

Brussels, 26 November 1993

Background paper for Chairman

(Not for circulation)

There are 11 Articles claimed for transitional arrangements by delegations. Articles 7(2), 7(5) and 23(3) have been endorsed by the Plenary for inclusion in the list under paragraph (1) of Article 36.

The remaining Articles (currently listed in footnote 36.1) will have to be discussed at the Plenary level. They can be divided into different groupings according to their nature (e.g.):

Key Articles

8, 13, 15, 16

Other Articles

3, 4, 10, 13TER, 24

Claimed by less than 3 countries4, 8, 13(1,3,4), 13TER, 15,
16(3), 24Claimed by more than 3 countries

3, 10, 13(2,5), 16(1,2)

The general debate should take into account the following:

Article 3 - "soft provision" - the same approach ought to be applied as in the case of Article 22, i.e. - non-applicability for transitional arrangements.

Article 4 - GATT reference approach. The substance of this Article eliminates it as a possibility for transitional arrangements. Only AZB and KAZ have claimed it.

Article 24 - Taxation Sub-Group recommends that this Article should not be eligible for transitional arrangements. Only KAZ (para 4(b)) and KYR (para (1)) have claimed for transitional arrangements.

Article 13 - The acceptance of the two stage Treaty must assume no RL-131
weakening of the first stage by applying additional
exceptions through transitional arrangements.

This leaves open only provisions under Articles 8, 10, 13TER, 15 and
16, the eligibility of which should be discussed only when those
Articles are finalised.

Candidates for withdrawal

3, 4, 13, 24

Requiring more consideration

8, 10, 13TER, 15, 16

Article 8 - paragraph 8(1) - pricing problem
paragraph 8(2) - soft law paragraph, no case for
transition
paragraph 8(3) - NT for transiting Energy Materials and
Products, undesirable for transition
paragraph 8(4) - establishing new capacity - legislation
could take time
paragraph 8(5) - no case for transition, but text not yet
finalised

Recommendation: Articles 8(2), 8(3) and 8(5) should not
be eligible for transitional
arrangements.

Article 10 - this Article will be redrafted, so that delegations will
need more time to consider their positions on claims for
transitional arrangements.

Article 13TER paragraphs of this Article have been moved here from
former Article 13. WG II Chairman suggested that only
paragraph (1) might be eligible for transitional
arrangements. Only HR claimed it.
Article is far from being finalised. More discussion in
Sub-Group needed.

Article 15 - transitional arrangements claimed only for paragraph (1)
by RUF, KAZ and ARM. More discussion in Sub-Group needed.
In principle this should not be eligible for transitional
arrangements.

Article 16 - Again more discussion in the Sub-Group. It is very sensitive in particular for RUF and some of the former Soviet Republics. There is consensus on Article 16(2) that it is eligible for transitional arrangements limited to members of the FSU. Most problematic is Article 16(1). Article 16(3) - only MOL claimed transitional arrangements, but might withdraw because this para has since been redrafted.

RL-131