

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

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**PREPARATORY COMMITTEE FOR THE
WORLD TRADE ORGANIZATION**
29 April 1994

MINUTES OF MEETING

Held on 29 April 1994

1. The Preparatory Committee for the World Trade Organization (WTO), established by the Ministerial Decision of 14 April 1994 at Marrakesh (MTN.TNC/45(MIN), Annex IV), held its first meeting at the level of Heads of Delegations under the Chairmanship of Mr. Peter D. Sutherland. The purpose of the meeting was to consider a number of organizational matters relating to the work of the Committee. In accordance with Paragraph 2 of the above-mentioned Decision, all Uruguay Round Final Act signatories had been invited to participate in the work of the Committee.

A. **Establishment of Sub-Committees**

2. The Chairman recalled that Paragraph 3 of the above-mentioned Decision provided for the establishment, *inter alia*, of two sub-committees, one on Budget, Finance and Administration and another on Services. Also, the Marrakesh Ministerial Decision of 14 April 1994 on Trade and Environment (MTN.TNC/45(MIN), Annex II) separately provided in its penultimate paragraph for the establishment of a sub-committee on Trade and Environment. Furthermore, consultations had recently been held which had indicated a desire to establish a sub-committee to consider and report on the institutional, procedural and legal Matters referred to in paragraph 8(b)(ii), (iii), and (iv) of the Decision establishing the Preparatory Committee.

3. Membership of these Sub-Committees, and any further such committees that might be established, would be open to all members of the Preparatory Committee, it being understood that membership of some sub-committees, for example that on services, would in practice consist of those members directly interested in participating in negotiations on specific subjects.

4. He proposed that the Committee agree to establish a fourth Sub-Committee, namely on Institutional, Procedural and Legal Matters.

5. The Committee so agreed.

B. **Chairmanship of Sub-Committees**

6. The Chairman recalled that the Decision establishing the Preparatory Committee provided that the Chairman of the CONTRACTING PARTIES would chair the Sub-Committee on Budget, Finance and Administration. Consultations had been held on the chairmanship of the other sub-committees, on the basis of which Mr. Lampreia (Brazil) was being proposed as Chairman of the Sub-Committee on Trade and Environment, and Mr. Manhusen (Sweden) as Chairman of the Sub-Committee on Services. It appeared that further consultations would be necessary before nominating the Chairman of the Sub-Committee on Institutional, Procedural and Legal Matters.

7. The Committee approved the proposed nominations of Mr. Lampreia and Mr. Manhusen as respective Chairmen of the Sub-Committees on Trade and Environment and on Services.

C. Organization of Work

8. The Chairman said that he envisaged, initially at least, that the Committee's work would be carried out largely on a decentralized basis through the sub-committees. The Committee itself would meet periodically to review progress, and for the time being, would reserve to itself discussion on the proposals to add "new issues" to the WTO work programme. In addition, the Committee would carry out the task assigned to it in Paragraph 8(b)(i) of the Decision on its establishment, concerning the Acceptance of and Accession to the WTO Agreement, the preliminary work of which would continue to be done by the relevant working groups dealing with each of the governments seeking accession to the GATT. This, of course, was an important matter, not merely for those seeking accession but also for many members of the Preparatory Committee. It was, moreover, a matter on which a great deal of effort would be required in the coming months.

9. He suggested that the respective Chairmen of the Sub-Committees consult on the calendar for their meetings, bearing in mind that some tasks would require earlier decisions than others. With regard to the Sub-Committee on Budget, Finance and Administration and Finance, he said that it was currently for the Secretariat to produce for that Committee the relevant papers which would enable it to commence its work. This would be done in the near future, as that Sub-Committee clearly had some urgent work before it.

10. As to areas covered by the Sub-Committee on Services, it was envisaged that the negotiating groups on Movement of Natural Persons, Maritime Transport and Basic Telecommunications would meet the following week and that early consultations were being held on the date of the first meeting of the Sub-Committee itself.

11. Mr. Lampreia he and his country were honoured at his selection to preside over the Sub-Committee on Trade and Environment. It was clear that in Marrakesh the Ministerial meeting of the TNC had decided to upgrade the trade and environment area and had indicated that this would become one of the principal items on the Agenda of both the GATT and the WTO for at least the following two years. There was a work programme that had been the subject of very careful and balanced consideration and negotiations, and there was the decision in Marrakesh, which was quite wide in scope and certainly allowed room for discussion of all the issues of interest. Given the importance of the debate on this matter, participants would certainly dedicate a great deal of attention to it. He, of course, counted on the cooperation, support and expertise of all delegations in this respect.

12. As to the Sub-Committee's activities, he proposed to follow a tentative schedule with the following arrangements. An initial meeting might be held on the afternoon of 10 May, or on 11 May, in which delegations would have a first opportunity to express their views. Following the meeting, he would propose to adjourn the work of the Sub-Committee to allow for consultations both among and with delegations with a view to resuming work on 1 June and carrying on with the work for about 45 days before the summer recess. Over these days, the Sub-Committee would concentrate mostly on methodological discussions on how to tackle the trade and environment issue; in what priority; in what form; what kind of studies were required; what kind of outside input one would wish to have; and how to organize relations with other international organizations, including, possibly, non-governmental organizations. He believed that all these matters should be the object of thorough thought and discussion, which he would plan to carry out before the summer recess. The Sub-Committee would then reconvene around 12 September, with a view to bringing its work to completion, at which time it would present a preliminary report to the Preparatory Committee.

13. Mr. Manthusen expressed his deep appreciation to all delegations in their confidence in appointing him Chairman of the Sub-Committee on Services. As to the meetings that were planned, meetings on Movement of Persons, Maritime Transport and Basic Telecommunications would be held on 4, 5 and 6 May, respectively. He did not envisage that these meetings would last more than a half-day each, as they would be primarily of a procedural nature, while, of course, also taking stock of the situation as of December 1993. In this respect, in order to assist him and to all interested delegations, the Secretariat would, on 2 May, distribute short papers on the different subjects. These first meetings on the three subjects would be open to all members of the Preparatory Committee in order to enable any of them to make known its intention to take part in the forthcoming negotiations. With regard to the Sub-Committee itself, he would immediately start consultations with a view to determining when its first meeting could be held, which would not be before those of the negotiating groups on the three issues, but, hopefully, would be held very shortly afterwards.

D Observers

14. The Chairman said that the Committee would undoubtedly be presented with requests from various quarters for attendance at its meetings as observers. He suggested that the Committee follow the same rules that had been agreed on attendance by observers at meetings of the Uruguay Round Trade Negotiations Committee, namely, that the following four international organizations — United Nations, IMF, World Bank and UNCTAD — as well as those governments which had been associated with the work of the TNC would be invited to attend formal meetings of the Preparatory Committee as observers. He would also suggest that it be left to the Sub-Committees to decide on their own rules and on the appropriate observers that might attend their respective meetings.

15. The Committee so agreed.

E. Seat of the WTO

16. The Chairman said that following consultations with delegations, the Chairmen of the GATT's CONTRACTING PARTIES and Council, as well as with other GATT office holders, the Secretariat had entered into *bona fide* discussion with the Swiss authorities on the question of the seat of the WTO. By *bona fide* discussion, he meant that the Secretariat had indicated to the Swiss authorities the sort of issues and demands that seemed to be of concern to delegations and the Secretariat with a view to eliciting the best offer from the Swiss authorities. This had been done on the understanding that it was possible that this offer could be accepted without recourse to a formal competitive tender, subject to the agreement of the prospective members of the WTO within the Preparatory Committee that the offer met the basic requirements. It had, of course, been made absolutely clear that while the Secretariat did not have a formal negotiating mandate, it had an obligation to clarify, i.e., to outline, the sorts of issues that needed to be addressed in a possible offer by Switzerland. The issues under discussion included the economic terms under which buildings, conference and parking facilities would be made available to the WTO, as well as the privileges and immunities that would be applied to the WTO, accredited delegations and to the members of the Secretariat. That process had continued very intensively to the point where one could now expect to receive proposals very shortly from the Swiss authorities.

17. In recent days, he had received a communication from the Minister of another member government indicating that his Government was likely to make a formal proposal to host the WTO. Should a proposal materialize, he could not exclude that other governments, too, might wish to make proposals to host the WTO. Clearly, however, it would be undesirable to have a long drawn out process on this issue if the WTO was to be effectively operational in good time. For this reason, and on the basis of some limited consultation he had had on this, he believed that any government that contemplated

making a proposal should take into account that it was desirable that the entire process of choosing a seat should be brought to a conclusion within the following six weeks. He would arrange to consult widely when the elements of the Swiss authorities' offer and any other possible proposal were made available. In the absence of any comment on what he had just said, he would take it that the objectives set in regard to a time scale would be acceptable to all. Since he did not believe that one had the facility of having a great deal of time at one's disposal, the time limit he had suggested was probably a reasonable one.

18. The representative of the Federal Republic of Germany said that he was puzzled by the fact that the Chairman was now suggesting six weeks, whereas the previous day he had suggested concluding this process before the summer break. He believed that the latter time-frame would be more reasonable.

19. The Chairman said that if there was a difficulty about the time that he had suggested, perhaps one should have further discussions about it. He appreciated the fact that he had changed the period. The reason for this was that, in the consultations that he had had, it had been strongly represented to him by everyone with whom he had spoken and had been strongly felt by contracting parties that that period to the summer break was — and this was not in any sense to disadvantage anybody — too long, created too much uncertainty and was undesirable, and that six weeks should be adequate. On the other hand, it was a question of natural justice that people should have an adequate opportunity to put forward offers. He would, however, ask the German representative to reflect, as he would himself, about the period that he had suggested because he thought it had a wide measure of support amongst contracting parties as being the necessary period for the conclusion of the matter.

20. The Committee took note of the statements.