

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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COUNCIL
10 May 1994

TRADE POLICY REVIEW MECHANISM

Proposed Decision on arrangements for the continued operation of the Mechanism

The Decision of the CONTRACTING PARTIES dated 12 April 1989, establishing the Trade Policy Review Mechanism (BISD 36S/403) states that "In the light of the experience gained from its operation, the CONTRACTING PARTIES will review, and if necessary modify, these arrangements at the end of the Uruguay Round."

At the CONTRACTING PARTIES' Forty-Ninth Session in January 1994, a number of contracting parties expressed a desire for informal consultations to be held on issues relating to the operation of the Trade Policy Review Mechanism.

On the basis of recent consultations on this subject, the draft decision contained in the Annex is proposed for adoption by the Council at its meeting on 10 May.

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ANNEX

The CONTRACTING PARTIES,

Recalling their Decision of 12 April 1989 (BISD 36S/403), in particular that in the light of experience gained from the operation of the Trade Policy Review Mechanism, they will review, and if necessary modify, the arrangements related thereto at the end of the Uruguay Round,

Decide as follows:

1. The Trade Policy Review Mechanism shall continue in operation until its successor mechanism established in Annex 3 of the Agreement establishing the World Trade Organization (WTO) comes into effect.
2. Contracting parties agree that a report by the Government of the contracting party or by the entity under review remains a central element of the review process. However, in order to avoid duplication of the material contained in the Secretariat report, and to lighten the burden on delegations, Government reports shall be in the form of policy statements. It would essentially be for the contracting parties and entities concerned to decide on the form and length of such statements, although the Council, or the Trade Policy Review Body to be established under the WTO Agreement, may decide on new guidelines for Government reports.
3. Contracting parties agree that the principal focus of Secretariat reports should be on the trade policies and practices of the contracting party or entity under review. Contracting parties recognize that trade policies must, to the extent necessary, be seen in the context of overall macro-economic and structural policies.
4. The existing cycle of reviews shall be maintained, but with a general degree of flexibility of up to six months, if and as may be necessary. Schedules of subsequent reviews shall be established by counting from the date of the previous review meeting.
5. Documentation relating to each review meeting shall be provided to Council members at the latest four weeks before the date of the review meeting.
6. Contracting parties recognize that the changes in the procedures for review meetings introduced in 1993 (L/7208) have facilitated a more lively debate. All parties subject to review should co-operate in enabling these procedures to function effectively. Contracting parties also recognize that the rôle of discussants is crucial, especially in triggering the debate on the second day of a review meeting. Delegations are reminded that, where possible, written questions should be submitted to the party under review at least one week before the review meeting, to allow time to prepare replies.
7. Press arrangements for trade policy reviews should ensure sufficiently complete coverage of the proceedings of review meetings. In the light of suggestions made by individual contracting parties, notably regarding the timing and delivery of documentation to the press, participation in press briefings, and other related questions, the Secretariat is requested to consult further on ways in which this can be achieved, and to make proposals to the Council before the next trade policy review to be held.
8. Contracting parties agree that the understandings in paragraphs 2 to 6 shall be communicated to the Preparatory Committee for the World Trade Organization for its consideration, with a view to their introduction on the entry into force of the WTO Agreement.