

**PREPARATORY COMMITTEE
FOR THE
WORLD TRADE ORGANIZATION**

RESTRICTED

PC/M/4

28 July 1994

(94-1556)

**PREPARATORY COMMITTEE FOR THE
WORLD TRADE ORGANIZATION**

MINUTES OF MEETING

Held on 22 July 1994

1. The Preparatory Committee for the World Trade Organization (WTO) held its fourth meeting under the Chairmanship of Mr. Peter D. Sutherland.

2. The Chairman welcomed Dominica as the 112th member of the Preparatory Committee. He then drew attention to recent communications from the Chairman of the Interim Committee for the Agreement on Government Procurement (PC/W/2) and from Tunisia on behalf of the Conference of the Organization of African Unity (PC/W/3). The latter was particularly significant in terms of the importance attached by the countries concerned to an effective multilateral trading system embodied in the WTO and the need for technical assistance and special treatment to facilitate ratification and, later, to enable these countries to benefit from the new trading opportunities. This would undoubtedly be one of the major future tasks facing governments.

3. The Committee took note of the communications in PC/W/2 and PC/W/3.

A. Review of Work done under the Sub-Committees

(i) Sub-Committee on Budget, Finance and Administration

(a) Seat of the WTO

4. Mr. Szepesi (Hungary), Chairman of the Sub-Committee, reporting on developments regarding the choice of the seat for the WTO, recalled that the Sub-Committee had adopted certain procedures for the examination and assessment of the offers for the seat and for the preparation of the relevant recommendations to be submitted to the Preparatory Committee. The examination of the offers put forward by the Swiss and the German authorities, proposing the cities of Geneva and Bonn respectively as the site of the headquarters for the WTO, had started on 15 June as scheduled and the Sub-Committee had respected fully the procedures adopted for this process. As a result, at its meeting that same morning the Sub-Committee had adopted two recommendations, which he would be submitting for the approval of the Preparatory Committee.

5. Before turning to the recommendations, however, he wished to summarize briefly the views expressed by members of the Sub-Committee during the process of informal consultations that had led to the adoption of the recommendations. All members, without exception, had expressed their appreciation both to the Swiss and to the German authorities for the high quality of their respective offers. It had been noted that the competitive situation created by the existence of two attractive offers had largely contributed to the improvement of their contents. Members had recognized, in particular, the efforts of both authorities in adjusting and improving different elements of the package they had initially proposed. Both offers had thus been found to be substantive, interesting, attractive and competitive. The great majority of participants had held the view that in terms of physical facilities, treatment, privileges and immunities, the two offers were largely comparable. Two considerations

had seemed to play a major rôle in favour of Geneva: first, Geneva was host to some other international organizations with which the WTO was expected to establish a close working relationship; and, second, the special situation characterizing the transition from GATT to the WTO and the concern to ensure that this transition should be as smooth and secure as possible. The view had been expressed that the Federal Republic of Germany had not only put forward a competitive offer, but that Bonn was and continued to be an attractive city as a site for international institutions. Even if the decision in the case of the WTO did not favour Bonn, the quality of the German offer fully confirmed the vocation of Bonn as a venue for international organizations.

6. He then drew attention to the two recommendations adopted by the Sub-Committee regarding the seat of the WTO (PC/BFA/W/1) and the proposed terms of reference for the negotiation of a headquarters agreement (PC/BFA/W/2). He indicated that the delegation of Switzerland, as a party directly concerned, had not participated either in the elaboration of the proposed terms of reference or in their formal adoption.

7. The Chairman proposed that the Committee take note of the report by the Chairman of the Sub-Committee on developments regarding the seat of the WTO, and approve the Recommendation in respect of the seat of the WTO put forward by the Sub-Committee in PC/BFA/W/1. In so doing, the Preparatory Committee was taking a decision of principle on the seat of the WTO which, in turn, would enable the work of negotiating the headquarters agreement to begin on the basis of the terms of reference worked out in the Sub-Committee and contained in PC/BFA/W/2.

8. The Committee so agreed.¹

9. The representative of the Federal Republic of Germany said that his Government had offered to host the WTO out of its commitment to the multilateral system and to the WTO. It had not opposed the consensus on the seat because of its concern that the transition from GATT to the WTO should be as smooth as possible and that the WTO and its members should get the benefits of the working conditions offered as of day one of the entry into force of the WTO. He expressed appreciation to all that had supported Bonn to become the seat of the WTO, and paid respect to those that had expressed a preference to stay in Geneva. He paid tribute to the Chairmen of the Sub-Committee and the GATT Budget Committee for their skilful, objective and fair handling of an almost unmanageable process. Without their hard work and their abilities of quiet diplomacy and confidence-building, and without their commitment to the system, it would not have been possible to arrive at the decision just taken, which, he hoped, would be in the best interests of the WTO.

10. The representative of Switzerland associated his delegation with the comments by the Federal Republic of Germany regarding the respective Chairmen of the Sub-Committee and the GATT Budget Committee. He expressed appreciation to all delegations for having allowed the Preparatory Committee to take the decision it had just taken, as also to the Chairman of the Committee for his efforts and to the Federal Republic of Germany for its gesture in allowing a consensus to be reached in the Sub-Committee. His delegation noted with satisfaction the decision by the Committee to choose Geneva as the seat for the WTO, and wished to thank all for the trust they had shown in Switzerland. His authorities were ready to take up all the commitments they had made within the offer tabled by Switzerland and to negotiate a headquarters agreement for the new organization. Switzerland's objective, and that of the city of Geneva, was to allow the WTO to function efficiently as of the very first day of its existence. Switzerland would make certain that the WTO benefited from the best possible working conditions for itself and for the delegations accredited to it in Geneva. Switzerland was convinced that the establishment of the WTO in Geneva would allow both that organization and other international

¹See Annexes 1 and 2.

organizations to get the utmost benefit from the international Geneva that the international community had created.

11. The representative of Malaysia, speaking on behalf of developing countries, expressed appreciation to the governments of Germany and Switzerland, as well as to the authorities of Bonn and Geneva, for their generous offers and for their kind gestures in offering assistance to the least-developed countries. They were also appreciative of the Sub-Committee Chairman's skilful handling of the negotiations that had led to the amicable result that day. It had indeed been a difficult choice between two good things, and between two good friends. The final choice was not a case of rejection but rather one of preference, which, in the final analysis, had been dictated by practical considerations. With other things being equal, the ultimate question had been whether to move or not to move. The developing countries were pleased that the question of the seat had been amicably resolved, and noted, in particular, the gracious gesture of the German Government which deserved appreciation for making the consensus possible. Developing countries were unanimous in their sentiments about the offers, although not necessarily so in regard to their preferences. It was time now for all to look ahead, and to ensure that the WTO would be placed on a firm footing as soon as possible. Developing countries also welcomed the decision of the Preparatory Committee on the terms of reference for the negotiation of a headquarters agreement between the Preparatory Committee and the Swiss authorities, and looked forward to being associated with the future work in this area.

12. The representative of Brunei Darussalam, speaking on behalf of the ASEAN countries, expressed appreciation to the respective Chairmen of the Sub-Committee and of the GATT Budget Committee for their efforts and their skilful conduct of the consultations during the past few weeks. The ASEAN countries were pleased to join in the consensus that had been reached. At the same time, they wished to express their appreciation to the German authorities for a very generous offer that had been both attractive and competitive. The fact that Geneva had finally been chosen as the seat was no reflection whatsoever on the German offer. It was only appropriate, therefore, that the recommendation just adopted contained not only an expression of appreciation to Germany, but also the recognition of what the city of Bonn had to offer in the future. The ASEAN countries wished to congratulate Switzerland on the choice of Geneva as the seat for the WTO. They noted, however, that a number of issues had been raised with the Swiss authorities during the period of consultation, and believed it would be appropriate to consider the creation of some form of implementation monitoring mechanism that should not only meet at regular intervals - perhaps quarterly - but which should also be in the effective position to continue improving and strengthening the relationship between the diplomatic community, the organization itself and the host government. He welcomed Switzerland's statement that its bid for the seat of the WTO was the start of a process of making Geneva a more international city than it already was; it was in this light that the ASEAN countries were proposing to institutionalize such a mechanism. He expressed the ASEAN countries' interest in being represented on the team which would negotiate the headquarters agreement with Switzerland.

13. The representative of Pakistan expressed his delegation's satisfaction at the outcome of the consultations on the choice of the seat. He congratulated the respective Chairmen of the Sub-Committee and the GATT Budget Committee for their impartiality and diplomatic competence which had played no small part in enabling the consensus. He also congratulated Switzerland, not only on its victory, but above all on its new openness of spirit which had been deeply appreciated by the diplomatic community in Geneva, as well as for the commitments it had made which would soon be embodied in a headquarters agreement. Inherent in the choice of the seat was the fact that only one side would win. However, Germany was not a loser because it had been the catalyst that had enabled the negotiations to move forward. Appreciation was due to Germany for the elegance of its offer, the flexibility and sensitivity that it had shown to the interests of permanent Missions and diplomats, and for the manner in which it had inclined itself before the will of a larger majority. The choice that

all had had to make had not been easy, and Pakistan hoped that time would enable all to show the evidence of their satisfaction at the choice they had made.

14. The representative of Nigeria, speaking also on behalf of a number of African countries that had participated actively in the work of the Preparatory Committee, said that they were pleased to join in the consensus for the choice of Geneva as the seat of the WTO. He paid tribute to both Germany and Switzerland for their competitive offers, and congratulated Switzerland for its successful bid. He noted with satisfaction Switzerland's statement that all the commitments it had entered into would be adhered to when negotiations on a headquarters agreement started. He paid tribute also to the respective Chairmen of the Sub-Committee and the GATT Budget Committee for their impartial and objective handling of the consultations that had led to the consensus, and expressed appreciation to Germany for its graciousness in accepting the consensus that had emerged. His delegation believed strongly that the decision that had emerged by consensus would be in the best interests of all, and particularly of the WTO. Finally, he wished to pay tribute to the Chairman of the Preparatory Committee for the latter's rôle behind the scenes which had led to this agreeable conclusion.

15. The representative of Bangladesh, speaking on behalf of the least-developed countries, expressed their satisfaction in joining the consensus regarding the choice of a seat for the WTO. He expressed gratitude to the governments of Switzerland and Germany for their generous offers, and to Germany for its flexibility and its assistance in building the final consensus on this issue. He expressed appreciation also to the Chairman of the Sub-Committee for his efficient conduct of consultations which had led to a consensus within a short period of time. One could now look forward to a smooth transition from GATT to WTO which would provide a good basis for the effective functioning of the WTO. He expressed the interest of the least-developed countries in being associated with the negotiations of the headquarters agreement.

16. The Chairman expressed appreciation to the German authorities for their generous offer to host the WTO in Bonn. Although the Sub-Committee had recommended a decision in principle in favour of Geneva, the evident interest by Germany in and its strong support for the multilateral trading system had been clearly reflected in the terms of its offer. He was certain that he spoke for all in asking that the appreciation of delegations and of the Secretariat be conveyed both to the Minister and to the Director-General of the Federal Ministry of Economics.

17. The Committee took note of the statements.

(b) Other matters

18. Mr. Szepesi (Hungary), Chairman of the Sub-Committee, reporting on the Sub-Committee's work on other issues, said that the Sub-Committee had also been working on the organizational structure and staff requirements of the Secretariat as presented by the Director-General, and on the guidelines for the assessment of budget contributions of WTO members.

19. With regard to the organizational structure, staff requirements and related matters, the Sub-Committee had continued to examine the Director-General's proposals, and was developing a more complete understanding of the situation. The Sub-Committee expected to be able to settle the number of posts appropriate for 1994 within a few days, and would revert to the longer-term staffing and organizational issues following a further consideration of certain broader policy issues and after the completion of an external management review. It would consider proposals for the conduct of the management review before the summer break.

20. With regard to the guidelines for the assessment of budget contributions of WTO members, the informal working group chaired by the Chairman of the GATT Budget Committee considered that

the assessment should reflect the whole range of responsibilities of the new Organization, although the statistical basis that should be used for the calculation was still under consideration. Administrative measures for members that had accumulated several years of arrears had also been studied. Recommendations on this subject as well as on the terms of reference of the Committee on Budget, Finance and Administration of the WTO might be ready before the summer break. Other issues, such as the level of the working capital fund, the minimum contribution, and the transfer of assets and liabilities, were still under study, and recommendations on these various subjects would be provided after the summer break.

21. The Chairman proposed that the Committee take note of the work under way in other areas of the Sub-Committee's mandate. Among these, it was obvious that the questions relating to the staffing requirements of the WTO Secretariat, in so far as they had implications for the GATT budget for the current year, had a particular urgency. As the Sub-Committee Chairman had reported, his consultations on these questions were well advanced and might soon be completed. On this basis, the Sub-Committee might be in a position to come to concrete conclusions before the summer break, including on the matter of the management review. This would enable the GATT Budget Committee to approve the GATT Supplementary Budget for 1994 and the modalities for its financing. The GATT Budget Committee might have to meet for this purpose at short notice. He hoped that these arrangements, which were being put in place only for the purpose of efficiency, would be acceptable to members of the Committee.

22. The Committee agreed to the proposed arrangements, and took note of the statements and of the report by the Chairman of the Sub-Committee.

(ii) Sub-Committee on Services

23. Mr. Manhusen (Sweden), Chairman of the Sub-Committee, said that a second meeting of the Sub-Committee had been held on 15 July. Informal discussions had continued on issues relating to the scope of the GATS, which was one of the priorities for the Sub-Committee on Services. In that respect, the Sub-Committee had been able to take concrete decisions on two of the five categories of measures under discussion. On measures relating to judicial and administrative assistance, it had been agreed that, apart from the obligations contained in the GATS, any additional measures of that type would not be subject to the disciplines of the GATS. On measures relating to entry and stay of natural persons, and in particular on the definition of "temporary" and "permanent" residency and employment, it had been agreed that what was contained in schedules of commitments in that respect was sufficiently clear and that, at least for the present, there was no need for further multilateral work on this issue. Further work would continue on other issues related to the scope of the GATS, namely measures relating to social security, to the settlement of disputes under bilateral investment treaties, and to entry and temporary stay of natural persons such as seasonal agricultural workers, university and school professors under exchange programmes and students under working holidays and young workers' programmes. Work on those issues would continue immediately after the summer break.

24. With regard to financial services, a decision had been taken by the Sub-Committee to establish an Interim Group on Financial Services with the following terms of reference: "To monitor the progress of the negotiations under paragraph 1 of the Decision on Financial Services until the entry into force of the WTO Agreement and the creation of the Committee on Trade in Financial Services. The Group shall hold its first meeting no later than 15 October 1994". He was currently consulting on the appointment of a Chairman for that Group.

25. As regards negotiations on Basic Telecommunications, the Negotiating Group on this matter had held its second meeting on 11 July. Thus far, twenty-two delegations had announced their intention to participate in the negotiations, and seventeen had participated as observers. The Group had also approved requests for observership by the ITU and UNCTAD. The Group was proceeding with work

on substantive and technical issues on the basis of documents prepared by the Secretariat, and would hold its next meeting on 24 October.

26. With regard to negotiations on Maritime Transport Services, the Negotiating Group on this matter had held its second meeting on 13 July. Thus far, thirty-four delegations had announced their intention to participate in the negotiations, and sixteen had participated as observers. The Group had approved a request for observership by UNCTAD. Work in the Group was proceeding on technical issues on the basis of documents prepared by the Secretariat, and it would hold its next meeting in the week beginning 17 October.

27. As regards the negotiations on Movement of Natural Persons, the second meeting of the Negotiating Group on this matter scheduled for 12 July had been postponed because its Chairperson had had to be absent from Geneva at that time. That meeting would now take place during the week of 19 September.

28. As regards the future work of the Sub-Committee, three meetings were scheduled for the remainder of the year, respectively on 21 September, the week of 17 October and the week of 28 November.

29. The Committee took note of the report by the Chairman of the Sub-Committee.

(iii) Sub-Committee on Institutional, Procedural and Legal Matters

30. Mr. Kesavapany (Singapore), Chairman of the Sub-Committee, reporting on the work of the Sub-Committee thus far, recalled that the Sub-Committee had been mandated to: (i) look at the terms of reference and rules of procedure for WTO bodies and consider whether any other work was necessary, and if so, to make the appropriate recommendations; (ii) consider the form and nature of the relations that the WTO should have with other organizations and to make appropriate recommendations; (iii) consider and recommend appropriate arrangements for the transition from GATT 1947 to the WTO; and (iv) look into and make recommendations on the composition of the TMB. Work had been virtually completed in respect of the first item. Delegations had considered that there was no necessity to formulate a set of generic terms of reference to cover all agreements contained in the WTO, and also that, except in one or two instances, such as in the Agriculture Agreement, there was no necessity to undertake any further work on the terms of reference contained in the WTO Agreements. It would be left to delegations concerned to indicate which specific agreement, if any, would require further work. On the rules of procedure, the Sub-Committee had had an exchange of views, and the Secretariat had been asked, following further consultations with delegations, to prepare a composite set of rules of procedure for WTO bodies. On the issue of the WTO's relations with other organizations, the Sub-Committee had had a first look at the issues involved on the basis of background notes prepared by the Secretariat. Delegations had agreed to give the matter further thought and to revert to it in due course.

31. Observer status as a general policy matter had been raised at the Sub-Committee's meeting on 19 July. There were two aspects to this matter: first, observer status in the Preparatory Committee and its Sub-Committees, and second, in the WTO and its bodies. On the first aspect, he recalled the Preparatory Committee's decision on 29 April 1994 to leave it "to the Sub-Committees to decide ... on the appropriate observers that might attend their respective meetings" (PC/M/1, paragraphs 14 and 15). In the case of the WTO, the Preparatory Committee had mandated the Sub-Committee on Institutional, Procedural and Legal Matters to conduct work on its behalf on paragraph 8(b)(iii). The Sub-Committee would, therefore, make recommendations with regard, *inter alia*, to the observer status of international organizations for the consideration of the Preparatory Committee. With regard to the issue of transitional arrangements, delegations had had a policy discussion on the basis of a discussion paper tabled at the

meeting on 19 July, and it had been agreed that a more substantial discussion be held in the fall, following which specific proposals would be formulated.

32. While the Sub-Committee had been dealing with these broad issues, the three contact groups that had been established, namely on Agriculture, TRIPS, and Anti-Dumping, Subsidies and Safeguards, had commenced work on the additional arrangements that would be required to ensure the implementation of the various agreements as soon as the WTO Agreement came into effect. The results of the work of the contact groups would be consolidated into the Sub-Committee's report. With this initial work that had been undertaken over the past two months, the stage had been set for the Sub-Committee to embark on more in-depth work required for the formulation of specific proposals on the various aspects of the Sub-Committee's mandate. In addition, the Sub-Committee would consider the terms of reference currently being drafted by the existing Committees on Balance-of-Payments Restrictions, Budget, Finance and Administration, and Trade and Development, for their counterpart bodies in the WTO. After the summer, one would also take up the question of relations with non-governmental organizations, as well as the TMB-related issues.

33. At the meeting of the Sub-Committee on 19 July, it had been noted by delegations that no action had been taken thus far in respect of the Committee on Tariff Concessions. At that time, he had stated that this might require discussion in the Preparatory Committee. Since then, he had discussed the matter with the Chairman of the Preparatory Committee, who had confirmed that this was a matter which could quite properly be handled by the Sub-Committee. He proposed, therefore, to take up this subject at the next meeting of the Sub-Committee.

34. While a large amount of work had to be undertaken in the three months after the summer break if one was to meet the deadline of writing up the report as prescribed in paragraph 8(b)(iv) for consideration by the Preparatory Committee, he was confident that the task could be accomplished.

35. The Committee took note of the report by the Chairman of the Sub-Committee.

(iv) Sub-Committee on Trade and Environment

36. The Chairman, presenting the Sub-Committee's report on behalf of its Chairman, Mr. Lampreia (Brazil), said that the Sub-Committee had held its second formal meeting on 12 July. Delegations had engaged in a general exchange on all the items in the work programme contained in the Marrakesh Decision on Trade and Environment (MTN.TNC/45(MIN), Annex II). There had been agreement to initiate a more focused discussion on the first, third and sixth sets of issues itemized in the Marrakesh Decision with a view to highlighting areas in need of analysis beyond that achieved in the Group on Environmental Measures and International Trade. The Sub-Committee had established an agenda and a schedule of three meetings for the autumn. The first meeting would be held on 15 and 16 September, at which discussion would focus on the third set of issues of the work programme; the second meeting would be held during the week of 24 October, and would focus on the first set of issues of the work programme; and the third meeting would be held during the week of 28 November, and would focus on the sixth set of issues. Delegations had also requested several background papers from the Secretariat, and had pointed to possible areas in which background papers would be needed to guide future discussions. Finally, the Sub-Committee had agreed to extend observer status to all governments and inter-governmental organizations which were accredited as observers to the Preparatory Committee.

37. The Committee took note of the report by the Chairman of the Sub-Committee.

B. Paragraph 8(b)(i) of the Decision establishing the Preparatory Committee

38. The Chairman said that, following his previous report on the implementation of work under paragraph 8(b)(i) of the Decision establishing the Preparatory Committee, work on the verification and approval of additional draft final schedules in goods had begun that week with the draft schedules provisionally attached to the Marrakesh Protocol. Of these, the schedules of Bangladesh, Benin, Congo, Mauritania, and Niger might be deemed to be verified subject to certain additional statements or explanations being provided and being duly reflected in the final schedules. The draft schedule of Tanzania would be reconsidered at a later stage. Additionally, the draft schedule of Saint Kitts and Nevis, which had recently joined the GATT 1947 under Article XXVI:5(c), and other schedules now in the process of finalization with the technical assistance of the Secretariat, would be taken up after the summer break. The Secretariat was also providing technical assistance in preparing and finalizing the GATS schedules of these and other interested governments.

39. With regard to States or separate customs territories whose requests for accession to GATT 1947 were being examined by GATT working parties and who might also wish to accept or accede to the WTO, he wished the Committee to note that the Working Party on Bulgaria was close to concluding its task. As members might be aware, Bulgaria had expressed its intention to accede to GATT 1947 and, subsequently, to negotiate its acceptance of the WTO Agreement as an original member.

40. The Republic of Croatia had made a formal request to the Preparatory Committee to initiate the process of accession to the WTO under Article XII of the WTO Agreement. The communication from Croatia had been circulated to members of the Committee in document PC/W/1. He proposed that the Committee take note of Croatia's request. Furthermore, in line with its Decision of 31 May 1994 regarding requests for accession to the WTO by states or separate customs territories for which GATT working parties already existed, he proposed that the Preparatory Committee request the existing Working Party on Croatia to examine that Government's accession request on the Committee's behalf and to report to the Committee.

41. The Committee took note of the statement and so agreed.

C. Work Programme

42. The Chairman, addressing the organization of work in the period after the summer break, said that an indicative schedule of meetings of the Preparatory Committee and its Sub-Committee from September onwards was being circulated for the information and guidance of members.² The schedule, which had been prepared in consultation with the Chairmen of the Sub-Committees, was tentative and might need to be adjusted in the light of the progress of work in the Sub-Committees and the other processes established under the Preparatory Committee. The Chairmen remained free to adopt working procedures to meet their specific needs. However, in making changes or additions to the schedule, one should keep in mind the need to avoid overlapping meetings to the extent possible and to observe the practice that there should not be more than two meetings at any given time.

43. The focal point of the schedule was, in fact, its conclusion - namely, the establishment of the period 6-15 December as the target for the Implementation Conference. This had been done on the basis of paragraph 3 of the Final Act which stipulated holding the Conference "not later than late 1994". More importantly, it was clear that any slippage beyond this point would make it impossible to ensure entry into force of the WTO by 1 January 1995, a date to which all participants in the Uruguay Round were firmly committed. As announced at Marrakesh, the main task of the Implementation Conference would be to establish the date of entry into force of the WTO. It would also be charged with convening

²An updated schedule is reproduced as Annex 3.

the first meeting of the General Council and proposing its provisional agenda. Moreover, there might be a need to take decisions in regard to specific arrangements for GATT 1947 after the entry into force of the WTO. Proposals in this respect, which concerned the WTO and which might evolve from the work of the Sub-Committee on Institutional, Procedural and Legal Matters, would need to be approved by the Preparatory Committee. Action on proposals by the existing GATT Council for the CONTRACTING PARTIES to GATT 1947 would need to be addressed in a Session of the CONTRACTING PARTIES. For these reasons, it was desirable that the Implementation Conference should be the Preparatory Committee at Senior Officials level meeting on the occasion of a Special Session of the CONTRACTING PARTIES. This was also in accordance with the relevant provision of the Punta del Este Ministerial Declaration on the implementation of the Uruguay Round's results. It would be his aim to have the date and the agenda for the Implementation Conference fixed and agreed to by the Preparatory Committee at the latest by its meeting scheduled for 25 October. This would give the Secretariat the time needed to ensure that the procedures for convening the Conference were satisfactorily completed. He would be consulting delegations in this regard.

44. Working back from the Implementation Conference, the work programmes of the Preparatory Committee, its Sub-Committees and the other processes charged with implementing the mandate of the Committee, would have to rest on three clear assumptions: first, completion of all work under the Preparatory Committee's mandate during the period 22 November - 5 December; second, conclusion of work in the Sub-Committees relevant to action by the Preparatory Committee in terms of its mandate before, or at the very latest, during this same period; and third, completion of ratification processes in capitals as soon as possible after the summer break and, in any case, before the Implementation Conference. The conclusion from these facts was that a considerable amount of work still remained, with not much time in which to do it. The period from the month of September onward would have to be a phase of greater urgency, concentrated essentially on taking the decisions absolutely necessary to ensure a smooth entry into force for the WTO. The Preparatory Committee and its Sub-Committees would need to be ready to meet several times and at short notice, if needed. This would be more than likely in the period between 22 November and 5 December.

45. The Committee took note of the statement.

D. Ratification

46. The Chairman said that he had spoken often enough of the need for governments to conclude the ratification process as soon as possible. At the present meeting, he had stressed the obvious, namely that at the very latest, this would have to be done before the Implementation Conference. Ratification was central and critical to the implementation of the WTO. Since his previous report to the Committee, the Secretariat had been informed that the domestic processes for ratification had been completed in a number of participating governments. It was also encouraging that the process of ratification in several important capitals had gathered momentum and was on course for conclusion well before the end of the year.

47. The message was quite clear. There had never been a case for waiting for others to act; it was even less now that there was a genuine risk that those who did not press ahead with early ratification might be overtaken by events. The months of September and October would be critical. The Committee would continue to be the only forum for multilaterally reviewing the general picture regarding ratification and for facilitating it in every possible way.

48. In this regard, he wished to raise a procedural point concerning the definitive status of rectifications of schedules attached to the WTO Agreement and for the establishment of additional concessions. The present time-limit for GATT schedules was ninety days, after which amendments were to be considered definitive and then certified (BISD 27S/25). In respect of rectifications of

schedules attached to the WTO Agreement, there had been a generally expressed preference for a shorter period to enable parliaments to have corrected schedules available for the ratification process. A thirty-day period had been suggested for this purpose as a temporary arrangement for purposes of ratification. He proposed that the Preparatory Committee agree that for rectifications of schedules attached to the WTO Agreement and for the establishment of additional concessions, the time-limit for approval, during the period up to the entry into force of the WTO Agreement, should be thirty days.

49. The Committee took note of the statement and so agreed.

ANNEX 1

SEAT OF THE WORLD TRADE ORGANIZATION

Recommendation of the Sub-Committee on Budget, Finance and Administration
approved by the Preparatory Committee on 22 July 1994

Having assessed the offers made by the Government of Germany for Bonn and the Government of Switzerland for Geneva as potential seat of the World Trade Organization.

Considering that while both offers were largely comparable in quality but that (i) Geneva was already host to some international organizations with which WTO is expected to establish a close working relationship, (ii) the transition from GATT to the WTO should be as smooth and secure as possible.

The Sub-Committee on Budget, Finance and Administration recommends to the Preparatory Committee of the WTO that:

- (i) Geneva be chosen as the seat of the World Trade Organization, subject to satisfactory conclusion of the negotiations referred to in sub-paragraph (ii);
- (ii) negotiations between the Swiss authorities and representatives of the Preparatory Committee of the WTO be undertaken without delay and the results be submitted to the Preparatory Committee for approval; and
- (iii) the German authorities be thanked for their generous and competitive offer and the conviction be expressed that Bonn will provide an excellent venue for international organizations in the future.

ANNEX 2

WORLD TRADE ORGANIZATION - HEADQUARTERS AGREEMENT

Terms of Reference for the Negotiations between
the Preparatory Committee of the WTO and the Swiss Authorities

Recommendation of the Sub-Committee on Budget, Finance and Administration
approved by the Preparatory Committee on 22 July 1994

The Sub-Committee on Finance, Budget and Administration recommends to the Preparatory Committee to approve the following Terms of Reference:

1. On behalf of the Preparatory Committee of the World Trade Organization, the negotiations with the Swiss authorities will be conducted by a team led by the Chairman of the Sub-Committee on Budget, Finance and Administration of the Preparatory Committee and comprised of members of the Preparatory Committee and the Secretariat.
2. The negotiating team shall bear in mind the interests of the Organization, the Missions, and their respective staff, with or without diplomatic status.
3. The delegation shall negotiate with the Swiss authorities the Headquarters Agreement which shall incorporate the commitments made in their original offer, in their formal presentation made on 23 June 1994, and the information subsequently provided by them in notes dated 1 July and 12 July 1994. In addition, the negotiating team shall obtain precision and time frame wherever appropriate on certain elements, and in some cases, improvements with regard to specific elements of the offer.
4. It is understood that depending on their nature, the issues raised might be dealt with in the Headquarters Agreement as such, or in documents, additional protocols or exchange of letters which will be annexed to it as an integral part of the Agreement.

ANNEX 3

INDICATIVE SCHEDULE OF MEETINGS OF THE PREPARATORY COMMITTEE
AND ITS SUB-COMMITTEES

September - December 1994

Dates	Formal/Informal	Chairman/Liaison
Wednesday 14 September a.m.	Sub-Committee - Institutional, Procedural and Legal Matters	H.E. Mr. K. Kesavapany/ Mr. C. Mercier
Thursday (a.m.) 15 September/ Friday 16 September	Sub-Committee - Trade and Environment	H.E. Mr. L.F. Lampreia/ Mr. R. Eglin
Week of 19 September	Sub-Committee - Budget, Finance & Administration	H.E. Mr. A. Szepesi/ Mr. J. Chabert
Week of 19 September	Sub-Committee - Institutional Procedural and Legal Matters/ Informal Contact Group on Anti-dumping, Subsidies and Safeguards	Mr. J. Woznowski
Week of 19 September	Sub-Committee - Services Negotiating Group on Movement of Natural Persons	H.E. Ms. L. Bautista/ Mr. M. Kakabadse
Week of 19 September	Sub-Committee - Institutional, Procedural and Legal Matters/ Informal Contact Group on TRIPS	Mr. A. Otten
Wednesday 21 September a.m.	Sub-Committee - Services	H.E. Mr. C. Manhusen/ Mr. H. Mamdouh
Thursday 22 September a.m.	Sub-Committee - Institutional Procedural and Legal Matters/ Informal Contact Group on Agriculture	Mr. P. Shanahan
Thursday 22 September p.m.	PREPARATORY COMMITTEE	Mr. P.D. Sutherland/ Mr. C. Mercier

Week of 26 September	Sub-Committee - Institutional, Procedural and Legal Matters	H.E. Mr. K. Kesavapany/ Mr. C. Mercier
Week of 10 October	Sub-Committee - Institutional, Procedural and Legal Matters	H.E. Mr. K. Kesavapany/ Mr. C. Mercier
Week of 10 October	Sub-Committee - Services Interim Group on Financial Services	Chairman to be nominated/ Mr. M. Kakabadse
Week of 17 October	Sub-Committee - Services Negotiating Group on Maritime Transport Services	H.E. Mr. D. Kenyon/ Mr. M. Marconini
Week of 17 October	Sub-Committee - Services	H.E. Mr. C. Manhusen/ Mr. H. Mamdouh
Week of 24 October	Sub-Committee - Services Negotiating Group on Basic Telecoms	Mr. N. MacMillan/ Ms. L. Tuthill
Monday 24 October a.m.	Sub-Committee - Budget, Finance & Administration (formal and informal meetings on 1995 Budget)	H.E. Mr. A. Szepesi/ Mr. J. Chabert
Week of 24 October	Sub-Committee - Trade and Environment	H.E. Mr. L.F. Lampreia/ Mr. R. Eglin
Tuesday 25 October a.m.	PREPARATORY COMMITTEE	Mr. P.D. Sutherland/ Mr. C. Mercier
Week of 31 October	Sub-Committee - Budget, Finance & Administration (formal and informal meetings on 1995 Budget)	H.E. Mr. A. Szepesi/ Mr. J. Chabert
Week of 31 October	Sub-Committee - Institutional, Procedural and Legal Matters	H.E. Mr. K. Kesavapany/ Mr. C. Mercier
Week of 7 November	Sub-Committee - Budget, Finance & Administration (formal and informal meetings on 1995 Budget)	H.E. Mr. A. Szepesi/ Mr. J. Chabert

Week of 14 November	Sub-Committee - Institutional, Procedural and Legal Matters	H.E. Mr. K. Kesavapany/ Mr. C. Mercier
Wednesday 23 November a.m.	PREPARATORY COMMITTEE	Mr. P.D. Sutherland/ Mr. C. Mercier
Week of 28 November	Sub-Committee - Trade and Environment	H.E. Mr. L.F. Lampreia/ Mr. R. Eglin
Week of 28 November	Sub-Committee - Services	H.E. Mr. C. Manhusen/ Mr. H. Mamdouh
Monday 5 December a.m.	PREPARATORY COMMITTEE	Mr. P.D. Sutherland/ Mr. C. Mercier
Target: 6 to 15 December	IMPLEMENTATION CONFERENCE	Mr. P.D. Sutherland/ Mr. C. Mercier
