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## **THAILAND – CUSTOMS AND FISCAL MEASURES ON CIGARETTES FROM THE PHILIPPINES**

### **REPORT OF THE FACILITATOR PURSUANT TO PARAGRAPH 5 OF THE "UNDERSTANDING BETWEEN THE PHILIPPINES AND THAILAND TO PURSUE FACILITATOR-ASSISTED DISCUSSIONS AIMED AT PROGRESSING AND RESOLVING OUTSTANDING ISSUES IN REGARD TO DS371"**

The following communication, dated 31 March 2021, from the Facilitator to the Chairperson of the Dispute Settlement Body (DSB), is circulated at the request of the Facilitator.

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In accordance with paragraph 5 of the 18 December 2020 Understanding between the Philippines and Thailand on the DS371 Facilitator-Assisted discussions (WT/DS371/44), I am required to report back to the DSB on 31 March 2021. I am therefore pleased to provide this report to the DSB, through you, in this communication.

I wish to report that I have met together with the DS371 parties on six separate occasions since being appointed as Facilitator in December 2020. It is not my intention to report on the detail of the consultations, which remain confidential. I am, however, pleased to report that I consider that the consultations have been valuable in providing the parties with an opportunity to present their respective views on ways and means of resolving outstanding issues, including on "both procedural, and/or substantive approaches, including a potential comprehensive settlement" as envisaged in paragraph 2 of the 18 December 2020 Understanding.

Promoting greater transparency and predictability in relation to issues under discussion remain important goals which I believe the dialogue between the parties can usefully promote. In this regard, the parties are actively engaging with me in discussions, and I have also been encouraging direct engagement between the parties' officials in capitals. I am also planning to participate in a virtual meeting with customs officials and representatives of the parties on 7 April with a view to advancing co-operation on certain issues. I am hopeful that these mutually supportive processes will progressively lead to the parties building up elements of agreement.

As envisaged in paragraph 5 of the Understanding, taking into account the current state of play, and having consulted with the parties, I am recommending the continuation of the current process up to 31 July 2021. On that basis, I would propose to deliver a further report to the DSB before that date.

I look forward to the DS371 parties ongoing co-operation in progressing our discussions on outstanding issues.

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