

Negotiating Group on Trade Facilitation

SUMMARY MINUTES OF THE MEETING

Held in the Centre William Rappard
on 6-7 June 2006

Chairman: Mr. Tony Miller (Hong Kong, China)

1. The Chairman said that the main purpose of the meeting was to provide delegations with another opportunity to advance the Group's agenda - both in terms of offering new input and reacting to the contributions previously received. Members would also again be invited to issue the customary invitation to relevant international organizations to attend the next formal meeting.
2. The agenda was adopted.
 - A. CONTRIBUTIONS ON THE AGREED AGENDA OF THE NEGOTIATING GROUP
3. The Chairman said that under this item, delegations were invited to contribute on the agreed agenda. Work on its various elements had continued since the last session, resulting in a number of additional contributions. The qualification "additional" was used as they were not new in that their content limited itself to consolidating and refining earlier suggestions, distilling main elements and identifying common ground.
4. Most of those papers reached the Negotiating Group (NG) at a rather late stage, leaving delegations with little time to prepare. This was why he would like to provide for informal reaction time, allowing Members to freely raise questions and obtain clarification at the unofficial level when discussing those contributions for the first time. The NG had already adopted this approach at its May meeting with encouraging results.
5. This informal exchange would then be followed by a formal one, providing Members with an opportunity to present statements they wished to make for the record, both with respect to new submissions and to proposals previously received. To avoid repetition and to allow for a focus on each paper without having to engage in a complex set of jumps from formal to informal mode, he wished to maintain the structure successfully applied at the May meeting where presentations of proposals were considered formal despite taking place under the informal "chapeau." The initial reactions to those papers would remain informal and therefore off the record. In other words, the NG would consider the introduction of new proposals to fall under the formal category of contributions for the purposes of record taking, while reactions to the papers would stay informal in all respects.
6. Within the presentation of newly submitted papers he suggested to equally continue the previously adopted thematic approach, grouping submissions by similar topic as listed in the compilation document, now available in its seventh revision. Special room would then be given for cross-cutting proposals, especially the ones on the key pillars of special and differential treatment

(S&DT) and technical assistance and capacity building (TA&CB). Time would also be accorded to input from the participating international organizations.

7. The meeting moved into informal mode, with the exception of the following introductions of new submissions.

8. The representative of Japan introduced document TN/TF/W/114, explaining that his delegation wished to present text-based proposals on the areas of publication and availability of information, prior publication and consultation, appeal procedures and pre-arrival processing in cooperation with co-sponsoring Members. These proposals were developed on the basis of the proposals made by Japan at the last meeting, presenting key elements of each measure. The new submission also incorporated the points raised on each proposal at previous meetings. Furthermore, in order to avoid a discussion on the definition of wordings, the latest document endeavoured to adopt formulations adopted in existing WTO Agreements to the extent possible.

9. Japan wished to touch upon the need to reconfirm the application of national treatment, most-favoured-nation (MFN) treatment, and general and security exceptions provided for in Articles I, III, XX, XXI of GATT 1994, even if those concepts were not included in the proposals. Japan also wished to mention that some of the elements in the proposals did not add any new obligation to the current system of GATT 1994.

10. Japan recognized that S&DT and TA&CB were cross-cutting issues and should be discussed intensively, based on proposals such as TN/TF/W/81, W/82, and W/95. Thus, the provisions on those issues in those proposals were only preliminary ones.

11. With respect to the proposal on publication and availability of information, Japan wished to note that the enhancement of transparency would allow traders to obtain accurate and timely information on trade procedures, reducing their cost and time, which would lead to increased business opportunities, especially for small- and medium-sized enterprises (SMEs) that had so far missed the opportunity.

12. As for paragraph 1.1, the wording made reference to paragraph 8 of the Pre-shipment Inspection Agreement and to other articles. With respect to the scope of publication in that paragraph, Japan wished to reconfirm that the information stipulated related to information of general application as mentioned in the first sentence.

13. Paragraph 1.2 made a reference mainly to Article 2.7 of the Pre-shipment Inspection Agreement which used the term "in a convenient manner". Regarding paragraph 1.3, Japan would further elaborate the definition of "outline of major trade-related procedures", reflecting the discussion taking place in the Negotiating Group. As for paragraph 1.4, Japan intended to include a provision that made clear that a Member might provide the information in paragraph 1.1 in its local language, making reference to paragraph 11, Annex B, of the SPS Agreement. The proposal also included a provision on confidential information, making reference to paragraph 1 of GATT Article X.

14. Regarding enquiry points, reference was made to Article 10.1 of the TBT Agreement and paragraph 3 in Annex B of the SPS Agreement, which stipulated the establishment of an enquiry point. With respect to a Single National Focal Point, Japan fully recognized Members' comments on Japan's previous proposal TN/TF/W/96. In developing the new proposal, Japan had avoided using the wording "Single National Focal Point" and had decided to use the phrase "should, whenever practical" instead of "shall". A square bracket was included in the paragraph to further hear Members' comments. Japan hoped that Members shared its view on publication and availability of information and looked forward to having a constructive discussion on the proposal.

15. The representative of Japan introduced TN/TF/W/115 on prior publication and consultation which was presented in cooperation with other Members. Like other proposals, it was developed on the basis of a previous submission (TN/TF/W/102), incorporating the points made in its discussion at previous meetings, as appropriate. Ensuring predictability was very important. If laws and regulations were suddenly revised or if a revision was not published before its implementation, traders would not have enough time to comply with the revised regulations appropriately. This made doing business more difficult, especially for SMEs. Furthermore, it made it difficult for traders to adjust to the revised laws and regulations which also made it difficult for a government to secure compliance.

16. With respect to the textual part of the proposal, paragraph 1 on prior consultation incorporated all elements stipulated in TN/TF/W/102, while the scope of consultation was extending to the area of general application, except judicial decisions, which should be published under the proposal on publication. Paragraph 2 on prior publication made reference mainly to Article 2.12 of the TBT Agreement.

17. Paragraph 4 was added to address the restraints accruing due to differing legislative and administrative situations among Members, which was stipulated in proposal TN/TF/W/102. Japan hoped that Members shared its view on publication and availability of information and looked forward to having a constructive discussion.

18. The representative of Turkey introduced submission TN/TF/W/120 on advance rulings. Turkey had previously put forward a paper on the matter (TN/TF/W/45) which expressed its support to the advance ruling concept. The new proposal aimed at providing main elements, which, in Turkey's opinion, should be included in the final commitment.

19. Those main elements were defined in detail in order to help studies for a textual elaboration. Most elements proposed were in parallel to those previously proposed by Canada, the United States and Australia in their respective definitions: advance ruling on tariff and advance ruling on origin.

20. A ruling system had already been laid down in the Agreement on Rules of Origin. The inclusion of advance rulings on origin here would provide discipline and recognize it as being a trade facilitation tool. As for advance rulings on tariff, that seemed to be a compromise among the previous proposals and the discussions. Tariff classification was the most popular field traders sought interpretative solutions for their regular operations from customs administrations.

21. Contrary to the previously tabled proposals, the current paper advocated the view that the tool would be an efficient solution in valuation because it was not possible to make a value assessment for a trade case in order for it to be valid for a specific period. Each assessment could only be performed in a case-specific manner. Nevertheless, this did not actually mean that requesting an official decision from customs administrations in other fields of legislation was impossible. In Turkey's case, it was clearly regulated by law that traders or their representatives could lodge applications in customs administrations to obtain a decision regarding implementation of customs provisions on any subject, including valuation. However, an advance ruling was a specially designed version of a decision to be adopted and bound in a time-bound manner.

22. Advance rulings should be open to the public to give an idea about customs implementation in similar cases. However, confidential information and data secrecy claimed by applicants for advance rulings should be kept undisclosed.

23. An advance ruling should be subject to a revision option for legitimate objectives. In Turkey's case, the customs law provided the opportunity to traders to use their advance rulings issued before a revision for six more months in order not to distort the impact of the contracts which had

been enacted under reliance upon the previous situation. Turkey believed that such an option could be recognized in the final outcome as a favourable facilitation tool.

24. The representative of Japan introduced a non-paper on other measures to enhance impartiality and non-discrimination, which had been prepared in cooperation with other Members. It was the first document after the Hong Kong Ministerial Conference on uniform administration and integrity (section F of the compilation) which abstracted the elements of a previous proposal in TN/TF/W/8, as well as other Members' proposals. In developing the document, serious attention had been paid to the concerns and comments made by Members at previous discussions on the matter, such as the need to avoid further administrative burden and not to intervene in strict internal policies. Those issues were left as elements for further discussion. However, Japan stressed the need to address traders' complaints regarding inconsistent interpretation of regulations among local customs officers as well as other issues.

25. Japan wished to touch upon only one part of the proposal. With respect to the "central function", Japan had avoided a formulation referring to establishing a new body in the administration while addressing the need to ensure the uniform interpretation of trade-related regulations. With regard to staff training, it was imperative to provide enough training to officials of border agencies and to increase their expertise to ensure uniform and impartial application of trade regulations. Most of Japan's technical assistance (TA) activities had been provided for that purpose.

26. In the current proposal, an attempt had been made to narrow down the elements and to submit the document as a non-paper in order to further hear Members' views. Japan looked forward to having a constructive discussion and hoped that Members shared its view.

27. The representative of the European Communities introduced document TN/TF/W/107 on fees and charges, explaining that it was an attempt to convert an earlier proposal (TN/TF/W/94) into the components of a text. The EC hoped that those delegations who did have the chance of studying and reacting to the earlier proposal on fees and charges would see now in the legal draft much that was familiar. There were few new things. Article VIII of GATT recognized the desirability of reducing the incidence of fees but did not give any guidance on how to do it. There was, however, a certain amount of panel jurisprudence available since the GATT Article was drafted. The current EC proposal was an attempt to codify a common understanding of what kind of fees and charges connected with import and export were indeed allowable and legitimate.

28. The text deliberately provided a fairly broad definition of fees and charges connected with importation and exportation because the EC wanted to include within the coverage of the commitment certain kinds of fees such as activity fees, and activity licenses which had been an issue in a number of recent WTO accessions. Secondly, the proposal clarified Article VIII of the GATT by underlining that fees and charges must be levied only in connection with a service provided to the transaction in question and, therefore, might not be levied on an *ad valorem* basis. By definition, if a fee reflected a service, it would not reflect the value of the good. The service would be the same in respect to the value of the consignment.

29. The third commitment proposed was that fees and charges may not be levied unless they had been transparently published and made available to the trading community. That sounded very obvious, but it was really to prevent the discretionary imposition of fees and charges. More comprehensive texts and proposals on transparency and prior notification had been proposed in the past and, perhaps, as Members made further progress in assembling the various texts, those broader proposals on transparency might make the present specific proposal unnecessary. That was to be seen.

30. The representative of Switzerland introduced document TN/TF/W/112, explaining that it was a third-generation document that followed up on communication TN/TF/W/92. Studies had shown

that the number of required documents, their complexity as well as the number of signatures, was a highly relevant fact that acted as an obstacle to trade. The objective of the current proposal was to contribute to reducing these obstacles to trade.

31. The content of the proposal was fairly similar to the one presented in TN/TF/W/92. First, customs and other border agencies should require only the documents necessary to permit the control of the operation and to ensure that all requirements relating to the application of relevant laws were complied with. A second point the sponsors of the proposal were making was that governments or border agencies should accept copies, especially when the original was already held by another government authority, as well as in the case of it being a commercial supporting document. That was more and more becoming a best practice in many countries.

32. The sponsors of the document had taken on board comments made by Members who had some difficulties in accepting only copies as such when they were in the hands of other border agencies. Therefore, the sponsors had now suggested that in cases where governments already had one original document, they should at least accept authenticated copies by the agency holding the original.

33. Best practice more and more allowed traders not to present supporting documents. Those supporting documents could be either transport documents, such as shipping manifests, or commercial documents. However, traders should hold this information available during a certain period of time. In case of electronically launched and electronically authenticated documents, the sponsors of the proposal wished to make clear that the original was the electronic document. Hence, if documents were required at borders stations, only copies should be asked for. With regard to the use of commercially available information, Members were encouraged to use this information in relation with supporting documents.

34. The representative of Korea introduced his delegation's non-paper on the issue of single window, saying that the main purpose of the paper was to propose text on the matter, based on the joint communication in TN/TF/W/100, as well as on the discussions held among Members so far. The basic attempt was to derive common denominators of the key elements as well as of further elements contained in TN/TF/W/100.

35. The main elements of the proposal were very simple and threefold. There was the basic commitment to establish a single entry point where documentation and data requirements for exportation and importation were submitted one time only, followed by the function of a Single Window, undertaking onward distribution. It further involved coordination among relevant authorities in processing those documentation and data requirements.

36. The second element involved a notification of the contact information regarding the Single Window to Members through the WTO Secretariat. This information might include addressees, contact points, means for submission, and the like, for enhancing the effectiveness of the Single Window. The third element was encouragement of information technology, to the extent possible, which was not necessary, but which supported the Single Window. S&DT and TA&CB were addressed in a very general manner due to their cross-cutting nature. It could be dealt with in the context of other provisions.

37. The representative of the European Communities introduced document TN/TF/W/108, explaining that it was a legal text version of a proposal made previously. The proposal was extremely simple. It proposed the elimination, over time, of pre-shipment inspection as provided for in the PSI Agreement. It also proposed some transitional measures pending the eventual phase-out of PSI. The text was fairly self-explanatory, which is why he merely wanted to say a few words about its contribution to the objectives of the negotiating mandate.

38. The aim of the negotiations was to simplify and streamline import and export procedures. In the 45-50 countries in the world who used PSI, it represented a very high cost for traders who had to pass through it, and for governments which used PSI instead using their own customs administrations. PSI was a form of contracting out of customs functions. Typically, PSI companies charged one percent of the transaction value for the service they provided. The cost to countries of using PSI was typically 2 or 3 times higher than the cost of running a customs administration. It was therefore very costly for traders and very costly for governments which could hardly afford to put so much public money into contracting PSI companies.

39. PSI existed in situations where customs did not function properly due to major problems of governance or corruption. It had always been seen as a temporary arrangement pending the establishment of properly functioning customs administration. It was never envisaged as something permanent. What had been observed, however, was that PSI regimes were becoming a fairly permanent fixture in many countries. That was not helpful. And that was why a commitment was proposed to eliminate PSI over time. Doing so presupposed that in parallel with the phase out of PSI, development aid and TA would be provided to countries who needed that kind of support to progressively build up the competence of their customs administrations. After a period of X years, the customs could take over the functions of the PSI companies.

40. If anybody wanted to understand more about the way that PSI worked and the high costs it implied for governments and traders, there was an excellent paper which analysed how PSI systems operated¹.

41. The representative of the European Communities introduced document TN/TF/W/110, explaining that it proposed legal text for an earlier suggestion to prohibit the mandatory use of customs brokers. The EC recognized the very good work done by customs brokers and that many traders, especially small ones, relied upon them to clear import requirements. It was a question of commercial freedom to use customs brokers. However, a number of companies who had in-house capacity to carry out the import clearance procedure were prohibited from doing so because they were obliged in certain countries to use customs brokers. That could represent high costs for those companies, particularly when the number of customs brokers was limited and they had an effective monopoly over the work.

42. The EC was therefore proposing to end any mandatory requirement to use customs brokers. It was a commitment and transition, which would be subject to time and the EC was not suggesting to do it overnight. The EC also proposed that, where customs brokers during that transitional period were mandatory, their licensing should be done in a non-discriminatory manner. One might argue that this was already covered by existing GATT provisions, but it was perhaps not crystal clear, which was why it had been added to the proposal.

43. The representative of Japan introduced document TN/TF/W/117 on pre-arrival processing which had been prepared in cooperation with other Members. Like other proposals, it had been developed on the basis of a previous proposal (TN/TF/W/98) while also incorporating the feedback received at previous meetings.

44. Pre-arrival processing further expedited the release of goods through documentary examination prior to the arrival of goods. The proposal was without prejudice to authorities' right to conduct further examination, where necessary, and to maintain appropriate border control with the use of risk management.

¹ Patrick Low, "Preshipment Inspection Services", World Bank Discussion Paper No. 278 (1995).

45. The proposal was structured to enhance the objective of GATT Article X. Japan wished to reaffirm its willingness to figure out appropriate S&DT and TA&CB, which would be dealt with in the context of the horizontal S&D paper which Japan co-sponsored and which would be discussed later on in the meeting. Japan was ready to further elaborate the S&D and TA&CB provisions of the proposal in line with the horizontal proposal on S&DT and TA&CB.

46. Paragraph 1 incorporated the first bullet of the basic concept set out in TN/TF/W/98. It also incorporated the provisions on international standards and practices in paragraph 2. Paragraph 3 incorporated the provision of W/98's second bullet to reconfirm Members' right to ensure appropriate border control with the use of risk management. There had been constructive discussions on the matter and Japan hoped for other Members to share the view set out in the proposal.

47. The representative of the European Communities introduced submission TN/TF/W/109, explaining that it represented a familiar concept in the form of a text-based version of an earlier proposal on the issue of authorized traders. It proposed a basic commitment that Members would introduce in their customs regimes simplified procedures for authorized traders who had a good track record of compliance. It was a concept which was increasingly used around the world and was a very useful way to fulfil negotiating objectives to reduce the incidence of fees and formalities for traders.

48. It was also beneficial for qualifying companies as they were subject to fewer inspections and it saved time and money. It also freed up resources of customs to concentrate on higher risk consignments and was of benefit to governments as well. The second proposed commitment was that when applying or introducing authorized traders systems, the eligibility criteria for companies were fair. Companies of all shapes and sizes, whether multinationals or SMEs, should have the same right to apply for authorized trader status. The EC would not want to see a proliferate in Members' systems which effectively excluded all but the very largest companies.

49. Finally, the proposal picked up a number of provisions on transparency about the rules for authorized traders. To the extent that there was a more cross-cutting horizontal provision on transparency, one could dispense with those specific provisions on transparency and notification in the present proposal.

50. The representative of Korea introduced a non-paper on the release of goods, saying that the main purpose of the communication was to propose text on the issue of release time of goods, based on proposal TN/TF/W/101 and comments received on it. It marked the result of the process from an "elements" paper to developing a text proposal.

51. The elements in the present proposal were almost identical to the ones contained in the "elements" paper. The first was a commitment to calculate and publish the average time for the release of goods on a periodic basis, based on international common standards such as the WCO Time Release Study. The second was a continuous endeavour to reduce the average release time.

52. The third element was that in case of a significant delay in the release of goods, Members shall provide traders with reasons for the delay, except in the case of pursuance of legitimate policy objectives. With respect to S&DT and TA&CB, that would be discussed in more detail as one of the cross-cutting issues.

53. The representative of New Zealand introduced submission TN/TF/W/111 on tariff classification. For New Zealand, this was a very important part of the NG's work because tariff classification ultimately was an integral part of the movement of goods across borders. Given that that was the case, classification could be used as a regulator to expedite the movement of goods depending on the quality of classification procedures.

54. The proposal sought to introduce a minimum standard for the way in which tariff classification took place. The minimum standard was a requirement to apply criteria for the tariff classification of goods. Those classifications were neither arbitrary or unjustifiable and did not constitute a restriction on international trade. The language here should be familiar to Members for its use elsewhere in other WTO instruments.

55. The proposal also suggested that the classifications pursuant to the WCO HS Convention could be presumed to comply with their requirements. This was not an onerous requirement, as all WTO Members applied the WCO Harmonized System. Although they did that, the proposal was necessary on the grounds that the HS was only a guide. The HS had been applied differently in the final determination of classifications. The proposal essentially proposed for Members to retain the flexibility to make their own determinations, largely because even the HS experts did not always agree. When classifying a product, a Member should apply criteria that, as a minimum, were not arbitrary or unjustifiable, or constituted disguised restrictions on trade.

56. Members would all agree that this was important and that existing standards were questionable. As all WTO Members applied the HS, there was potentially some need for S&DT and TA, certainly for developing-country Members and, especially, for LDCs. There might be need for transitional periods to allow for the amendment of relevant rules and to allow for capacity constraints to be addressed through training of customs officials on how to apply the HS Convention.

57. The representative of the European Communities introduced proposal TN/TF/W/113, outlining that it was a revision in legal language of a previous proposal from the EC and others aimed at clarifying and improving GATT Article V on Freedom of Transit. Without prejudice to the final format of the negotiations, the sponsors had chosen the legal form of a new article V. The proposals in the previous paper had received a fairly good reception. The EC hoped for that to be equally the case now that those ideas had been put in legal form. The proposal recommended five forms of clarification to Article V and three improvements, in line with the negotiating mandate.

58. The first clarification was that goods moved via fixed infrastructures, such as oil or gas pipelines or electricity grids, were covered by the provisions of GATT Article V. That was an important clarification because there had been some question in current accession negotiations as to whether Article V covered the movement of energy. It was important to put beyond all doubt the fact that it did.

59. The second clarification was to confirm that goods transiting a country before returning to the country of origin were also goods in transit within the meaning of Article V. That had been questioned, but the historians would know that that was a provision of the Havana Charter which inadvertently did not get any taking-up in the original GATT Article V.

60. The third clarification was that subject to certain limits and qualifications, it was the trader, the company who determined the route most convenient for transit. That was what the draft of Article V of the Havana Charter had intended. The EC certainly recognized that the right of the trader to choose the transit route most convenient was not an absolute right and was subject to the right of governments to limit that right and that choice for environmental, health, safety or other infrastructural reasons. The proposal tried to strike the correct balance between the right of the trader to choose the route and the right or the responsibility of Members to curtail that right in given circumstances.

61. The fourth clarification was on national treatment. The sponsors wanted to confirm beyond all doubt that like products, travelling along the same routes in like conditions, would be transiting goods and subject to the same provisions. It was a useful clarification because in a number of WTO

accessions, there had been evidence of discriminatory treatment of transiting goods by comparison with domestic movements.

62. The fifth and final clarification of Article V was on fees and charges. The proposal contained parallel provisions to the ones set out in the submission on fees and charges and GATT Article VIII. That had been done because GATT Article VIII covered importation and exportation. Article V covered transit, which was a completely different form of customs procedure. There had to be disciplines on fees and charges for each kind of customs procedure. If there was a more all embracing fees and charges commitment, which applied to transit equally, that would be fine with the sponsors.

63. There were three specific improvements to Article V set out in the proposal which simply put into more legal language proposals that had been made on a number of occasions over the last years. The first was a commitment that transit procedures should be simplified, applying to transit the kind of simplification commitments which had been proposed for classic importation and exportation. One example was a commitment to have separate physical lines at the border for transiting traffic.

64. The second improvement sought was a general commitment to promote regional transit arrangements. This was one of the more important aspects of this proposal. Transit was almost by definition a regional notion and real freedom of transit required cooperation and common procedures between neighbouring countries. Even if similar rules existed and even if countries were bound to each other by regional transit arrangements, the implementation of those rules varied considerably and the provisions were not always a binding practice. The present proposal aimed at encouraging more practical cooperation between neighbouring countries to improve freedom of transit and reduce transaction costs for goods in transit within a transit region.

65. The final improvement proposed was a more broad-based commitment on cooperation between authorities on each side of the border as regards the management of transiting goods, as well as more cooperation between the customs and the private sector in respect of the rules and procedures and the handling of goods in transit. It paralleled proposals made in respect to GATT Article VIII. One should not be prescriptive in any way in this area, but rather set a broad objective that, in order to minimize traders' costs and delays, there would be a minimum degree of cooperation between Members engaged in transit management and between Members and the private sector.

66. This was entirely within the objectives of the negotiations. It was a revision of GATT Article V to take into account the many developments that had occurred since GATT Article V had first been drafted. It was recasting and putting into legal form a proposal made by developed and developing Members over the last 5 years.

67. The representative of Japan introduced proposal TN/TF/W/116 on appeal procedures, saying that it had been prepared in cooperation with other Members.

68. The proposal was developed to clarify GATT Article X. The provisions of paragraph 4 – opportunities to raise complaints – were introduced to enhance the objectives of Article X. S&DT and TA&CB would be discussed later on. Japan was willing to review the relevant provisions in this proposal in line with the horizontal paper on the matter.

69. With respect to paragraph 1 – right of appeal – the proposal incorporated the element contained in the first bullet of part B in TN/TF/W/97, making reference to existing Articles such as Article 11.1 of the Customs Valuation Agreement. In paragraph 2 – transparency – the proposal reconfirmed non-discrimination in the process of appeal procedures and ensured the availability of information on the procedures. With respect to the representation issue mentioned in TN/TF/W/97, the current proposal adopted the wording of independent legal counsel, making reference to Article 42 of the TRIPs Agreement.

70. With regard to paragraph 3, standard period, TN/TF/W/97 had proposed to set it out at an administrative level. In the present proposal, it was made clear that it was customs and other relevant border agencies that were required to set it out for the review. Paragraph 4 incorporated other elements regarding opportunities to raise complaints contained in the previous proposal, in order to avoid additional administrative burden for Members with no mentioning of the physical component to be responsible for this task. Enquiry points could be a good candidate in that respect.

71. The representative of Switzerland introduced a proposal on transit (TN/TF/W/119), explaining that it was a third generation textual proposal based on part IV – common features – of communication TN/TF/W/39 that were found to be common to most or all bilateral, regional or international transit arrangements. While there was a slight overlap with TN/TF/W/113, that had been mentioned in the paper, which borrowed elements from the other proposal. So there was an element of harmonization. But the many transit-related issues had been too broad to be incorporated in one single document. The current proposal focused on the transit specific issues as opposed to the broader issues related to GATT Article V.

72. Switzerland wished to recall that the proposed measures all strived to strike the right balance between legitimate safety/security concerns (including the illegal diversion of goods into the domestic market) and the faster and more efficient movement of goods in transit.

73. The proponents wished to underscore the high economic relevance of efficient transit procedures for landlocked Members, whose economic growth had lagged as a consequence of their geographical situation. Thus, landlocked developing-country Members hoped that the transit issue received particularly positive consideration by the Negotiating Group.

74. With respect to the issue of special border crossing facilities for transit, traffic in transit should not be subject to any unnecessary delays or restrictions and should be granted expedited and simplified treatment at border crossing points, including sea, fluvial and air ports or inland terminals, as applicable. As far as possible, physically separate transit lanes should be made available for traffic in transit.

75. As for formalities adjusted to the specificities of the goods in transit, Members should adapt the treatment of goods in transit to the expected degree and nature of the hazard, whether fiscal, sanitary or security related, that could be derived from the characteristics of goods in transit. Categories such as "normal goods", "dangerous goods", "perishable goods" and "sensitive goods" might be established at national level together with related procedures and should be made publicly available.

76. With respect to limited physical inspections of goods, international standards recommended that Members limit physical inspections of goods in transit to cases where circumstances might require them. Consignments secured by customs seals should not as a general rule be subjected to customs examination. No quality control and no veterinary, medicosanitary or phytosanitary inspection should be imposed on goods in transit, except in cases where risks had been identified. This should not prevent customs from carrying out spot checks on the goods, based on risk management.

77. As for common customs documentation and procedures, during transit, the overarching objective should be to limit administrative burden to the greatest extent possible. The proposals suggested a number of possible measures to do this: (a) by accepting commercially available information as part of transit declarations; (b) by agreeing on common, simplified documents that were aligned with international standards among the parties to a regional agreement; and (c) by allowing the same set of documents to accompany the consignment from the country of departure to its destination.

78. On the issue of international, regional or national customs guarantee system, without a customs guarantee system, transit procedures could immobilize important amounts of money the exporter might not be able to afford and therefore, constitute a barrier to trade. In order to avoid provisional taxation while securing revenue in case of inland diversion of goods, Members should operate bonded transport regimes that allowed the transit of goods through the territory.

79. With regard to the promotion of regional transit agreements or arrangements, it might seem strange to promote bilateral arrangements in a multilateral context, yet transit was foremost a regional issue with international consequences. It was recommended that such agreements or arrangements went beyond customs matters which were relevant in the context of transit, such as road and transport issues. Switzerland was aware that this might go beyond the scope of Article V, but it was formulated as only a recommendation, and highly relevant in the context of transit. Members should not enforce unilateral rules affecting traffic in transit which were not in accordance with the participants' bilateral or regional transit agreements or arrangements.

80. As regards the issue of monitoring with a view to enhancing efficiency, transparency and predictability of the transit agreement or arrangement, experience had shown that it was not done with the signing of a regional arrangement. Therefore, continuous efforts were necessary to keep the arrangements going. This was meant to be a recommendation not a mandatory requirement. Finally, the paper also contained a reference to the use of international standards, in particular with regard to arrangements which were designed in the bilateral or regional context.

81. The representative of Paraguay introduced a discussion (non)-paper on a possible implementation mechanism. Various delegations had presented contributions on S&DT and TA&CB as well as on other questions of a cross-cutting nature which had led to extensive discussions. The dynamic generated by the presentation of those documents further increased everybody's interest in the issues addressed therein.

82. For many Members, appropriate negotiation of S&DT was as important as the negotiation on substance itself. The focus of the work was to clarify Articles V, VIII and X of the GATT. In the discussions following the presentation of documents TN/TF/W/81 and TN/TF/W/82, some delegations had suggested that, given the existing complementarity between the ideas expressed therein, it would be appropriate for delegations who had worked on their preparation to get together and try to produce a joint document. Other delegations, who had not been involved in the preparation of these communications, had expressed interest in participating in a process which would result in a single communication on the matter. The demonstrated readiness of those delegations to work together with the openness of the co-sponsors of the communications TN/TF/W/81 and TN/TF/W/82, as well as the thrust generated between this group of Members had enabled the constitution of a basic ingredient which made it possible to form a group made up of Members of different categories, different latitudes and different situations.

83. Under the coordination of Switzerland and Paraguay, this Group had worked on a mechanism for the implementation of a future Agreement on TF. The first working sessions of this group had resulted in the present discussion paper. The document established a basic structure composed of successive phases, which was only a skeleton, a structure on which the sponsors would like to build an implementation mechanism.

84. The presentation of the non-paper sought to stimulate discussions in order to get feedback on the ongoing work on the matter and to try to generate a standard which could implement S&DT in the future Agreement on TF. The sponsors were aware that various relevant questions such as TA&CB did not appear duly treated in this first structure presented to Members for consideration. This was not a coincidence but the result of the Group's interest to further reflect on those questions in order to come up with concrete proposals which would be included in a general mechanism.

85. The Group which had prepared the document was by no means a closed or exclusive one, but one which merely represented a union of people who had an interest in working on this important matter. It was open to the participation of everybody wishing to take part. Those who would like to attend the meetings of the group were invited to inform Switzerland or Paraguay so that they could be included in the communication list. Switzerland would now add more technical detail to the paper presented.

86. The representative of Switzerland (co)-introduced a discussion (non)-paper on the phases of a proposed implementation mechanism submitted in cooperation with other cosponsoring Members. Encouraged by the fruitful discussions at recent meetings on issues pertaining to the implementation of TF commitments, and communications W/81 and W/82 in particular, those Members had decided to work on a joint contribution, starting from the structure proposed in Annex 2 of document W/81 while integrating elements from W/82 and other communications on the same subject.

87. Members would notice that they had been acquainted with the essence of the proposed mechanism through the structure set out in W/81. The proposed mechanism started with the signing of the Single Undertaking. The steps between the signing and entry into force of the agreement would have to be fixed somewhere outside the TF agreement, be it a ministerial decision or a decision by the General Council. The first phase was dealing with capacity self-assessment. There had been numerous discussions in the Negotiating Group on the matter and there seemed to be converging views among Members that the capacity self-assessment was an ongoing process which had already started in many countries. The finalization of this assessment would take place once TF measures had been defined and agreed on. Hence, it was *vis-à-vis* the agreed TF measures that this assessment was taking place.

88. It was, in essence, a self-assessment. Upon request, donors, including international organizations, should be ready to assist countries in this exercise. Switzerland was ready to provide this assistance upon request as already mentioned in W/63.

89. The second step in this mechanism was the notification procedure. With respect to that phase, the proposal contained both old and some new elements. Like in W/81, it was proposed for Members to notify, as a result of the capacity self-assessment, those measures for which they required TA&CB and those elements for the implementation of which they required more time. The new structure made clear that Members should not notify the status quo, i.e. those measures they were already implementing as of the signing of the Single Undertaking. The new paper also introduced a previously tabled idea suggesting that all Members committed to a minimum number of core obligations that were comparatively easy to implement and which did not require any TA.

90. In addition, it was suggested to include in the notification phase the possibility for all Members to engage in a multilateral dialogue with the notifying Members. The objective of such a dialogue was to increase transparency and predictability and not to push Members to go beyond their implementation capacities.

91. The third phase was the entry into force. This phase was key. Non-notified obligations became applicable. Equally important, Members started to take actions in order to achieve compliance with TF obligations in line with the notifications.

92. With respect to the phases of formulation, notification and implementation of the capacity-building plans, there was nothing fundamentally new compared to W/81. At the end of the implementation of the capacity building plan, there was the crucial question of whether the capacity had been required or not. In case the answer was an uncontested yes, the Member would notify that it had reached capacity. Where the capacity had not been required from any of the parties involved, one would have to think about the mechanism for solving these cases. This would of course, at first hand,

involve the parties involved. But then, at some stage, the case would also have to be brought to the knowledge of all Members.

93. Many of the sub-processes involved in the mechanism were still open, such as the mechanism dealing with the non-acquisition of capacity. The sponsors were still pulling elements together.

94. The Chairman asked whether there were any statements a delegation wished to make for the record and, to that end, moved the meeting back to formal mode. Any delegation wishing to make a formal statement with respect to the new or one of the previously submitted contributions could do so now.

95. The representative of Morocco, speaking on behalf of the African Group, said that the African Group would come up with detailed comments on the discussion paper regarding the implementation mechanism after it had discussed the contribution within the Group. The African Group also would like to support the statement made by Malaysia on behalf of the Core Group and wished to reiterate some of its preoccupations that should be taken into account in the process of the negotiations, mainly that this Group was moving towards the legal drafting stage.

96. It was needless to recall what was clearly stated in Annex D of the July Framework, and Annex E of the Hong Kong Ministerial Declaration with regard to the parameters for the application of the principle of S&DT for developing and least-developed countries in trade facilitation.

97. As already stated in its previous proposals, for the African Group, S&DT went beyond longer transitional periods. In the context of any new commitments on trade facilitation, S&D should provide policy space and flexibility for African countries while determining when, how, and to what extent such new commitments on trade facilitation were to be implemented. S&DT should condition the implementation of such commitments to the provision of operational technical assistance and capacity building from donors and international organizations. S&DT also should consider a GATS positive list approach by making certain obligations applicable only when the African countries had the capacity to do so.

98. The African Group welcomed Members' comments in this regard and wished to reiterate its full engagement for the success of the negotiations.

99. The representative of Malaysia, speaking on behalf of the Core Group, said that in line with the Hong Kong Ministerial Declaration's call for text-based negotiations, the Core Group of developing countries expressed its willingness to review draft texts that had as their aim the clarification and improvement of Articles V, VIII and X of the GATT 1994. The Group wished to reiterate that, as called for in Annex D of the July Framework, the principle of S&DT for developing and least-developed countries should extend beyond the granting of traditional transition periods for implementing new commitments, and that the extent and the timing of entering into commitments should be related to the provisions of the necessary TA&CB essential for enhancing the implementation capacities of developing and least-developed Members.

100. Annex D, paragraph 6, called for specific support and assistance in relation to helping developing and least-developed countries implement commitments resulting from the negotiations. Where such commitments would require support for infrastructure development on the part of some Members, developed-country Members were to ensure support and assistance directly related to the nature and scope of the commitments in order to allow implementation. Where support and assistance for capacity building and necessary infrastructure was not forthcoming, implementation then would not be required.

101. At this juncture, the Core Group drew attention to the need to ensure the incorporation into any draft texts of such provisions that would render faithful the mandate of Annex D and other provisions therein relating to the need for assistance as regards needs assessment and evaluation of costs implications.

102. In this light, the Core Group was currently preparing its consolidated comments on the various proposals that had so far been tabled with a view to identifying the proposals' faithfulness to the mandate and the limits of the scope of the trade facilitation negotiations and the need for specific text to capture the important provisions relating to S&D and technical and financial assistance as well as implementation assistance that went beyond the traditional concepts of longer implementation periods.

103. The Core Group thanked the Chair and all Members for their continued constructive and transparent efforts to fulfil the mandate while keeping a constructive environment in the negotiations. However, for the negotiations to reach the right conclusions, it was necessary to create the appropriate linkages between any new commitments relating to Articles V, VIII and X of GATT 1994 and the provision of TA&CB to developing and least-developed Members. In doing so, the development nature of the current Round could be truly preserved.

104. The representative of Singapore, speaking on behalf of the ASEAN Member countries, said that ASEAN had circulated a room document to share its experience on the development of the ASEAN Single Window. The room document also attached the full text of the "Agreement to Establish and Implement the ASEAN Single Window". The ASEAN Member countries believed that this could contribute to the NGTF's work in the area of single window.

105. The document was circulated without prejudice to the individual ASEAN countries' position in the negotiations. Singapore wished to invite Members to study the full text of the "ASEAN Agreement". Some points relating to the "ASEAN Agreement" were flagged for Members' ease of reference.

106. First, some brief background. The "ASEAN Agreement" was signed by Ministers responsible for trade in Kuala Lumpur, Malaysia on 9 December 2005. The "ASEAN Agreement" was intended to support the implementation of the ASEAN Free Trade Area. It was also envisaged to be one of the mechanisms to realize the ASEAN Economic Community.

107. The "ASEAN Agreement" in itself was not the ASEAN Single Window. It simply provided the guidance for the development of the ASEAN Single Window. The ASEAN Single Window, when it became operational, would be the environment where National Single Windows of ASEAN Member Countries would operate and integrate. The development of the National Single Windows of the ASEAN countries was therefore critical for the realization of the ASEAN Single Window.

108. The National Single Window was a system which enabled: (i) a single submission of data and information; (ii) a single and synchronous processing of data and information; and (iii) a single decision-making for customs release and clearance.

109. The "ASEAN Agreement" stated that Member countries would ensure that transactions, processes and decisions under their National Single Windows and the ASEAN Single Window were performed, carried out or made in a manner complying with the principles of: (i) consistency; (ii) simplicity; (iii) transparency; and (iv) efficiency.

110. Article 5 of the "ASEAN Agreement" contained a number of obligations for the ASEAN Member countries. Singapore wished to flag two of them. First, Member Countries were to develop and implement their National Single Windows in a timely manner for the establishment of the

ASEAN Single Window. In this regard, it was foreseen that the original ASEAN-6 Members (i.e. Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) would operationalize their National Single Windows by 2008, at the latest. The newer Members of ASEAN (i.e. Cambodia, Lao PDR, Myanmar, and Viet Nam) would operationalize their National Single Windows no later than 2012.

111. Second, Member countries were to make use of information and communication technology that were in line with relevant internationally accepted standards in the development and implementation of their National Single Windows.

112. The "ASEAN Agreement" was not a static one. The Ministers responsible for ASEAN economic integration were to meet whenever necessary to review this Agreement for the purpose of considering further measures to improve the development and/or implementation of the ASEAN Single Window. The provisions of the "ASEAN Agreement" might be modified through amendments to be mutually agreed upon in writing by all Member countries.

113. Lastly but importantly, technical assistance and capacity building were integral to the development of the ASEAN Single Window. In this regard, the ASEAN Member countries acknowledged the technical assistance they had received from the EC under the ASEAN-EC Program for Regional Integration Support. Further Technical Assistance and Capacity Building might be needed by individual ASEAN Member countries, as appropriate, for the development and operation of their National Single Windows.

114. The representative of India wished to offer clarifications on issues raised in relation to India's proposal contained in document TN/TF/W/103 on Customs Cooperation.

115. India had submitted a proposal on the specific elements for a multilateral cooperation mechanism for the exchange of information between Customs Administrations of Members, which was based on its proposal submitted in document TN/TF/W/68. In its document, India had set out the elements for commitment and methodology of exchange and had introduced document TN/TF/W/103 at the Group's meeting in May. Several comments were made during the meeting on its proposal. India took this opportunity to respond and clarify some of the issues that had been raised.

116. It was not the intention of the proponent to require Members to assume uncalled for burden in collecting, compiling or retaining such information. The proposal did not require Member administrations to modify the format of the import or export declarations, or documentation. It was also not proposed that the period of retention of such documents by the requested administrations be enhanced beyond their existing national requirements. The proposal did not require Members to reintroduce paper documentation where they had already introduced electronic formats. Further, only that information was to be provided which was already available with the Members. Finally, the proposal also did not require the exporting country to carry out any verification of export information or documents but only required the information or documents submitted by exporters and accepted by the Member administration to be true to be made available to the requesting country. The proposal was not expected to result in a huge number of requests since the requesting country had to carry out detailed internal verification processes before making such a request, which itself would place a limitation on the number of requests that were made.

117. Several Members had raised the issue of confidentiality and some suggestions had been made in this regard. It was recognized that there was a need for confidentiality since this affected the commercial interests of each country. The proposal already envisaged that the information would not be revealed to any third party except in the context of judicial proceedings. However, if Members had specific concerns that required higher levels of confidentiality than what had been provided for, India would propose that these issues could be covered in the agreement itself through specific provisions.

However, enforcing the level of confidentiality that prevailed in the requested country would prove difficult to address in an agreement and its implementation would also be impossible because of the diversity of the confidentiality requirements in different countries. The issue of confidentiality could be resolved through negotiations and the aforesaid formulation was expected to contribute towards this end.

118. Another issue that had been raised related to existing mutual bilateral agreement versus new multilateral arrangements. It was India's view that the two would be complimentary to each other and that a multilateral agreement would not supersede the bilateral agreement that was specifically negotiated to address the concerns of two individual countries entering into such an Agreement. On the subject of including a sunset clause, India's understanding was that this was to allow the mechanism to lapse after a certain period of time. Cooperation for Customs compliance was one of the aims mandated under the Trade Facilitation negotiations. It was well recognized that a proper balance should be maintained between Trade Facilitation and Customs compliance so as to achieve the legitimate policy objectives. In fact, trade facilitation could not be achieved without having adequate compliance measures and safeguards in place. It would not be appropriate to have any sunset clause for cooperation on Customs compliance matters. Furthermore, proposing a sunset clause only for one part of the mandate related to trade facilitation appeared to be inconsistent if a similar clause could not apply to other parts of the mandate.

119. There had also been some comments that the proposal on the exchange of information implied that Customs authorities did not have the sophistication to effectively apply their procedures. It should be appreciated that effective control was required for trade facilitation. If certain measures had to be undertaken to facilitate imports of goods into a country, it was equally necessary to ensure that the compliance mechanism was in place to take care of the enhanced level of facilitation for such imports. Exchange of information could benefit both developing and developed countries for various purposes (such as addressing revenue, security, environmental concerns). Since the proposal was limited to certain specific information and supporting documents requested after due verification of their essentiality by the requesting country, it should not raise serious concerns of confidentiality and additional burden to the requested Members.

120. The Chairman turned to the contributions from the participating international organisations. Work had continued in all of them in support of the negotiations, especially on the important area of cost implications, where several projects had been initiated in that regard. New information particularly came from the World Bank, who were engaged in intense studies on the subject in collaboration with other international partners. While this work appeared to be still going on, the World Bank could inform Members about the work carried out so far.

121. The representative of the World Bank reported on the World Bank's activities in support of the TF negotiations. At the February meeting of the NG, the World Bank announced that it was about to embark on a detailed study designed to provide Members with indicative information on the costs and implementation difficulties that developing countries and LDCs were likely to face in terms of implementation of a new Agreement on TF. With the full participation of the IMF and the WCO and with generous funding support provided by both the EC and DFID, the World Bank was in the middle of conducting seven in-country gap assessments and costing studies.

122. To date, the World Bank had completed studies in Rwanda, Paraguay and Sri Lanka and would undertake studies in Senegal and Egypt later this month. Further studies were planned for the Philippines and Fiji in July. The World Bank expected to provide an interim report to Members at the meeting scheduled for 24-26 July and a full report of the World Bank's conclusions immediately after the summer recess. The content of the national studies was confidential and the World Bank therefore could not provide detailed costing of the TA requirements of the individual countries

concerned. However, several preliminary conclusions had already emerged which were worth sharing with Members and very pertinent to the discussions currently taking place in the NG.

123. While needs and implementation capacities varied from one country to the next, there had been a lot of commonality in the TA needs identified to date. This might ultimately provide an opportunity for economies of scale in the preparation and delivery of TA and CB assistance. For example, if 50 countries needed help to develop administrative procedures and legislative amendments to allow for risk management systems to be further developed, it would seem sensible to develop one package that could then be tailored to the specific needs of individual countries.

124. The majority of proposals currently on the table were considered sensible and positive by customs officials. Many officials regarded a new agreement as providing much needed political support and motivation for their efforts toward reform currently undertaken. They also stressed that the vast majority of measures under negotiation were not totally new but were already part of a generally accepted suite of good practice reforms already included in various WCO instruments.

125. Each of the countries studied so far had commenced a reform and modernization programme compatible to the work discussed in the WTO. None of them were starting from scratch. Indeed, two of the three countries had already received significant donor support for their customs modernization efforts from a variety of donors and were therefore technically well equipped to deal with quite a few of the proposed new commitments. One example was advance rulings. In two of the countries, customs already issued advance rulings, but only on an informal basis. It would not be difficult to establish formal mechanisms.

126. All three were likely to comply with many of the new measures already. For example, all three countries already employed some form of risk management, all had established good appeal mechanisms, all accepted security or bonds that allowed goods to be released prior to final settlement of outstanding matters, all had websites that contained most of the information required in at least one WTO language, and all employed IT systems to facilitate parts of their import and export process.

127. While there was certainly some need for well targeted technical assistance in key areas, the most significant costs identified to date were associated with just a small number of extremely difficult to implement measures, namely: (i) developing and implementing genuine electronic single window systems, and (ii) construction and refurbishment of buildings, if one-stop border stations between countries sharing common land borders were to be agreed upon as a commitment. If these made it to the final list of measures, then they were likely to incur significant costs.

128. What was also interesting to note was that in all three countries officials and private sector representatives interviewed by the study team commented that many of the most difficult barriers to implementation of the proposals were domestic in nature and that TA, regardless of its quantity or quality, would not necessarily help. Other issues such as a lack of political will to reform, a lack of inter-agency cooperation and a lack of sophistication and compliance amongst the private sector were often regarded as more significant barriers to implementation of the measures under negotiation. It was not simply a matter of technical assistance.

129. Another conclusion the World Bank had reached was that while customs administrations were generally well advanced on much of the agenda, the same could not be said for other border management agencies that often did not employ modern approaches to risk management etc.

130. Two more studies would be conducted later this month and two more over the summer. An Interim Report on results would be distributed to Members at the NGTF in late July and a final report including detailed costing information immediately after the summer. While costs would only be

calculated for the seven participating countries, the information was likely to be useful for all LDCs and developing countries as well as for the donor community.

131. In addition, the studies were also used to develop a comprehensive self-assessment tool, which would also be ready after the summer and would be refined as more clarification was given within the context of the negotiations.

132. Certainly, TA&CB support was needed in all three countries, but at the same time, the countries were not starting from scratch and much had already been achieved. With the exception of the small number of technically difficult tasks the World Bank had mentioned, many measures had already been implemented or were scheduled for implementation under existing plans, regardless of the outcome of the negotiations. The level of resources needed to meet a series of minimum standards, based on the measures already on the table, might be somewhat less than initially envisaged by some Members.

133. The World Bank further wished to respond to a comment made on the Bretton Woods' views on pre-shipment inspection (PSI). While it might have been the policy of those institutions in the past to include the use of PSI in certain loan conditionalities, that was no longer the case. Both the World Bank and the IMF were interested in sustainable capacity building. And there had barely been a transfer of knowledge from PSI companies to customs officials. They would therefore typically prefer to see the funds going to PSI companies channelled instead in building capacity of countries to more effectively manage their own customs departments and responsibilities. Likewise, for countries already using PSI, the Bank typically recommended the development of a medium- to long-term exit strategy so that they could take over those responsibilities at some time in the future. There were a few situations such as the case of a country suffering from a civil war, making it impossible to guarantee the security of its borders, or emergency situations, where the Bank might support PSI. But generally, there was a change of policy in that regard. More information on the Bank's views on PSI could be obtained from the Customs Modernization Handbook which had been presented to the NG some time ago.

134. The representative of UNCTAD reported on the work UNCTAD had been doing with the WTO. UNCTAD had been organizing regional workshops, one in Panama and two coming up in Sri Lanka and Fiji. Those workshops were done in collaboration with the WCO, with UNCTAD bringing in Geneva delegates for information about the negotiations. UNCTAD had also organized activities jointly with the WTO. In particular, UNCTAD was participating in the seven joint workshops organized by the WTO. Three of them had already been held, in Egypt, Senegal and in Singapore, and four were coming up in Zambia, Barbados, Eastern Europe, and Paraguay. UNCTAD would bring someone from its Secretariat and at least three delegates from Geneva to contribute to the development of these workshops. UNCTAD had also been involved in the organization of brainstorming sessions. Two of them had been held last year, with one more foreseen in July for the African Group.

135. UNCTAD had worked on more specific activities with other sister organizations and the WTO such as on national workshops in Honduras and Cuba and an upcoming regional workshop in Moldova for Armenia, Georgia, Kyrgyzstan and Moldova. Finally, UNCTAD was also contributing to support groups in Latin America. UNCTAD had further continued work initiated by the World Bank regarding a national negotiating group set up in the country.

136. UNCTAD had also prepared a number of technical notes. Seventeen of them were available on UNCTAD's website and the website of the GFP, both in English and Spanish. They covered a number of issues currently discussed. Finally, from 16 to 18 October, there would be an Expert Meeting on Information and Communication Technology Solutions to facilitate trade at border crossings at UNCTAD in Geneva.

137. The Chairman said that the contributions had offered food for thought both in bringing forward new items as well as in offering comments and questions on them. It had been a very useful engagement of minds on almost all issues under negotiation. While the NG now had some bricks for the building it was constructing, the remaining bricks relating to other issues had to come off the conveyor belt as fast as Members could possibly deliver them.

138. In that context, Members had to impose a little discipline on themselves. He was conscious of remarks made by a number of delegations with respect to the timeliness with which proposals were put forward and the way in which the proposals related to one another. The first one was easy to deal with. Bearing in mind that the third-generation texts which were coming forward would require scrutiny from delegations not just in Geneva but also from their principals in capital and their principal's lawyers – with the scrutiny getting closer the closer Members were getting to a final text – it was a demand of courtesy to one another to bring forward such text early.

139. He would therefore propose that for the next set of textual papers which would be coming forward to an informal meeting in early July, Members ensured that they were available by the end of June. That should allow time for consideration and for translation. He was not imposing a bar to all new submissions. Far from it. Clearly there would always be circumstances which delayed some papers. What he was thinking about was to provide a sensible queuing mechanism. Contributions which reached the Secretariat before the end of June would deserve a priority treatment. Those which arrived later would have to be dealt with later. He hoped to have Members understanding on that arrangement.

140. With respect to the second point, the discussions on S&DT and the other horizontal issues had been very valuable. He was conscious about their importance to many Members. Members therefore owed it to themselves to give a bit more time to that subject when meeting next time. He might therefore vary the order of the agenda to ensure that the maximum amount of time possible was given to that item

141. On the point raised by a delegation about the difficulty of relating different elements one to the other, in particular the difficulty many smaller delegations had in focusing their capitals on the scope of what was under discussion and how the elements related to one another, he was conscious of the way in which the very comprehensive compilation prepared by the Secretariat was becoming more and more unwieldy as Members rolled forward. With Members' indulgence, he was therefore going to give some serious consideration to how the NG might provide itself with a more user-friendly document in respect of all third-generation proposals which were coming forward. Having said that, he wished to stress that this should not be seen in any way as threatening.

142. As he had already mentioned before, there was not going to be a text drafted by the Chair. Rather, Members were drafting it. It was a bottom-up approach. Members were providing the bricks for the building the NG was constructing. He was still fascinated by the way in which Members, who, not so long ago, would have avoided the word "Agreement" had occasionally let that word slip from their mouths. That was interesting as a phenomenon, but he made no valued judgment on it. Whatever the form Members came to discuss those third-generation proposals at the next meeting, it remained something that Members were building and something which was without prejudice to either the final form or the substance of those proposals.

143. He encouraged Members to continue to work together. He was particularly struck by the way in which those topics which had been the subject of the most intense interaction among delegations had attracted the most focused scrutiny and the most productive discussion in the meetings. He therefore encouraged those who had been working on parallel lines to try and talk to one another and build some convergence.

144. The representative of Cuba thanked the Chair for properly hearing the concerns expressed and his readiness to give due attention to them. Cuba had two suggestions. The discussions during the present meeting had made it evident that the most appropriate way to carry forward S&DT issues was a cross-cutting manner. In many cases, the proponents, at least recently, also moved towards this result. She therefore invited colleagues who had made proposals to take account of this fact in order to give other delegations more time to discuss this important matter.

145. The other suggestion had to do with the compilation document. Cuba appreciated and highly valued the work done by the Secretariat in updating this document. Cuba would be very grateful if one could include the questions and comments made by other delegations on the compiled proposals.

146. In any case, Cuba did not think that it would be the spirit of any delegation not to carry forward the mandate set by the Negotiating Group on Trade Facilitation. It was an area in which everybody could arrive at positive results.

147. The Chairman said that there was already a document which provided for much of what Cuba had suggested in compiling Members' questions and answers on the proposals.

148. He asked Members to bear with him while he considered precisely how to move forward for the next series of discussions and thanked all delegations for their contributions.

149. The Negotiating Group took note of the statements made.

B. AD HOC ATTENDANCE OF RELEVANT INTERNATIONAL ORGANIZATIONS, INCLUDING THE IMF, OECD, UNCTAD, WCO AND THE WORLD BANK, AT THE NEXT MEETING OF THE NEGOTIATING GROUP

150. The Chairman suggested inviting relevant international organizations, including the IMF, OECD, UNCTAD, WCO and the World Bank to attend the next meeting of the NG on an ad hoc basis, as provided for in the Work Plan.

151. It was so agreed.

C. OTHER BUSINESS

152. The Chairman raised the issue of the Group's next meeting, recalling Members' agreement to meet in informal mode on 10 and 11 July.

153. The meeting was adjourned.
