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PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Ministerial Text: Revised Draft

The attached revised draft of a Ministerial text has been prepared following the discussions in the informal Heads-of-Delegation meetings on 12-15 October 1999. It is presented by the Chairman on his own responsibility and without prejudice to the position of any delegation.

The aim in preparing this revision has been to assist Members in working towards an agreed set of recommendations to Ministers in Seattle. It has not been possible to include in this paper all of the detailed drafting amendments proposed by delegations during these meetings, which in written form total approximately 300 pages. The continuing process of evolution towards a final text should provide further opportunities for these proposals to be considered.

The present revision aims to identify the main tendencies and divergences which have emerged in the work so far in a balanced way. These are shown as proposed amendments to the 7 October text or, where distinct alternatives to that text have been presented, as separate options. The order in which these are presented does not express any sense of priority among the options. And of course the option of deleting any part of the present text remains implicit throughout. Clearly, this has no pretensions to being a consensus text. Rather, it is the Chairman's hope that it will help facilitate the urgent progress towards consensus that all Members seek.

19 October 1999

DRAFT MINISTERIAL TEXT

1. We, the Ministers of the [134] WTO Members, have met in Seattle from 30 November to 3 December 1999 for the Third Session of the Ministerial Conference. We have welcomed the participation of Ministers from WTO observer governments and of heads of observer international organizations in our discussions. We are deeply grateful to the government and people of the United States, the State of Washington and the City of Seattle for their warm hospitality and efficient organization.

OBJECTIVES AND PRIORITIES

2. The WTO system has proved its worth in the face of its first major challenge, the effects of the financial disturbances of 1997-98. The fact that markets generally remained open in the face of these difficulties and that protectionist pressures were resisted both in the countries most directly affected and in their principal trading partners clearly underlines the value of a trading system based on non-discriminatory rules agreed by all its Members. We pledge ourselves to continue to reject the use of any protectionist measures and to maintain the effectiveness of the rule-based multilateral trading system. [We also commit ourselves to further strengthen the WTO as a forum for negotiations and continuing liberalization of trade, supported by an effective dispute settlement mechanism.]

3. We recall and reaffirm the objectives set out in the Preamble to the Marrakesh Agreement Establishing the World Trade Organization, [recognizing that the relations of Members in the field of trade and economic endeavour should be conducted, among others, with a view to] raising living standards, ensuring full employment, [and allowing for the optimal use of the world's resources in accordance with the objective of] sustainable development[, seeking both to protect and preserve] the environment [and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development].

4. Here in Seattle we are inaugurating a work programme to guide the trading system into a new century. The Seattle Agenda embodies our collective commitment to advancing the trading system as a continuing force for growth, employment, development and stability for the benefit of all Members in an increasingly interdependent world.

5. We give particular emphasis to the need for positive measures designed to ensure that developing countries, and especially the least-developed and vulnerable small economies, secure a share in the growth in international trade commensurate with the needs of their economic development. More progress needs to be made towards realizing this objective. We resolve to take all necessary measures to ensure that the development dimension [receives effective recognition as a key aspect][is an integral part of] of the Seattle Agenda.

6. We renew our commitment to full and faithful implementation of WTO Agreements and Decisions. We recognize that the process of implementation has given rise to concerns among many Members about the resulting balance of [benefits][rights] and obligations. Addressing these concerns [and finding solutions to the problems of implementation] is an important element of the Seattle Agenda, and we commit ourselves to ensure that the work programme[, its results] and its implementation are balanced and equitable.

7. Enhancing and improving trade-related technical cooperation is a key element in making the development dimension a reality. We undertake to ensure that this important aspect of the WTO's work is adequately funded, properly targeted and carried out in full cooperation with other relevant agencies in order to maximize its effectiveness.

8. We recognize the continuing importance of the principle of special and differential treatment (S&D) in favour of developing countries, and direct that it be made [more operational][legally binding] in the WTO work programme. Special attention should be given to adapting S&D treatment to current economic realities, including examining the concept of policy spaces for development.

9. The situation of the least-developed countries is more than ever a challenge to the world community. Building on the work launched at our previous Sessions, we commit ourselves to immediate action to improve their export opportunities and assist their integration into the multilateral trading system. [In this context, we welcome the initiative of the least-developed countries in calling for a thorough review of the constraints on their effective participation in the multilateral trading system [, and the proposals emanating therefrom].]

10. We also take note of the problems and concerns facing economies in transition and the vulnerable situation of certain small economies and instruct that these be given due priority in the WTO work programme.

11. We renew our understandings reached at Singapore concerning the relationship between the multilateral trading system and regional trade agreements. In reaffirming the primacy of the multilateral trading system we undertake to ensure that the multilateral framework for the development of regional trade agreements remains relevant to changing global circumstances.

12. We reaffirm the need to ensure that trade and environmental policies are mutually supportive and to enhance policy co-ordination at the national and international level in these areas. [To this end, due consideration shall be given to the issue of global environment and resource conservation in the multilateral negotiations, so as to ensure compatibility between these policy objectives and trade liberalization.][We also recognize the need to increase the positive synergies between trade liberalization and pro-competition policies.]

13. In line with our decision at Marrakesh, we shall aim to increase the contribution of the multilateral trading system to achieving greater coherence in global economic policy-making. This will involve continued cooperation between the WTO, IMF and World Bank. We welcome the intention of the three organizations to focus their future cooperation, as a priority, on support for developing countries, and particularly the poorest and least-developed among them. [We appeal to multilateral financial institutions and bilateral development partners to address supply-side constraints on the competitiveness of the economies of developing countries, particularly the poorest and least-developed among them.]

14. We welcome the Members who have joined the WTO since our last Session, and reiterate the priority we continue to attach to concluding the [...] current accession negotiations as speedily as possible in keeping with WTO rules and disciplines. We are conscious of the critical importance of fulfilling our objective of making the WTO system truly universal in scope and coverage. The achievement of this goal will continue to be a major challenge in the years ahead. We therefore direct that all possible efforts be made to accelerate the process of accession, and in particular for least-developed and small economies. We are convinced that the speedy and smooth integration of these countries will be greatly advanced by their participation, as fully as possible, in the new negotiations.

15. We recognize that the multilateral trading system must work for the benefit of all its Members and their peoples, and that it must be seen and understood to do so. With this in mind and respecting the intergovernmental character of the organization, we are committed to make the WTO's operations more transparent and to improve dialogue with the public. At the national as well as the multilateral level we shall increase our efforts to communicate the benefits of rule-based trade liberalization and respond to public concerns.

16. With these objectives and commitments in mind, we inaugurate through the Seattle Agenda a balanced work programme which includes the launch of new negotiations as well as the other actions set out below.

IMPLEMENTATION OF EXISTING AGREEMENTS AND DECISIONS

17. As we agreed at Geneva in May 1998, we have further pursued our evaluation of the implementation of individual agreements and the realization of their objectives. In so doing we have considered, *inter alia*, the problems encountered in implementation and the consequent impact on the trade and development prospects of Members.

(Alternatives which have been proposed to replace text in paragraphs 21, 22, and 18-22 are set out on pages 7, 11 and 12 respectively)

Implementation Concerns

18. [This evaluation has revealed serious concerns among many Members, especially developing countries, about the implementation of the results of the Uruguay Round. These Members see progress towards liberalization lagging in sectors of particular interest to developing countries, significant imbalances between rights and obligations as well as in conditions of market access, and expected benefits that have not been realized. [The practical difficulties and resource constraints encountered in the implementation of various obligations have also been highlighted by a number of Members.]]

19. [Concerns that have been expressed by Members cover a wide range of WTO Agreements and Decisions. Particular areas of concern include textiles and clothing, agriculture, anti-dumping, subsidies, technical barriers, customs valuation, sanitary and phytosanitary measures, intellectual property rights, trade-related investment measures and services. A general point has been the [inadequate implementation] [non-operational nature] of special and differential treatment provisions in the various agreements and decisions.]

[...]

20. [We confirm our commitment to full and faithful implementation of the Agreement on Textiles and Clothing (ATC). The integration of the ATC into GATT 1994 is now at the mid-point. We note the concern, expressed by many developing exporting Members, over the unsatisfactory progress in the implementation of the ATC. Committed liberalization by restraining importing Members has not materialized: only a few quota restrictions have actually been liberalized. Additional quota access granted by the restraining importing Members has not resulted in any lessening in the restrictive nature of quotas. Exporting Members including small suppliers and least-developed Members have not received meaningful increases in their access possibilities. Thus, the process of liberalization has failed to be progressive in character. Moreover, developed importing Members have made few efforts to facilitate increased competition in their markets. On the other hand, major importing Members have resorted to a number of restrictive measures, including safeguard actions which were subsequently found unjustified; changes in rules of origin; tightening of customs and administrative procedures and anti-dumping actions targeting products that are already under quota restrictions.]

20bis. [We recognize that the evaluation of the implementation of individual agreements and realization of their objectives is a continuing process. We therefore agree to further pursue our evaluation of the implementation of the individual agreements and the realization of their objectives when we meet at the Fourth Session.]

Immediate Action

21. [We are determined to ensure a full and effective response to problems related to implementation. In this regard, together with the other measures we are taking to respond to such concerns, we are also taking the following decisions with immediate effect:

(a) Anti-Dumping

- No investigation shall be initiated for a period of 365 days from the date of finalization of a previous investigation for the same product.
- Under Article 9.1 the lesser duty rule shall be made mandatory.
- Article 2.2 shall be clarified in order to make appropriate comparison with respect to the margin of dumping.

(b) Subsidies Agreement

- Article 8:1 of the Subsidies Agreement dealing with non-actionable subsidies shall be expanded to include subsidies referred to in Article 3:1 of the Agreement when such subsidies are provided by developing country Members.
- Export credits given by developing countries shall not be considered as subsidies so long as the rates at which they are extended are above LIBOR.

- Any countervailing duties shall be restricted only to that amount by which the subsidy exceeds the de minimis level.

- Annex VII of the Agreement shall be modified to read as follows:

The developing-country Members not subject to the provisions of paragraph 1(a) of Article 3 under the terms of paragraph 2(a) of Article 27 are:

(i) The developing countries, including the least-developed countries, Members of the WTO that are included in the Low and Middle Income Category of the World Bank;

(ii) Countries indicated in paragraph (i) above will be excluded from this Annex if their GNP per capita has exceeded the top level of the Middle Income Category of the World Bank. They will be automatically included in this Annex, if their GNP per capita falls at or under the top level of the Lower-Middle Income Category of the World Bank.

- The prohibition on using export subsidies under Article 27:6 shall be applicable to a developing country only after its export levels in a product have remained over 3.25 per cent of world trade continuously for a period of five years.

- Article 8 shall include, as non-actionable subsidies, measures implemented by developing countries with a view to achieve legitimate development goals, such as regional growth, technology research and development funding, production diversification, development and implementation of environmentally sound methods of production, and manufacture of high technology and value added goods.

- Article 27.2 shall be amended so that the Article 3.1(a) prohibition does not apply to export subsidies granted by developing countries where they account for less than 5 per cent of the f.o.b. value of the product.

- Countervailing measures shall not be imposed in the case of imports from developing countries where the total volume of imports is negligible, i.e. 7 per cent of total imports.

(c) Sanitary and Phytosanitary Measures

- The provisions in Article 10 shall be made mandatory, including that if an SPS measure creates a problem for more than one developing country, then the country which has adopted it shall withdraw it.

- Article 10:2 provision shall be made mandatory for developed countries to provide a time period of at least 12 months from the date of notification for compliance of new SPS measures for products from developing countries.

- International standard-setting organizations shall ensure the presence of countries at different levels of development and from all geographical regions, throughout all phases of standard-setting.

- The provisions of paragraph 2 of Annex B shall be made mandatory, and a "reasonable interval" shall mean not less than 12 months.

- Article 4 shall be clarified so that developing countries can enter into equivalency agreements.

(d) Technical Barriers to Trade

- International standard-setting organizations shall ensure the presence of countries at different levels of development and from all geographical regions, throughout all phases of standard-setting.
- A specific mandate shall be given to the TBT Committee as part of its triennial work programme to address the problems faced by developing countries in both international standards and conformity assessment.

(e) Textiles

- [Importing] [Developed] [Restraining] countries shall, on the first day of the 85th month that the WTO Agreement is in effect, integrate products which accounted for not less than 50 per cent of the total volume of the Member's 1990 imports.
- The importing countries to apply growth-on-growth for stage 3 with effect from 1 January 2000 instead of 1 January 2002.
- A moratorium shall be applied by importing countries on anti-dumping actions until two years after the entire textiles and clothing sector is integrated into the GATT.
- Any change in rules of origin shall be examined in the CTG for its possible impact on market access of exporting countries, before it is applied.
- The growth rate in quotas for small suppliers shall be substantially increased.
- The restraining countries should apply the methodology employed by the EU in implementing the growth-on-growth for small suppliers and extend the same treatment to least-developed countries.
- Any resulting growth rates lower than 6 per cent should be increased to that percentage.
- In order to avoid double jeopardy to the exporting countries concerned, restraining Members should agree not to initiate anti-dumping actions against products under quota restrictions. And to lend certainty to trade, they should not take such action during a period of two years after the elimination of the quota.

(f) Trade-Related Investment Measures

- The transition period mentioned in Article 5 paragraph 2 shall be extended [until such time that their development needs demand][for a further period of five years].
- Developing countries shall have another opportunity to notify existing TRIMs measures which they would be then allowed to maintain till the end of the new transition period.

(g) Trade-Related Aspects of Intellectual Property Rights

- In the light of provisions contained in Articles 23 and 24 of the TRIPS Agreement, additional protection for geographical indications shall be extended for products other than wines and spirits.
- A clear understanding in the interim that patents inconsistent with Article 15 of the CBD shall not be granted.
- [Article 64, paragraph 2 shall be modified so as to make it clear that subparagraphs (b) and (c) of Article XXIII of GATT 1994 shall not apply to the TRIPS Agreement.][The TRIPS Council shall take an appropriate period of time to examine the scope and modalities for complaints of the type provided for under sub-paragraph 1(b)

and 1(c) of Article XXIII of GATT 1994 made pursuant to the TRIPS Agreement, and submit its recommendations to the Ministerial Conference for approval. Any decision of the Ministerial Conference to approve such recommendations or to extend the period above shall be made only by consensus, and approved recommendations shall be effective for all Members without further formal acceptance process.]

- The provisions of Article 66.2 shall be made obligatory and shall be subject to periodical notification.
- The period given for implementation of the provisions of Article 27.3(b) shall be five years from the date the review is completed.
- The list of exceptions to patentability in Article 27.3(b) of the TRIPS Agreement shall include the list of essential drugs of the World Health Organization.][The TRIPS Agreement shall be understood not to prevent developing countries from issuing compulsory licenses for drugs listed by the World Health Organization as essential in the interests of their supply at reasonable prices.
- The transitional period for developing countries provided for in Article 65.2 shall be extended.

(h) Agreement on Implementation of Article VII of GATT 1994

- A multilateral solution that enables customs administrations of importing countries to seek and obtain information on export values in a time-bound manner, in doubtful cases, shall be included in the Agreement.
- The addition of cost of services such as engineering, development, and design work, which are supplied directly or indirectly by the buyer free of charge or at reduced cost for the production of goods under import, shall be included in Article 8:1(b)(iv).
- The residual method of determining customs value under Article 7 shall be inclusive of all residual eventualities, thus allowing valuation based on domestic market price or export price in a third country with appropriate adjustments.
- The moratorium provided for in Article 20.1 is extended until such time as developing countries are fully able to comply.

(i) Agreement on Rules of Origin

- The CRO shall complete its remaining work on harmonizing non-preferential rules of origin by 31 July 2000.
- [No new interim arrangements shall be introduced.] Further, any interim arrangements introduced by any Member with effect from 1 January 1995 or any subsequent date shall be suspended with effect from 4 December 1999.

(j) Balance-of-Payments Provisions of GATT 1994

- Only the Committee on Balance-of-Payments shall have the authority to examine the overall justification of BOP measures.
- The Committee shall keep in view that Article XVIII is a special provision for developing countries and shall ensure that Article XVIII does not become more onerous than Article XII.

(k) Agriculture

- Developing countries with predominately rural agrarian economies shall have sufficient flexibility in the green box to adequately address their non-trade concerns, such as food security and rural employment.
- If in the calculation of the AMS, domestic support prices are lower than the external reference price (so as to ensure access of poor households to basic foodstuffs), thereby resulting in negative product specific support, then Members shall be allowed to increase their non-product specific support by an equivalent amount.
- TRQ administration shall be made transparent, equitable and non-discriminatory, in order to allow new/small-scale developing-country exporters to obtain market access.
- To this end, notifications submitted to the Committee on Agriculture shall include also details on guidelines and procedures of allotment of TRQ.
- The Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries (NFIDCs) shall be revised, before 1 January 2001, in order to ensure its effective implementation.
- [The full and timely implementation of Article 10.2 of the Agreement on Agriculture is of utmost importance to prevent the circumvention of export subsidies commitments. We thus recognize that agricultural export credits, export credit guarantees and insurance programmes must be brought under effective international disciplines by the end of the year 2000 with a view to ending government subsidization of such credits.][We agree to complete work by 31 July 2000 on the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes in accordance with Article 10.2 of the Agreement on Agriculture, and to implement such disciplines.]

(l) Services

- Developed countries shall fully implement commitments undertaken by them in Mode 4.
- A monitoring and notification mechanism shall be established to ensure effective implementation of Article IV of the GATS.

(m) Special and Differential Treatment

- All S&D provisions shall be converted into concrete commitments, especially to address the constraints on the supply side of developing countries.
- Preferential treatment by developed countries in favour of developing countries shall, in accordance with the Enabling Clause, be implemented in a manner which is generalized, non-discriminatory, and non-reciprocal.
- Having regard to the significant role played by preferential trading agreements between developing and developed countries, Members agree to consider favourably, as appropriate, the granting or extension of waivers to Article I of GATT 1994 covering such agreements.]

The following text has been proposed as a replacement for paragraph 21 of the 7 October text:

21. [We are determined to ensure a full and effective response to problems related to implementation. In this regard, together with the other measures we are taking to respond to such concerns, we are also taking the following decisions with immediate effect:

- [TRIPS: [The moratorium under Article 64.2 of the TRIPS Agreement shall be extended to enable the TRIPS Council to] [Members undertake not to initiate disputes covered by Article 64.2 before the Fourth Session, on the understanding that the TRIPS Council will] carry out the work mandated under TRIPS Article 64.3 and present its recommendations to the Fourth Session.]
- **Agreement on Rules of Origin:** The Committee on Rules of Origin shall complete its remaining work on harmonizing non-preferential rules of origin by [31 July 2000]. [No new interim arrangements shall be introduced. Further, any interim arrangements introduced by any Member with effect from 1 January 1995 or any subsequent date shall be suspended with effect from 4 December 1999.]
- **Agriculture:**
 - Work on the development of internationally agreed disciplines to govern the provision of export credits, credit guarantees or insurance programmes shall be completed and implemented before the end of 2000 in accordance with Article 10.2 of the Agreement on Agriculture.
 - Notifications submitted to the Committee on Agriculture shall include also details on guidelines and procedures of allotment of TRQ.]

Implementation Review Mechanism

22. [We also decide to establish an improved mechanism [to examine and address][to resolve] implementation-related concerns. To this end we direct that:

- The General Council, meeting at heads of delegation level, shall [regularly] conduct a full and comprehensive review of issues and problems identified by Members relating to the implementation of existing WTO Agreements and Decisions.
- The General Council shall complete its review and [shall take or propose appropriate actions][shall resolve implementation concerns] within one year of the date of this Declaration.

The following implementation issues should be addressed in the first year of negotiations:

(a) Anti-Dumping

- Provisions of the Agreement shall be improved with a view to prevent the imposition of arbitrary or primarily protectionist measures. The provisions to be revisited should include, *inter alia*, (i) the criteria, methodology, and procedures of the reviews specified in the Agreement (expeditious review for new exporters, final review, reviews upon request), (ii) the definition of the product motivating the investigation, (iii) the determination of the margin of dumping, (iv) the imposition and collection of duties, (v) the "cumulation" clauses.
- The provisions of Article 15 need to be operationalized and made mandatory.
- The existing de minimis dumping margin of 2 per cent of export price below which no anti-dumping duty can be imposed (Article 5.8), needs to be raised to 5 per cent for developing countries.
- The proposed de minimis dumping margin of 5 per cent is applied not only in new cases but also in refund and review cases.

- The threshold volume of dumped imports which shall normally be regarded as negligible (Article 5.8) should be increased from the existing 3 per cent to [5 per cent][7 per cent] for imports from developing countries.
- Article 5.8 shall be also clarified with regard to the time-frame to be used in determining the volume of the dumped imports.
- The substantial quantities test should be increased from the present threshold of 20 per cent to at least 40 per cent.
- Article 2.4.1 shall include details of dealing with foreign exchange rate fluctuations during the process of dumping.
- Article 3 shall contain a detailed provision dealing with the determination of the material retardation of the establishment of a domestic industry as stipulated in footnote 9.
- There should be a provision in the Agreement, which provides a presumption of dumping of imports from developed countries into developing countries, provided certain conditions are met.
- Article 17 should be suitably modified so that the general standard of review laid down in the WTO dispute settlement mechanism applies equally and totally to disputes in the anti-dumping area.
- Article 18.6 must be appropriately amended to ensure that the annual reviews are meaningful and play a role in reducing the possible abuse of the Anti-Dumping Agreement.

(b) Subsidies Agreement

- Aggregate and generalized rates of duty rate remission should be allowed in case of developing countries even though the individual units may not be able to establish the source of their inputs.
- Developing countries should be allowed to neutralize the cost escalating effect of taxes.
- Article 11:9 should be modified to provide an additional dispensation for developing countries, in as much as that any subsidy investigation shall be immediately terminated in cases.
- The present de minimis level of 3 per cent below which countervailing duties may not be imposed for developing countries, needs to be increased (Article 27:11).
- There should be a clarification in Article 27:3 that it is applicable notwithstanding the provisions of any other agreement.
- The definition of "inputs consumed in the production process" (footnote 61) needs to be expanded to include all inputs, not just physical inputs, which may have contributed to the determination of the final cost price of the exported product.
- Annex I of the Agreement shall be amended to provide developing countries the flexibility to finance their exporters, consistent with their developmental objectives.
- The provisions of Article 27 shall be re-evaluated so as to address, under a permanent and more adequate framework, the needs and specificities of developing countries concerning incentives and subsidies.

- The language of the Agreement regarding investigation procedures shall be further clarified, incorporating provisions that improve its disciplines regarding, *inter alia*, review procedures, facts available, sampling, significant volumes, calculation of amount of a subsidy, and impositions and collection of a countervailing duty.

- The language of Annex I of the Agreement, particularly item 'k', shall be reviewed to permit developing countries to provide competitive export financing *vis-à-vis* the conditions found in the international market or those offered by the credit agencies of developed countries (controlled by and or acting under the authorities of the governments).

(c) Safeguards

- Article 9.1 shall be amended so that safeguard measures are not applied to imports from developing countries which individually account for less than 7 per cent of total imports.

(d) Sanitary and Phytosanitary Measures

- Though the SPS Agreement encourages Members to enter into MRAs, developing countries have not so far been included in such agreements. In this context, it is suggested that MRAs are developed in a transparent way and they should be open to parties that may wish to join them at a later stage.

- The definition of an international standard, guideline and recommendation (paragraph 3 of Annex A) needs to be revised so that a differentiation is introduced between mandatory international standards and voluntary international guidelines/recommendations.

- Article 12:7 provides for a review of the operation and implementation of the Agreement three years after the date of entry into force of the Agreement. This review shall be carried out once every two years.

(e) Technical Barriers to Trade

- Means have to be found to ensure effective participation of developing countries in setting of standards by international standard-setting organizations.

- Article 11 shall be made obligatory so that technical assistance and cooperation is provided to developing countries.

- Acceptance by developed-country importers of self-declaration regarding adherence to standards by developing-country exporters. This provision should be introduced in Article 12.

- A specific provision to be introduced in Article 12 that developing countries shall be given a longer time-frame to comply with measures regarding products of export interest to them. Furthermore, if a measure brought forward by a developed country creates difficulties for developing countries, then the measure should be reconsidered.

(f) Trade-Related Investment Measures

- The provisions of Article 5.3 must be suitably amended and made mandatory.

- Developing countries shall be exempted from the disciplines on the application of domestic content requirement by providing for an enabling provision in Articles 2 and 4 to this effect.

- Specific provisions shall be included in the Agreement to provide developing countries the necessary flexibility to implement development policies (intended to address, among others, social, regional, economic, and technological concerns) that may help reduce the disparities they face *vis-à-vis* developed countries.

(g) Trade-Related Aspects of Intellectual Property Rights

- Articles 7 and 8 of the TRIPS Agreement to be operationalized by providing for transfer of technology on fair and mutually advantageous terms.
- [Article 27.3(b) to be amended in light of the provisions of the Convention on Biological Diversity and the International Undertaking. Also, clarify artificial distinctions between biological and microbiological organisms and process; ensure the continuation of the traditional farming practices including the right to save, exchange and save seeds, and sell their harvest; and prevent anti-competitive practices which will threaten food sovereignty of people in developing countries, as permitted by Article 31 of the TRIPS Agreement.][Article 27.3(b) should be amended to take into account the Convention on Biological Diversity and the International Undertaking on Plant Genetic Resources. The amendments should clarify and satisfactorily resolve the analytical distinctions between biological and microbiological organisms and processed; that all living organisms and their parts cannot be patented; and those natural processes that produce living organisms should not be patentable. The amendments should ensure the protection of innovations of indigenous and local farming communities; the continuation of traditional farming processes including the right to use, exchange and save seeds, and promote food security.]

(h) Agreement on Implementation of Article VII of GATT 1994

- The Agreement should be amended to provide for the highest value when more than one transaction value of identical or similar goods is found.
- Buying commissions should be taken into account in the determination of customs value of imported goods as it forms a legitimate component of the landed cost of imported goods.
- Persons associated with each other as sole agents, sole distributors, and sole concessionaires, howsoever described, should automatically be deemed "related".

(i) Article XVIII of GATT 1994

- A complete review of Article XVIII shall be undertaken with a view to ensure that it subserves the original objective of facilitating the progressive development of economies in developing countries and to allow them to implement programmes and policies of economic development designed to raise the general standard of living of their people.]

The following text has been proposed as a replacement for paragraph 22 of the 7 October text:

22. [We further agree that:

- Members shall give sympathetic treatment to requests submitted under Article 5.3 of the Agreement on Trade-Related Investment Measures for an extension of the transition period provided for in Article 5.2 of that Agreement.
- The Committee on Customs Valuation shall work urgently towards formulating an implementation programme that addresses the difficulties of developing-country Members in making the transition to the WTO system of valuation. Particular attention

shall be focused on those Members that are obliged to implement the Agreement during the year 2000. Further, we instruct the WTO Secretariat, in cooperation with other relevant international organizations, to do its utmost in providing technical assistance to Members who so request. Members shall give sympathetic consideration to requests for extensions of time to implement where the developing-country Member in question can show good cause.

- We encourage the intensification of the work of the Ad Hoc Group on Implementation of the Committee on Anti-dumping Practices, and urge all Members to follow its agreed recommendations.
- With regard to the Decision on Measures Concerning the Possible Negative Effects of the Uruguay Round Reform Programme for trade in agriculture on Least-Developed and Net Food-Importing Countries, and the recommendations on the implementation of this Decision adopted at the Singapore Ministerial Conference, developed-country Members shall undertake:
 - to give full consideration in the context of their aid programmes and to respond promptly to requests by least-developed and net food-importing developing countries for the provision of food aid and for technical and financial assistance to improve their agricultural productivity and infrastructure;
 - to ensure that work currently under way on disciplines on agricultural export credits results in appropriate and substantive provision for differential and more favourable treatment in favour of least-developed and net food-importing developing countries.
- [TRQ administration shall be made transparent, equitable and non-discriminatory, in order to allow new/small-scale developing-country exporters to obtain market access.]
- The review of implementation of the TRIPS Agreement mandated in Article 71.1 shall include consideration of:
 - The scope and effect of current means of protection of geographical indications under Articles 22, 23 and 24, including the legal means of protection notified by those Members applying the transitional arrangements provided for under Articles 65.2 and 65.3.
 - The scope and effect of current mechanisms relevant to the subject-matter of Article 27.3(b), including any mechanisms notified by those Members applying the transitional arrangements provided for under Articles 65.2 and 65.3.
 - Information provided by the developed-country Members concerning their existing obligations under Article 66.2.
 - The operation of national mechanisms developed in line with Articles 31 and 40 in relation to possible anti-competitive practices.
 - Current available legal means and practices relevant to the protection of traditional knowledge, particularly of indigenous people, and folklore, consistent with the existing provisions of the Agreement.
- Sanitary and Phytosanitary Agreement: Ministers urge international standard-setting organizations to ensure the presence of countries at different levels of development and from all geographical regions, throughout all phases of standard-setting.

- Technical Barriers to Trade: Ministers urge international standard-setting organizations to ensure the presence of countries at different levels of development and from all geographical regions, throughout all phases of standard-setting.]

The following text has been proposed as a replacement for paragraphs 18-22 of the 7 October text:

18. [Acting on recommendations developed pursuant to paragraph 8 of the Geneva Ministerial Declaration, we direct the General Council to enhance its monitoring and surveillance efforts with existing committees and WTO bodies by instituting a comprehensive and ongoing programme on implementation of existing WTO Agreements and Decisions, with the central aim of ensuring the full, effective and timely implementation of WTO obligations, including the anticipated reviews already provided for pursuant to the Marrakesh Agreement. We agree that such activity would not prejudice any Member's rights to resort to dispute settlement procedures to redress implementation concerns, including special procedures which might be agreed in certain instances.

19. In pursuing this evaluation of implementation, the General Council and subsidiary bodies should pay special attention to and/or base their work on the following:

- All pertinent implementation issues/problems shall be inventoried by each subsidiary body for its respective decision or agreement not later than 31 July 2000;
- Where consensus exists in a subsidiary body to pursue a specific implementation work programme on an individual matter, or where a mandate already exists to pursue an activity, such work should proceed or continue immediately;
- Each subsidiary body shall be responsible for submitting an annual comprehensive implementation work plan to the General Council, in conjunction with its annual report. Such work plans shall report on implementation accomplishments, progress in implementation work already under way, and shall also identify plans, recommendations or options for addressing implementation issues where General Council guidance or direction may be appropriate or where recommendations ensuing from mandated reviews may require General Council or Ministerial action.

20. Where technical assistance needs are at issue, the General Council shall ensure that the identification and addressing of such needs are coordinated through mechanisms established through decisions taken pursuant to paragraph 75 of this Declaration.

21. Where transition periods other than those which expire as of 1 January 2000 are at issue, we agree to authorize whatever measures may be necessary to ensure that there is a sufficient flow of information concerning progress and specific plans being undertaken by individual Members to come into compliance with applicable deadlines.

22. Where notification obligations are at issue, we agree to consider appropriate steps to streamline obligations and procedures for submitting and reviewing notifications consistent with the principle that any such steps should not detract from the underlying objective of transparency or the substance of legal obligations set forth in relevant agreements and decisions.]

Technical Cooperation

23. We further instruct the WTO Secretariat, in cooperation with other relevant international organizations and regional institutions as appropriate, to reinforce technical assistance to developing countries, particularly least-developed countries, vulnerable and small developing economies, as well as transition-economy Members in overcoming major obstacles in their [participation in the work of WTO bodies and the] process of implementation of existing WTO commitments. This approach shall be adapted to the specific needs of the national implementing authorities and shall aim at facilitating the [full, effective and timely implementation of existing agreements and decisions][integration of those economies in the multilateral trading system, taking into

account their special circumstances]. It shall include steps to help ensure that all Members are able to participate effectively in the dispute settlement system. [We undertake to make available the necessary resources for this effort, both directly and through programmes in cooperation with other international institutions, as set out in paragraphs 73-75 below.][We will also endeavour to ensure that the specific needs of recipient countries are fully reflected in developing technical assistance programmes at the national level.]

24. Furthermore, we resolve that in the multilateral negotiations we are inaugurating here, development objectives will be given a [high] priority in keeping with our commitment to ensuring that the benefits of the multilateral trading system are [extended as widely as possible][distributed in a fair and equitable manner].

NEW NEGOTIATING [ROUND]

25. Recalling our commitment at Marrakesh to renew negotiations in agriculture and services, and geographical indications in TRIPS, and wishing to further pursue the progressive liberalization of trade in goods and services [and to implement, strengthen and improve rules and disciplines] through a balanced and broad-based negotiating agenda, we decide to launch multilateral negotiations as set out below with effect from 1 January 2000. The negotiations shall be concluded [within three years], and shall be based on the following principles:

PRINCIPLES GOVERNING THE NEGOTIATIONS

- **[Single undertaking:** the launch, conduct and conclusion of the negotiations shall be treated as parts of a single undertaking. The results of the negotiations shall be adopted in their entirety and apply to all WTO Members. [Agreements reached at an early stage may be implemented on a provisional basis by agreement prior to the formal conclusion of the negotiations. Such early agreements, if confirmed in the final process, shall be taken into account in assessing the overall balance of the negotiations.]]
- **[Transparency in negotiations:** the negotiations shall be conducted in an open, transparent and manageable manner among participants, in order to facilitate the effective participation of all.]
- **[Balance and equity:** negotiations shall be conducted with a view to ensuring mutual advantage and increased benefits to all participants and achieving an overall balance and equity in the outcome of the negotiations.]
- **[Development objectives:** trade liberalization and further rule making should be pursued in line with the objectives of promoting development and poverty alleviation and of enabling developing countries, including the least-developed, structurally weak, vulnerable and small economies, as well as economies in transition to reap the full benefits of the multilateral trading system.]
- **[Sustainable development:** negotiations shall address environmental concerns with a view to achieving sustained economic growth and sustainable development, and enhancing the synergies between trade liberalization, environmental protection and economic development. Negotiations shall consider the needs and concerns of Members at different levels of economic development, and ensure that measures to address environmental concerns are not used for protectionist purposes. Negotiations shall aim to pursue win-win-win opportunities where trade liberalization holds particular potential to yield trade, environment and development benefits. [Negotiations shall consider clarification, as appropriate, of the relationship between the multilateral trading system and multilateral environmental agreements.][WTO Agreements recognize the rights of countries to establish and achieve those levels of health, safety and environmental protection as they deem appropriate.]]

- [Special and differential treatment for developing countries, including least-developed countries shall be an integral part of the negotiations and embodied in effective [operational and binding] provisions in the agreements to be concluded.]
- [Standstill: commencing immediately and continuing until the formal conclusion of the negotiations, each participant shall apply the following commitments:
 - [(i) not to take any trade restrictive or distorting measure in the legitimate exercise of its WTO rights, that would go beyond that which is necessary to remedy specific situations, as provided for in the WTO Agreements; and]
 - [(ii) not to take any trade measures in such a manner as to improve its negotiating position.]

[The standstill commitment shall be subject to multilateral surveillance through a mechanism to be decided upon by the [Trade Negotiations Committee] [General Council].]
- ["Peace clause": Until the conclusion of the negotiations in their entirety and the entry into force of their outcome, developing-country participants shall not be subject to dispute settlement procedures in regard to agreements to be implemented after a transition period ending on 31 December 1999.]

STRUCTURE, ORGANIZATION AND PARTICIPATION

26. Consistent with the overall principles set out above, the structure and organization of, and participation in, the negotiations shall be as follows:

- **Overall supervisory body:** [under the authority of the Ministerial Conference [a Trade Negotiations Committee is established to oversee the conduct of the negotiations] [the General Council shall oversee the conduct of the negotiations].]

OR

[under the authority of the Ministerial Conference, the General Council shall convene as appropriate to discharge the responsibilities of the Trade Negotiations Committee whose main role is to oversee the conduct of the negotiations.]

- **Negotiating bodies:** [[[the following negotiating bodies are hereby established under the direction and supervision of the Trade Negotiations Committee, with effect from 1 January 2000: [list]] [The Trade Negotiations Committee shall establish negotiating bodies as required to undertake negotiations in specific areas under its direction and supervision] [The General Council shall direct appropriate WTO bodies to undertake negotiations in specific areas under its direction and supervision].] These bodies shall keep the [Trade Negotiations Committee] [General Council] fully informed of their progress.]

OR

[The General Council, acting as Trade Negotiations Committee, shall direct appropriate existing WTO bodies to undertake negotiations in specific areas under its direction and supervision. These bodies shall discharge these duties acting as Negotiating Committees and will keep the Trade Negotiations Committee fully informed of their progress. The Trade Negotiations Committee may establish, if necessary, additional negotiating committees to undertake negotiations in specific areas not under the purview of any existing body of the WTO. Rules and procedures may be adapted to the negotiating mode, as necessary, by consensus.]

- **Schedule of work and individual negotiating plans:** [unless otherwise elaborated in this Declaration, each body shall elaborate its own schedule of work and

individual negotiating plan subject to any guidelines or direction to it from the [Trade Negotiations Committee] [General Council]. Such schedules and negotiations plans not already approved through this Declaration, shall be submitted to the [Trade Negotiations Committee] [General Council] for approval. They shall include appropriate benchmarks to ensure timely progress in the negotiations. As a general requirement, unless otherwise elaborated in the Declaration, initial negotiating proposals shall be submitted before 31 July 2000.

OR

[each Negotiating Committee shall elaborate its own schedule of work and, where necessary, individual negotiating plans subject to any guidelines and direction from the Trade Negotiations Committee. Such schedules and negotiating plans not already approved in this Declaration shall be submitted to the Trade Negotiations Committee for approval no later than 31 May 2000. They shall include appropriate benchmarks to ensure timely progress in the negotiations. As a general requirement initial negotiating proposals shall be submitted before 31 July 2000.]

- **[[Advisory] role for Committee on Trade and Development and Committee on Trade and Environment:** within their respective mandates, the Committee on Trade and Development and the Committee on Trade and Environment will each provide a forum to identify and debate the developmental and environmental aspects of the negotiations, including the synergies between trade liberalization, economic development and environmental protection. The work of the two bodies would be complementary and would help to ensure that the negotiations reflect the preamble of the WTO Agreement on acting in accordance with the objectives of sustainable development and responding to the needs of the developing countries and especially of the least-developed countries. Their deliberations will provide useful input for national authorities in developing their negotiating positions. [We note the intentions of some Members at a national level to [review the potential environmental effects] [undertake a sustainability review] of the negotiations as an important means of identifying trade and environmental linkages.] [In this regard, Members are encouraged to share information on the methodologies and results of their reviews.]]
- **Provisions to facilitate participation by developing, least-developed, vulnerable and small developing economies and transition economies:** within available resources, both financial and human, appropriate technical assistance will be provided to these countries to improve their capacity to participate effectively in the negotiations. In the conduct of the negotiations every effort will be made to minimize the burden on delegations, especially those with more limited resources.
- **Mid-term review:** the Fourth Session of the Ministerial Conference will take stock of progress in the negotiations, provide any necessary political guidance, and take any decisions as necessary.
- **Implementation of results:** when the results of the negotiations in all areas have been established, a Special Session of the Ministerial Conference will be held to take decisions regarding the adoption and implementation of those results.
- **Participation in the negotiations:** Negotiations shall be open to:
 - (i) all Members of the WTO;
 - (ii) States and separate customs territories that have already informed Members, at a regular meeting of the General Council, of their intention to negotiate the terms of their membership and for whom an accession working party has been established.

Decisions on the outcomes of the negotiations shall, however, be taken only by WTO Members.

SUBJECTS FOR NEGOTIATION

A. Negotiations Mandated at Marrakesh

Agriculture

Paragraph 27, 7 October text:

27. [The negotiations for continuing the process of reform of trade in agriculture and to realize further progress in establishing a fair and market-oriented agricultural trading system shall be directed to achieving agreement on a reform programme, comprising further substantial progressive reductions in support and protection resulting in fundamental reform and improvements as appropriate in the rules and disciplines, taking into account all of the objectives and concerns in Article 20 and the Preamble to the Agreement on Agriculture, as well as the general objectives and principles governing the Negotiations as a whole.]

Paragraph 27, proposed amendments to 7 October text:

[The negotiations for continuing reform of trade in agriculture and realizing a fair and market-orientated agricultural trading system which brings trade in agricultural products under the same WTO rules and disciplines as trade in other goods, shall achieve further substantial progressive reductions in support and protection resulting in fundamental reform and improvements as appropriate in the rules and disciplines, taking into account all of the objectives and concerns in Article 20 and the Preamble to the Agreement on Agriculture, as well as the general objectives and principles governing the Negotiations as a whole.]

[The negotiations to achieve the fundamental reform of trade in agriculture shall bring trade in agricultural products under the same WTO rules and disciplines as trade in other goods. The negotiations shall achieve substantial reductions in support and protection resulting in rules and disciplines appropriate to that goal. The negotiating process will take into account all the objectives and concerns included in Article 20 and the Preamble to the Agreement on Agriculture, as well as the general objectives and principles governing the Negotiations as a whole.]

[The negotiations in agriculture shall bring trade in agriculture products under the same WTO rules and disciplines as trade in other goods, thus establishing a fair and market-oriented agricultural trading system.]

[The negotiations should also aim to reduce disparities in the levels of support and protection between countries and commodities.]

The following text has been proposed as a replacement for paragraph 27, as well as for paragraphs 28 to 30 inclusive, of the 7 October text:

[WTO Members agree to negotiate the continuation of the reform process on Agriculture, as laid down in Article 20 and the Preamble of the Agreement on Agriculture.

Taking into account the experience and effects of implementing the reduction commitments agreed in 1994, the results of the negotiations shall ensure a fair balance of rules and disciplines for both food importing and exporting countries and for developed and developing countries, and shall provide for the coexistence of various types of agriculture among Members. It shall also ensure a balance between the long term objective of substantial, progressive reductions in support and protection, resulting in fundamental reform, with other concerns, notably special and differential treatment to developing country Members and non-trade concerns, including the multifunctional role of agriculture, food security, food safety and quality and animal welfare.

In order to achieve the above objectives, a negotiating group for agriculture shall be established and shall have primary responsibility for all aspects of agriculture under negotiation: market access, domestic support and export measures (including export prohibitions and restrictions and all forms of direct or indirect assistance to exports) as well as the relationship between the Agreement on Agriculture and other WTO Agreements.]

The following text has been proposed as a replacement for paragraph 27, as well as for paragraphs 28 to 30 inclusive, of the 7 October text:

[Members will negotiate a continuation of the reform process in agriculture, as laid down in Article 20 of the Agreement on Agriculture aiming at further reductions in support, covering both domestic support measures and export subsidies and in market protection. The results of the negotiations should ensure a balance between the long term objective of substantial progressive reductions in support and protection resulting in fundamental reform as contained in the Agreement on Agriculture, with due account of other concerns, notably the experience and effects of implementing the reduction commitments agreed in 1994, special and differential treatment to developing country Members and non-trade concerns.]

Paragraph 28, 7 October text:

28. [Special and differential treatment for developing countries shall constitute an integral part of these negotiations and of the further specific binding commitments to be negotiated in the areas of market access, export subsidies and domestic support.]

Paragraph 28, proposed amendments to 7 October text:

[Special and differential treatment for developing countries shall constitute an integral part of these negotiations in order to take fully into account the development and food security needs of developing countries. Further specific binding commitments to be negotiated should substantially improve access for products of particular interest to those countries and include specific and concrete special and differential treatment provisions with regard to developing country commitments, concessions and technical assistance.] [Specific and concrete special and differential treatment with regard to developing country commitments and concessions shall be established in order to take fully into account the development, financial, trade and non-trade concerns, including food security needs, of developing countries.] [Flexibility shall be provided to enable developing countries to address concerns, such as food security, rural development and poverty alleviation.] [Substantial improvements in market-access commitments for products of interest to developing countries, including the fullest liberalization of trade in tropical products.] [Effective assistance to enable developing countries to take full advantage of preferential treatment and market access, including facilitating increased levels of investment in agriculture in these countries to boost production and productivity.] [Particular attention shall be paid to the situation of least-developed, net food-importing developing countries, and small island developing economies.]

Paragraph 29, 7 October text and proposed amendments:

29. Proposals by participants on the following elements of the further reform programme, including as appropriate proposals relating to modalities for giving effect to the above objectives, shall be submitted by [... 2000] [31 July 2000]:

- (i) [further substantial reductions in tariffs on all agricultural products, including in respect of in-quota tariffs, tariff peaks, tariff escalation and reductions resulting in zero tariffs commitments;]
[substantial comprehensive reductions in, or the elimination of, tariffs on agricultural products, including in respect of in-quota tariffs, tariff peaks, tariff escalation, and the substantial expansion of tariff quota quantities;] [deep cuts to all tariffs, including the curtailment of tariff peaks and elimination of tariff escalation;] [maximization of improvements in market access;] [substantial reductions to all tariffs on all agricultural products to bring them down to levels similar to those applicable to other goods, including the possibility of zero-for-zero tariff commitments;] [elimination of tariff peaks, in-quota tariffs and remaining non-tariff barriers, and prohibitive tariffs;] [the reduction of disparities in the levels of effective market access provided between Members and across commodities;] [simplification and improvement of tariff regimes;]
- (ii) [the expansion of tariff quota quantities;]
[the substantial expansion of tariff quota quantities;] [substantial and continual expansion of tariff quota quantities that may remain from the process aimed at achieving a tariff-only regime, to commercially meaningful levels;]
- (iii) [additional commitments to significantly improve conditions of market access for specific products of export interest to developing-country participants;]

- (iv) [further substantial reductions in export subsidies, including commitments resulting in the elimination of such subsidies;]
 [the elimination of export subsidies and subsidized export credits;] [elimination and prohibition of all forms of export subsidies, including the subsidy element in export credits, export credit guarantees of insurance programmes, none of which shall be replaced by any similar measures;]
- (v) [further substantial reductions in trade distorting domestic support;]
 [the elimination of trade distorting domestic support;] [substantial reductions in all trade distorting domestic support for all agricultural products;] [significant reductions in trade distorting domestic support;]
- (vi) [improvements in the rules and disciplines as appropriate, including with respect to:]
 [taking into account the objective of the negotiations, as per 2(a) above] [improvements in the rules and disciplines to make them entirely consistent with the objective, as per 2(b) above.]
- [tariff quota administration;]
 - [the operation and scope of the special safeguard provisions;]
 [the special safeguard provisions;]
 - [transitional issues relating to market access, domestic support and export subsidy commitments;]
 - [reduction commitments for export subsidies and domestic support;]
 - [export competition anti-circumvention provisions;]
 [including in relation to domestic support and transparency in food aid,]
 [disciplines on export credits;]
 - [export prohibitions, restrictions and taxes;]
 - [disciplines on state trading enterprises;]
 - [disciplines to ensure that trade in products of agricultural biotechnology is based on transparent, predictable and timely processes;]
 - [non-trade concerns, including food security, the protection of the environment and other objectives in the context of the provisions of Annex 2;]
 [non-trade concerns and other objectives consistent with the provisions of Annex 2;] [developing country non-trade concerns and other objectives in the context of the provisions of Annex 2, including food security needs, rural development, rural employment and poverty alleviation of prominently agrarian economies, as well as diversity of agricultural sectors across developing countries;] [flexibility for NFIDCs in respect of food security non-trade concerns under Annex 2 criteria;]
 - [special and differential treatment for [least-developed] and developing countries, including net food-importing developing countries.] [establishment of a special and differential treatment development box that will ensure the achievement of the objectives of food security, rural development and poverty alleviation.]
- (vii) [and on any other issues relevant to the consolidation and extension of a fair and market-oriented agricultural trading system and the further integration of trade in agriculture within WTO rules and disciplines.]
 [and on other issues relevant to the achievement of a freer, fair and market-oriented agricultural trading system and the full integration of trade in agriculture within WTO rules and disciplines;] [and on other issues relevant to the achievement of fundamental

reform of trade in agricultural products and the full integration of trade in agriculture within WTO rules and disciplines.]

Paragraph 30, 7 October text:

30. [Based on the modalities to be worked out by [.. ... 200-] at the latest, participants shall submit their comprehensive offer lists no later than [.. ... 200-] with the aim of concluding the negotiations on the further reform programme, including agreement on improvements to the rules and disciplines, by [.. ... 2002].]

Paragraph 30, proposed amendments to 7 October text:

[Based on multilateral approaches to market access, export competition and domestic support, which will be finalized before 31 July 2001, including modalities for reduction commitments, and amendments to WTO rules and disciplines, as necessary, participants shall submit their comprehensive offer lists no later than 30 November 2001, and allow for the conclusion of the negotiations on the reform programme, and the finalization of schedules and commitments and legal texts, before 31 December 2002.] [Based on common modalities participants shall submit their comprehensive offer lists no later than [31 July 2001] with the aim of concluding the negotiations on the further reform programme, including agreement on improvements to the rules and disciplines by [December 2002].]

Services

(Alternatives which have been proposed to replace text in paragraphs 31-33 are set out on pages 20 and 21)

31. [Pursuant to the objectives of the GATS, as stipulated in the Preamble and Article IV, and as required by Article XIX, negotiations based on these guidelines shall aim to achieve progressively higher levels of legally binding liberalization of trade in services through the expansion of the sectoral coverage of commitments in Members' schedules and the reduction or elimination of existing limitations. To this end:

- (a) The negotiations shall be conducted in full accordance with Article IV (Increasing Participation of Developing Countries) and Article XIX (Negotiation of Specific Commitments).
- (b) Liberalization may be achieved through bilateral, plurilateral or multilateral approaches. The request-offer approach may be supplemented as necessary by other appropriate negotiating modalities, applied on a horizontal or sectoral basis. Participants shall submit initial requests or proposals on specific commitments by [15 December 2000] [September 2001].
- (c) The negotiations shall aim to promote the interests of all participants and to secure an overall balance of rights and obligations. No service sector or mode of supply shall be excluded. Special attention shall be given to sectors and modes of supply of interest to developing countries.
- (d) Exemptions from Article II (MFN) shall also be subject to negotiations, as foreseen in the Annex on Article II Exemptions.
- (e) In order to improve market access and make the operation of the Agreement more effective, participants shall conclude the work undertaken by the Committee on Specific Commitments on the nomenclature of services and the scheduling of commitments no later than [15 December 2000] [July 2001 or the date of the Fourth Session of the Ministerial Conference].
- (f) The Working Party on Domestic Regulation and the Working Party on GATS Rules shall [aim to] conclude their work on the development of any new disciplines in their respective areas no later than [15 December 2000] [15 December 2002] [30 June 2001]. However, negotiations under Article X (Emergency Safeguard Measures) shall be concluded by 15 December 2000.

- (g) Consideration shall be given to the strengthening of pro-competitive disciplines, whether generally applicable or on a sectoral basis.
- (h) The structure and principles of the GATS shall be preserved. Existing provisions of the GATS may be reviewed, as agreed by Members, in order to improve the clarity and legal consistency of the text.
- (i) In the conduct of negotiations, [account shall be taken of] [credit shall be given for] any autonomous liberalization undertaken by other Members since the conclusion of the Uruguay Round, according to modalities to be developed during the negotiations.
- (j) Negotiations shall [take account of] [draw and build upon] [encompass] the results of the reviews to be conducted by the Council for Trade in Services of Article II Exemptions, the Annex on Air Transport Services, and the understanding on accounting rates in basic telecommunications.
- [(k) The negotiations and their results shall fully take into account the multifunctional character of services.]]

The following text has been proposed as a replacement for paragraphs 31-33 of the 7 October text:

[Ministers take note of the preparatory work achieved in the Council for Trade in Services and the General Council for the negotiations mandated by Article XIX of GATS and decide that the service negotiations shall be carried out in accordance with the provisions and the envisaged negotiating guidelines of this Article. Negotiations should bring about broader and deeper liberalization, to reach a comprehensive coverage of world trade in services by GATS including, where appropriate and necessary, the use of horizontal formulas facilitating cross-sectoral liberalization and reduce or eliminate the adverse effects of measures affecting trade in services, by achieving an appropriate balance between the regulatory framework necessary and an effective market access, including pro-competitive principles.]

The following text has been proposed as a replacement for paragraphs 31-33 of the 7 October text:

[Pursuant to the objectives of GATS negotiations shall aim to achieve higher levels of progressive liberalization of trade in services with due respect for national policy objectives and the level of development of individual members, both overall and in individual sectors. Negotiations shall aim to improve, clarify or expand as appropriate, the GATS agreement and associated legal instruments.]

The negotiations will promote the interests of all Members on a mutually advantageous basis with due regard being given to relevant GATS provisions that seek to increase the participation of developing countries in services trade and provide developing countries with appropriate flexibility in the scheduling of specific commitments.

Negotiations on specific commitments, shall aim to liberalize trade in services across a broad range of sectors through bilateral, plurilateral or multilateral approaches. Proposals for such approaches should be submitted no later than 1 July 2000 and decisions concerning their applicability to the negotiations should be taken no later than 31 December 2000. Participants will present their request and their offer lists by the Fourth Ministerial Meeting.

On-going services work relating to the Built-in Agenda is complementary to the process of negotiation and should be expedited wherever appropriate to facilitate the negotiations.]

Trade-Related Aspects of Intellectual Property Rights

(See also paragraphs 33 and 51)

32. [Negotiations shall be completed on the establishment of a multilateral system of notification and registration of geographical indications for wines [and spirits] eligible for protection in those Members participating in the system. [The negotiations and their results shall fully take into account the multifunctional character of intellectual property.]]

B. Other Subjects Which Have Been Proposed for Negotiation

[Trade-Related Aspects of Intellectual Property Rights]

(See also paragraphs 32 and 51)

33. [In order to enhance further the contribution of the protection of intellectual property rights to the promotion of trade and development, negotiations shall aim to strengthen and clarify the Agreement on Trade-Related Aspects of Intellectual Property Rights, building on the work done under the built-in agenda. This work shall aim to:

- complete the negotiations on the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits provided for in Article 23.4 of the TRIPS Agreement and take appropriate decisions on the extension of the protection required by Article 23 to other product areas;
- ensure that the TRIPS Agreement responds effectively and neutrally to new technological development and practices, including by incorporating new trade-related treaties on intellectual property adopted outside WTO where appropriate;
- consider other ways of improving the standards and functioning of the Agreement, including in respect of the harmonization of patent procedures in respect of the use of first-to-file and early publication of applications systems;
- [- the negotiations and their results shall fully take into account the multifunctional character of intellectual property.]]

[Market Access Negotiations on Non-Agricultural Products]

34. [Market access negotiations shall be comprehensive covering all non-agricultural products with no a priori exclusions.]

35. [They shall aim at reducing tariffs [by x%] [with a target amount for overall reduction exceeding that achieved in the Uruguay Round] with the objective of substantially improving access to markets for all non-agricultural products. Negotiations shall also aim at the broadest possible liberalization by substantially reducing or eliminating tariff peaks and tariff escalation particularly for products of interest to developing and least developed countries. Negotiations shall aim at increasing transparency and predictability through the significant expansion of tariff bindings and shall address any other issues as appropriate, including low/nuisance duties, harmonization and simplification of tariff structures, disparities between bound and applied rates, and the concept of initial negotiating rights. [The negotiations and their results shall fully take into account the multifunctional role of non-agricultural activities.]]

36. [The negotiations shall also address non-tariff measures affecting access to markets. They shall aim at the reduction or elimination of non-tariff measures that restrict or distort trade and undermine the effectiveness and benefits of negotiated market access liberalization. [In this connection, the negotiations shall examine horizontal issues such as anti-dumping measures, customs valuation, import licensing, rules of origin, safeguard measures, subsidies, product safety standards, other technical regulations or any other issue as appropriate. The possibility to discuss specific non-tariff measures on a case-by-case basis shall also be available.]]

37. [The modalities used for the conduct of the negotiations [shall be a common negotiating approach supplemented by other approaches] [may encompass one or a combination of methods] including formula, request/offer and modalities which allow for the possibility of deeper reductions or tariff elimination for specific products or product groupings to be undertaken by interested participants. Bound rates and, if there are no bound rates, the applied rates in effect [at the start of the negotiations] [on --] shall be used as basis for the tariff negotiations. Modalities shall be considered to accord [credit][recognition] for autonomous liberalization measures.]

38. [Procedures and specific time-frames for the negotiating process, as well as for the implementation of the results of the negotiations shall be established, as appropriate.]

39. [The interests, special needs and conditions of developing country Members, including least-developed countries, shall be taken into account allowing for flexibility in the negotiations with regard to these Members while at the same time aiming at a mutually beneficial and balanced result. Negotiations shall also provide for the granting of improved market access through a variety of means to the benefit of least-developed country participants.]

[WTO Rules]

40. [The WTO Rules identified below shall also be the subject of negotiations:

- **[Anti-dumping]:** [the rules shall be reviewed, and where necessary amended, on the basis of proposals by participants, with a view to strengthening and clarifying the disciplines and facilitating their implementation, and to ensuring that they operate so as to support trade liberalization and economic development.]
- **[Subsidies and countervailing measures]:** [the rules shall be reviewed, and where necessary amended, on the basis of proposals by participants, taking into account, inter alia, the important role that subsidies may play in the economic development of developing countries, and the effects of subsidization on trade. [Participants shall consider, as a special point of the agenda, [the possible need for supplemental disciplines in the area of fishery subsidies][disciplines which eliminate those fishery subsidies that contribute to fisheries over-capacity and have adverse effects on trade and on sustainable utilization of fish stocks].] *(See alternative in next bullet)* Participants shall also seek to resolve any issues identified during mandated reviews and not resolved during the course of those reviews. Further, participants shall examine ways in which the burden of subsidy notification obligations could be lightened without sacrificing transparency.]
- **[Fisheries subsidies]:** [Participants agree to establish a Working and Negotiating Group in the area of fisheries subsidies. The Group shall examine such subsidies, in order to identify any subsidies which may have adverse effects on trade, environment and sustainable development and contribute to over-capacity and over-fishing. [The Group shall also identify any subsidies which may have positive effects in these areas.] The work of the Group shall proceed in two phases. The Group shall complete its identification and examination phase by the Fourth Session of the Ministerial Conference, drawing on relevant work under way within [intergovernmental] [multilateral] bodies, including the FAO. The Group shall complete its work by developing and elaborating WTO commitments and disciplines [with respect to fisheries subsidies][for the reduction and elimination of subsidies having the adverse effects identified above] as a part of the single undertaking and no later than at the end of the round.] *(See alternative in previous bullet)*
- **[Technical barriers to trade]:** *(See also paragraph 53)*
[The existing rules shall be reviewed, on the basis of proposals by participants, with a view to strengthening, clarifying and expanding, as appropriate, the provisions of the TBT Agreement including in areas such as international standards, conformity assessment procedures, [accreditation,] technical assistance and special and differential treatment. All TBT aspects of health, consumer safety and environmental issues shall be addressed in a manner that ensures the right balance between prompt, proportional action, where justified, and the avoidance of unjustified restrictions. [Consideration shall be given to establishing guidelines on labelling.]]
- **[State trading]:** [participants shall examine whether Article XVII of GATT 1994 and the Understanding on its interpretation require further elaboration.]

- **[Regional trade agreements]:** [participants shall clarify WTO rules and procedures with the aim of ensuring a coherent and predictable relationship between such agreements and the multilateral trading system.]
- **[Trade-Related Investment Measures]:** *(See also paragraph 54)*
[Participants shall review the Agreement on Trade-Related Investment Measures on the basis of proposals by participants and, as appropriate, negotiate amendments to its text [taking fully into account in both cases the multifunctional character of investment]. Particular attention shall be given to issues that have been raised by developing and least-developed country participants concerning their experience with the implementation of this Agreement.]
- [Any other WTO Rules which Members agree to include within the scope of the negotiations.]]

[Investment]

(See also paragraph 56)

41. [Taking into account the work already undertaken in the WTO Working Group on the Relationship between Trade and Investment, negotiations shall aim to establish a multilateral framework of rules on foreign direct investment, to further the objectives of the WTO and to complement its rules, so as to enhance the contribution of international trade and investment to economic growth and development, and to help create a stable and predictable climate for the treatment of foreign direct investment world-wide.

The framework should:

- contain provisions on scope and definition;
- be based on WTO principles of non-discrimination, while respecting the ability of host governments to regulate the activity of investors in their respective territories;
- ensure transparency and predictability of domestic investment regimes, and the dissemination of information in this respect;
- address as an integral part of the framework the special needs of developing and least-developed country participants with respect to the contribution of foreign direct investment to their development and economic growth;
- provide for negotiated, positive commitments by participants regarding access to investment opportunities in their territories, with a view to achieving a progressively higher level of liberalization;
- address investment-distorting and trade-distorting policies and practices;
- take account of, and ensure consistency with, relevant WTO provisions related to investment; and
- provide for the applicability of the WTO dispute settlement mechanism to resolve disputes between governments.

Consideration shall be given to the possible need for provisions on other matters, such as protection of investment and investors' responsibilities, and to existing bilateral and regional arrangements on investment.]

[Competition Policy]

(See also paragraph 57)

42. [Negotiations in this area shall aim to enhance the contribution of competition law and policy to international trade and development, including by strengthening the capacity of all participants to address anti-competitive business practices distorting or impeding international trade and investment, and in order better to ensure that the benefits of trade and investment liberalization are realized and shared by all citizens. To this end,

a multilateral framework shall be developed that would enable the following to be addressed in a progressive and incremental manner:

- (a) core principles of competition law and policy, building in particular on the WTO principles of transparency and non-discrimination;
- (b) the development of common approaches to anti-competitive practices, while respecting the diversity of national laws and situations;
- (c) appropriate modalities and support mechanisms, including sufficient resources, for case-specific, technical and other forms of cooperation among WTO Members; and
- (d) the particular needs and situations of developing-country participants, including by providing for special and differential treatment.]

43. [[Prior to the substantive negotiating phase, an intensive educative and analytical process of up to two years will be undertaken, in order to enable all participants to be adequately prepared for negotiations and to have assessed the possible outcomes and implications.] In order to facilitate the full participation of developing and least-developed country participants in these negotiations, adequate resources shall be made available for technical cooperation and capacity-building, not only in regard to the establishment and reinforcement of competition policies, laws and institutions but also in regard to issues under negotiation, including through the organization of regional seminars. In this connection, the WTO Secretariat will seek the cooperation of UNCTAD, the World Bank and other relevant intergovernmental organizations.]

[Transparency in Government Procurement]

(See also paragraphs 58 and 76)

44. [Building on the work of the Working Group on Transparency in Government Procurement [and on the elements for inclusion in an appropriate agreement contained in the report of the Working Group], negotiations shall take place to conclude an agreement on transparency in government procurement of goods and services [for adoption at the Fourth Session of the Ministerial Conference]. [Negotiations of the Agreement shall take into account the special situation of developing countries and due flexibility shall be accorded to them.] [[Following that meeting, negotiations] [Negotiations] should take place with a view to adapting a multilateral agreement to reduce obstacles to market access in the area of government procurement.]]

[Trade Facilitation]

(See also paragraph 59)

45. [Negotiations shall aim at [establishing [a framework of] disciplines [and/or guidelines]] [building upon and strengthening WTO disciplines] on the administration of trade procedures, thereby addressing issues connected with formalities for importation and exportation. Negotiations shall draw upon the relevant work undertaken in other international organizations with a view to avoiding duplication.

46. Negotiations shall be directed to providing expedited passage and release of goods upon importation, removing undue administrative burdens for traders, and maximising transparency regarding all official import and export requirements [and related services], with a view to enabling traders from all Members, and in particular small and medium-size enterprises, to participate to a greater extent in international trade.

47. [In order to achieve these objectives, negotiations shall aim at reducing, simplifying, modernizing and [as appropriate] harmonizing documentation requirements and border-crossing procedures and systems.] Negotiations shall ensure the application of the basic GATT/WTO principles of transparency, non-discrimination, national treatment, [and proportionality] to official procedures. In this context, specific measures for the implementation of Articles VIII and X of the GATT 1994 shall be explored. As appropriate and taking into consideration the mandated review processes, negotiations shall [simplify and] complement [procedural provisions contained in] existing, relevant WTO agreements [and explore opportunities to secure implementation of these agreements.] [Due consideration shall be given to the need for appropriate and effective border enforcement.]

48. [Concurrently,] Negotiations shall address the issue of technical assistance and capacity-building for developing countries and develop a co-operative approach in this respect among Members and with other international organizations. [Provisions shall be made to consult through appropriate means throughout the negotiations to ensure their practicality and responsiveness to the needs of WTO Members and the private sector.]]

OTHER ELEMENTS OF WORK PROGRAMME

49. We note that a large share of the WTO's work programme stems from the reviews and other work already provided for under the existing agreements and decisions. We reaffirm our commitment to completing this mandated work in a full and timely manner. In carrying out this work, any follow-up activity, and other continuing work under existing agreements and decisions, Members shall seek to resolve the problems which have been identified in the course of implementation.

50. We further agree as follows concerning specific areas:

[Trade-Related Aspects of Intellectual Property Rights]

(See also paragraphs 32 and 33)

51. [The Council for TRIPS shall:

- [[complete][pursue] the negotiations on the establishment of a multilateral system of notification and registration of wines [and spirits] eligible for protection in those Members participating in the system and] make appropriate recommendations concerning the product coverage of [this][the] system [provided for in Article 23.4 of the TRIPS Agreement] [as well as in regard to [possible] expansion of the product coverage of Article 23 as a whole];
- pursue the review of Article 27.3(b) [with a view to clarifying its provisions where necessary, and [considering any international action necessary to ensure a mutually supportive relation between the TRIPS Agreement and instruments for the preservation and sustainable use of biodiversity] [examining the relationship between the TRIPS Agreement and the Convention on Biological Diversity];
- [examine the scope for more specific protection covering intellectual property issues relating to [indigenous] traditional knowledge [and expressions of folklore] [, in particular of indigenous and local communities,] [, in cooperation, where appropriate, with other relevant intergovernmental organizations,] [and make appropriate recommendations] [with a view to developing multilateral norms for incorporation in the TRIPS Agreement]] [follow the work of WIPO on issues relating to traditional knowledge, in particular of indigenous and local communities];
- in undertaking the review of the implementation of the Agreement provided for in its Article 71.1, examine, on the basis of proposals by Members, ways of enhancing the extent to which the Agreement responds fully to its objectives and principles contained in its Articles 7 and 8 as well as to technological and other developments [, including in the field of electronic commerce].]

OR

[The Council for TRIPS shall:

- complete the existing schedule of mandated reviews and negotiations under the TRIPS built-in agenda, primarily with the aim of ensuring the effective and timely implementation of the Agreement, including the negotiations on the establishment of a multilateral system of notification and registration of geographical indications provided for in Article 23.4 as well as the review of the implementation of the Agreement provided for in Article 71;

- consider in due course, once sufficient experience is gained through implementation of existing obligations by all Members, whether modifications to the Agreement are warranted, including in the light of any relevant new developments pursuant to Article 71, it being understood that in any future negotiations no consideration will be given to lowering existing TRIPS standards.]

52. [The Council for TRIPS shall report on the above work and make recommendations as appropriate to the Fourth Session.]

[Agreement on Technical Barriers to Trade]

(See also paragraph 40)

53. [Recognizing the opportunity which the upcoming triennial review of the Agreement provides, the existing rules shall be reviewed, on the basis of proposals by participants, with a view to strengthening, clarifying and expanding, as appropriate, the provisions of the TBT Agreement including in areas such as international standards, conformity assessment procedures, [accreditation,] technical assistance and special and differential treatment. All TBT aspects of health, consumer safety and environmental issues shall be addressed in a manner that ensures the right balance between prompt, proportional action, where justified, and the avoidance of unjustified restrictions. [Consideration shall be given to establishing guidelines on labelling.]]

[Trade-Related Investment Measures]

(See also paragraph 40)

54. [Having regard to Article 9 of the Agreement on Trade-Related Investment Measures, Members shall complete by ... the review of the Agreement and, as appropriate, propose to the Ministerial Conference amendments to its text [which would provide for additional disciplines] [taking fully into account the multifunctional character of investment]. Attention shall be given to issues that have been raised by developing and least developed country Members concerning their experience with the implementation of this Agreement [as well as concerns relating to some Members' failure to abide by the requirements of Article 5 of the Agreement].]

[Agreement on Government Procurement]

55. [We recognize the considerable progress achieved in the review of the Agreement on Government Procurement, and agree that the work on all aspects of the mandate for the review, including removing discriminatory provisions, expanding the scope, and simplification, should be intensified and completed by 31 December 2000.]

[The Relationship between Trade and Investment]

(See also paragraph 41)

56. [The Working Group on the Relationship between Trade and Investment shall pursue its present mandate, building on work undertaken to date. Further work should focus on issues of interest to developing countries, in particular, the effects of foreign direct investment, positive and negative, on the development objectives of host countries, the obligations of foreign investors to host countries, and the obligations of home countries in respect of disciplines on their investors. The Working Group shall report to the Fourth Session of the Ministerial Conference on the results of its work [with its findings, and its recommendations].]

[Interaction between Trade and Competition Policy]

(See also paragraph 42)

57. [The Working Group on the Interaction between Trade and Competition Policy shall [continue its work under the mandate established at the First Session of the Ministerial Conference] [pursue its present mandate building on the work undertaken to date] [and make a final report] [and shall present concrete findings and recommendations on a possible multilateral framework] to the Fourth Session. [The work should focus on the implications for developing countries of the proposals submitted on this subject, in particular in regard to actions to combat anti-competitive practices of firms and to the need for monitoring and reviewing mergers and take-overs which have an impact on international competition.]]

[Transparency in Government Procurement]

(See also paragraphs 44 and 76)

58. [The Working Group on Transparency in Government Procurement shall continue its work under the mandate established at the First Session of the Ministerial Conference[, and make a final report, including elements for inclusion in an appropriate agreement, to the Fourth Session of the Ministerial Conference].]

[The Working Group on Transparency in Government Procurement should continue its work on identification of elements, particularly in respect of the implications for developing countries of the specific proposals placed by some Members. In the continued study process, particular emphasis should be on the problems relating to capacity of developing countries to implement such potential elements, as well as the implications for development.]

[Trade Facilitation]

(See also paragraph 45)

59. [In continuation of the exploratory and analytical work on the simplification of trade procedures mandated in Singapore, the Council for Trade in Goods shall [work towards the establishment of [a framework of] disciplines [and/or guidelines] on the administration of trade procedures, thereby addressing] [address] issues connected with formalities for importation and exportation. The work shall continue to draw upon the relevant work [and expertise] of other international organizations. [The CTG shall make a final report to Ministers at the next Ministerial Conference on its assessment on the scope for WTO rules [and measures] in this area.] Further work shall [take into account the implementation capacities of developing countries and shall] address the issue of technical assistance and capacity building.]]

[Rules of Origin]

60. [We note that the Harmonization Work Programme for non-preferential rules of origin, as set out in Part IV of the Agreement on Rules of Origin, was not completed as required within three years of its initiation, i.e. by 20 July 1998. We note also that Members have agreed to make best endeavours to complete the work by November 1999. We agree that every effort shall be made by the Committee to complete the harmonization work programme as soon as possible[, and in any case not later than [date]].]

[Coherence]

61. [Recalling the Marrakesh Declaration on Improving the Contribution of the WTO to Achieving Greater Coherence in Global Economic Policy-Making, we invite the Director-General to pursue with the Managing Director of the IMF and the President of the World Bank further cooperation between their three organisations [so as to contribute, in particular, to:

- (i) Enabling developing countries, and particularly the poorest and least-developed among them, to integrate more fully into the multilateral trading system and participate more effectively in the WTO, including in the new trade negotiations, by providing them with assistance in support of their trade policy formulation and their trade-related human and institutional capacity-building.
- (ii) Making trade, and participation in the trading system, more effective tools for economic and social development and for poverty alleviation. In particular, we encourage the Director-General to review and develop with the President of the World Bank, in the light of the *Comprehensive Development Framework*, opportunities for generating greater synergy between, on the one hand, assistance provided to developing countries by the WTO for implementation of WTO Agreements, including such new commitments as may be agreed on in the new trade negotiations, and, on the other, assistance provided by the World Bank and other organisations to help developing countries build trade-related capacity as an integral part of their development process.
- (iii) Assisting countries to handle effectively such transitory economic and social adjustment costs as they may encounter in advancing their trade and structural policy reforms, through financial and policy support and through technical assistance.

- (iv) A better understanding of, and more transparency in support of, trade policy reform and trade liberalization at the national level, its interaction with governments' financial, macroeconomic, structural and development policies, and its contribution to the better functioning of the world economy].]

62. [We decide to establish a WTO Working Group on Coherence in Global Economic Policy-making, under the authority of the General Council, to examine, on the basis of proposals by Members, matters of systemic importance to the proper functioning of the trading system arising out of the relationship between trade, finance, and development policies. We invite representatives of the IMF and the World Bank to participate in the Working Group.]

63. [We commit ourselves to promoting greater coherence in economic and related policies. Building on existing decisions and declarations, we agree to establish a Working Group to report to the Fourth Session of the Ministerial Conference on:

- (a) Options to enhance cooperation between the WTO and other international economic organizations with a view to promoting coherence in international trade, finance and development policies;
- (b) The relation between trade policies and other dimensions of good economic governance at the national level;
- (c) Options for enhancing the contribution of trade-related and other technical assistance to capacity-building in developing countries;
- (d) Ways to improve the efficacy of, and synergies between, the multilateral surveillance processes of various international economic institutions;
- (e) The relationships between appropriate trade, developmental, social and environmental policy choices in the context of the experiences of and challenges faced by all WTO Members in adjusting to globalization.]

[Electronic Commerce]

64. [We reaffirm the growing importance of global electronic commerce and its potential to create new opportunities for trade and development, and recognize the need to ensure that electronic commerce in all its forms is conducted in full conformity with WTO principles and rules. We further note the report of the General Council on the work that has been carried out by the relevant WTO bodies under the Work Programme on Electronic Commerce.

65. In the light of the above, we agree to extend the application of the declaration on global electronic commerce adopted on 20 May 1998, regarding the continuation of the current practice of not imposing customs duties on electronic transmissions, [until our fourth session, at which time we will review this declaration][for the duration of the multilateral negotiations][indefinitely].

66. We invite the General Council to resume its consideration of this matter under the Work Programme on Electronic Commerce and to report on further progress to the Fourth Ministerial Conference.]

[DSU Review]

[...]

67. We further agree to initiate work programmes in the following areas:

[Work Programme on Trade and Finance]

68. [We decide to establish a Working Group to examine the relationship between the multilateral trading system and current global financial and monetary systems. The Working Group shall, *inter alia*, examine whether any reforms are necessary to: (i) safeguard the multilateral trading system from external financial and monetary disruptions; (ii) provide certainty and predictability to the continuous expansion of trade; and (iii) ensure that Members genuinely benefit from further liberalization efforts.]

[Working Group on Transfer of Technology]

69. [Recognizing the importance of technology in economic development and the technology gap between developed and developing countries, we decide to establish a Working Group on Transfer of Technology to study the implications of existing WTO Agreements for the transfer of technology on a commercial basis, and the ways of enhancing such transfer, particularly to developing countries.]

[Working Group on Trade and Debt]

70. [We decide to establish a Working Group to examine the relationship between trade and the external debt of developing countries with a view to determining the appropriate contribution of the multilateral trading system to the resolution of debt problems.]

[Working Party on Biotechnology]

71. [We agree to establish a Working Party on Biotechnology. The Working Party shall have a fact-finding mandate to consider the adequacy and effectiveness of existing rules as well as the capacity of WTO Members to implement these rules. [It is appropriate for this Group to deliberate within an X period of time.]]

[...]

IMMEDIATE DECISIONS AT SEATTLE

Action in Favour of Least-Developed Countries

72. In the context of proposals for a new and comprehensive plan of action for the full and effective integration of the least-developed countries into the multilateral trading system, we agree to:

- (a) extend [bound,] duty-free, quota-free market access for [all] products originating in least-developed countries;
- (b) [the full and effective][commit ourselves to speed up the] implementation of the Integrated Framework for Trade-Related Technical Assistance [[, through][, including] the provision of adequate financial resources]. We instruct the WTO Secretariat to pursue all efforts to this end in cooperation with the other [core] intergovernmental agencies, bilateral donors and beneficiary governments concerned[. The General Council will review progress and report to the Ministers];
- (c) [the extension of the transitional periods for the LDCs in respects of TRIPS and Customs Valuation Agreement for periods which take into account the availability of resources required to implement those agreements. We also agree to the indefinite extension of the transition periods for the LDCs in respect of the Agreements on TRIMs, Subsidies and Countervailing Measures (Article 27.3), Agriculture (Article 15) and Application of Sanitary and Phytosanitary Measures (Article 10.3). Special and differential treatment provisions including the same transitional period as stipulated in the respective agreements in favour of LDCs should be automatically granted to acceding LDCs from the date of accession;]
- (d) [apply a standstill to all contingency protection measures on market access for the export products of LDCs;]
- (e) consider the extension of transition periods for least-developed countries, on the basis of individual requests within the framework of a specific national programme for the implementation of WTO Agreements;
- (f) convert the Sub-Committee on Least-Developed Countries into a new Committee on Least-Developed Countries. The new Committee shall have as its terms of reference the current terms of reference of the Sub-Committee on Least-Developed Countries, and make recommendations for the expansion of the terms of reference as appropriate to the

General Council. The Committee shall report to the General Council and [keep the Committee on Trade and Development informed of its activities];

- (g) [accelerate the accession process for the LDCs and, to this end, the workload of WTO should not divert attention from this process. We also instruct the General Council to reach agreement on clear guidelines for a streamlined and accelerated accession process for the LDCs by 31 December 2000 with a view to its implementation. In the process of accession, LDCs should not be called upon to assume obligations or commitments that go beyond what is applicable to WTO LDC Members;]
- (h) [establish a high-level coordinating mechanism within the WTO to regularly monitor the implementation of the comprehensive new plan of action in cooperation with other agencies].

Technical Cooperation

73. [Taking account of the growing need for technical cooperation and the commitments we have made above, notably in paragraphs 23, 26 and 72, we decide that this activity shall in principle be financed through the regular WTO budget. Voluntary extra-budgetary contributions may continue to be a source of additional funding. We also welcome bilateral technical cooperation by Members as an important means to enhance capacity building.]

74. [We further agree that, to this end, the provision for the current annual estimated demand, i.e., CHF 10 million, shall be phased in over a period of three years, starting from the [2000] WTO budget exercise. We instruct the General Council to take the appropriate action to implement this decision.]

75. [We instruct the WTO Secretariat and the Committee on Trade and Development to undertake an evaluation of WTO technical cooperation by no later than July 2000. This evaluation shall form the basis for a new plan of action to be developed by the WTO in cooperation with other international and regional organizations, designed to achieve a more coherent approach and to enhance the [scope][contribution] of technical cooperation, to be completed by the end of 2000.]

OR

[We also agree to establish an action agenda to give a new direction and priority to the technical assistance and support for capacity building provided to WTO Members, particularly the least-developed, to ensure their integration into the trading system. We request that the Director-General, in cooperation with the Chairpersons of the Committee on Trade and Development and the General Council, launch a new action agenda to strengthen and enhance the WTO's ability to work with other international institutions in delivering such assistance to Members, particularly the least-developed. The new action agenda shall also improve the Integrated Framework for the Least-Developed Countries (IF) by promoting greater coherence among institutions and emphasize efficiencies among donor countries in the conduct of their programmes; ensure that such programmes are "demand driven" and responsive to the needs and interests of recipients; and explore establishment of a designated development partner programme to assist least-developed countries to coordinate follow-up activities. Drawing upon this experience, Members will eventually pursue the concepts embodied in the IF in a new, separate framework for the delivery of capacity building technical assistance to a broader range of WTO Members who are less advanced or are economies in transition.]

[DSU Review]

[...]

[Transparency in Government Procurement]

(See also paragraphs 44 and 58)

76. [We adopt the Agreement on Transparency in Government Procurement attached to this Declaration.] [We adopt the [attached] elements of an agreement on transparency in government procurement and call for negotiations to take place to define the scope and coverage [and other outstanding issues], with a view to concluding the agreement by 31 December 2000.]

[WTO Transparency]

77. [Recognizing the benefits of increased transparency in order to increase public and private understanding of the WTO, we agree to continue our efforts to improve the transparency of WTO operations by implementing more regular outreach initiatives [such as symposia and workshops]. We also agree that the current efforts to promote wider availability of WTO documentation to the public be further pursued as a priority.]

[Agreement on Subsidies and Countervailing Measures – Review of Articles 6.1, 8 and 9]

78. [We agree with the extension of Articles 6.1, 8 and 9 of the Agreement on Subsidies and Countervailing Measures, recognising that issues raised in the context of this review will be addressed in the context of a broader subsidies negotiation as outlined in paragraph 40.]

[Small Economies]

79. [We instruct the Committee on Trade and Development to draw up a work programme to identify concrete trade-related measures for the fuller integration of small economies into the multilateral trading system, and to make recommendations for action to the General Council before the end of the year 2000.]