

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.SB/19

13 July 1993

Special Distribution

Surveillance Body

MEETING OF 10 JUNE 1993

1. The Surveillance Body met on 10 June 1993.

Adoption of the agenda

2. The Surveillance Body adopted the agenda proposed in the convening airgram GATT/AIR/3429/Rev.2.

Item (A): Standstill

- (I) Examination of standstill notifications submitted in accordance with the agreed procedures (MTN.TNC/W/10/Rev.1)

3. The Chairman noted that when the Surveillance Body last met, on 16 October 1991, it had agreed that further sessions would be considered in the light of the discussion in the TNC. The need for today's meeting arose from a number of notifications received since, mostly concerning standstill. He recalled that the agreed procedures provided for the Surveillance Body to transmit a record of its proceedings relating to standstill notifications to the next meeting of the TNC. It would also be transmitted to the GNG for information.

4. The Body examined three notifications on standstill made between October 1991 and May 1993. They concerned (i) the United States' extension of the Export Enhancement Program; (ii) the European Communities' introduction of prior import surveillance on apple imports; and (iii) the European Communities' Regulation No. 404/93 establishing a common market organization for bananas.¹ The record of the Body's examination of these notifications, drawn up in accordance with paragraph 3 of the agreed procedures, is annexed. No requests were made to revert to notifications examined at previous meetings of the Surveillance Body.

¹MTN.SB/SN/23, dated 7 October 1992 (notification by Chile); MTN.SB/SN/24, dated 22 March 1993 (notification by Chile); MTN.SB/SN/25, dated 23 March 1993 (notification by Colombia).

5. The Chairman informed that, under the agreed procedures, it was not possible to examine an additional notification by Brazil, which had been received too late in order to be considered at this meeting. However, the delegation of Brazil was free to raise the subject matter under item A.II.

(II) Consideration of statements by participants concerning other aspects of the standstill commitment

"Early warning"

6. The representative of Brazil referred to an announcement by the Government of the United States that had identified Brazil and two other countries as 'priority foreign countries' under the Special 301 provision of the U.S. Trade Act of 1974. This announcement, made on 30 April 1993, was for the purposes of initiating an investigation into Brazil's laws and practices in the area of intellectual property rights. Reiterating previous statements in the GATT Council, he noted that concerns about the adequate and effective protection of intellectual property rights could be addressed in the context of the international conventions under which both countries had assumed obligations.

7. Brazil had recently transmitted to the Chairman of the Surveillance Body a notification of the U.S. decision, which it considered to breach the standstill commitment of Punta del Este. He was aware that the notification was too late to be examined now under agenda item A.1. Indicating that no measures had yet been adopted by the United States, he considered it appropriate, however, to discuss the U.S. initiative under "Early warning" and without prejudice to a more detailed discussion at a further meeting of the Surveillance Body.

8. Actions initiated under Section 301 could lead to results inconsistent with the United States' obligations under the General Agreement. Countries found by the U.S. authorities in breach of that Section could suffer severe trade restrictions, which Brazil had already experienced in the past. He urged the United States to desist from any further actions under Section 301 and noted that the recent initiation of such action, which was inconsistent with sub-paragraphs (i) and (iii) of the standstill commitment, had already inhibited trade.

9. The representatives of India, Venezuela, Pakistan and Colombia endorsed this statement and underlined the adverse implications of the United States' action for the multilateral trading system.

10. The representative of Venezuela noted that the United States had also placed his country on the watch list under Section 301, with a negative impact on bilateral economic relations and foreign investment. The new U.S. administration had started a series of annual reviews of selected countries, including Venezuela, to ensure a more effective defence of the

intellectual property rights of U.S. firms. Venezuela was facing the threat of being listed a 'priority foreign country' if Decision 313 of the Andean Group on intellectual property was not modified by June 1993. However, unilateral measures of trade retaliation under Section 301 violated the United States' obligations under the General Agreement, under multilateral agreements governing the protection of intellectual property rights, and under bilateral treaties between the United States and Venezuela. He called on the United States to refrain from applying Section 301 - especially in the light of current initiatives to change Venezuela's legislation on intellectual property and to modify Decision 313 of the Andean Group - and to remove Venezuela from the watch list.

11. The representative of Pakistan shared the concerns expressed. His country was also placed on the watch list under Section 301 although it fully respected intellectual property rights. Any unilateral action, or threat thereof, contravened basic principles of the multilateral system.

12. The representative of Colombia said that his country had also been named in the relevant list published by the U.S. Department of Commerce. Colombia was also bound by decisions and the legal framework of the Andean Group concerning intellectual property matters. His delegation viewed the U.S. action as an attempt to impose unilateral measures and to export a country's own legislation; his delegation had condemned such practices in the past and would continue to do so. It was important for the Surveillance Body to examine such practices whose mere announcement could already amount to a violation of part (iii) of the standstill commitment.

13. The representative of El Salvador said that her country had also been included in the watch list under Section 301. This decision ran counter to basic objectives of the multilateral trading system and could impair El Salvador's trade interests. The United States could have raised its concerns in the competent international fora. Current draft law in her country was in conformity with both the relevant provisions of the Draft Final Act of the Uruguay Round on trade-related intellectual property rights and, as indicated by the World Intellectual Property Organization, the relevant international conventions.

14. The representative of Australia reiterated concerns expressed at the last Council meeting about unilateral measures. In April 1993, Australia had been placed by the United States on the priority watch list for alleged trade restrictions ensuing from its broadcasting policies, and identified, under Title 7 of the U.S. Trade Act, for its federal procurement practices in the area of information technologies. These initiatives were unjustifiable. It was important that all trading partners threatened by unilateral actions resisted such attempts to impose trade solutions on them.

15. The representative of Egypt said that questions relating to intellectual property should be considered under the relevant international agreements. He urged all participants to refrain from unilateral actions or measures to improve their negotiating position in the Uruguay Round. A successful conclusion to the Round could help solve trade problems related to intellectual property rights.

16. The representative of Japan agreed that the United States' unilateral actions had a trade impeding effect and undermined the credibility of the multilateral system.

17. The representative of the United States took note of the concerns expressed. She found it difficult, however, to understand the motivation behind Brazil's notification. As indicated by the Brazilian representative, the notification did not deal with any actual or proposed trade action. Since the United States had merely announced its intention to initiate an investigation into alleged problems, Brazil's notification could not appropriately be the subject of discussions in the Surveillance Body.

18. The representative of Brazil considered it perfectly in order to raise this issue under "Early warning". On previous occasions, investigations under Section 301 had resulted in specific trade measures with a serious negative impact on the multilateral trading system. He reserved his delegation's right to revert to this issue and to call for a meeting of the Surveillance Body to examine it in full.

Item (B): Rollback

(I) Consideration of statements concerning the rollback commitment in the light of the agreed procedures (MTN.TNC/W/10/Rev.1)

19. The Chairman said that since the last meeting of the Surveillance Body, there had been one new notification of rollback measures, submitted by Japan (MTN.SB/RBN/11). There had been no indication of any rollback consultations or initiatives.

20. The representative of New Zealand informed the Surveillance Body that his Government had recently abolished all import licensing requirements; a rollback notification was currently being prepared.

21. The Chairman noted that Colombia had transmitted to the Surveillance Body a Notification originally made in pursuance of Paragraph 3 of the 1979 Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance (L/7093) and that Hong Kong had requested the Secretariat, with Japan's agreement, to make some modifications to the presentation in Document MTN.SB/W/Rev.13 of a Rollback Communication involving Hong Kong

and Japan. The Secretariat proposed to make the changes in the next revision of the document.

22. The representative of Hong Kong thanked the Secretariat for its response to an informal proposal by his delegation. The proposal was intended to separate two issues: Japan's import quota system on some agricultural, pharmaceutical and other products and, secondly, the consultations between Hong Kong and Japan on the prior confirmation system on imports of silk fabrics. The present presentation in Document SB/W/Rev.13 (page 7) could be interpreted as if Hong Kong did not intend to follow up consultations on either issue. This was, however, not true for the prior confirmation system where problems persisted even after four rounds of bilateral consultations and numerous other contacts. Hong Kong intended to pursue this issue further.

23. The representative of Japan noted that the presentation in Document MTN.SB/W/Rev.13 reflected the content of communications by Hong Kong (RBC/8/Add.5 and 6) and in no way prejudiced her country's rights. She had therefore no objections to changes provided that these were in line with the communications. She also drew the Body's attention to the communication by Japan on the outcome of the consultations (Document RBC/22).

24. The Chairman indicated that the Secretariat would make the changes in consultation with the delegations concerned.

25. The Chairman recalled that the Surveillance Body had extensively discussed the appropriate implementation of the rollback commitment. Its report to the TNC, contained in document MTN.SB/18, included suggestions with regard to further actions that the TNC might wish to take. He invited delegations to comment on any additional initiatives.

26. The representative of New Zealand said that he considered the proposals as contained in document MTN.SB/18, still important. The document had been thoroughly discussed in the Surveillance Body in the course of 1991 and he saw no present need for change. It was disappointing, however, that the TNC had not yet examined the proposals, to which New Zealand remained attached; he hoped that this could be done at an early date.

27. The representative of Australia associated herself with this statement. The time for the implementation of the rollback commitment, an important element of the Uruguay Round outcome, might come soon.

Item (C): Other business

28. The Chairman recalled that at the meeting of the TNC in February 1991, the Chairman of the TNC had stated that the standstill and rollback

commitments of the Punta del Este Declaration remained valid until the end of the negotiations. This implied that the Surveillance Body continued to be in charge of notifications or declarations made by participants in the light of these commitments. Noting that two delegations had already indicated the need for a new meeting of the Body, he suggested not fixing a date now, but calling the meeting in the light of developments, including requests by delegations. The Surveillance Body so agreed.

ANNEX

Examination of Standstill Notifications
(MTN.SB/SN/- Series) Submitted in Accordance with the
Agreed Procedures (MTN.TNC/W/10/Rev.1)

New notifications on standstill

1. The Chairman noted that, between the last meeting in October 1991 and May 1993, three notifications had been received on standstill.

(i) Notification by Chile concerning the extension of the
United States' Export Enhancement Program (MTN.SB/SN/23 of
7 October 1992)

2. The representative of Chile stated that the extension of the Export Enhancement Program amounted to a violation of the standstill commitment, sub-paragraph (i), and was at odds with fundamental objectives and principles of GATT. Considerable damage had been caused to Chilean producers and exporters, in particular of canned peaches. She hoped that the United States would review its policy so as to bring it in accordance with the provisions of the General Agreement and the standstill commitment. She requested the Surveillance Body to follow up carefully the effects of the programme, which had an adverse impact on export interests of many developing countries.

3. The representative of the United States said that details of the 1992 Export Enhancement Program had already been discussed extensively in the Council in early 1992. The one-time use of the Program for canned fruit was a proportional response to the European Community's failure to adhere to the terms of a bilateral agreement in this area. Under the agreement, the EC was only allowed to compensate, not subsidize, EC canners for the higher prices of EC raw inputs. The EC had, however, over-compensated its canned fruit industry for the 1991-92 marketing year. While the agreement specifically required the EC to exchange views with the U.S. authorities immediately prior to the annual fixing of compensation levels, the EC had published its support decision without such consultations, despite an urgent request by the United States in late 1991. The excess subsidy granted to EC processors had undermined the competitiveness of their U.S. counterparts.

4. The initiative under the Export Enhancement Program had a value equivalent to the excess EC subsidy of approximately US\$1 million. It was designed to protect the traditional export markets of non-subsidizing suppliers, contrary to the much larger EC export subsidy programmes which provided no such protection. The only answer to the problem of

trade-distorting agricultural export subsidies was a successful conclusion to the Uruguay Round.

5. The representative of Australia supported both the statement by Chile and the observation that the ultimate solution to the problem was a successful conclusion to the Uruguay Round. On subsidy matters, Australia and Chile had very similar interests. It was of particular concern to his country that export subsidies had generally tended to increase in 1993, especially for wheat and dairy products.

6. The representatives of Colombia, Brazil, Argentina and Venezuela also supported Chile's notification.

7. The representative of Colombia rejected the view that the need for a successful conclusion of the Uruguay Round was sufficient to explain a violation of standstill. The commitment not to raise or increase distorting measures was being openly violated.

8. The representative of Brazil noted that his delegation had consistently held that the Export Enhancement Program distorted and disrupted trade flows by promoting subsidized exports and displacing competitive exporters. This was inconsistent with the liberalization principle of the Uruguay Round and violated the standstill commitment. The task of bringing the Round to a successful conclusion would be facilitated greatly if contracting parties ceased to apply GATT-inconsistent measures. He also wondered why, in this case, the United States had not commented in writing on the notification, as foreseen on the standard notification form.

9. The representative of Argentina questioned whether actions by one country could justify counter-measures by others in contravention of the objectives of the Uruguay Round. The U.S. initiative under the Export Enhancement Program could trigger a spiral of additional subsidies. He enquired if the United States Government intended to proceed with the various stages provided for under the Export Enhancement Program, irrespective of the spirit of the standstill commitment.

10. The representative of the European Communities, while supporting the view that the best way to deal with trade distortions was a rapid conclusion to the Uruguay Round, disagreed with the reasons given by the United States representative for extending the Export Enhancement Program. Rather than pointing to other participants' policies, he felt that the measures in question should be explained and defended in their own right.

11. The representative of New Zealand, supported by the representative of Colombia, said that the notifications received since the last meeting were not representative of actual trade developments. Many more notifications would have been made, had participants realized that the Body was active. While acknowledging the objective of neutralizing the effects of subsidies,

he noted that counter-subsidies spilled over and had a very detrimental impact on non-subsidizing countries, including New Zealand. Though he agreed that a successful conclusion to the Uruguay Round was the only long-term solution, he called for greater efforts to restrain the tendency of some participants to subsidize.

12. The representative of Pakistan was not fully convinced that the Uruguay Round would automatically solve the problems under consideration. The standstill commitment had not lost its relevance.

13. The representative of the United States said that the U.S. approach to export subsidies was well known and that her authorities were prepared to fully comply with the final text of the Uruguay Round. Referring to the Brazilian representative, she mentioned that, at the time of the notification, a written response had not been thought necessary in view of the discussion that had taken place in the Council. However, her delegation was prepared to provide this response (see MTN.SB/SN/23/Add.1).

14. The Chairman noted that there had been a number of notifications in the past where the participants maintaining the measures had preferred not to provide comments in writing. However, it would facilitate the task of the Surveillance Body, if such comments were made within the agreed timeframe in order to be circulated with the notification.

15. In summing up, he said that no participant had questioned the applicability of the standstill commitment to the measures taken by the United States. While reference had been made to subsidies by other countries, it was difficult to see how such reference could, by itself, provide justification under the relevant obligations. Several participants had expressed the hope that a solution to the problem of export subsidies would emerge from the Uruguay Round.

(ii) Notification by Chile relating to the introduction by the European Communities of prior import surveillance on apple imports (MTN.SB/SN/24 of 22 March 1993)

16. The representative of Chile referred to the European Communities' introduction, under Regulation No. 384/93, of prior import surveillance on apples from third countries. The Regulation made the release of apples for free circulation in the Community subject to the presentation of an import certificate and the lodging of a security of ECU 1.5 per 100 kg. This had the effect of distorting international trade. The licensing requirement also resulted in additional administrative red tape and costs, and created a climate of uncertainty for exporters. It thus violated the Communities' obligations under sub-paragraph (i) of the standstill commitment.

17. The restrictions had not been in effect at the time when the Community had bound its duties on apples, nor had the EC made any reservation in this context. Chile thus considered that the measures, apart from violating the standstill commitment, nullified and impaired concessions under Article XXIII and were not consistent with Articles II, VIII and XI of the General Agreement. Chile had therefore requested formal consultations with the Community. It was concerned that the surveillance régime might later be transformed into quotas. While this had not occurred yet, the EC had dramatically aggravated the situation by imposing compensatory levies, initially set at ECU 1.84 per 100 kg and progressively increased to ECU 6.43 by 8 June 1993.

18. The system was technically complex. If the entry price of apples was below the Communities' reference price during two consecutive working days, a compensatory levy was applied. The levy was equal to the difference between the reference price and the average entry price for at least 30 per cent of a country's exports to representative EC markets. The entry price was determined by deducting tariffs, other minor levies and the compensatory levy from the importer's sales price. This meant that the entry price fell whenever the compensatory levy rose. The spiral effect implicit in this mechanism could be halted only when quotations were suspended for six consecutive days. Estimates indicated that the export revenues foregone had meanwhile reached tens of millions of dollars.

19. The measures were designed to protect EC markets, as clearly stipulated in Regulation No. 384/93. However, it was essential for a small, trade-oriented economy like Chile's, that trading partners respected their international commitments, irrespective of domestic production problems, and kept their markets open. Chile hoped that the Community was prepared to work towards a mutually satisfactory solution within the framework of the General Agreement.

20. The representative of the European Communities stated that the subject matter under discussion had already been raised in other GATT fora. Licensing schemes were maintained by many contracting parties in accordance with the provisions of the relevant GATT Agreement; any violations would certainly be raised under that Agreement. However, this had not been the case for the Community's licensing system on apples, which clearly indicated that it had no restrictive elements. Indeed, it was designed purely to accelerate the availability of trade information. He also noted that the EC had held bilateral discussions with Chile concerning the countervailing levies on apples, and that the issue was on the agenda of the next Council meeting.

21. The representatives of Mexico, Brazil, Venezuela, Costa Rica, Australia and Colombia supported the statement by the Chilean delegation.

22. The representative of Mexico said that his country exported fruits such as mangoes and avocados to the Community. They were also covered by the relevant EC Regulation and, thus, could be confronted with import surveillance. Pointing to the resulting trade restrictive effects, he called for the Regulation to be abolished. Such measures were not only at odds with the Community's best own interests, but contravened the standstill commitment and, possibly, obligations under the General Agreement, such as Article VIII. EC actions on Chilean apples had already been subject to two Panel reports.

23. The representative of Brazil said that, as an apple exporter to the EC, his country was adversely affected by the Community's import surveillance system. It had been introduced in the wake of domestic apple overproduction and might be replaced later by more specific restrictive measures. The Community's recent initiatives, including import surveillance on orange juice, pointed to renewed protectionist tendencies.

24. The representative of Venezuela expressed concern that the Communities' licensing requirements impeded international trade in agricultural products, further increased the present distortions in world fruit markets, imposed high costs on taxpayers and consumers in the Community, and jeopardised the successful conclusion of the Uruguay Round. The Surveillance Body should condemn such initiatives.

25. The representative of Australia stressed that issues raised in the GATT Council could also be discussed in other fora. The Community's import régimes for numerous horticultural products were evidence of creeping protectionism, progressing from a system of surveillance, to licensing, security deposits, countervailing duties and finally to the imposition of quotas. He urged the Community to dismantle these régimes and to comply with its international commitments, including tariff bindings.

26. The representative of Argentina stated that his country's position had been expressed in recent Council sessions. He wondered why the lodging of a prior security was necessary in the context of a statistical system.

27. Referring to the statement by the EC representative, the representative of Chile said that the fact that an issue had not been raised in a particular GATT forum did not imply it was accepted.

28. The representative of the European Communities stressed that automatic licensing schemes were frequently used, licit measures under the GATT. Concerns relating to such schemes could be most appropriately considered within the competent Code Committee, where the relevant negotiations had taken place and where expertise and information were readily available. He wondered, and was prepared to discuss, how the Community's licensing scheme could be trade restrictive. Since no restrictive elements had yet been identified by other delegations, he could

not accept the complaints expressed. The possibility, that the measures taken could lead to restrictions, was not a suitable basis for examining their conformity with the standstill obligation.

29. The Chairman said that his understanding of the Community's position was that, if a measure was not disputed in the context of a forum specific to it, it could not constitute a violation of standstill. By contrast, other participants held the view that the three elements of the standstill commitment also applied to measures that had not yet been challenged in regular GATT fora, including Code Committees, and that consideration should also be given to possible follow-up initiatives of a more restrictive nature for which these measures might open the way. He reiterated that the task at hand was to examine the measure notified and to record the proceeding for any further action that the TNC might wish to take.

(iii) Notification by Colombia concerning the EC Regulation establishing a common market organization for bananas (MTN.SB/SN/25 of 23 March 1993)

30. The representative of Colombia expressed concern about contradictions between the Community's statements in favour of a prompt and balanced conclusion of the Uruguay Round and, on the other hand, its actual trade policy actions. The GATT Panel examining certain member States' current banana régimes had found that the policies of France, Spain, Portugal, Greece, the United Kingdom and Italy were in contravention of the relevant GATT obligations. It was essential that the Community agreed to the adoption of the panel report. This would ease fears that the major trading countries were not prepared to honour their international obligations and rather preferred to confront smaller participants with a fait accompli. The expectation that all countries, especially the most prosperous nations, fully complied with existing rules was the reason for developing countries to negotiate and participate in institutions like the GATT.

31. For seven years, the Uruguay Round had imposed on participating developing countries very significant costs. These were difficult to justify when major partners used questionable means to improve their negotiating position as in the case of the new Community Regulation which even expanded the current range of restrictive and distorting measures. In violation of the standstill commitment, the Regulation had already caused serious and irreparable damage to Latin American economies for which banana production was a major activity.

32. Colombia requested that the Surveillance Body's next report should include a declaration calling on the Community to (i) comply with the panel recommendations and bring the current régimes in conformity with the relevant GATT provisions; (ii) request no compensation or concessions in return; (iii) refrain from introducing substitute measures, which were also incompatible with the General Agreement, and accept that the panel's

legal reasoning had implications for the proposed common market organization; and (iv) immediately dismantle this organization, pursuant to the commitments assumed in Punta del Este. The Surveillance Body had not been set up to merely witness a participant's non-compliance with existing commitments. The countries seriously injured by such non-compliance could hardly be expected to co-operate constructively in the conclusion of the Uruguay Round. He indicated that his delegation might return to this matter at a future meeting of the Body and could request the convening of such a meeting at an early date.

33. The representative of the European Communities noted that Colombia's notification concerned the replacement of national quantitative restrictions by an EC régime based on tariffs. This move corresponded to the Community's internal logic of establishing a single market and, at the same time, honour its existing obligations vis-à-vis different groups of contracting parties. The issue had already been discussed in the GATT on numerous occasions, and the Community had offered to negotiate the details of its tariff system within the Uruguay Round. He abstained from elaborating on the compatibility of that system with the General Agreement, noting that some exporting countries had already invoked GATT dispute settlement procedures. These provided a forum for further discussions. He therefore also preferred not to comment on details related to the standstill commitment, in particular sub-paragraphs (ii) and (iii), which were directly linked. The EC representative reiterated, however, that the Community had not attempted to improve its negotiating position.

34. The representatives of Costa Rica, speaking also on behalf of Venezuela, and of Mexico, Brazil, Chile and El Salvador expressed support for Colombia's standstill notification.

35. According to the representative of Costa Rica, the new common market organization violated the standstill commitment by distorting and impeding trade flows, in contravention of the General Agreement; going beyond what was strictly necessary to remedy an existing situation; and attempting to improve the Community's negotiating position in the Uruguay Round. Regulation No. 404/93 would introduce a tariff of ECU 100 per tonne, rising to ECU 850 once a ceiling limit of 2 million tonnes was reached, thus restricting access for Latin American exports to the Community market. The new organization entailed additional administrative costs, provided for discriminatory tariff changes and was comparable to quantitative restrictions in its effects. The system was even more restrictive than the national régimes it was intended to replace, which had been found in breach of the General Agreement by the recent Panel. By taking restrictive measures on a tropical product, contrary to the liberalization objectives of the Uruguay Round, the Community had aggravated its lack of compliance with the standstill and rollback commitments. It was unacceptable that the provisions of the Draft Final Act of the Uruguay Round should be used to cover the introduction of additional restrictions and distortions.

36. The representatives of Mexico and Brazil said that the Community's new banana import régime operated against the general trend of the Uruguay Round and thwarted efforts towards greater trade liberalization. The EC was set to raise tariffs beyond their GATT bound levels, violate the Punta del Este mandate, which required the negotiations on tropical products to aim at the fullest liberalization, and breach the standstill and rollback commitments.

37. The representative of Australia emphasized the importance of the standstill commitment. The new Community régime involved elements of tariffication. However, in order to ensure a successful conclusion to the Uruguay Round, it was imperative that no exporting country was made worse off. He hoped that the negotiations offered by the EC would have a positive outcome, which would respect the legitimate concerns of Latin American exporters, ACP suppliers and the Community's own producers, and adhere to the principle of tariffication as provided for in the Draft Final Act.

38. The Chairman noted the emphasis placed by many participants on the Punta del Este commitments and the need to assess the Communities' new Regulation in this context. Since the representative of the Communities wished to await further discussions in other bodies, it was his understanding that, in the light of these discussions, the Surveillance Body might revert to the new EC banana régime, in particular in view of sub-paragraphs (i) and (ii) of the standstill commitment. Referring to the request by Colombia for a declaration on this matter, he said that, at this stage, the Body could only report the views expressed to the TNC, which in turn could decide on further actions. However, Colombia was free to keep the matter under consideration in the Surveillance Body and to request a meeting, if deemed appropriate.