Being desirous of contributing to these objectives by entering into reciprocal and mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade and to the elimination of discriminatory treatment in international trade relations,

Resolved, therefore, to develop an integrated, more viable and durable multilateral trading system encompassing the General Agreement on Tariffs and Trade, the results of past trade-liberalisation efforts, and all of the results of the Uruguay Round of Multilateral Trade Negotiations,

Determined to preserve the basic principles and to further the objectives underlying this multilateral trading system,

Agree as follows:

# Article I Establishment of the Organisation

The World Trade Organisation (hereinafter referred to as 'the WTO') is hereby established.

# Article II Scope of the WTO

- 1 The WTO shall provide the common institutional framework for the conduct of trade relations among its members in matters related to the agreements and associated legal instruments included in the Annexes to this Agreement.
- 2 The agreements and associated legal instruments included in Annexes 1, 2 and 3 (hereinafter referred to as 'Multilateral Trade Agreements') are integral parts of this Agreement, binding on all members.
- 3 The agreements and associated legal instruments included in Annex 4 (hereinafter referred to as 'Plurilateral Trade Agreements') are also part of this Agreement for those members that have accepted them, and are binding on those members. The Plurilateral Trade Agreements do not create either obligations or rights for members that have not accepted them.
- 4 The General Agreement on Tariffs and Trade 1994 as specified in Annex 1A (hereinafter referred to as 'GATT 1994') is legally distinct from the General Agreement on Tariffs and Trade, dated 30 October 1947, annexed to the Final Act Adopted at the Conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, as subsequently rectified, amended or modified (hereinafter referred to as 'GATT').

#### **Article III Functions of the WTO**

- 1 The WTO shall facilitate the implementation, administration and operation, and further the objectives, of this Agreement and of the Multilateral Trade Agreements, and shall also provide the framework for the implementation, administration and operation of the Plurilateral Trade Agreements.
- 2 The WTO shall provide the forum for negotiations among its members concerning their multilateral trade relations in matters dealt with under the agreements in the Annexes to this Agreement. The WTO may also provide a forum for further negotiations among its members concerning their multilateral trade relations, and a framework for the implementation of the results of such negotiations, as may be decided by the Ministerial Conference.
- 3 The WTO shall administer the Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter referred to as the 'Dispute Settlement Understanding' or 'DSU') in Annex 2 to this Agreement.
- 4 The WTO shall administer the Trade Policy Review Mechanism (hereinafter referred to as the 'TPRM') provided for in Annex 3 to this Agreement.

5 With a view to achieving greater coherence in global economic policy-making, the WTO shall co-operate, as appropriate, with the International Monetary Fund and with the International Bank for Reconstruction and Development and its affiliated agencies.

#### Article IV Structure of the WTO

- There shall be a Ministerial Conference composed of representatives of all the members, which shall meet at least once every two years. The Ministerial Conference shall carry out the functions of the WTO and take actions necessary to this effect. The Ministerial Conference shall have the authority to take decisions on all matters under any of the Multilateral Trade Agreements, if so requested by a member, in accordance with the specific requirements for decision-making in this Agreement and in the relevant Multilateral Trade Agreement.
- 2 There shall be a General Council composed of representatives of all the members, which shall meet as appropriate. In the intervals between meetings of the Ministerial Conference, its functions shall be conducted by the General Council. The General Council shall also carry out the functions assigned to it by this Agreement. The General Council shall establish its rules of procedure and approve the rules of procedure for the Committees provided for in para 7.
- 3 The General Council shall convene as appropriate to discharge the responsibilities of the Dispute Settlement Body provided for in the Dispute Settlement Understanding. The Dispute Settlement Body may have its own chairman and shall establish such rules of procedure as it deems necessary for the fulfilment of those responsibilities.
- 4 The General Council shall convene as appropriate to discharge the responsibilities of the Trade Policy Review Body provided for in the TPRM. The Trade Policy Review Body may have its own chairman and shall establish such rules of procedure as it deems necessary for the fulfilment of those responsibilities.
- There shall be a Council for Trade in Goods, a Council for Trade in Services and a Council for Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as the 'Council for TRIPS'), which shall operate under the general guidance of the General Council. The Council for Trade in Goods shall oversee the functioning of the Multilateral Trade Agreements in Annex 1A. The Council for Trade in Services shall oversee the functioning of the General Agreement on Trade in Services (hereinafter referred to as 'GATS'). The Council for TRIPS shall oversee the functioning of the Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter referred to as the 'Agreement on TRIPS'). These Councils shall carry out the functions assigned to them by their respective agreements and by the General Council. They shall establish their respective rules of procedure subject to the approval of the General Council. membership in these Councils shall be open to representatives of all members. These Councils shall meet as necessary to carry out their functions.
- 6 The Council for Trade in Goods, the Council for Trade in Services and the Council for TRIPS shall establish subsidiary bodies as required. These subsidiary bodies shall establish their respective rules of procedure subject to the approval of their respective Councils.
- 7 The Ministerial Conference shall establish a Committee on Trade and Development, a Committee on Balance of Payments Restrictions and a Committee on Budget, Finance and Administration, which shall carry out the functions assigned to them by this Agreement and by the Multilateral Trade

Agreements, and any additional functions assigned to them by the General Council, and may establish such additional Committees with such functions as it may deem appropriate. As part of its functions, the Committee on Trade and Development shall periodically review the special provisions in the Multilateral Trade Agreements in favour of the least-developed country members and report to the General Council for appropriate action. membership in these Committees shall be open to representatives of all members.

8 The bodies provided for under the Plurilateral Trade Agreements shall carry out the functions assigned to them under those Agreements and shall operate within the institutional framework of the WTO. These bodies shall keep the General Council informed of their activities on a regular basis.

# Article V Relations with Other Organisations

- 1 The General Council shall make appropriate arrangements for effective cooperation with other intergovernmental organisations that have responsibilities related to those of the WTO.
- 2 The General Council may make appropriate arrangements for consultation and co-operation with non-governmental organisations concerned with matters related to those of the WTO.

#### Article VI The Secretariat

- 1 There shall be a Secretariat of the WTO (hereinafter referred to as 'the Secretariat') headed by a Director General.
- 2 The Ministerial Conference shall appoint the Director General and adopt regulations setting out the powers, duties, conditions of service and term of office of the Director General.
- 3 The Director General shall appoint the members of the staff of the Secretariat and determine their duties and conditions of service in accordance with regulations adopted by the Ministerial Conference.
- 4 The responsibilities of the Director General and of the staff of the Secretariat shall be exclusively international in character. In the discharge of their duties, the Director General and the staff of the Secretariat shall not seek or accept instructions from any government or any other authority external to the WTO. They shall refrain from any action which might adversely reflect on their position as international officials. The members of the WTO shall respect the international character of the responsibilities of the Director General and of the staff of the Secretariat and shall not seek to influence them in the discharge of their duties.

#### **Article VI Budget and Contributions**

- 1 The Director General shall present to the Committee on Budget, Finance and Administration the annual budget estimate and financial statement of the WTO. The Committee on Budget, Finance and Administration shall review the annual budget estimate and the financial statement presented by the Director General and make recommendations thereon to the General Council. The annual budget estimate shall be subject to approval by the General Council.
- 2 The Committee on Budget, Finance and Administration shall propose to the General Council financial regulations which shall include provisions setting out:
- (a) the scale of contributions apportioning the expenses of the WTO among its members; and
- (b) the measures to be taken in respect of members in arrears.

The financial regulations shall be based, as far as practicable, on the regulations and practices of GATT 1947.

- 3 The General Council shall adopt the financial regulations and the annual budget estimate by a two-thirds majority comprising more than half of the members of the WTO.
- 4 Each member shall promptly contribute to the WTO its share in the expenses of the WTO in accordance with the financial regulations adopted by the General Council.

#### Article VIII Status of the WTO

- 1 The WTO shall have legal personality, and shall be accorded by each of its members such legal capacity as may be necessary for the exercise of its functions.
- 2 The WTO shall be accorded by each of its members such privileges and immunities as are necessary for the exercise of its functions.
- 3 The officials of the WTO and the representatives of the members shall similarly be accorded by each of its members such privileges and immunities as are necessary for the independent exercise of their functions in connection with the WTO.
- 4 The privileges and immunities to be accorded by a member to the WTO, its officials, and the representatives of its members shall be similar to the privileges and immunities stipulated in the Convention on the Privileges and Immunities of the Specialised Agencies, approved by the General Assembly of the United Nations on 21 November 1947.
- 5 The WTO may conclude a headquarters agreement.

# Article IX Decision-making

- 1 The WTO shall continue the practice of decision-making by consensus followed under GATT 1947. Except as otherwise provided, where a decision cannot be arrived at by consensus, the matter at issue shall be decided by voting. At meetings of the Ministerial Conference and the General Council, each member of the WTO shall have one vote. Where the European Communities exercise their right to vote, they shall have a number of votes equal to the number of their member states which are members of the WTO. Decisions of the Ministerial Conference and the General Council shall be taken by a majority of the votes cast, unless otherwise provided in this Agreement or in the relevant Multilateral Trade Agreement.
- 2 The Ministerial Conference and the General Council shall have the exclusive authority to adopt interpretations of this Agreement and of the Multilateral Trade Agreements. In the case of an interpretation of a Multilateral Trade Agreement in Annex 1, they shall exercise their authority on the basis of a recommendation by the Council overseeing the functioning of that Agreement. The decision to adopt an interpretation shall be taken by a three-fourths majority of the members. This paragraph shall not be used in a manner that would undermine the amendment provisions in Article X.
- 3 In exceptional circumstances, the Ministerial Conference may decide to waive an obligation imposed on a member by this Agreement or any of the Multilateral Trade Agreements, provided that any such decision shall be taken by three-fourths of the members unless otherwise provided for in this paragraph.
- (a) A request for a waiver concerning this Agreement shall be submitted to the Ministerial Conference for consideration pursuant to the practice of decision-making by consensus. The Ministerial Conference shall establish a time period, which shall not exceed 90 days, to consider the request. If consensus is not reached during the time period, any decision to grant a waiver shall be taken by three-fourths of the members.

- (b) A request for a waiver concerning the Multilateral Trade Agreements in Annexes 1A or 1B or 1C and their annexes shall be submitted initially to the Council for Trade in Goods, the Council for Trade in Services or the Council for TRIPS, respectively, for consideration during a time period which shall not exceed 90 days. At the end of the time period, the relevant Council shall submit a report to the Ministerial Conference.
- A decision by the Ministerial Conference granting a waiver shall state the exceptional circumstances justifying the decision, the terms and conditions governing the application of the waiver, and the date on which the waiver shall terminate. Any waiver granted for a period of more than one year shall be reviewed by the Ministerial Conference not later than one year after it is granted, and thereafter annually until the waiver terminates. In each review, the Ministerial Conference shall examine whether the exceptional circumstances justifying the waiver still exist and whether the terms and conditions attached to the waiver have been met. The Ministerial Conference, on the basis of the annual review, may extend, modify or terminate the waiver.
- 5 Decisions under a Plurilateral Trade Agreement, including any decisions on interpretations and waivers, shall be governed by the provisions of that Agreement.

#### Article X Amendments

- Any member of the WTO may initiate a proposal to amend the provisions of this Agreement or the Multilateral Trade Agreements in Annex 1 by submitting such proposal to the Ministerial Conference. The Councils listed in para 5 of Article IV may also submit to the Ministerial Conference proposals to amend the provisions of the corresponding Multilateral Trade Agreements in Annex 1 the functioning of which they oversee. Unless the Ministerial Conference decides on a longer period, for a period of 90 days after the proposal has been tabled formally at the Ministerial Conference any decision by the Ministerial Conference to submit the proposed amendment to the members for acceptance shall be taken by consensus. Unless the provisions of paras 2, 5 or 6 apply, that decision shall specify whether the provisions of paras 3 or 4 shall apply. If consensus is reached, the Ministerial Conference shall forthwith submit the proposed amendment to the members for acceptance. If consensus is not reached at a meeting of the Ministerial Conference within the established period, the Ministerial Conference shall decide by a two-thirds majority of the members whether to submit the proposed amendment to the members for acceptance. Except as provided in paras 2, 5 and 6, the provisions of para 3 shall apply to the proposed amendment, unless the Ministerial Conference decides by a threefourths majority of the members that the provisions of para 4 shall apply.
- 2 Amendments to the provisions of this Article and to the provisions of the following Articles shall take effect only upon acceptance by all members:

Article IX of this Agreement;

Articles I and II of GATT 1994;

Article II:1 of GATS;

Article 4 of the Agreement on TRIPS.

3 Amendments to provisions of this Agreement, or of the Multilateral Trade Agreements in Annexes 1A and 1C, other than those listed in paras 2 and 6, of a nature that would alter the rights and obligations of the members, shall take effect for the members that have accepted them upon acceptance by two-thirds of the members and thereafter for each other member upon acceptance by it. The

Ministerial Conference may decide by a three-fourths majority of the members that any amendment made effective under this paragraph is of such a nature that any member which has not accepted it within a period specified by the Ministerial Conference in each case shall be free to withdraw from the WTO or to remain a member with the consent of the Ministerial Conference.

- 4 Amendments to provisions of this Agreement or of the Multilateral Trade Agreements in Annexes 1A and 1C, other than those listed in paras 2 and 6, of a nature that would not alter the rights and obligations of the members, shall take effect for all members upon acceptance by two-thirds of the members.
- 5 Except as provided in para 2 above, amendments to Parts I, II and III of GATS and the respective annexes shall take effect for the members that have accepted them upon acceptance by two-thirds of the members and thereafter for each member upon acceptance by it. The Ministerial Conference may decide by a three-fourths majority of the members that any amendment made effective under the preceding provision is of such a nature that any member which has not accepted it within a period specified by the Ministerial Conference in each case shall be free to withdraw from the WTO or to remain a member with the consent of the Ministerial Conference. Amendments to Parts IV, V and VI of GATS and the respective annexes shall take effect for all members upon acceptance by two-thirds of the members.
- 6 Notwithstanding the other provisions of this Article, amendments to the Agreement on TRIPS meeting the requirements of para 2 of Article 71 thereof may be adopted by the Ministerial Conference without further formal acceptance process.
- 7 Any member accepting an amendment to this Agreement or to a Multilateral Trade Agreement in Annex 1 shall deposit an instrument of acceptance with the Director General of the WTO within the period of acceptance specified by the Ministerial Conference.
- 8 Any member of the WTO may initiate a proposal to amend the provisions of the Multilateral Trade Agreements in Annexes 2 and 3 by submitting such proposal to the Ministerial Conference. The decision to approve amendments to the Multilateral Trade Agreement in Annex 2 shall be made by consensus and these amendments shall take effect for all members upon approval by the Ministerial Conference. Decisions to approve amendments to the Multilateral Trade Agreement in Annex 3 shall take effect for all members upon approval by the Ministerial Conference.
- 9 The Ministerial Conference, upon the request of the members parties to a trade agreement, may decide exclusively by consensus to add that agreement to Annex 4. The Ministerial Conference, upon the request of the members parties to a Plurilateral Trade Agreement, may decide to delete that Agreement from Annex 4.
- 10 Amendments to a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.

# Article XI Original membership

- 1 The contracting parties to GATT 1947 as of the date of entry into force of this Agreement, and the European Communities, which accept this Agreement and the Multilateral Trade Agreements and for which Schedules of Concessions and Commitments are annexed to GATT 1994 and for which Schedules of Specific Commitments are annexed to GATS shall become original members of the WTO.
- 2 The least-developed countries recognised as such by the United Nations will only be required to undertake commitments and concessions to the extent

consistent with their individual development, financial and trade needs or their administrative and institutional capabilities.

#### Article XII Accession

- Any state or separate customs territory possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for in this Agreement and the Multilateral Trade Agreements may accede to this Agreement, on terms to be agreed between it and the WTO. Such accession shall apply to this Agreement and the Multilateral Trade Agreements annexed thereto.
- 2 Decisions on accession shall be taken by the Ministerial Conference. The Ministerial Conference shall approve the agreement on the terms of accession by a two-thirds majority of the members of the WTO.
- 3 Accession to a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.

# Article XIII Non-application of Multilateral Trade Agreements between particular members

- 1 This Agreement and the Multilateral Trade Agreements in Annexes 1 and 2 shall not apply as between any member and any other member if either of the members, at the time either becomes a member, does not consent to such application.
- 2 Paragraph 1 may be invoked between original members of the WTO which were contracting parties to GATT 1947 only where Article XXXV of that Agreement had been invoked earlier and was effective as between those contracting parties at the time of entry into force for them of this Agreement.
- 3 Paragraph 1 shall apply between a member and another member which has acceded under Article XII only if the member not consenting to the application has so notified the Ministerial Conference before the approval of the agreement on the terms of accession by the Ministerial Conference.
- 4 The Ministerial Conference may review the operation of this Article in particular cases at the request of any member and make appropriate recommendations.
- 5 Non-application of a Plurilateral Trade Agreement between parties to that Agreement shall be governed by the provisions of that Agreement.

#### Article XIV Acceptance, entry into force and deposit

- This Agreement shall be open for acceptance, by signature or otherwise, by contracting parties to GATT 1947, and the European Communities, which are eligible to become original members of the WTO in accordance with Article XI of this Agreement. Such acceptance shall apply to this Agreement and the Multilateral Trade Agreements annexed hereto. This Agreement and the Multilateral Trade Agreements annexed hereto shall enter into force on the date determined by Ministers in accordance with para 3 of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations and shall remain open for acceptance for a period of two years following that date unless the Ministers decide otherwise. An acceptance following the entry into force of this Agreement shall enter into force on the 30th day following the date of such acceptance.
- 2 A member which accepts this Agreement after its entry into force shall implement those concessions and obligations in the Multilateral Trade Agreements that are to be implemented over a period of time starting with the entry into force of this Agreement as if it had accepted this Agreement on the date of its entry into force.

- 3 Until the entry into force of this Agreement, the text of this Agreement and the Multilateral Trade Agreements shall be deposited with the Director General to the Contracting Parties to GATT 1947. The Director General shall promptly furnish a certified true copy of this Agreement and the Multilateral Trade Agreements, and a notification of each acceptance thereof, to each government and the European Communities having accepted this Agreement. This Agreement and the Multilateral Trade Agreements, and any amendments thereto, shall, upon the entry into force of this Agreement, be deposited with the Director General of the WTO.
- 4 The acceptance and entry into force of a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement. Such Agreements shall be deposited with the Director General to the Contracting Parties to GATT 1947. Upon the entry into force of this Agreement, such Agreements shall be deposited with the Director General of the WTO.

#### Article XV Withdrawal

- 1 Any member may withdraw from this Agreement. Such withdrawal shall apply both to this Agreement and the Multilateral Trade Agreements and shall take effect upon the expiration of six months from the date on which written notice of withdrawal is received by the Director General of the WTO.
- 2 Withdrawal from a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.

# Article XVI Miscellaneous provisions

- 1 Except as otherwise provided under this Agreement or the Multilateral Trade Agreements, the WTO shall be guided by the decisions, procedures and customary practices followed by the Contracting Parties to GATT 1947 and the bodies established in the framework of GATT 1947.
- 2 To the extent practicable, the Secretariat of GATT 1947 shall become the Secretariat of the WTO, and the Director General to the Contracting Parties to GATT 1947, until such time as the Ministerial Conference has appointed a Director General in accordance with para 2 of Article VI of this Agreement, shall serve as Director General of the WTO.
- 3 In the event of a conflict between a provision of this Agreement and a provision of any of the Multilateral Trade Agreements, the provision of this Agreement shall prevail to the extent of the conflict.
- 4 Each member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the annexed Agreements.
- 5 No reservations may be made in respect of any provision of this Agreement. Reservations in respect of any of the provisions of the Multilateral Trade Agreements may only be made to the extent provided for in those Agreements. Reservations in respect of a provision of a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.
- 6 This Agreement shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

DONE at Marrakesh this fifteenth day of April one thousand nine hundred and ninety-four, in a single copy, in the English, French and Spanish languages, each text being authentic.

# SINGAPORE MINISTERIAL DECLARATION

Adopted on 13 December 1996.

We, the Ministers, have met in Singapore from 9 to 13 December 1996 for the first regular biennial meeting of the WTO at Ministerial level, as called for in Article IV of the Agreement Establishing the World Trade Organisation, to further strengthen the WTO as a forum for negotiation, the continuing liberalisation of trade within a rule-based system, and the multilateral review and assessment of trade policies, and in particular to:

assess the implementation of our commitments under the WTO Agreements and decisions;

review the ongoing negotiations and work programme;

examine developments in world trade; and

address the challenges of an evolving world economy.

Trade and economic growth

2 For nearly 50 years members have sought to fulfil, first in the GATT and now in the WTO, the objectives reflected in the preamble to the WTO Agreement of conducting our trade relations with a view to raising standards of living worldwide. The rise in global trade facilitated by trade liberalisation within the rules-based system has created more and better-paid jobs in many countries. The achievements of the WTO during its first two years bear witness to our desire to work together to make the most of the possibilities that the multilateral system provides to promote sustainable growth and development while contributing to a more stable and secure climate in international relations.

Integration of economies; opportunities and challenges

3 We believe that the scope and pace of change in the international economy, including the growth in trade in services and direct investment, and the increasing integration of economies offer unprecedented opportunities for improved growth, job creation, and development. These developments require adjustment by economies and societies. They also pose challenges to the trading system. We commit ourselves to address these challenges.

Core labour standards

We renew our commitment to the observance of internationally recognised core labour standards. The International Labour Organisation (ILO) is the competent body to set and deal with these standards, and we affirm our support for its work in promoting them. We believe that economic growth and development fostered by increased trade and further trade liberalisation contribute to the promotion of these standards. We reject the use of labour standards for protectionist purposes, and agree that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question. In this regard, we note that the WTO and ILO Secretariats will continue their existing collaboration.

Marginalisation

5 We commit ourselves to address the problem of marginalisation for least-developed countries, and the risk of it for certain developing countries. We will also continue to work for greater coherence in international economic policy-making and for improved co-ordination between the WTO and other agencies in providing technical assistance.

# Role of WTO

6 In pursuit of the goal of sustainable growth and development for the common good, we envisage a world where trade flows freely. To this end we renew our commitment to:

a fair, equitable and more open rule-based system;

progressive liberalisation and elimination of tariff and non-tariff barriers to trade in goods;

progressive liberalisation of trade in services;

rejection of all forms of protectionism;

elimination of discriminatory treatment in international trade relations;

integration of developing and least-developed countries and economies in transition into the multilateral system; and

the maximum possible level of transparency.

# Regional agreements

We note that trade relations of WTO members are being increasingly influenced by regional trade agreements, which have expanded vastly in number, scope and coverage. Such initiatives can promote further liberalisation and may assist least-developed, developing and transition economies in integrating into the international trading system. In this context, we note the importance of existing regional arrangements involving developing and leastdeveloped countries. The expansion and extent of regional trade agreements make it important to analyse whether the system of WTO rights and obligations as it relates to regional trade agreements needs to be further clarified. We reaffirm the primacy of the multilateral trading system, which includes a framework for the development of regional trade agreements, and we renew our commitment to ensure that regional trade agreements are complementary to it and consistent with its rules. In this regard, we welcome the establishment and endorse the work of the new Committee on Regional Trade Agreements. We shall continue to work through progressive liberalisation in the WTO as we are committed in the WTO Agreement and Decisions adopted at Marrakesh, and in so doing facilitate mutually supportive processes of global and regional trade liberalisation.

#### Accessions

8 It is important that the 28 applicants now negotiating accession contribute to completing the accession process by accepting the WTO rules and by offering meaningful market access commitments. We will work to bring these applicants expeditiously into the WTO system.

#### Dispute settlement

9 The Dispute Settlement Understanding (DSU) offers a means for the settlement of disputes among members that is unique in international agreements. We consider its impartial and transparent operation to be of fundamental importance in assuring the resolution of trade disputes, and in fostering the implementation and application of the WTO agreements. The Understanding, with its predictable procedures, including the possibility of appeal of panel decisions to an Appellate Body and provisions on implementation of recommendations, has improved members' means of resolving their differences. We believe that the DSU has worked effectively during its first two years. We also note the role that several WTO bodies have played in helping to avoid disputes. We renew our determination to abide by the

rules and procedures of the DSU and other WTO agreements in the conduct of our trade relations and the settlement of disputes. We are confident that longer experience with the DSU, including the implementation of panel and appellate recommendations, will further enhance the effectiveness and credibility of the dispute settlement system.

# **Implementation**

10 We attach high priority to full and effective implementation of the WTO Agreement in a manner consistent with the goal of trade liberalisation. Implementation thus far has been generally satisfactory, although some members have expressed dissatisfaction with certain aspects. It is clear that further effort in this area is required, as indicated by the relevant WTO bodies in their reports. Implementation of the specific commitments scheduled by members with respect to market access in industrial goods and trade in services appears to be proceeding smoothly. With respect to industrial market access, monitoring of implementation would be enhanced by the timely availability of trade and tariff data. Progress has been made also in advancing the WTO reform programme in agriculture, including in implementation of agreed market access concessions and domestic subsidy and export subsidy commitments.

# Notifications and legislation

- 11 Compliance with notification requirements has not been fully satisfactory. Because the WTO system relies on mutual monitoring as a means to assess implementation, those members which have not submitted notifications in a timely manner, or whose notifications are not complete, should renew their efforts. At the same time, the relevant bodies should take appropriate steps to promote full compliance while considering practical proposals for simplifying the notification process.
- 12 Where legislation is needed to implement WTO rules, members are mindful of their obligations to complete their domestic legislative process without further delay. Those members entitled to transition periods are urged to take steps as they deem necessary to ensure timely implementation of obligations as they come into effect. Each member should carefully review all its existing or proposed legislation, programmes and measures to ensure their full compatibility with the WTO obligations, and should carefully consider points made during review in the relevant WTO bodies regarding the WTO consistency of legislation, programmes and measures, and make appropriate changes where necessary.

# Developing countries

13 The integration of developing countries in the multilateral trading system is important for their economic development and for global trade expansion. In this connection, we recall that the WTO Agreement embodies provisions conferring differential and more favourable treatment for developing countries, including special attention to the particular situation of least-developed countries. We acknowledge the fact that developing country members have undertaken significant new commitments, both substantive and procedural, and we recognise the range and complexity of the efforts that they are making to comply with them. In order to assist them in these efforts, including those with respect to notification and legislative requirements, we will improve the availability of technical assistance under the agreed guidelines. We have also agreed to recommendations relative to the decision we took at Marrakesh concerning the possible negative effects of the agricultural reform programme on least-developed and net food-importing developing countries.