

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)

Negotiating Group on Dispute Settlement

MEETING OF 20 JULY 1989

Note by the Secretariat

1. The Group held its fifteenth meeting on 20 July 1989 under the Chairmanship of Ambassador Julio A. Lacarte-Muró (Uruguay). The Group adopted the agenda set out in GATT/AIR/2806.

2. With respect to the agenda, it was suggested that it would not be appropriate to discuss at this meeting Item A(2) concerning "compensation in the context of GATT dispute settlement rules and procedures" and Item A(3) concerning "non-violation complaints under Article XXIII" in view of the fact that the two Secretariat documents dealing with these issues (MTN.GNG/NG13/W/32 and MTN.GNG/NG13/W/31, respectively) had only recently been circulated. The Group therefore decided to postpone discussion of these issues to a future meeting.

3. The Group also decided to postpone to a future meeting discussion of Item A(4) of the agenda, concerning "proposals by least-developed countries for special provisions facilitating their effective use of the GATT dispute settlement mechanism". Bangladesh, which had previously indicated that it intended to elaborate on certain such proposals, was not present at the meeting.

4. The Group held a short discussion on agenda Item A(1) concerning "implementation of rulings, decisions and recommendations under Article XXIII:2". Delegations noted that implementation of adopted panel rulings and recommendations was a core issue in the dispute settlement area and that the new rules on surveillance adopted by the TNC in its Decision of 8 April 1989 represented a significant improvement in the dispute settlement system. Some participants considered that it would be appropriate to gain experience with the newly adopted provisions on surveillance before attempting to elaborate any additional provisions in this area. Other participants, however, expressed the view that the Group could already now usefully consider the further development and refinement of provisions on implementation. Several delegations recalled proposals that had been made prior to the Mid-term Review dealing with special rules for implementation in cases involving developed and less-developed contracting parties. The Group also briefly considered the issue of the conformity of domestic legislation with the requirements of Article XXIII:2. With respect to this issue, it was said by one delegation that the Group should also be aware of what was taking place in other negotiating groups.

5. Under Item B of the agenda, "Other Business", the Group gave brief consideration to a paper on "Arbitration in the Framework of GATT", circulated by the delegation of Switzerland in document MTN.GNG/NG13/W/33 of 19 July 1989. The delegation of Switzerland introduced the paper, noting that the basic issue was that arbitration within GATT was not simply arbitration in the traditional sense but arbitration in the context of a multilateral system. The Group agreed to revert to this issue at a future meeting.

6. The Group confirmed that its next two meetings would be held on 28-29 September 1989 and 7-8 December 1989. In addition to whatever subjects from the present meeting the Group would wish to discuss at the September meeting, it was agreed that the latter should also include discussion of the subjects "adoption of panel reports" and "strengthening of the commitment to abide by the dispute settlement rules", both mentioned in paragraph 2 of the TNC Decision on dispute settlement. The Chairman suggested that delegations make known to the Secretariat their views as to which subjects should be included on the agenda of the September meeting.

7. The Chairman urged participants to circulate any further proposals they might wish to make in the Group as soon as possible and before the end of 1989, since the Group had agreed to also consider, in the course of next year, the trial application of the improved dispute settlement procedures and the proposed elaboration of a consolidated instrument integrating the various GATT dispute settlement procedures into one single transparent text. One delegation expressed the view that no consensus had been reached yet as to the elaboration of such a consolidated, transparent single text integrating the various GATT dispute settlement procedures.