WORLD TRADE ORGANIZATION

RESTRICTED

WT/DSB/M/102
10 May 2001

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Dispute Settlement Body
20 March 2001

MINUTES OF MEETING

Held in the Centre William Rappard
on 20 March 2001

Chairman: Mr. R. Farrell (New Zealand)

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1. Turkey – Restrictions on imports of textile and clothing products

(a) Agreed procedures between India and Turkey under Articles 21 and 22 of the DSU (WT/DS34/13)

1. The Chairman drew attention to document WT/DS34/13 which contained the agreed procedures between India and Turkey under Articles 21 and 22 of the DSU in the follow-up to the case on "Turkey – Restrictions on Imports of Textile and Clothing Products".

2. The representative of India said that his country and Turkey had requested a special meeting in order for the DSB to take note of the agreement between India and Turkey on the procedures under Articles 21 and 22 of the DSU in the follow-up to the case on "Turkey – Restrictions on Imports of Textile and Clothing Products." This agreement, which had been circulated on 8 March 2001 in document WT/DS34/13, envisaged a 30-day period for further consultations to discuss Turkey's compliance with the DSB's recommendations. The agreement preserved India's rights under Article 22.2 of the DSU beyond the time-period specified in Article 22.6 of the DSU. It also envisaged recourse by India to Article 21.5 of the DSU, if India, at any time, considered that the situation described in Article 21.5 of the DSU had arisen. He said that as soon as an agreement was reached between India and Turkey, it would be notified to the DSB.

3. The representative of Turkey said that, at the 12 March DSB meeting, his delegation had made a statement on this matter. At the present meeting, he did not have much more to add to the statement already made by India. It was his understanding that the relevant Turkish and Indian authorities would meet shortly to discuss this matter. He hoped that the parties would be able to address this matter in a mutually satisfactory manner.

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4. The representative of Hong Kong, China said that his delegation remained concerned about the systemic implications of ad hoc bilateral agreements on Articles 21.5 and 22 of the DSU, which could circumvent the DSU provisions and undermine the purpose of multilateral determinations on compliance with the DSB's recommendations. The present situation pointed to the need to resolve the current ambiguities arising from Articles 21.5 and 22 of the DSU. Hong Kong, China believed that in order to preserve the effectiveness of the dispute settlement system it was imperative to reach an understanding on the sequence and time-frame for the determination on compliance with the DSB's recommendations and for recourse to retaliatory actions. In this regard, he recalled that a proposal to amend certain provisions of the DSU pursuant to Article X of the WTO Agreement had been submitted to the General Council. Hong Kong, China was prepared to continue discussions on possible amendments to the DSU and looked forward to participating therein.

5. With regard to the case at hand, Hong Kong, China wished to make it clear that bilateral agreements did not have any official or legal status in the DSB and were only ad hoc bilateral arrangements between the parties to the dispute. Hong Kong, China considered that it was not appropriate for the DSB to give any official or legal recognition to such agreements. At the present meeting, the DSB could only take note of the bilateral agreement but could not endorse or give it any legal status similar to the DSU provisions. Hong Kong, China considered that it was not necessary to convene a special DSB meeting for this purpose since the same result could have been achieved by circulating a written notification.

6. The DSB took note of the statements and of the agreed procedures between India and Turkey under Articles 21 and 22 of the DSU contained in document WT/DS34/13.

2. Philippines – Measures affecting trade and investment in the motor vehicle sector

(a) Statements by the United States and the Philippines

7. The representative of the United States, speaking under "Other Business", said that her delegation wished to report on progress in the case on "Philippines – Measures Affecting Trade and Investment in the Motor Vehicle Sector" (WT/DS195). She recalled that at the 17 November 2000 DSB meeting, following the establishment of the panel to examine this matter, the United States had agreed not to move forward with the selection of panelists because it had wished to continue its discussions with the Philippines. These discussions were ongoing and progress was being made. The United States hoped to be able to end this dispute in the coming weeks. The Philippines was working with the United States towards achieving that objective. The United States wished to revert to this matter at the next DSB meeting scheduled for 5 April 2001 in order to report on the results of its consultations with the Philippines.

8. The representative of the Philippines expressed his country's appreciation to the United States for its readiness to continue to exercise due restraint. During the period of the continued suspension of the panel's composition, the Philippines would work closely with the United States with a view to resolving this matter in a mutually satisfactory manner.

9. The DSB took note of the statements.