

Committee on Rules of Origin

THIRD ANNUAL REVIEW OF THE IMPLEMENTATION AND
OPERATION OF THE AGREEMENT ON RULES OF ORIGIN

Article 6:1 of the Agreement on Rules of Origin provides that "the Committee shall review annually the implementation and operation of Part II and Part III of this Agreement having regard to its objectives". The main objectives of the Agreement are those listed in the preambular paragraphs.

At its meeting from 10 to 21 November 1997, the Committee conducted its third annual review on the basis of document G/RO/W/24. The present revised version of that document takes into account the points made during that review.

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1. Members and Observer status(a) WTO Members (132)

Angola	Germany	Niger
Antigua and Barbuda	Ghana	Nigeria
Argentina	Greece	Norway
Australia	Grenada	Pakistan
Austria	Guatemala	Panama
Bahrain	Guinea Bissau	Papua New Guinea
Bangladesh	Guinea, Rep. of	Paraguay
Barbados	Guyana	Peru
Belgium	Haiti	Philippines
Belize	Honduras	Poland
Benin	Hong Kong, China	Portugal
Bolivia	Hungary	Qatar
Botswana	Iceland	Romania
Brazil	India	Rwanda
Brunei Darussalam	Indonesia	Saint Kitts and Nevis
Bulgaria	Ireland	Saint Lucia
Burkina Faso	Israel	Saint Vincent & Gren.
Burundi	Italy	Senegal
Cameroon	Jamaica	Sierra Leone
Canada	Japan	Singapore
Central African Republic	Kenya	Slovak Republic
Chad	Korea	Slovenia
Chile	Kuwait	Solomon Islands
Colombia	Lesotho	South Africa
Congo	Liechtenstein	Spain
Congo, Democratic Republic of the	Luxembourg	Sri Lanka
Costa Rica	Macau	Suriname
Côte d'Ivoire	Madagascar	Swaziland
Cuba	Malawi	Sweden
Cyprus	Malaysia	Switzerland
Czech Republic	Maldives	Tanzania
Denmark	Mali	Thailand
Djibouti	Malta	Togo
Dominica	Mauritania	Trinidad and Tobago
Dominican Republic	Mauritius	Tunisia
EC	Mexico	Turkey
Ecuador	Mongolia	Uganda
Egypt	Morocco	United Arab Emirates
El Salvador	Mozambique	United Kingdom
Fiji	Myanmar	United States
Finland	Namibia	Uruguay
France	Netherlands	Venezuela
Gabon	New Zealand	Zambia
Gambia	Nicaragua	Zimbabwe

(b) Observer Governments (30)

Albania	Georgia	Russian Federation
Algeria	Holy See	Saudi Arabia
Armenia	Jordan	Seychelles
Azerbaijan	Kazakhstan	Sudan
Belarus	Kyrgyz Rep.	Taipei, Chinese
Cambodia	Latvia	Tonga
China	Lithuania	Ukraine
Croatia	Moldova	Uzbekistan
Estonia	Nepal	Vanuatu
Former Yugoslav Rep. of Macedonia	Oman	Viet Nam

(c) Observer International Organizations (9)¹

ACP
EFTA
IADB
IMF
ITCB
OECD
UNCTAD
WCO
World Bank

2. Officers of the Committee on Rules of Origin

Chairperson: Ms. L. Berrig (Philippines)
Vice-Chairman: Mr. A. Gaarder (Norway)

3. Meetings of the Committee on Rules of Origin

During the reporting period, the Committee on Rules of Origin (the Committee) has held four formal meetings on 6 February, 15 May, 3 October and 10-21 November 1997. The minutes of these meetings are contained in documents G/RO/M/9, G/RO/M/10, G/RO/M/11 and G/RO/M/12 respectively.

4. Harmonization of Rules of Origin

4.1 The Technical Committee on Rules of Origin (the Technical Committee) submitted to the Committee, on 27 September 1996, the fifth Report (G/RO/9), on 17 January 1997, the Sixth Report (G/RO/11), on 18 April 1997, the Seventh Report (G/RO/15), on 18 July 1997, the Eighth Report (G/RO/18), and on 20 October 1997, the Ninth Report (G/RO/19).

4.2 At the meeting on 6 February 1997 (G/RO/M/9), the Committee:

- as concerns the issue of products taken from the sea outside a country, elaborated two alternative texts;

¹These organizations have official observer status following agreement in the Committee (G/RO/M/9) and agreements between the World Bank and the IMF with the WTO (WT/L/195).

- as concerns the Fifth and Sixth Report of the Technical Committee to the Committee noted the continuation of work on the elaboration of the general rules and the product-specific rules under Phase II of the Harmonization Work Programme, as well as the fact that certain supplementary criteria originally foreseen to be examined under Phase III were also being discussed;
- requested that Technical Committee to revisit the meaning of the term "obtained" when used together with the word "produced" in the context of definition 1(i) of Wholly Obtained Goods with a view to achieving greater precision and clarity;
- welcomed the proposal by the Chairman of the Technical Committee to forward to the Committee draft product-specific rules where the technical possibilities had been exhausted and a solution needed to be found at a policy level;
- noted the updated Integrated Negotiating Text for the Harmonization Work Programme (INT), contained in document G/RO/W/13/Rev.2;
- considered a proposal by the United States pursuant to Article 9.3(a) of the Agreement on Rules of Origin (the Agreement) as a starting point for Phase II of the Harmonization Work Programme. According to the proposal, substantial transformation was deemed to have taken place when assembly or other processing operations resulted in a change from the HS nomenclature category providing for "parts" to a tariff category providing for the "goods". The Committee did not reach a consensus on the proposal and decided to convey its view on the proposal to the Technical Committee for further consideration in the context of Phase II of the Work Programme.

4.3 At the meeting on 15 May 1997(G/RO/M10), the Committee:

- welcomed the adoption of the Management Plan for 1997 by the Technical Committee aimed at ensuring the timely completion of the technical work;
- noted the further updated INT, contained in document G/RO/W/13/Rev.3, and agreed that for the future, only additions to the INT would be circulated.

4.4 At the meeting on 3 October 1997(G/RO/M/11), the Committee:

- noted that the Technical Committee had completed its first examination of all the HS Chapters from 1 to 97;
- endorsed the product-specific rules of goods for Chapters 25-27, 41, 43 and 91 which had been referred to the Committee as Basket 1 decisions from the Technical Committee, keeping in mind, however, that in accordance with Article 9.3 (b) of the Agreement, the Committee should finally consider the results of the Harmonization Work Programme in terms of their overall coherence (see G/RO/W/22);
- reached consensus on the origin criterion of 4302.30 as "CTSH";
- agreed to delete Option B in Issues for Decision No. 3, 4, 5 and 6 in regard to Chapters 25-27 and to put square brackets on Option A with a view to possibly removing these square brackets at the next meeting of the Committee;

- agreed to continue its examination on remaining Issues for Decision concerning Chapters 25-27, 41-43 and 91, transmitted to the Committee from the Technical Committee;
- noted the further updated INT, contained in document G/RO/W/13/Rev.3/Add.1.

4.5 At the meeting from 10- 21 November 1997, (G/RO/M/12), the Committee:

- reached consensus on the origin criteria of split headings ex 2530(b) as "CTH", split headings ex2601(a) to ex2617(a) as "CTHS", subheadings 2701.20, and 2708.20 as "CTSH", subheadings 4102.21 and 4102.29 as "CTH", headings 4201, 4204, 4205 and 4206 as "CTH".
- agreed to continue its examination on remaining Issues for Decision concerning Chapters 25-32, 41-58, 65-73, 91 and 92.
- noted the further updated INT, contained in document G/RO/W/13/Rev.3/Add.2.

5. Notifications of rules of origin

(i) Non-preferential rules of origin

5.1 Notifications relating to non-preferential rules of origin under Articles 5.1 and 5.2 of the Agreement have been received from 56 Members of which 24 Members notified that they do not have non-preferential rules of origin. Sixty-one Members have not notified (see Annex).

(ii) Preferential rules of origin

5.2 Notifications relating to preferential rules of origin under paragraph 4 of Annex II to the Agreement have been received from 58 Members, of which one Member notified that it does not have preferential rules of origin. Fifty-nine Members have not yet notified their preferential rules of origin (see Annex).

6. Annual Report to the Council for Trade in Goods

The Committee adopted its report to the Council for Trade in Goods (G/RO/W/21) at its meeting from 10 to 21 November 1996.

ANNEX1. Members that have notified Non-Preferential Rules of Origin

Argentina (G/RO/N/2, 10 & 16)	Israel (G/RO/N/13)	Romania (G/RO/N/1)
Australia (G/RO/N/1)	Japan (G/RO/N/1)	Senegal (G/RO/N/10)
Brazil (G/RO/N/14)	Korea (G/RO/N/1)	Slovak Republic (G/RO/N/1)
Bulgaria (G/RO/N/17)	Madagascar (G/RO/N/11)	Slovenia (G/RO/N/5 & 7)
Canada (G/RO/N/1)	Malta (G/RO/N/4)	South Africa (G/RO/N/3)
Colombia (G/RO/N/1)	Mexico (G/RO/N/12)	Switzerland (G/RO/N/4)
Cuba (G/RO/N/3)	Morocco (G/RO/N/2)	Tunisia (G/RO/N/7)
Czech Rep. (G/RO/N/2)	New Zealand (G/RO/N/1)	Turkey (G/RO/N/8)
EC (G/RO/N/1)	Norway (G/RO/N/8)	US (G/RO/N/1 & 6)
Hong Kong, China (G/RO/N/1)	Peru (G/RO/N/4 & 5)	Venezuela (G/RO/N/1 & 10)
Hungary (G/RO/N/2)	Poland (G/RO/N/8)	

2. Members that have notified that they do not have Non-Preferential Rules of Origin

Bolivia (G/RO/N/9)	Iceland (G/RO/N/5)	Pakistan (G/RO/N/16)
Brunei Darussalam (G/RO/N/5)	India (G/RO/N/1)	Philippines (G/RO/N/6)
Chile (G/RO/N/6)	Indonesia (G/RO/N/16)	Singapore (G/RO/N/3)
Costa Rica (G/RO/N/1)	Jamaica (G/RO/N/4)	Thailand (G/RO/N/1)
Dominican Rep. (G/RO/N/9)	Kenya (G/RO/N/9)	Trinidad & Tob. (G/RO/N/7)
El Salvador (G/RO/N/10)	Malaysia (G/RO/N/6)	Uganda (G/RO/N/12)
Fiji (G/RO/N/17)	Mauritius (G/RO/N/1)	United Arab Emirates (G/RO/N/17)
Honduras (G/RO/N/3)	Nicaragua (G/RO/N/10)	Uruguay (G/RO/N/12)

3. Members that have not notified Non-Preferential Rules of Origin

Angola	Gabon	Namibia
Antigua and Barbuda	Gambia	Niger
Bahrain	Ghana	Nigeria
Bangladesh	Grenada	Panama
Barbados	Guatemala	Papua New Guinea
Belize	Guinea Bissau	Paraguay
Benin	Guinea, Rep. of	Qatar
Botswana	Guyana	Rwanda
Burkina Faso	Haiti	Saint Kitts and Nevis
Burundi	Kuwait	Saint Lucia
Cameroon	Lesotho	Saint Vincent and Grenadines
Central African Republic	Liechtenstein	Sierra Leone
Chad	Macau	Solomon Islands
Congo	Malawi	Sri Lanka
Côte d'Ivoire	Maldives	Suriname
Cyprus	Mali	Swaziland
D.R. of Congo	Mauritania	Tanzania
Djibouti	Mongolia	Togo
Dominica	Mozambique	Zambia
Ecuador	Myanmar	Zimbabwe
Egypt		

4. Members that have notified Preferential Rules of Origin

Argentina (G/RO/N/16)	Iceland (G/RO/N/15)	Peru (G/RO/N/1)
Australia (G/RO/N/1)	India (G/RO/N/1)	Philippines (G/RO/N/4)
Bolivia (G/RO/N/1)	Indonesia (G/RO/N/4)	Poland (G/RO/N/8)
Brazil (G/RO/N/12)	Israel (G/RO/N/13)	Romania (G/RO/N/14)
Brunei Darussalam(G/RO/N/4)	Jamaica (G/RO/N/4)	Senegal (G/RO/N/10)
Bulgaria (G/RO/N/15)	Japan (G/RO/N/6)	Singapore (G/RO/N/3 & 4)
Canada (G/RO/N/1, 6 & 8)	Kenya (G/RO/N/9)	Slovak Republic (G/RO/N/1)
Chile (G/RO/N/6)	Korea (G/RO/N/7)	Slovenia (G/RO/N/5 & 7)
Colombia (G/RO/N/1)	Madagascar (G/RO/N/11)	Switzerland (G/RO/N/6)
Côte d'Ivoire (G/RO/N/11)	Malaysia (G/RO/N/4)	Thailand (G/RO/N/1 & 4)
Cuba (G/RO/N/3)	Malta (G/RO/N/4)	Trinidad & Tob. (G/RO/N/7)
Czech Rep. (G/RO/N/2)	Mauritius (G/RO/N/1)	Tunisia (G/RO/N/7)
Dominican Rep. (G/RO/N/5)	Mexico (G/RO/N/12)	Turkey (G/RO/N/8)
EC (G/RO/N/1)	Morocco (G/RO/N/2)	Uganda (G/RO/N/12)
Ecuador (G/RO/N/12)	New Zealand (G/RO/N/1)	United Arab Emirates (G/RO/N/17)
El Salvador (G/RO/N/10 & 11)	Nicaragua (G/RO/N/10)	US (G/RO/N/1 & 6)
Fiji (G/RO/N/17)	Norway (G/RO/N/8)	Uruguay (G/RO/N/5)
Honduras (G/RO/N/3 & 10)	Pakistan (G/RO/N/16)	Venezuela (G/RO/N/1)
Hungary (G/RO/N/2)	Paraguay (G/RO/N/12)	Zambia (G/RO/N/15)

5. Member that has notified that it does not have Preferential Rules of Origin

Hong Kong, China (G/RO/N/1).

6. Members that have not notified Preferential Rules of Origin

Angola	Gabon	Namibia
Antigua & Barbuda	Gambia	Niger
Bahrain	Ghana	Nigeria
Bangladesh	Grenada	Panama
Barbados	Guatemala	Papua New Guinea
Belize	Guinea Bissau	Qatar
Benin	Guinea, Rep. of	Rwanda
Botswana	Guyana	St. Kitts & Nevis
Burkina Faso	Haiti	Saint Lucia
Burundi	Kuwait	Saint Vincent & Grenadines
Cameroon	Lesotho	Sierra Leone
Cen. African Rep.	Liechtenstein	Solomon Islands
Chad	Macau	South Africa
Congo	Malawi	Sri Lanka
Costa Rica	Maldives	Suriname
Cyprus	Mali	Swaziland
D.R. of Congo	Mauritania	Tanzania
Djibouti	Mongolia	Togo
Dominica	Mozambique	Zimbabwe
Egypt	Myanmar	
