

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED
PC/M/10
19 December 1994

(94-2845)

PREPARATORY COMMITTEE FOR THE
WORLD TRADE ORGANIZATION

MINUTES OF MEETING

Held at the International Conference Centre, Geneva,
on 8 December 1994, on the occasion of the Implementation Conference

1. The Preparatory Committee for the World Trade Organization (WTO) held its tenth meeting under the Chairmanship of Mr. Peter D. Sutherland.
2. The Chairman recalled that the Implementation Conference had been convened in accordance with paragraph 3 of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. He noted that the Provisional Agenda was contained in Airgram PC/AIR/40, GATT/AIR/3652, and proposed that it be adopted.
3. The Agenda was adopted.
- A. Date of entry into force of the WTO Agreement
4. The Chairman proposed that the Preparatory Committee confirm 1 January 1995 as the date of entry into force of the WTO. This confirmation would be based on the Committee's understanding that members were committed to bringing the WTO into force on 1 January 1995 and would be making every effort to conclude their domestic ratification processes to this end. In this context, he recalled that paragraph 7 of the Ministerial Decision Establishing the Preparatory Committee kept the Committee in place until the entry into force of the WTO. At the meeting of the Committee on 23 November, he had already envisaged the need for at least one more meeting of the Committee after the Implementation Conference to finalize and adopt the report of the Committee to the WTO, taking into account the work done in December. It was understood that at such a meeting the Committee would also be free to review, if necessary, the situation regarding the conclusions reached at the Implementation Conference.
5. The Committee took note of the statement and so agreed.
- B. Consideration of the draft report of the Preparatory Committee to the WTO, including action, as appropriate, on specific parts of the Committee's mandate
6. The Chairman drew attention to a set of decisions on budgetary matters to be taken by the Committee, which were contained in document PC/W/8, W.50/11 and Corr.1 and 2. These concerned, respectively, the budget estimates for 1995 (paragraph 15 on page 4); procedures for the WTO and GATT 1947 Committees on Budget, Finance and Administration during the period in which the WTO Agreement was open for acceptance (paragraph 6 on page 12); and contributions to the International Trade Centre, UNCTAD/GATT (paragraph 21 on page 13).

7. The Committee adopted the report in PC/W/8, W.50/11 and Corr.1 and 2, including the specific recommendations contained therein and the Resolution on the expenditure in 1995 and the ways and means to meet that expenditure (PC/6). The Committee then agreed to transmit the report to the CONTRACTING PARTIES to GATT 1947 for action.¹

8. The Chairman drew attention to two other draft decisions on budgetary, financial and administrative matters. These concerned, respectively, measures to deal with WTO Members with three or more years' assessed contributions outstanding (PC/W/13, W.50/20), and financial obligations of States or separate customs territories that were observers to the WTO (PC/W/14, W.50/21/Rev.1). These draft decisions and recommendations had been approved by the Sub-Committee on Budget, Finance and Administration as well as by the GATT 1947 Committee on Budget, Finance and Administration.

9. He proposed that the Committee approve the recommendations in paragraphs 7(a), (b), (d) and (e) of PC/W/13, W.50/20, and that the recommendations in paragraphs 7(c) and (f) be transmitted for consideration in 1995 by the relevant WTO bodies.

10. The Committee so agreed (PC/7).

11. He then proposed that the Committee approve the recommendation in paragraph 4 of PC/W/14, W.50/21/Rev.1.

12. The Committee so agreed (PC/8). The Committee then agreed to transmit the texts in documents PC/W/13, W.50/20 and PC/W/14, W.50/21/Rev.1 to the CONTRACTING PARTIES to GATT 1947 for action.²

13. The Chairman drew attention to the draft decision pertaining to the transfer of assets and liabilities between the ICITO/GATT and the WTO (PC/W/12, 6SS/W/1). He proposed that the Committee adopt the decision in document PC/W/12, 6SS/W/1 and agree to transmit it to the CONTRACTING PARTIES to GATT 1947, meeting in Special Session, and to the Executive Committee of the ICITO, for action.

14. The Committee so agreed (PC/9).³

15. The Chairman then drew attention to a set of two draft decisions setting out the terms for the continuation of the GATT 1947 and the Tokyo Round agreements after the entry into force of the WTO. The first, in document PC/W/15, 6SS/W/4, concerned the participation in meetings of WTO bodies by certain signatories of the Final Act eligible to become original members of the WTO, and the second, in document PC/W/16, 6SS/W/2, concerned the avoidance of procedural and institutional duplication. These draft decisions had been approved by the Sub-Committee on Institutional, Procedural and Legal Matters and recommended for adoption by the Preparatory Committee. He proposed that the Committee adopt the draft decisions and agree to transmit the decision in PC/W/16, 6SS/W/2 and PC/W/15, 6SS/W/4 to the CONTRACTING PARTIES to GATT 1947, meeting in Special Session, for action.

¹At their Fiftieth Session on 8-9 December, the CONTRACTING PARTIES to GATT 1947 adopted the report in PC/W/8, W.50/11 and Corr.1 and 2, including the specific recommendations therein and the Resolution on expenditure in 1995 and the ways and means to meet that expenditure (L/7577).

²At their Fiftieth Session on 8-9 December, the CONTRACTING PARTIES to GATT 1947 took action on the two texts similar to that taken by the Preparatory Committee (L/7578 and L/7579).

³The CONTRACTING PARTIES to GATT 1947, meeting in Special Session on the occasion of the Implementation Conference, adopted the decision in PC/W/12, 6SS/W/1 (L/7580). At a meeting held on 8 December, the Executive Committee for the ICITO also adopted the decision in PC/W/12, 6SS/W/1 (ICITO/1/39).

16. The Committee so agreed (PC/10 and 11).⁴

17. The Chairman then drew attention to a set of five draft decisions pertaining to the transitional coexistence of GATT 1947 and the WTO Agreement on the one hand and to the Tokyo Round Agreements on anti-dumping practices and on subsidies and countervailing measures and the WTO Agreement on the other, as set out in documents PC/W/17, 6SS/W/3; PC/W/22, 6SS/W/5; PC/W/23, 6SS/W/6; PC/W/24, 6SS/W/7; and PC/W/25, 6SS/W/8. He proposed that the Committee adopt these decisions and agree to transmit them to the CONTRACTING PARTIES to GATT 1947, meeting in Special Session, for action.

18. The Committee so agreed (PC/12, 13, 14, 15 and 16).⁵

19. The representative of Mexico recalled that at the Committee's meeting on 7 December, his delegation had indicated that some technical issues were still pending in respect of transitional arrangements. These issues had been the subject of a plurilateral meeting as well as bilateral contacts the day before, at which it had been confirmed that the transitional arrangements that the Committee had just adopted did not affect nor prejudice in any way the rights and obligations, whether substantive or procedural, of WTO Members under the Agreement establishing the WTO. It was with this understanding, and with a view to making an additional effort towards the rapid entry into force of the WTO, that his delegation was in a position to inform the Committee that Mexico hoped that the transitional arrangements referred to functioned appropriately and that, as circumstances evolved, Mexico would make use of the various provisions thereof as appropriate.

20. The Chairman expressed his gratitude for the efforts made by Mexico and others to resolve this issue satisfactorily. He then proposed that the Committee, at this stage, take note of the draft report to the WTO as contained in document PC/R/W/1/Rev.1. As had been agreed, subsequent developments would be incorporated into the next revision of the draft report.

21. The Committee so agreed.

22. The Chairman said that three issues remained outstanding, namely, the Headquarters Agreement; the date and provisional agenda for the first meeting of the General Council (paragraph 8(c)(v) of the Decision establishing the Committee); and the composition and chairmanship of the Textiles Monitoring Body (paragraph 8(c)(iv) of the Decision establishing the Committee). There was also the ongoing process under paragraph 8(b)(i), which was proceeding satisfactorily and should be concluded by mid-December. He suggested that the remaining days ahead be used to focus on the issues outstanding. He said he intended to start consultations on finalizing the logistics for the first meeting of the General Council. Also, consultations would be intensified to settle the issue of the TMB. Finally, the Chairman of the Sub-Committee on Budget, Finance and Administration would be accelerating the process on the Headquarters Agreement. He hoped that at its next meeting the Committee would have proposals, or at least reports on important developments, in all these areas.

23. The Committee took note of the statement.

⁴The CONTRACTING PARTIES to GATT 1947, meeting in Special Session on the occasion of the Implementation Conference, adopted the decision in PC/W/16, 6SS/W/2 (L/7582), and took note of the decision in PC/W/15, 6SS/W/4 (L/7581).

⁵The CONTRACTING PARTIES to GATT 1947, meeting in Special Session on the occasion of the Implementation Conference, adopted the decision in PC/W/17, 6SS/W/3 (L/7583). The CONTRACTING PARTIES took note of the other decisions and agreed to transmit them to the relevant Tokyo Round Code Committees for action (L/7584, L/7585, L/7586, L/7587). At meetings held on 8 December, the Tokyo Round Committees on Anti-Dumping Practices and on Subsidies and Countervailing Measures adopted the decisions referred to them (ADP/131 and 132; SCM/186 and 187).