 1988 (BISD 35S/331), the report was thereby derestricted.

(ii) Standards for reformulated and conventional gasoline (C/M/271, 275)

At its meeting on 23 March 1994, the Council considered a request by Venezuela (DS47/2) for the establishment of a panel to examine the United States' new regulations on reformulated gasoline.

The representative of Venezuela spoke.

The Council took note of the statement.

At its meeting on 4 October 1994, the Council again considered this matter.

The representatives of Venezuela, Brazil, Argentina, Peru and the United States spoke. The representatives of Chile and Honduras wished to be placed on record as supporting the establishment of a panel to examine this matter.

The Council took note of the statements and of the expressions of support, agreed to establish a panel to examine this matter and authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.

The representatives of the European Communities, Norway, Australia, Canada and Brazil reserved their rights to participate in the panel or to make submissions thereto as interested third-parties.

The Council took note of the statements.

(iii) Denial of MFN treatment as to imports of non-rubber footwear from Brazil (C/M/273)

In June 1992, the Council had adopted the Panel report (BISD 39S/128).

At its meeting on 21 June 1994, the Council considered a communication from Brazil (DS18/5) regarding the non-implementation of the Panel's recommendations by the United States.

The representative of Brazil spoke.

The Council took note of the statement.

#### (iv) Restrictions on imports of tuna

- Recourse by the European Communities and the Netherlands (C/M/274, 275, 276)

In July 1992, the Council had established a Panel to examine the complaint by the European Communities and the Netherlands as co-complainants.

At its meeting on 20 July 1994, the Council considered the Panel report (DS29/R).

The representatives of the European Communities, Mexico, Brunei Darussalam on behalf of the ASEAN countries, Japan, Australia, Argentina, New Zealand, Brazil, Venezuela, India, Chile, the United States, Sweden on behalf of the Nordic countries, and Canada, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 4 October 1994, the Council again considered this matter.

The representatives of the European Communities, Canada, Venezuela, Mexico, the Philippines on behalf of the ASEAN countries, India, Hong Kong, Japan, Australia, Korea, New Zealand, Costa Rica, Brazil, Sweden on behalf of the Nordic countries, Argentina and the United States spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 10 November 1994, the Council again considered this matter.

The representatives of the European Communities, Venezuela, the United States, Australia, Sweden on behalf of the Nordic countries, Mexico, Costa Rica and Colombia spoke.

The Council took note of the statements and agreed to refer this matter to the CONTRACTING PARTIES at their Fiftieth Session for further consideration.

#### (v) Taxes on automobiles (C/M/276)

In May 1993, the Council had established a Panel to examine the complaint by the European Communities.

At its meeting on 10 November 1994, the Council considered the Panel report (DS31/R).

The representatives of the European Communities, the United States, Sweden and Australia spoke.

The Council took note of the statements and agreed to refer this matter to the CONTRACTING PARTIES at their Fiftieth Session for further consideration.

# 18. Extension of the April 1989 Decision on improvements to the GATT dispute settlement rules and procedures (C/M/270)

In April 1989, the Council had adopted a Decision on improvements to the GATT dispute settlement rules and procedures (BISD 36S/61). As provided for in paragraph A.3 of that Decision, the improved rules and procedures were to apply "on a trial basis from 1 May 1989 to the end of the Uruguay Round".

At its meeting on 22-23 February 1994, the Chairman proposed that the Council agree to adopt the draft decision in the Annex to document C/W/783, which would extend the application of the current dispute settlement procedures until the new dispute settlement procedures agreed upon in the Uruguay Round came into effect.

The Council so agreed (L/7416).

19. Monitoring of implementation of panel reports under paragraph I.3 of the April 1989 Decision on improvements to the GATT dispute settlement rules and procedures (C/M/270, 271, 272, 273, 274, 275, 276)

In July 1992, in the course of its discussion on the Director-General's report on status of work in panels and implementation of panel reports, the Council had agreed that its Chairman would hold consultations to see whether and how the question of the Council's monitoring of the implementation of panel reports in accordance with paragraph I.3 of the April 1989 Decision on improvements to the GATT dispute settlements rules and procedures (BISD 36S/61) should be dealt with in Council meetings. In September 1992, the Council had agreed that this matter would continue to appear on the Agenda in its present form until further informal consultations thereon had been concluded.

In March 1993, the Chairman announced that his consultations had shown that from a purely procedural point of view, the applicability or scope of the April 1989 Decision did not extend to panel reports which predated it and, consequently, that they should not be listed or considered under this item on the Council's agenda. It had been pointed out, in this connection, that contracting parties retained the right to raise any issues related to those panel reports under separate agenda items. It had therefore been understood that this item would continue to appear on the agenda in its present form.

At its meeting on 22-23 February 1994, the Council considered this matter.

The representatives of the United States, Canada, Australia and Brazil spoke.

The Council took note of the statements.

At its meeting on 23 March 1994, the Council again considered this matter.

The representatives of the United States, Brazil, Canada and Australia spoke.

The Council took note of the statements.

At its meeting on 10 May 1994, the Council again considered this matter.

The representatives of the United States, Brazil, Canada and Australia spoke.

The Council took note of the statements.

At its meeting on 21 June 1994, the Council again considered this matter.

The representatives of Canada and Australia spoke.

The Council took note of the statements.

At its meeting on 20 July 1994, the Council again considered this matter.

The representatives of Brazil, Canada and Australia, and the Chairman spoke.

The Council took note of the statements.

At its meeting on 4 October 1994, the Council again considered this matter.

The representatives of Canada, the United States, Australia and Brazil spoke.

The Council took note of the statements.

At its meeting on 10 November 1994, the Council again considered this matter.

The representatives of the United States, Canada, Australia and Brazil spoke.

The Council took note of the statements.

#### 20. Third-party participation in panels (C/M/273)

At the Council meeting on 21 June 1994, the Chairman said that, following a proposal by the United States at the February Council meeting,<sup>6</sup> he had carried out consultations on the question of third-party participation in panels. On the basis of his consultations, he proposed that the Council agree to certain practices to be applied in future, which he read out (C/COM/3), without prejudice to the rights of contracting parties under established dispute settlement procedures.

The representative of the United States spoke.

The Council took note of the statement and agreed to the practices read out by the Chairman.

The representatives of Canada, the European Communities and Norway on behalf of the Nordic countries spoke.

The Council took note of the statements.

<sup>&</sup>lt;sup>6</sup>C/M/270, item 5.

#### 21. Customs unions and free-trade areas; regional agreements

## (a) Examination of the current trend towards regionalism (C/M/276)

At the Forty-Eighth Session of the CONTRACTING PARTIES in 1992, the representative of Switzerland had drawn attention to the increasing trend toward regionalism and had suggested that contracting parties turn their attention to this matter after the Uruguay Round. At the Forty-Ninth Session in January 1994, the representative of Switzerland, supported by Hong Kong and Japan, had proposed to hold consultations to initiate a process for an examination of this matter.

At the Council meeting on 10 November 1994, the Chairman said that since the Council had not considered this matter due to the pressure of the preparatory work for the transition from GATT to the WTO, he therefore recommended that this matter be taken up the following year either by the GATT Council or, if considered appropriate at the time, by the General Council of the WTO.

The Council took note of this information.

#### (b) Central European Free-Trade Agreement (C/M/273, 274)

At the Council meeting on 21 June 1994, the representative of Poland, also on behalf of the Czech Republic, Hungary and the Slovak Republic, provided information on the Central European Free-Trade Agreement, which was implemented on a provisional basis since 1 March 1993, the text of which, together with all its annexes and protocols, had been submitted to the Secretariat (L/7495 and Add.1).

The Council took note of the statement.

At the Council meeting on 20 July 1994, the Chairman proposed that the Council establish a working party to examine this Free-Trade Agreement and authorize him to designate its Chairman in consultation with the contracting parties primarily interested.

The Council so agreed.

## (c) Customs Union between the Czech Republic and the Slovak Republic (C/M/275)

In May 1993, the Council had established a working party to examine the Customs Union between the Czech Republic and the Slovak Republic.

At the Council meeting on  $\underline{4}$  October 1994, the Chairman of the Working Party introduced its report (L/7501).

The Council took note of the statement and adopted the report in L/7501.

# (d) <u>EEC - Interim Agreements with the Czech Republic, the Slovak Republic, Hungary and Poland</u> (C/M/274)

In April 1992, the Council had established a Working Party to examine this matter and in June 1992 and March 1993, had taken note of the Working Party's chairmanship.

At its meeting on 20 July 1994, the Chairman informed the Council that since the appointed Chairman of the Working Party, Mr. Bisley (New Zealand), had departed from Geneva, Mr. Berthet (Uruguay) had agreed to replace him and to chair the Working Party.

The Council took note of this information.

## (e) EEC - Free-Trade Agreements with Estonia, Latvia and Lithuania (C/M/274)

At its meeting on <u>20 July 1994</u>, the representative of the European Communities informed the Council of the signing of free-trade agreements between the Community and Estonia, Latvia and Lithuania, the texts of which would be notified to contracting parties in the near future.

The Council took note of this information.

## (f) Enlargement of the European Communities (C/M/273, 274)

At the Council meeting on 21 June 1994, the representative of the United States said that his Government wished to begin the Asticle XXVIII process immediately following the signing of accession agreements of Austria, Finland, Norway and Sweden to the European Communities, and intended to request the establishment of a working party to examine the GATT consistency of those agreements.

The representative of the European Communities spoke.

The Council took note of the statements.

At its meeting on 20 July 1994, the representative of the European Communities informed the Council of the process of the Community's enlargement.

The representatives of the United States, Brazil, Australia, Japan, India, Hong Kong, Brunei Darussalam on behalf of the ASEAN countries, Mexico, New Zealand and Uruguay spoke.

The Council took note of the statements.

# (g) EFTA - Bulgaria Free-Trade Agreement (C/M/272)

In October 1993, the Council had established a working party to examine the FFTA - Bulgaria Free-Trade Agreement.

At its meeting on 10 May 1994, the Chairman informed the Council that Mr. Kesavapany (Singapore) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

#### (h) EFTA - Hungary Free-Trade Agreement (C/M/272)

At their Forty-Ninth Session in January 1994, the CONTRACTING PARTIES had established a working party to examine the EFTA - Hungary Free-Trade Agreement.

At its meeting on 10 May 1994, the Chairman informed the Council that Mr. Kesavapany (Singapore) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

#### (i) EFTA - Poland Free-Trade Agreement (C/M/272)

At their Forty-Ninth Session in January 1994, the CONTRACTING PARTIES had established a working party to examine the EFTA - Poland Free-Trade Agreement.

At its meeting on 10 May 1994, the Chairman informed the Council that Mr. Kesavapany (Singapore) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

## (j) Fourth ACP-EEC Convention of Lomé (C/M/275)

In February 1993, the Council had established a working party to examine the Fourth ACP-EEC Convention of Lomé.

At its meeting on  $\underline{4 \text{ October 1994}}$ , the Council considered the report of the Working Party (L/7502).

The representatives of the European Communities, Canada and the United States, and the observer from the ACP Group spoke.

The Council took note of the statements and adopted the Working Party's report in L/7502.

#### (k) Free-Trade Agreement between Bolivia and Mexico (C/M/275)

At its meeting on <u>4 October 1994</u>, the representative of Mexico also on behalf of Bolivia informed the Council of the signing of a Free-Trade Agreement between the two countries which would be fully implemented within a twelve-year period beginning 1 January 1995.

The Council took note of this information.

(1) Free-Trade Agreements between the Czech Republic and Slovenia and the Slovak Republic and Slovenia (C/M/270, 273)

At its meeting on 22-23 February 1994, the representative of the Czech Republic also on behalf of the Slovak Republic informed the Council of the signing recently of Free-Trade Agreements between the Czech Republic, the Slovak Republic and Slovenia. The Agreements were being applied provisionally since 1 January 1994, and would enter into force definitively once the respective ratification processes had been completed.

The Council took note of the statement.

At the Council meeting on 21 June 1994, the Chairman drew attention to communications from the Czech and Slovak Republics containing information on their Free-Trade Agreement with Slovenia (L/7447 and Add.1, and L/7448 and Add.1 respectively).

The Council took note of the statement, agreed to establish a working party to examine the Free-Trade Agreements between the Czech Republic and Slovenia and the Slovak Republic and Slovenia, and authorized its Chairman to designate the Chairman of the Working Party in consultation with the contracting parties primarily interested.

#### (m) Free-Trade Agreement between Colombia, Venezuela and Mexico (C/M/273)

At its meeting on 21 June 1994, the representative of Colombia also on behalf of Venezuela and Mexico, informed the Council of the recent signing of a Free-Trade Treaty among their countries. The Treaty was scheduled to enter into force on 1 January 1995, and would be notified to contracting parties after completion of the ratification process in each of the three countries.

The Council took note of the statement.

# (n) Free-Trade Agreements between Switzerland and Estonia, Latvia and Lithuania (C/M/274)

At its meeting in June 1993, the Council had established a working party to examine the Free-Trade Agreements between Switzerland and Estonia, Latvia and Lithuania, and had authorized its Chairman to designate the Chairman of the Working Party in consultation with delegations principally concerned.

At its meeting on 20 July 1994, the Chairman informed the Council that Mr. Metzger (France) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

## (o) Mexico - Costa Rica Free-Trade Agreement (C/M/271)

At its meeting on 23 March 1994, the representative of Mexico, also on behalf of Costa Rica, informed the Council that their countries had recently concluded negotiations for the establishment of a Free-Trade Agreement between them. The Agreement would enter into force on 1 January 1995, after completion of internal procedures in both countries.

The Council took note of the statement.

### (p) North American Free-Trade Agreement (NAFTA) (C/M/271, 272)

At its meeting on 23 March 1994, the Council considered a communication from the Parties to the NAFTA (L/7176).

The representatives of Korea, Brazil, New Zealand, Australia, Argentina, the European Communities, Uruguay, Thailand on behalf of the ASEAN countries, Japan, Turkey and Norway on behalf of the Nordic countries spoke.

The Council took note of the statements, agreed to establish a working party to examine this matter, and authorized its Chairman to designate the Chairman of the Working Party in consultation with the delegations principally concerned.

The representatives of the European Communities, Norway on behalf of the Nordic countries, Mexico and Japan spoke.

The Council took note of the statements.

At its meeting on 10 May 1994, the Chairman informed the Council that Mr. Kenyon (Australia) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

## (q) Biennial calendar for reporting on regional agreements (C/M/276)

At the Forty-Sixth Session of the CONTRACTING PARTIES in December 1990, the Council Chairman had drawn attention to the fact that requirements for biennial reporting on regional agreements had not been followed since 1987. His successors had done the same at subsequent Sessions.

At the Council meeting on 10 November 1994, the Chairman said that since the Council had been unable to take up this matter due to the pressure of work arising from the Uruguay Round and the transition from the GATT to the WTO, he therefore recommended that this matter be taken up the following year either by the GATT Council or, if considered appropriate at the time, by the General Council of the WTO.

The Council took note of this information.

## 22. Waivers under Article XXV:5

#### (a) Harmonized System

- Argentina, Bangladesh, Bolivia, Israel, Jamaica, Mexico, Morocco, Pakistan, Peru, Sri Lanka, Trinidad and Tobago and Venezuela (C/M/273)

At its meeting on 21 June 1994, the Council considered requests by Argentina (L/7481), Bangladesh (L/7476), Bolivia (L/7474), Israel (L/7473), Jamaica (L/7485), Mexico (L/7479), Morocco (L/7469), Pakistan (L/7475), Peru (L/7471), Sri Lanka (L/7480), Trinidad and Tobago (L/7472) and Venezuela (L/7467) for extensions of waivers already granted in connection with their implementation of the Harmonized System.

The Council approved the texts of the draft decisions (C/W/808 - Argentina; C/W/805 - Bangladesh; C/W/803 - Bolivia; C/W/802 - Israel; C/W/811 - Jamaica; C/W/806 - Mexico; C/W/798 - Morocco; C/W/804 - Pakistan; C/W/800/Rev.1 - Peru; C/W/807 - Sri Lanka; C/W/801 - Trinidad and Tobago; and C/W/796 - Venezuela) and recommended their adoption by the CONTRACTING PARTIES by postal ballots.

The Decisions were adopted on 21 July 1994 (L/7505 - Argentina; L/7506 - Bangladesh; L/7507 - Bolivia; L/7508 - Israel; L/7509 - Jamaica; L/7510 - Mexico; L/7511 - Morocco; L/7512 - Pakistan; L/7513 - Peru; L/7514 - Sri Lanka; L/7515 - Trinidad and Tobago; and L/7516 - Venezuela).

#### (b) Egypt - Renegotiation of Schedule LXIII (C/M/273)

By their Decision of 13 August 1992 (BISD 39S/383), as extended until 30 June 1994 (L/7391), the CONTRACTING PARTIES had waived Egypt's obligations under Article II to enable it to implement its new tariff.

At its meeting on 21 June 1994, the Council considered a request by Egypt for an extension of the waiver (L/7484), and a draft decision to this effect (C/W/810). Egypt had requested an extension until entry into force of the World Trade Organization, since Egypt was one of the countries to which paragraph 7 of the Marrakesh Protocol applied.

The Council approved the text of the draft decision in C/W/810, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 21 July 1994 (L/7517).

#### (c) Malawi - Renegotiation of Schedule LVIII (C/M/273)

Py their Decision of 3 December 1992 (BISD 39S/384), as extended until 30 June 1994 (L/7392), the CONTRACTING PARTIES had waived Malawi's obligations under Article II to enable it to implement its new tariff.

At its meeting on 21 June 1994, the Council considered a request by Malawi for an extension of the waiver until 31 December 1994 (L/7470), and a draft decision to this effect (C/W/799).

The Council approved the text of the draft decision in C/W/799, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 21 July 1994 (L/7518).

#### (d) Senegal - Renegotiation of Schedule XLIX (C/M/273)

By their Decision of 7 December 1990 (BISD 37S/295), as extended until 30 June 1994 (L/7393), the CONTRACTING PARTIES had waived Senegal's obligations under Article II to enable it to implement its new tariff.

At its meeting on 21 June 1994, the Council considered a request by Senegal for an extension of the waiver until 31 December 1994 (L/7468), and a draft decision to this effect (C/W/797).

The Council approved the text of the draft decision in C/W/797, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 21 July 1994 (L/7519).

#### (e) Uruguay - Renegotiation of Schedule XXXI (C/M/273)

By their Decision of 7 December 1990 (BISD 37S/295), as extended until 30 June 1994 (L/7390), the CONTRACTING PARTIES had waived Uruguay's obligations under Article II to enable it to implement its new tariff.

At its meeting on 21 June 1994, the Council considered a request by Uruguay for an extension of the waiver (L/7482), and a draft decision to this effect (C/W/809). Uruguay had requested an extension until entry into force of the World Trade Organization, since Uruguay was one of the countries to which paragraph 7 of the Marrakesh Protocol applied.

The Council approved the text of the draft decision in C/W/809, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 21 July 1994 (L/7520).

## (f) Zaire - Renegotiation of Schedule XLVIII (C/M/273)

By their Decision of 5 December 1989 (BISD 36S/434), as extended until 30 June 1994 (L/7394), the CONTRACTING PARTIES had waived Zaire's obligations under Article II to enable it to implement its new tariff.

At its meeting on 21 June 1994, the Council considered a request by Zaire for an extension of the waiver (L/7486), and a draft decision to this effect (C/W/812).

The Council approved the text of the draft decision in C/W/812, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 21 July 1994 (L/7521).

## (g) The Fourth ACP-EEC Convention of Lomé (C/M/276)

At the Council meeting on 10 November 1994, the representative of the European Communities introduced the joint request by the Community and ACP contracting parties to the GATT (L/7539 and Corr.1) for a waiver from the provisions of Article I:1 with respect to the preferential treatment granted by the Community for products originating in ACP States as foreseen under the relevant provisions of the Fourth Lomé Convention, for the duration of the Convention. A draft Decision to this effect had been circulated in C/W/820/Rev.1

The representatives of Jamaica on behalf of ACP contracting parties, Senegal, Zambia, the United States, Morocco, Côte d'Ivoire, Japan, Pakistan, Cyprus, Egypt, Israel, Poland, Turkey, Singapore, Chile, Argentina, Australia, Canada, Uruguay, Austria, Hungary, India, New Zealand, the European Communities, and the observer from the ACP Group spoke.

The Council took note of the statements and agreed to refer this matter to the CONTRACTING PARTIES at their Fiftieth Session for further consideration.

# (h) German unification - Transitional measures adopted by the European Communities (C/M/276)

At the Council meeting on 10 November 1994, the Chairman said that at the request of the European Communities, he proposed to refer this matter to the Fiftieth Session of the CONTRACTING PARTIES.

The Council so agreed.

#### (i) Reports under waivers

#### - United States - Caribbean Basin Economic Recovery Act (CBERA) (C/M/270)

Under paragraph 7 of the CONTRACTING PARTIES' Decision of 15 February 1985 (BISD 31S/20), the United States is to submit an annual report on the implementation of the provisions of the Caribbean Basin Economic Recovery Act (CBERA), and the CONTRACTING PARTIES are, two years from the Waiver's entry into force and biennially thereafter, to review its operation and consider if the circumstances then prevailing any modifications to or termination of its provisions are required.

At the Council meeting on <u>22-23 February 1994</u>, the representative of the United States presented his Government's report on the trade-related provisions of the CBERA (L/7304).

The representative of Jamaica spoke.

The Council took note of the statements and of the information in L/7304.

#### 23. Accession matters

## (a) Accessions

#### (i) <u>Algeria</u> (C/M/270)

In June 1987, the Council had established a working party to examine Algeria's request for accession and had authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Algeria.

At its meeting on 22-23 February 1994, the Chairman informed the Council that Mr. Sanchez Arnau (Argentina) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

#### (ii) Armenia (C/M/270)

In December 1993, the Council had established a working party to examine Armenia's request for accession and had authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Armenia.

At its meeting on <u>22-23 February 1994</u>, the Chairman informed the Council that Mr. Kenyon (Australia) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

## (iii) Estonia (C/M/271, 274)

At its meeting on 23 March 1994, the Council considered a communication from Estonia (L/7421) concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The Chairman proposed that the Council agree to establish a working party to examine Estonia's request, and authorize him to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Estonia.

The Council so agreed.

At its meeting on 20 July 1994, the Chairman informed the Council that Mr. Kenyon (Australia) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

#### (iv) Honduras (C/M/270)

In October 1990, the Council had established a working party to examine Honduras' request for accession to the General Agreement.

At its meeting on <u>22-23 February 1994</u>, the Council considered the Working Party's report (L/7299, Add.1, Corr.1 and Corr.2).

The representatives of Honduras (as an observer), Peru on behalf of the Latin American and Caribbean contracting parties, the United States, New Zealand, the European Communities, Australia,

Switzerland, Japan and El Salvador spoke.

The Council approved the text of the draft decision and the text of the draft Protocol of Accession, agreed that the decision be submitted to a vote by postal ballot, adopted the Working Party's report in L/7299, Add.1, Corr.1 and Corr.2, and took note of the statements.

The Decision was adopted on 2 March 1994 (L/7419).

#### (v) $\underline{Jordan}$ (C/M/271)

At their Forty-Ninth Session in January 1994, the CONTRACTING PARTIES had established a working party to examine Jordan's application to accede to the General Agreement, and had authorized the Council Chairman to designate the Chairman of the Working Party in consultation with the representatives of contracting parties and with the representative of Jordan.

At its meeting on 23 March 1994, the Chairman informed the Council that Mr. Kesavapany (Singapore) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

#### (vi) Lithuania (C/M/270)

At its meeting on <u>22-23 February 1994</u>, the Council considered a communication from Lithuania (L/7398) concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The observer from Lithuania spoke.

The Council took note of the statement, agreed to establish a working party to examine Lithuania's application, and authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Lithuania.

#### (vii) Slovenia (C/M/274)

In July 1992, the Council had established a working party to examine Slovenia's request for accession to the General Agreement.

At its meeting on 20 July 1994, the Council considered the Working Party's report in L/7492 and Add.1.

The representative of Slovenia (as an observer) spoke. The representatives of Argentina, Australia, Austria, Brazil, Brunei Darussalam, Cameroon, Canada, Colombia, Costa Rica, Côte d'Ivoire, Cuba, the Czech Republic, the European Communities, Egypt, El Salvador, Guyana, Hong Kong, Hungary, Iceland, India, Indonesia, Israel, Jamaica, Japan, Korea, Morocco, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Romania, Singapore, the Slovak Republic, Sri Lanka, Sweden, Switzerland, Thailand, Turkey, the United States, Uruguay, Venezuela and Zimbabwe, among others, wished to be placed on record as welcoming and supporting Slovenia's accession.

The Council approved the text of the draft Protocol of Accession and the text of the draft Decision, agreed that the decision be submitted to a vote by postal ballot<sup>7</sup> and adopted the Working

<sup>&</sup>lt;sup>7</sup>The Decision was adopted on 12 September 1994 (L/7530).

Party's report (L/7492 and Add.1). The Council then took note of the statements and of the expressions of welcome and support.

## (b) Romania - Renegotiation of Protocol of Accession (C/M/270)

In February 1992, the Council had established a working party to examine Romania's request to renegotiate its Protocol of Accession, and had authorized its Chairman to designate the Chairman of the Working Party in consultation with contracting parties.

At its meeting on 22-23 February 1994, the Chairman informed the Council that Mr. de la Peña (Mexico) had agreed to serve as Chairman of the Working Party.

The Council took note of this information.

#### (c) Implementation of accession commitments (C/M/271)

At the Council meeting on 23 March 1994, the representative of New Zealand raised his Government's concern regarding the lack of an appropriate GATT mechanism to monitor the implementation of commitments relating to tariff and non-tariff measures undertaken by governments upon accession.

The representatives of the United States, Australia, the European Communities, Canada, Argentina and Chile spoke.

The Council took note of the statements.

#### (d) Management of accession negotiations (C/M/273, 274, 275, 276)

At the Council meeting on 21 June 1994, the representative of Sweden, on behalf of Nordic countries, raised their Governments' concerns regarding the management of accession negotiations, given that twenty-one requests for accession were presently under consideration and that a number of other governments or customs territories were likely to apply in the near future (L/7487).

The representatives of Austria, Australia, the European Communities, Canada, Switzerland, the United States, Hong Kong, New Zealand, Japan, Argentina, Mexico, Egypt and Brunei Darussalam on behalf of the ASEAN countries, and the observer from Ecuador, and the Chairman spoke.

The Council took note of the statements and authorized its Chairman to consult on this matter with the Chairman of the Preparatory Committee and to report to the Council at a future meeting.

At its meeting on 20 July 1994, the Chairman informed the Council of his consultations with the Chairman of the Preparatory Committee and with interested delegations on this matter. He intended to hold further informal consultations with delegations and to report to the Council at a future meeting.

The representative of Sweden on behalf of the Nordic countries, and the Chairman spoke.

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

At its meeting on <u>4 October 1994</u>, the Chairman said that he would inform the Council of the results of his informal consultations at its next meeting.

The Council took note of this information.

At the Council meeting on 10 November 1994, the Chairman read out a statement on management of accession negotiations (C/COM/4) and said that he intended to bring this text to the attention of the Chairman of the Preparatory Committee of the WTO for appropriate action in that forum.

The representatives of Sweden on behalf of the Nordic countries and the European Communities spoke.

The Council took note of the statements.

#### 24. Article XXXV

## (a) Interpretation of Article XXXV (C/M/270, 271)

At their Forty-Ninth Session in January 1994, the CONTRACTING PARTIES had considered a proposal by the United States for a decision on the interpretation of Article XXXV (C/W/775) and had referred this matter to the Council for further consideration.

At its meeting on 22-23 February 1994, the Council considered this matter.

The representative of the United States spoke.

The Council took note of the statement and agreed to revert to this matter at its next meeting.

At its meeting on 23 March 1994, the Council again considered this matter.

The representative of the United States spoke.

The Council took note of the statement and adopted the Decision on the interpretation of Article XXXV (L/7435).

The representative of Japan spoke.

The Council took note of the statement.

#### (b) Withdrawal of invocation of Article XXXV (C/M/270, 273)

At its meeting on <u>22-23 February 1994</u>, the representative of Egypt informed the Council that his Government had decided to withdraw the invocation of the provisions of Article XXXV against South Africa.

The representative of South Africa spoke.

The Council took note of the statements.

At its meeting on 21 June 1994, the representative of Morocco informed the Council that his Government had decided to withdraw the invocation of the provisions of Article XXXV against South Africa.

The representative of South Africa spoke.

The Council took note of the statements.

## 25. Corrections to the French and Spanish language texts of the General Agreement (C/M/272)

At the Council meeting on 10 May 1994, the Chairman recalled that at its meeting on 30 March 1994, the Uruguay Round Trade Negotiations Committee had adopted a Decision (MTN.TNC/41) inviting the CONTRACTING PARTIES to undertake certain actions to correct the French- and Spanish-language texts of the General Agreement. Accordingly, he proposed that the draft decision in C/W/791, which reflected the Decision by the Trade Negotiations Committee, be adopted by the Council, acting on behalf of the CONTRACTING PARTIES.

The Council so agreed (L/7457).

#### 26. De facto application of the General Agreement (C/M/273)

At its meeting on 21 June 1994, the Council considered the ninth report by the Director-General (L/7478/Rev.1) on the application of the Recommendation of 11 November 1967 (BISD 15S/64) inviting contracting parties to continue to apply the General Agreement <u>de facto</u> in respect of newly-independent territories on a reciprocal basis.

The Council took note of the report (L/7478/Rev.1) and invited the Director-General to remain in contact with the governments of the States concerned and to report again on the application of the Recommendation at a time he considered appropriate in the light of developments after the entry into force of the World Trade Organization.

## 27. Cairns Group Ministerial meeting (C/M/273)

At the Council meeting on 21 June 1994, the representative of Australia drew attention to a communiqué from the Cairns Group, which had recently met at Ministerial level (MTN.TNC/W/148).

The Council took note of the statement.

# 28. Mexico - Ratification of the results of the Uruguay Round Negotiations (C/M/274)

At its meeting on 20 July 1994, the representative of Mexico informed the Council that the Senate of Mexico had ratified the results of the Uruguay Round Negotiations on 13 July 1994.

The Council took note of the statement.

#### 29. Training Activities (C/M/276)

At the Council meeting on 10 November 1994, the Director-General introduced his report on the Secretariat's training activities (L/7543).

The representatives of Switzerland and Madagascar, and the Chairman spoke.

The Council took note of the statements and of the report in L/7543.

#### 30. International Trade Centre UNCTAD/GATT

## (a) Report of the Joint Advisory Group (C/M/270)

At its meeting on 22-23 February 1994, the Council considered the report of the Joint Advisory Group of the International Trade Centre UNCTAD/GATT on its twenty-sixth session (ITC/AG(XXVI)/139).

The Chairman of the Group introduced the report. The Director-General spoke, and the vast majority of Council members indicated their appreciation for the useful and valuable work of the ITC.

The Council took note of the statements and of the expressions of appreciation for the ITC's work, and adopted the report.

## (b) Appointment of a new Executive Director (C/M/271)

At the Council meeting on 23 March 1994, the Director-General recalled that both he and the UN Secretary-General had agreed on a procedure whereby, in accordance with agreed criteria, their representatives had been entrusted with the selection process of the Executive Director of the International Trade Centre (ITC). The two representatives had since completed the selection process and had been able to make a joint recommendation. As had been agreed beforehand, he and the UN Secretary-General had endorsed this recommendation, and it had therefore been decided to appoint Mr. Denis Bélisle as the new Executive Director of the ITC.

The Chairman spoke.

The Council took note of the statements.

#### 31. Administrative and financial matters

## (a) Committee on Budget, Finance and Administration

# (i) <u>Designation of Chairman</u><sup>8</sup> (C/M/270)

At their Forty-Fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies (SR.44/2).

At its meeting on 22-23 February 1994, the Council approved the appointment of Mr. Gosselin (Canada) as Chairman of the Committee on Budget, Finance and Administration.

#### (ii) Reports (C/M/273, 275, 276)

At the Council meeting on 21 June 1994, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in L/7483.

The Council took note of the statement, approved the Committee's specific recommendations in paragraphs 8, 9 and 21 to 34 of its report (L/7483), and adopted the report.

<sup>&</sup>lt;sup>8</sup>Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

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At the Council meeting on <u>4 October 1994</u>, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in L/7534.

The representative of Switzerland spoke.

The Council took note of the statements, approved the Committee's specific recommendations in paragraphs 7,17 and 18 of its report (L/7534), and adopted the report.

At the Council meeting on 10 November 1994, the Chairman said that the report of the Committee on Budget, Finance and Administration would be submitted directly to the CONTRACTING PARTIES' Fiftieth Session in December.

The Council took note of the statement.

## (iii) Membership (C/M/273)

At its meeting on 21 June 1994, the Council took note of Sweden's intention to withdraw from the Committee on Budget, Finance and Administration (L/7460), and invited Finland to be represented thereon, on the basis of the latter's request (L/7459).

## (b) Office of Director-General

- Appointment of a new Director-General (C/M/272)

At the Council meeting on 10 May 1994, the Chairman of the CONTRACTING PARTIES said he had been informed by the Director-General that the latter would not be a candidate for the post of Director-General of the World Trade Organization (WTO) and would leave office by the end of the year — the target date for the entry into force of the Agreement establishing to WTO. Since no procedural rules had yet been adopted for the appointment of the Director-General of the WTO by the Ministerial Conference, it was his understanding that one had to proceed in conformity with the procedures approved for the appointment of the Director-General to the CONTRACTING PARTIES to GATT (BISD 33S/55). Pursuant to these procedures, he informed the Council that he would initiate the process of consultations on the appointment of a new Director-General in the near future.

The Council took note of this information.

## 32. Observer status

#### (a) Governments

#### (i) Uzbekistan (C/M/273)

At the Council meeting on 21 June 1994, the Chairman drew attention to a request for observer status from Uzbekistan (L/7400, Add.1 and Add.1/Corr.1), and proposed that the Council agree to grant Uzbekistan observer status.

The Council so agreed.

The representatives of Switzerland, Brunei Darussalam on behalf of the ASEAN countries, India and Turkey, and the observer from Uzbekistan spoke. The representatives of Sweden on behalf

of the Nordic countries, the European Communities, the United States, Argentina and Venezuela wished to be placed on record as welcoming Uzbekistan as an observer to the Council.

The Council took note of the statements and of the expressions of welcome.

#### (ii) <u>Vietnam</u> (C/M/274)

At the Council meeting on 20 July 1994, the Chairman drew attention to a request for observer status from Vietnam (L/7490), and proposed that the Council agree to grant Vietnam observer status.

The Council so agreed.

The representatives of New Zealand, Brunei Darussalam on behalf of the ASEAN countries, Australia, Japan, Korea, the European Communities, Cuba and India, and the observer from Vietnam spoke.

The Council took note of the statements.

## (iii) Georgia (C/M/276)

At the Council meeting on 10 November 1994, the Chairman drew attention to a request for observer status from Georgia (L/7545), and proposed that the Council agree to grant Georgia observer status.

The Council so agreed.

#### (iv) Sudan (C/M/276)

At the Council meeting on 10 November 1994, the Chairman drew attention to a request for observer status from Sudan (L/7549), and proposed that the Council agree to grant Sudan observer status.

The Council so agreed.

The observer from Sudan spoke.

The Council took note of the statement.

## (b) <u>International Organizations</u>

- European Bank for Reconstruction and Development (EBRD) (C/M/274, 275)

At its meeting on 20 July 1994, the Chairman informed the Council of the EBRD's interest in obtaining observer status in the Council. Since this request had been received too late for inscription on the Agenda of the present meeting, it would be taken up formally at the next meeting.

The Council took note of this information.

At its meeting on <u>4 October 1994</u>, the Council agreed to grant the European Bank for Reconstruction and Development observer status, following a request by that organization in document L/7528.

The representative of Switzerland spoke.

The Council took note of the statement.

## 33. Council membership

## (a) <u>Bahrain, Brunei Darussalam and Paraguay</u> (C/M/269)

At its meeting on <u>22 February 1994</u>, the Council welcomed Bahrain, Brunei Darussalam and Paraguay as Council members.

#### (b) Honduras (C/M/273)

At its meeting on 21 June 1994, the Council welcomed Honduras as a Council member.

## (c) Fiji, Grenada and Slovenia (C/M/276)

At its meeting on 10 November 1994, the Council welcomed Fiji, Grenada and Slovenia as Council members.

## 34. Issuance and derestriction of GATT documents (C/M/275, 276)

At the Forty-Eighth Session of the CONTRACTING PARTIES in December 1992, the outgoing Chairman of the Council had suggested that contracting parties devote attention to revising the procedures for derestriction of GATT documents (SR.48/1, page 3). Similar suggestions had also been made by the Council Chairmen of the Forty-Sixth and Forty-Seventh Sessions of the CONTRACTING PARTIES in 1990 and 1991, respectively.

In February 1993, the Council considered the matter. Since then the Council Chairman had held consultations concerning the derestriction of GATT documents and the United States' proposal on this subject.

At its meeting on <u>4 October 1994</u>, the representative of the United States introduced his country's proposal concerning issuance and derestriction of documents (C/189).

The representatives of the European Communities, Australia, Canada, Japan and Switzerland spoke. The representatives of India, Hong Kong, Korea and the Philippines on behalf of the ASEAN countries wished to be placed on record as supporting the views expressed by the previous speakers.

The Council took note of the statements and of the expressions of support of the views expressed, took note of the proposal in C/189, agreed that the proposal be thereby derestricted and invited the Chairman of the CONTRACTING PARTIES to continue his informal consultations on this matter.

At its meeting on 10 November 1994, the Chairman informed that the Chairman of the CONTRACTING PARTIES intended to pursue consultations with a view to submitting a draft Decision on this matter at the Fiftieth Session of the CONTRACTING PARTIES.

The representative of the United States spoke.

The Council took note of the statements.

## 35. Council working practices

#### - Treatment of "Other Business" items (C/M/276)

In June 1993, the Chairman had made a statement containing certain proposals designed to expedite the conduct of Council business. One of the matters addressed by those proposals concerned the conduct of discussions under "Other Business".

At the Council meeting on 10 November 1994, the Chairman read out a statement (C/COM/5) which was based on his informal consultations on the treatment of "Other Business" items held at the request of a number of delegations.

The Council took note of the statement.

## 36. Communication from the Chairman of the Preparatory Committee (C/M/273)

At its meeting on 21 June 1994, the Chairman informed the Council that he had received a communication from the Chairman of the Preparatory Committee on the arrangements that had been agreed to by the Preparatory Committee regarding the implementation of its mandate under Paragraph 8(b)(i) of the Decision on the Acceptance of and Accession to the Agreement Establishing the World Trade Organization.

The Council took note that these arrangements had been adopted by the Preparatory Committee and that they had been duly communicated to the accession working parties established by the Council.

## 37. Appointment of presiding officers of standing bodies (C/M/270, 271, 276)

At the Council meeting on 22-23 February 1994, pursuant to the CONTRACTING PARTIES' action at their Forty-Fourth Session (SR.44/2), the Chairman announced the results of his consultations. Mr. Witt (Germany) had been proposed as Chairman of the Committee on Balance-of-Payments Restrictions, Mr. Gosselin (Canada) as Chairman of the Committee on Budget, Finance and Administration, and Mrs. Bautista (Philippines) as Chairperson of the Committee on Tariff Concessions. He informed the Council that he was pursuing consultations on the appointment of the Vice-Chairman of the Committee on Tariff Concessions, and would announce the results thereof at the next Council meeting.

The Council took note of the statement and approved the above-mentioned appointments.

At the Council meeting on 23 March 1994, the Chairman announced that Miss Thompson (Australia) had agreed to serve as Vice-Chairperson of the Committee on Tariff Concessions.

The Council approved the appointment.

At the Council meeting on 10 November 1994, the Chairman announced that consultations on presiding officers of standing bodies would be carried out in due course by his successor which would have to take into account pending decisions on future work under GATT 1947 once the WTO had come into existence, and would be open to all delegations.

The Council took note of this information.