

# **WORLD TRADE ORGANIZATION**

**G/RO/47**  
20 December 2000

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## **Committee on Rules of Origin**

### **SIXTH ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT ON RULES OF ORIGIN**

#### Note by the Secretariat

Article 6:1 of the Agreement on Rules of Origin (the Agreement) 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". At its meeting on 1 December 2000 the Committee on Rules of Origin conducted its sixth review of the implementation and operation of the Agreement.

The contents of this document are as follows:

<b>1.</b>	<b>Members and Observer status .....</b>	<b>3</b>
<b>2.</b>	<b>Officers of the Committee on Rules of Origin .....</b>	<b>4</b>
<b>3.</b>	<b>Meetings of the Committee on Rules of Origin .....</b>	<b>4</b>
<b>4.</b>	<b>Harmonization of Rules of Origin .....</b>	<b>4</b>
<b>5.</b>	<b>Notifications of Rules of Origin .....</b>	<b>7</b>
<b>6.</b>	<b>Annual Report to the Council for Trade in Goods .....</b>	<b>8</b>

## 1. Members and Observer status

### (a) WTO Members (139)

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

(b) Observer Governments (33)

Algeria	Lebanon
Andorra	Lithuania
Armenia	Moldova
Azerbaijan	Nepal
Bahamas	Russian Federation
Belarus	Samoa
Bhutan	Saudi Arabia
Bosnia and Herzegovina	Seychelles
Cambodia	Sudan
Cape Verde	Taipei, Chinese
China, Peoples Rep.	Tonga
Croatia	Ukraine
Ethiopia	Uzbekistan
Former Yugoslav Rep. of Macedonia	Vanuatu
Holy See	Viet Nam
Kazakhstan	Yemen
Laos, P.D.R. of	

(c) Observer International Organizations (9)<sup>1</sup>

ACP  
EFTA  
IADB  
IMF  
ITCB  
OECD  
UNCTAD  
WCO  
World Bank

**2. Officers of the Committee on Rules of Origin**

Chairman: Mr. Sándor Simon (Hungary)  
Vice-Chairman: Mr. Ho Young Ahn (Korea)

**3. Meetings of the Committee on Rules of Origin**

During the reporting period, the Committee on Rules of Origin (CRO) has held eight formal meetings on 28 January, 18 February, 14 April, 23 June, 18 July, 29 September, 3 November and 1 December 2000. The minutes of these meetings are contained in documents G/RO/M/27-34.

**4. Harmonization of Rules of Origin**

4.1 At the meeting on 28 January 2000, the CRO discussed the development of a management work programme for the Harmonization Work Programme (HWP). In particular, it discussed the

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<sup>1</sup> These 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).

problems Members had encountered and possible solutions to those problems in advancing its work, the format and structure of the work, the sequencing of issues to be addressed and a work schedule for future meetings.

Members agreed to a Notional Work Programme setting out a schedule of meetings and the sequence for addressing issues, in particular the product-specific rules. A number of Members indicated that the above discussion and related decisions were made with no prejudice to their positions in regard to the discussion on the issue of deadlines in the General Council (G/RO/M/27).

4.2 At the meeting on 18 February 2000, the CRO:

- discussed Appendix 2 of the overall architecture (G/RO/M/28, paragraph 1);
- discussed product-specific rules of origin for Chapters 25-27 (mineral products), 41-43 (leather), 71 (precious stones and metals), 72-73 (iron and steel) and 74-81 (non-ferrous metals) (G/RO/M/28, paragraph 2), and endorsed various proposals on harmonized rules of origin (G/RO/M/28, paragraph 3);
- discussed the deadline for completion of the work programme on harmonizing rules of origin (G/RO/M/28, paragraph 5); and
- discussed the implications of the implementation of the harmonized rules of origin on other WTO Agreements (G/RO/M/28, paragraph 4).

4.3 At its meeting on 14 April 2000, the CRO:

- discussed Appendix 2 of the harmonized rules of origin (G/RO/M/29, paragraph 1);
- discussed product-specific rules of origin for Chapters 82-83 (articles of metal), 84-85 and 90 (machinery), 86-89 (transportation equipment), 92-97 (musical instruments and other articles) (G/RO/M/29, paragraph 1);
- discussed the deadline for completion of the work programme on harmonizing rules of origin. The Chairman summarized the discussion as follows:

"There was a general recognition that while the CRO had developed good momentum under the work programme for 2000, which it had adopted in January 2000, a deadline would be a useful and important facilitator for completing the Harmonization Work Programme (HWP). However, a number of delegations stated that the deadline had to be realistic and that the results of the HWP should be a quality product. Delegations also discussed the question of credibility of the WTO in terms of (a) setting a deadline and (b) missing a deadline. One delegation proposed a particular date as a deadline, and several delegations supported that proposal. Other delegations were of the view that the proposed date was too tight and not likely to be achievable. While a number of delegations suggested that the July stocktaking meeting offered an opportunity to assess the state of progress, and to possibly set a deadline, some other delegations suggested that December might be a more appropriate time to consider the deadline. Various delegations also indicated that informal consultations on this matter should continue." (G/RO/M/29, paragraph 5); and

- discussed the implications of the implementation of the harmonized rules of origin on other WTO Agreements (G/RO/M/29, paragraph 4).

4.4 At its meeting on 23 June 2000, the CRO:

- discussed the overall architecture of harmonized rules of origin (G/RO/M/30, paragraph 1);
- discussed product-specific rules of origin for Chapters 1-24 (agricultural products and fish), 84-85 and 90 (machinery (G/RO/M/30, paragraphs 2 and 3);
- discussed the deadline for completion of the work programme on harmonizing rules of origin (G/RO/M/30, paragraph 5); and
- discussed the implications of the implementation of the harmonized rules of origin on other WTO Agreements (G/RO/M/30, paragraph 4).

4.5 At its meeting on 18 July 2000, the CRO:

- discussed in detail the status of negotiations on the overall architecture as well as on product-specific rules as follows (G/RO/M/31, paragraph 1):
  - as concerned the overall architecture, it was recognized that many complex technical questions had been clarified through extensive discussions over the past two years, while the main obstacle, Rule 2( c) and (f) of Appendix 2 remained unresolved. The willingness to achieve compromise appeared to be re-instituted;
  - as concerned product-specific rules, it was noted that to date the CRO had resolved only about 20 out of 481 outstanding issues transferred from the Technical Committee for decision. Although the number of resolved issues did not appear impressive, it was recognized that Members had developed a better understanding of issues through detailed technical discussions and a number of options had been narrowed down;
  - Members agreed that in order to maintain momentum, the future work programme should be scheduled in a more focused manner, to the effect that the CRO could consecutively take up the same issue without a lengthy time lapse; and
- discussed the deadline for completion of the work programme on harmonizing rules of origin (G/RO/M/31, paragraph 4).

4.6 At its meeting on 29 September 2000, the CRO:

- discussed the overall architecture of the harmonized rules of origin (G/RO/M/32, paragraph 1);
- discussed product-specific rules of origin of chapters 50-63 (textile products) and 64-67 (footwear and headgear). The CRO endorsed various proposals on harmonized rules of origin (G/RO/M/32, paragraphs 2 and 3);
- discussed the deadline for completion of the work programme on harmonizing rules of origin. The Chairman summarized the discussion on this issue as follows:

"There is a growing view that the CRO should set as the new deadline the Fourth Session of the Ministerial Conference or at the latest the end of 2001. Some delegations, while not objecting to setting a deadline *per se* doubted whether, given the fact that a higher WTO body

was discussing this issue, the CRO would be an appropriate body for decision on this issue. The Chairman will continue his consultations with Members" (G/RO/M/32, paragraph 5); and

- discussed the implications of the implementation of the harmonized rules of origin on other WTO Agreements (G/RO/M/32, paragraph 4).

4.7 At its meeting on 3 November 2000, the CRO discussed the deadline for completion of the work programme on harmonizing rules of origin. It took note of the communication of the Chairman of the General Council to the Chairman of the CRO regarding discussions on implementation in the General Council Special Session of 18 October 2000 relating to rules of origin issues. The communication mentioned that the following elements had emerged which might form a basis on which to deal with this issue:

- first, to consider as the new deadline the Fourth Session of the Ministerial Conference, or at the latest the end of 2001, as has been suggested by the Chairman of the Committee;
- second, to urge Members to exercise the political will necessary to expedite the remaining work on harmonizing non-preferential rules of origin; and
- third, to request the Chairman of the Committee to report to the General Council, on his own responsibility, on the progress of work in the Committee; the first such report would be submitted to the Council at its first regular meeting next year, and subsequently at each regular meeting until the completion of the work programme.

The CRO agreed that informal consultations on this matter would continue, and to revert to this issue at the December meeting (G/RO/M/33, paragraph 2).

4.8 At its meeting on 1 December 2000, the CRO:

- discussed the overall architecture of the harmonized rules of origin (G/RO/M/34, paragraph 1);
- discussed product-specific rules of origin of chapters 25-27 (mineral products), 41-43 (leather), 44-49 (wood and paper) and 92-97 (musical instruments and other articles) (G/RO/M/34, paragraph 2) as well as cross-sectoral issues (G/RO/M/34, paragraph 2);
- discussed the progress made in the HWP (G/RO/M/34, paragraph 3);
- discussed the deadline for completion of the work programme on harmonizing rules of origin (G/RO/M/34, paragraph 6); and
- discussed the implications of the implementation of the harmonized rules of origin on other WTO Agreements (G/RO/M/34, paragraph 5).

## **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 72 Members of which 38 Members notified that they do not have

non-preferential rules of origin. 52 Members have not yet notified their non-preferential rules of origin (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 75 Members, of which two Members notified that they do not have preferential rules of origin. 49 Members have not yet notified their preferential rules of origin (see Annex).

**6. Annual Report to the Council for Trade in Goods**

The CRO adopted its report to the CTG at its meeting on 3 November 2000 (G/L/413).



## ANNEX

### 1. Members that have notified Non-Preferential Rules of Origin (34)

Argentina (G/RO/N/2, 10 & 16)	Japan (G/RO/N/1)	Romania (G/RO/N/1)
Australia (G/RO/N/1)	Jordan (G/RO/N/30)	Senegal (G/RO/N/10)
Burkina Faso (G/RO/N/19)	Korea (G/RO/N/1)	Slovak Republic (G/RO/N/1)
Bulgaria (G/RO/N/17 & 27)	Latvia (G/RO/N/25)	Slovenia (G/RO/N/5, 7, 29 & 29/Rev.1)
Canada (G/RO/N/1)	Madagascar (G/RO/N/11)	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 & 28)
EC (G/RO/N/1)	Niger (G/RO/N/19)	US (G/RO/N/1 & 6)
Hong Kong, China (G/RO/N/1)	Norway (G/RO/N/8)	Venezuela The Bolivarian Republic of (G/RO/N/1 & 10)
Hungary (G/RO/N/2)	Peru (G/RO/N/4 & 5)	
Israel (G/RO/N/13)	Poland (G/RO/N/8)	
	Qatar (G/RO/N/25)	

### 2. Members that have notified that they do not have Non-Preferential Rules of Origin (38)

Bolivia (G/RO/N/9)	Haiti (G/RO/N/20)	Nicaragua (G/RO/N/10)
Brazil (G/RO/N/14)	Honduras (G/RO/N/3)	Pakistan (G/RO/N/16)
Brunei Darussalam (G/RO/N/5)	Iceland (G/RO/N/5)	Panama (G/RO/N/23)
Chad (G/RO/N/22)	India (G/RO/N/1)	Paraguay (G/RO/N/21)
Chile (G/RO/N/6)	Indonesia (G/RO/N/16)	Philippines (G/RO/N/6)
Costa Rica (G/RO/N/1)	Jamaica (G/RO/N/4)	Singapore (G/RO/N/3)
Cyprus (G/RO/N/19)	Kenya (G/RO/N/9)	Suriname (G/RO/N/24)
Dominica (G/RO/N/24)	Macau (G/RO/N/21)	Thailand (G/RO/N/1)
Dominican Rep. (G/RO/N/9)	Malaysia (G/RO/N/6)	Trinidad & Tob. (G/RO/N/7)
El Salvador (G/RO/N/10)	Maldives (G/RO/N/22)	Uganda (G/RO/N/12)
Fiji (G/RO/N/17)	Malta (G/RO/N/4)	United Arab Emirates (G/RO/N/17)
Guatemala (G/RO/N/21)	Mauritius (G/RO/N/1)	Uruguay (G/RO/N/12)
	Mongolia (G/RO/N/20)	
	Namibia (G/RO/N/26)	

### 3. Members that have not notified Non-Preferential Rules of Origin (52)

Albania	D.R. of Congo	Kyrgyz Rep.	Saint Vincent & Grenadines
Angola	Djibouti	Lesotho	Sierra Leone
Antigua & Barbuda	Ecuador	Liechtenstein	Solomon Islands
Bahrain	Egypt	Malawi	Sri Lanka
Bangladesh	Estonia	Mali	Swaziland
Barbados	Gabon	Mauritania	Tanzania
Belize	Gambia	Mozambique	Togo
Benin	Georgia	Myanmar	Zambia
Botswana	Ghana	Nigeria	Zimbabwe
Burundi	Grenada	Oman	
Cameroon	Guinea Bissau	Papua New Guinea	
Central African Rep.	Guinea, Rep. of	Rwanda	
Congo	Guyana	Saint Kitts & Nevis	
Côte d'Ivoire	Kuwait	Saint Lucia	

4. Members that have notified Preferential Rules of Origin (73)

Argentina (G/RO/N/16)	Honduras (G/RO/N/3 & 10)	Paraguay (G/RO/N/12)
Australia (G/RO/N/1)	Hungary (G/RO/N/2, 22 & 23)	Peru (G/RO/N/1)
Bolivia (G/RO/N/1, 22&23)	Iceland (G/RO/N/15, 22 & 23)	Philippines (G/RO/N/4)
Brazil (G/RO/N/12)	India (G/RO/N/1)	Poland (G/RO/N/8, 22 & 23)
Brunei Darussalam (G/RO/N/4)	Indonesia (G/RO/N/4)	Qatar (G/RO/N/25)
Bulgaria (G/RO/N/15, 22, 23 & 27)	Israel (G/RO/N/13)	Romania (G/RO/N/14, 22 & 23, 29 & 29/Rev.9)
Burkina Faso (G/RO/N/19)	Jamaica (G/RO/N/4)	Senegal (G/RO/N/10)
Canada (G/RO/N/1, 6 & 8)	Japan (G/RO/N/6)	Singapore (G/RO/N/3 & 4)
Chad (G/RO/N/22)	Jordan (G/RO/N/30)	Slovak Republic (G/RO/N/1, 22 & 23)
Chile (G/RO/N/6)	Kenya (G/RO/N/9)	Slovenia (G/RO/N/5, 7, 22 & 23)
Colombia (G/RO/N/1)	Korea (G/RO/N/7)	Suriname (G/RO/N/24)
Costa Rica (G/RO/N/20/Rev.1)	Latvia (G/RO/N/25)	Switzerland (G/RO/N/6, 22, 23, 29 & 30)
Côte d'Ivoire (G/RO/N/11)	Liechtenstein (G/RO/N/22)	Thailand (G/RO/N/1 & 4)
Cuba (G/RO/N/3)	Madagascar (G/RO/N/11)	Trinidad & Tob. (G/RO/N/7 & 24)
Cyprus (G/RO/N/19)	Malaysia (G/RO/N/4)	Tunisia (G/RO/N/7)
Czech Rep. (G/RO/N/2, 22 & 23)	Maldives (G/RO/N/22)	Turkey (G/RO/N/8 & 28)
Dominica (G/RO/N/24)	Malta (G/RO/N/4)	Uganda (G/RO/N/12)
Dominican Rep. (G/RO/N/5)	Mauritius (G/RO/N/1)	United Arab Emirates (G/RO/N/17)
EC (G/RO/N/1)	Mexico (G/RO/N/12)	US (G/RO/N/1, 6 & 18)
Ecuador (G/RO/N/12)	Mongolia (G/RO/N/20)	Uruguay (G/RO/N/5)
El Salvador (G/RO/N/10 & 11)	Morocco (G/RO/N/2)	Venezuela The Bolivarian Republic of (G/RO/N/1)
Fiji (G/RO/N/17)	Namibia (G/RO/N/26)	Zambia (G/RO/N/15)
Guatemala (G/RO/N/21)	New Zealand (G/RO/N/1)	
Haiti (G/RO/N/20)	Nicaragua (G/RO/N/10)	
	Niger (G/RO/N/19)	
	Norway (G/RO/N/8, 22 & 23)	
	Pakistan (G/RO/N/16)	
	Panama (G/RO/N/23)	

5. Members that have notified that they do not have Preferential Rules of Origin (2)

Hong Kong, China (G/RO/N/1).  
Macau (G/RO/N/21)

6. Members that have not notified Preferential Rules of Origin (49)

Albania	Gabon	Oman
Angola	Gambia	Papua New Guinea
Antigua & Barbuda	Georgia	Rwanda
Bahrain	Ghana	St. Kitts & Nevis
Bangladesh	Grenada	Saint Lucia
Barbados	Guinea Bissau	Saint Vincent & Grenadines
Belize	Guinea, Rep. of	Sierra Leone
Benin	Guyana	Solomon Islands
Botswana	Kyrgyz Rep.	South Africa
Burundi	Kuwait	Sri Lanka
Cameroon	Lesotho	Swaziland
Cent. African Rep.	Malawi	Tanzania
Congo	Mali	Togo
D.R. of Congo	Mauritania	Zimbabwe
Djibouti	Mozambique	
Egypt	Myanmar	
Estonia	Nigeria	

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