

Ministers start negotiating Seattle Declaration

WTO BRIEFING NOTE

This briefing note is designed to help journalists and the public understand developments in the Seattle Ministerial Conference. While every effort has been made to ensure the contents are accurate, it does not prejudice member governments' positions.

Ministers, on 1 December, began negotiating in earnest various sections of the Seattle Ministerial Declaration in working groups open to all delegations. They are expected to be engaged in nearly continuous work until the close of the Conference on Friday, 3 December. Summaries of today's meetings follow:

COMMITTEE OF THE WHOLE

1 December, 9-10 am

Chairperson: Ambassador Charlene Barshefsky (US)

Amb. Barshefsky opened the meeting by expressing her regrets to Ministers and officials who were harassed during the demonstration yesterday. She said the Government and the People of the United States deplore the "irresponsible actions of a tiny minority."

She explained the timetable of today's meeting and urged delegations not to spend their time in the Working Groups going over the same ground they had covered in Geneva.

She asked that delegations send senior officials with decision-making authority to these Working Groups, including the authority to change positions from those that have been held in Geneva. She said unless delegations were prepared to do this, it would be extremely difficult to produce Ministerial Declaration.

She said that while she reserved the right to hold Green Room meetings with smaller numbers of delegations, she much preferred a more inclusive approach in which all delegations could participate. These Working Groups, she said, were the best way to do that.

She assured Ministers that even if a Working Group may agree a text, no element of the Ministerial Declaration is agreed, until all elements are agreed. Ministers, she said, could reserve the right to return to Working Group texts.

She said it was imperative that we reach successful outcome at this Ministerial meeting and that it would be business as usual for the next 2.5 days.

Director-General Mike Moore spoke to say he had cancelled his reception this evening to allow Ministers more time to work

AGRICULTURE WORKING GROUP

1 December 1999, morning

Chairperson: Minister George Yeo (Singapore)

Ministers discussed new paragraphs on agriculture for the draft ministerial declaration which would launch the new negotiations in agriculture. The text dealt with:

- The objectives of the negotiations – whether agricultural products should ultimately be treated the same as industrial products.
- Provisions for developing countries (to be discussed on 2 December)
- Further reductions in subsidies and protection.
- "Multifunctionality" (how to deal with non-trade objectives such as environmental protection, food security, etc) and other issues.
- A proposed timetable for the negotiations.

The discussion broadly took two lines, although individual countries emphasized different issues. One group favoured the ultimate goal of complete integration of agricultural trade into the same rules as other products, the total elimination of export subsidies, only providing support non-trade objectives through policies that do not distort trade, and substantial increases in market access.

Another group said agriculture is different from other sectors and therefore they rejected the ultimate goal of integrating the trade into the same disciplines as other products. They said they could not accept eliminating export subsidies, and stressed the need to take specific account of "multifunctionality".

In the afternoon, delegates met in smaller groups to try to resolve these differences. The group was scheduled to reconvene the following morning.

WORKING GROUP ON IMPLEMENTATION AND RULES

1 December 10-12 am, 4-5 pm

Chairperson: International Trade Minister Pierre S. Pettigrew (Canada)

Some 45 members spoke, with developing countries reiterating demands for Ministerial action on implementation issues as the US and the EC indicate new flexibility.

Many developing countries expressed concern and called for action regarding 1) difficulty in implementing certain WTO Agreements and asked for extension of deadlines in TRIPS, TRIMS, Customs Valuation; and 2) imbalance in certain Agreements and called for changes in certain provisions of the Anti-Dumping, Subsidies and Textiles Agreements. They supported Seattle action on certain issues and for the remaining ones to be reviewed after Seattle and completed after one year.

The United States said it is working with other Quad members for a meaningful market-access package for LDCs, and welcomed the EU joining its initiative on capacity building for LDCs. It indicated that it could be flexible regarding TRIMs, Customs Valuation, Agriculture, SPS, rules of origin, and on making S&D provisions more operational.

The European Communities said its initiative for duty-free treatment of LDC exports is done, and that it has appealed to the US, Japan and Canada to join in. It believed this can be done in Seattle. It said it will make a substantial contribution to the WTO technical cooperation programme. On rules, it supports negotiations on Anti-Dumping, Subsidies, TBT, State Trading, TRIMs, regional trade agreements, and environment-related issues. It has a certain degree of flexibility regarding implementation issues, and confirmed a textiles proposal referred to by Pakistan (increasing the growth rate of remaining quotas).

Japan said abusive use of anti-dumping measures should be regarded as a disguised form of protectionism that nullifies tariff reductions overnight. It said that improvement of the AD Agreement is a lynchpin of the new Round, and that many developing countries support this.

Jamaica said that the 71 ACP countries have been marginalized regarding certain WTO issues. It called for turning S&D into hard commitments, the extension of transition periods for TRIMs and Customs Valuation, and increase in funding and human resources for technical cooperation. It asked that the waiver for preferential trade treatment given to ACP countries must be extended to give time for them to be integrated into the global economy.

Iceland proposed negotiations to remove subsidies on fisheries. It was supported by a number of delegations, including the US, Peru, Indonesia, Norway, Chile and Ecuador.

A new draft text on implementation was circulated by several delegations, which provides for 1) immediate decisions: extension of deadlines for implementation of certain provisions of the TRIPS, TRIMS, Customs Valuation Agreement and providing for greater participation of developing countries in formulating international product standards; and 2) leaving other implementation issues for consideration by the General Council after Seattle.

The Chairperson said he will be consulting with delegations this evening and tomorrow, and will draw up a new text. The Group may meet again tomorrow afternoon.

WORKING GROUP ON MARKET ACCESS

First Meeting, Wednesday 1 December 1999

Chairperson: Minister Mopho Malie (Lesotho)

The portion of the draft declaration on market access (reductions in import duties, access to services markets, etc) contains a number of unresolved issues, although the portion on access to services markets is less controversial. They include:

- Coverage and scope of the negotiations – whether they should cover all non-agricultural products or whether some could be excluded (agricultural products are negotiated under agriculture).
- Overall objective of the negotiations (the current text does not say how much tariffs should be reduced)
- Non-tariff measures affecting access to markets (anti-dumping measures, customs valuation, import licensing, rules of origin, safeguard measures, subsidies, etc). Differences of opinion exist on many of these issues.
- How the negotiations should be organized.
- How to address developing countries' concerns – one proposal is for exports from least developed countries to be given "bound" zero tariffs in richer countries.

Afterwards ministers met in smaller groups to try to resolve differences.

SINGAPORE AGENDA AND OTHER ISSUES

1 December 1999 Afternoon

Chairperson: Minister Lockwood Smith (New Zealand)

Ministers discussed two issues: investment and competition policy. The Chairman asked whether Members could agree to start negotiations on investment and/or competition as part of the round of negotiations that will incorporate agriculture, services and other topics; if not, could they agree to develop elements that might eventually be incorporated in agreements on investment and competition and return to the question of whether or not to undertake negotiations at the Fourth Ministerial Session?

A large number of delegations called for negotiations to be launched at this Ministerial Conference. Many other delegations said the issue is not yet ripe, and that study and analysis of these issues should continue in the Working Groups on investment and competition, set up at the Singapore Ministerial Conference in December 1996. Positions voiced today are very similar to those expressed in Geneva over this past year.

In summing up, the Chairman said three points seemed to be clear from Members' interventions:

- There was wide recognition that the issues of investment and competition are important.
- Because of the recognised importance of these issues, Members need to move forward on these issues.
- This forward movement must be credible and not merely an effort to save face.

The Chairman urged delegations to try to find a bridge to their positions. He will carry out further consultations before the Working Group's next meeting.