

August 16, 2004
Approval: 8/23/04

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 04/51-1

10:00 a.m., May 28, 2004

1. Report by Acting Managing Director—WTO Meeting—Geneva

Length: 10 minutes

Executive Board Attendance

A. Krueger, Acting Chair

Executive Directors	Alternate Executive Directors
S. Al-Turki (SA)	A. Alazzaz (SA) C. O'Loughlin (CO) C. Harzer (GR), Temporary H. Jang (AU), Temporary
P. Duquesne (FF)	M. Jamaluddin (ST), Temporary J. Zubkova (NO), Temporary M. Lundsager (UA) J. Prader (BE) H. Torres (AG) M. Daïri (MD) I. Zakharchenkov (RU), Temporary
D. Ondo Mañe (AF)	L. Rutayisire (AF) R. Simán (CE), Temporary F. Manno (IT), Temporary R. Steiner (BR) V. Srinivas (IN), Temporary M. Brooke (UK) O. Kanaan (MI) B. Mamba (AE), Temporary
X. Wang (CC)	V. Yotzov (NE), Temporary M. Kitahara (JA)
F. Zurbrügg (SZ)	

A.S. Linde, Acting Secretary

J. Morco, Assistant

Also Present

External Relations Department: W. Murray. Office of the Managing Director: A. Mazerei. Policy Development and Review Department: M. Allen, Director, N. Calika, L. Ebrill, M. Hadjimichael, Y. Yang. Secretary's Department: P. Ramlogan, M. Yslas. Senior Advisors to Executive Directors: L. Duriez (FF), S. Rouai (MD), A. Tombini (BR). Advisors to Executive Directors: A. Al Nassar (SA), O. Cuny (FF), C. De Silva (BR), A. Dupont (BE), N. Epstein (UA), J. John (UA), K. Kpetigo (AF), J. Kwakye (MD), S. Naka (JA), T. Nguema-Affane (AF), M. Piatkowski (SZ), T. Sekine (JA), P. Williams (UK), Y. Wu (CC), W. Zheng (CC).

1. REPORT BY ACTING MANAGING DIRECTOR—WTO MEETING—GENEVA

The Acting Managing Director (Ms. Krueger) made the following report on her recent trip to the WTO in Geneva:

On May 18, I attended a meeting of the WTO General Council at the invitation of the Director-General, Dr. Supachai. The main purpose of my visit was to reiterate the Fund's support for the Doha Round negotiations, and to explain the new Trade Integration Mechanism (TIM) approved by the Board on April 2nd. I was given a warm reception by the members of the General Council. The meeting was very well attended at the ambassadorial level, in spite of there being a meeting of the World Health Organization ministers the same day.

My explanation of how the TIM would work was listened to closely, as evidenced by the nature of the questions that followed my prepared remarks. Several General Council members expressed strong support for what the Fund is trying to do. A small number of speakers doubted the benefits of the TIM. I sought to explain that the mechanism is designed primarily to reassure those countries that have concerns about the short-term impact of further trade liberalization. I also pointed out that, in the vast majority of cases, the impact of liberalization would be positive, even in the short term. I also emphasized that developing countries would be the main beneficiaries of a successful Doha outcome.

Later in the day, I met with a small group of WTO ambassadors in a more informal setting. This proved to be a useful question-and-answer type meeting. There was more opportunity to engage with some of those who had been more skeptical of the proposals in the morning, and some of those present helpfully sought to reinforce my message. I also met with Dr. Supachai and some of his senior officials. It was clear from the discussion that there is more optimism for achieving agreement than there had been for some time, but it was equally clear that much remains to be done.

In the evening, I spoke at the Graduate Institute of International Studies in Geneva. Both the text of my remarks there and the text of my address to the General Council have been posted on the Fund's internal and external websites.

APPROVAL: August 23, 2004

SHAILENDRA J. ANJARIA
Secretary