

# GENERAL AGREEMENT ON

RESTRICTED

SR.45/1

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# TARIFFS AND TRADE

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CONTRACTING PARTIES  
Forty-Fifth Session

## SUMMARY RECORD OF THE FIRST MEETING

Held at the International Conference Centre, Geneva  
on Monday, 4 December 1989, at 10.30 a.m.

Chairman: Mr. Amir Habib Jamal (Tanzania)

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### Chairman's opening address

The CHAIRMAN made an opening address (GATT/1471).

### Adoption of the Agenda

The CHAIRMAN noted that the Provisional Agenda was contained in L/6580.

The Agenda was adopted (L/6610).

### Order of Business

The CHAIRMAN drew attention to the Proposed Order of Business circulated in W.45/1 which gave an outline of the organization of work during the Session, beginning with the presentation of reports and general statements by contracting parties, followed later by the consideration of the report of the Council, the dates for the Forty-Sixth Session and then the Election of Officers.

The CONTRACTING PARTIES approved the Order of Business as proposed in W.45/1.

### Presentation of Reports

Presenting the Council's report (L/6603 and Corr.1 and Add.1), its Chairman, Mr. Weekes (Canada) said that the Council's work during 1989 had

been varied and intense despite the increasing pace of the Uruguay Round negotiations. Delegations had turned increasingly to the Council as a place where they could discuss urgent trade policy problems. Often these matters came before the Council as complaints under the dispute settlement system. However, in a number of instances, delegations had used Council meetings to try to defuse serious bilateral frictions, to promote broader consideration of particular problems they had encountered, or to discuss important developments which had a bearing on the trading system generally. He considered that the Council's response to such developments emphasized its value to the contracting parties not just as the body where regular GATT business was transacted, but also as a forum for managing the multilateral trading system. He expected that the advent of the Trade Policy Review Mechanism (TPRM) would further confirm this trend.

He noted in particular that the Council at its April meeting had taken decisions giving provisional effect to the TPRM and to improvements in the dispute settlement system agreed by Ministers in Montreal during the Uruguay Round mid-term review. This was an important achievement -- the first time the CONTRACTING PARTIES had implemented results of a multilateral trade negotiation while it was still in progress -- and a timely reminder to contracting parties that a major challenge for 1990 would be implementing the final results of the Uruguay Round and incorporating them into the GATT.

The Council's report reflected essentially three distinct categories of work. One was comprised of the regular items of business which came before the Council year after year, such as requests by contracting parties for waivers, reports under waiver decisions and reports on the work of various standing bodies such as the Committees on Balance-of-Payments Restrictions, on Textiles and on Tariff Concessions. As had been the case in 1988, a number of contracting parties had requested waivers during 1989 in connection with their implementation of the Harmonized System of tariff nomenclature. Still in the category of regular business, but of considerable importance, the year 1989 had also witnessed progress in some of the eleven pending requests for accession. Indeed, three of them, perhaps four, had neared completion, which should bring GATT membership close to the one hundred figure before the end of the Uruguay Round.

A second category consisted of ad hoc business generated by the concerns of individual contracting parties over particular matters affecting their trade interests, in particular the sort of issues to which he had already referred.

A third area of work, and one in which the Council had been increasingly involved, concerned dispute settlement under Articles XXII and XXIII of the General Agreement. The Council had devoted considerable time to follow up on panel reports and recommendations. One should take careful note that the Director-General in his two semi-annual progress reports had expressed concern at certain instances of non-implementation.

The CONTRACTING PARTIES' Decision provisionally implementing improved rules for dispute settlement agreed at the Uruguay Round mid-term review should demonstrate positive results during the coming year. During the past

year, because of the terms of the Decision, the new rules had not been applicable to most of the dispute settlement business before the Council. The dispute settlement system, thus reinforced, had continued to respond to the trading community's needs and to the special nature and complexity of some of the cases brought to GATT panels -- for example, multi-party complaints and requests for authority to withdraw concessions. Further evidence of the authority accorded the GATT dispute settlement system were the requests for derestriction of panel reports prior to their adoption, in order that they might be used as tools in shaping government policy. However, it could not be emphasized enough that continued and increasing respect for the practices and rules of GATT dispute settlement mechanisms was crucial to the effective functioning of those mechanisms and thus, to confidence in the GATT system as a whole. Nine panel reports had been adopted so far in 1989 and another report was currently before the Council.

Of particular importance for the future of the Council's activities was the CONTRACTING PARTIES' April 1989 Decision regarding the TPRM (L/6490). Much work had been done by the Secretariat and the governments of the three contracting parties which would be reviewed in the following week. Fulfilling this new mandate would involve a considerable increase in the amount of time and effort required from members of the Council and its Chairperson and the Secretariat. The TPRM procedures also meant that the twice-yearly meetings to review developments in the trading system and to monitor paragraph 7(i) of the 1982 Ministerial Declaration (BISD 26S/210 and 29S/9) would in future be carried out by the Council under the TPRM.

It was clear that the volume and complexity of Council business was rising rapidly and that it would place increasing demands on its Chairman. He said that it had been necessary for him to spend time not only in, and preparing for, Council meetings, but also regarding the various consultations which the Council had asked the Chairman to undertake during the year. In due course, it might be necessary to consider how to alleviate the burden put on the Chairman.

Mr. Ricupero (Brazil), presenting the report of the Committee on Trade and Development (L/6605), said that the Committee had held two meetings in 1989, on 26 June and on 9 and 14 November. It had pursued its work in relation both to its regular and continuing responsibilities under its terms of reference, and to relevant aspects of the Uruguay Round negotiations of direct interest to developing countries.

The Committee had continued to review progress in the Uruguay Round. Under the 1989 reviews, Committee members had focused attention on specific topics of particular relevance to trade between developed and developing countries, namely, the interlinkages between trade, finance and monetary issues, and the question of credit and/or recognition in the Uruguay Round for trade liberalization measures undertaken by developing countries in the context of their development policies or of structural adjustment programs agreed with international financial institutions. It had been felt that the exchange of views held in the Committee had been useful in that it had enabled delegations to address these topics with a view to furthering work on them in relevant negotiating groups without any commitment to their

negotiating positions in the Round. A number of delegations had expressed interest in the Committee's continuing to address these and other specific topics in future meetings.

The Committee had also followed the work of the Sub-Committee on the Trade of Least-Developed Countries, which had kept under continuous review issues in the Uruguay Round of particular interest to the least-developed countries.

The Committee had continued to review periodically the technical assistance provided in GATT to developing countries in relation to the Uruguay Round and had received information on technical assistance activities carried out by other international organizations. Members of the Committee had expressed appreciation for the assistance provided by the GATT Secretariat as well as for voluntary contributions provided by countries or groups of countries which had enabled the Secretariat to carry out a number of additional programs. Appreciation had also been expressed for the technical assistance provided by other international organizations such as UNCTAD, UNDP, FAO and SELA and for the participation of the GATT Secretariat in some of their activities. The Committee hoped that technical assistance by the GATT Secretariat would be strengthened and intensified, including through new voluntary contributions by governments, in order to meet the developing countries' needs in the crucial stage which the Uruguay Round was now entering, and that other organizations would also continue to make a contribution.

As in previous years, the Committee's activities had encompassed work in relation to the review of the implementation of Part IV and the operation of the Enabling Clause. In this context, the Committee had considered and taken note of the 1987 and 1989 Reports by member States of the Latin American Integration Association (documents L/6158 and Add.1 and L/6531 respectively) as well as of the Report on ASEAN Preferential Trading Arrangements (L/6569). The Committee had also begun consideration of the notification received on the Global System of Trade Preferences Among Developing Countries (GSTP). Finally, the Committee had adopted, for submission to the CONTRACTING PARTIES, the Sixteenth Annual Report of the Committee of Participating Countries on the operation of the Protocol Relating to Trade Negotiations Among Developing Countries (document L/6573 and Addenda).

The CHAIRMAN then drew attention to the following reports of the Committees and Councils charged with implementation of the MTN Agreements and Arrangements: Committee on Trade in Civil Aircraft (L/6587), Committee on Technical Barriers to Trade (L/6598), Committee on Import Licensing (L/6608), International Dairy Products Council (L/6582), International Meat Council (L/6572), Committee on Government Procurement (L/6593), Committee on Anti-Dumping Practices (L/6609), Committee on Subsidies and Countervailing Measures (L/6590) and Committee on Customs Valuation (L/6595).

Activities of GATT

The following statements were made:

Mr. John M. Weekes, Ambassador, Permanent Representative of Canada	SR.45/ST/1
Mr. Nils-Erik Schyberg, Minister, Permanent Mission of Sweden (speaking on behalf of the Nordic countries)	SR.45/ST/2
Mr. David de Pury, Ambassador, Federal Council's Delegate to Trade Agreements, Switzerland	SR.45/ST/3
Mr. Sang Ock Lee, Ambassador, Permanent Representative of Korea	SR.45/ST/4
Mr. Yoshio Hatano, Ambassador Extraordinary and Plenipotentiary of Japan	SR.45/ST/5
Mr. M. Zutshi, Ambassador, Permanent Representative of India	SR.45/ST/6
Mr. Roderick E. Abbott, Director, General Directorate, External Relations, Commission of the European Communities	SR.45/ST/7
Mr. Poerwanto, Ambassador, Deputy Permanent Representative of Indonesia (speaking on behalf of the ASEAN contracting parties)	SR.45/ST/8
Mr. Marko Kosin, Ambassador, Permanent Representative of Yugoslavia	SR.45/ST/9

The meeting adjourned at 12:15 p.m.