WORLD TRADE ORGANIZATION

RESTRICTED

WT/DSB/M/52
3 February 1999

(99-0391)

Dispute Settlement Body
8 December 1998

MINUTES OF MEETING

Held in the Centre William Rappard
on 8 December 1998

Chairman: Mr. Kamel Morjane (Tunisia)

1. Extension of the deadline for the review of the DSU

(a) Statement by the Chairman

The Chairman said that the purpose of the meeting was to take a decision concerning the continuation of the ongoing DSU review. In the light of the discussion, at the present meeting, he wished to make the following proposal:

"In the light of the requirement that a full review of the dispute settlement rules and procedures take place within four years after the entry into force of the Agreement Establishing the World Trade Organization, the Dispute Settlement Body has conducted extensive discussions in informal meetings. However, as the discussions have not been completed and there remain a number of suggestions by Members that have yet to be considered, there is a concensus to continue discussions beyond the end of this year. The DSB therefore has agreed to propose to the General Council that it decide to continue and to complete the review process including the preparation of the report by the end of July 1999". He requested that the DSB agree to this proposal and that it be referred for consideration by the General Council.

The representative of Thailand said that his delegation could accept the Chairman's proposal.

The representative of Hong Kong, China said that his delegation had carefully examined the Chairman's proposal. Although Hong Kong, China preferred that the review period be extended only for three months, in the spirit of compromise, it was willing to accept the Chairman's proposal. He then drew attention to the following points: (i) his delegation considered that the Dispute Settlement Understanding was a fundamental cornerstone of the WTO and, therefore, the 1999 work programme for the DSU review should only be limited to those matters on which it was expected that a consensus could be reached. Those points on which it was clear that no consensus could be reached should be given less attention. Furthermore, the 1999 work programme should be more intensive as compared to that of 1998 in order to be able to complete the review of the DSU by the end of July 1999; and (ii) his delegation considered that the Ministerial Decision did not require that a decision concerning the review should be taken by the Ministerial Conference and that under the Marrakesh Agreement, the General Council had the full authority to take up this task at its first meeting after the completion of the DSU review. During the extended review period his delegation would work on the basis of the above understanding.

The representative of the Philippines said that his delegation accepted the Chairman's proposal on the understanding that it would not prevent the DSB, at any time, to decide on any matter

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related to this decision. In his delegation's view, the General Council had only the authority that had been delegated to it under Article IV:2 of the WTO Agreement. In cases in which it had been indicated that a decision was to be taken by the Ministerial Conference, no authority had been delegated to the General Council.

The representative of Mexico wished to know if a decision whether to continue, modify or terminate the DSU rules and procedures would be taken by the Third Ministerial Conference.

The Chairman said that delegations were entitled to make statements to indicate their interpretation of the text of the Ministerial Decision. However, the points raised at the present meeting would be examined at a later stage.

The DSB took note of the statements, agreed to the Chairman's proposal and agreed that it be referred for consideration by the General Council.