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RESTRICTED

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## Market Access Committee

### MINUTES OF THE MEETING OF 29 SEPTEMBER 1997

Chairman: Mr. Moha Ouali Tagma (Morocco)

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#### 1. Adoption of the agenda

1.1 The above agenda, which appeared in document WTO/AIR/617 of 13 June 1997, was adopted with the addition of items 7.1 to 7.4.

#### 2. Periodic Report of the Committee to the Council for Trade in Goods, including factual information on waivers expiring on 31 October 1997

2.1 The Chairman introduced document G/MA/SPEC/5, which contained a summary of the Committee's activities since the previous May as well as summary tables showing factual information submitted by delegations on current waivers. He recalled that these waivers fell into two groups: (1) those related to the introduction on 1 January 1996 of changes to the Harmonized System and (2) those concerning the renegotiation or the transposition into the Harmonized System of pre-Uruguay Round schedules of concessions; all these waivers were due to expire on 31 October 1997. With regard to the first group, a draft decision seeking a further extension had been circulated in document G/MA/W/14 of 23 September 1997. The Chairman noted that although several delegations had endeavoured to lift the reservations that they had made, 37 of the 39 Members covered by the

aforementioned waiver extension had submitted a detailed request for extension to the Secretariat, generally owing to the various objections raised by some delegations. He pointed out that the main changes in the text of the draft decision in relation to the preceding text had to do with reference dates and the list of Members concerned. In that regard he observed that two more countries had requested to be included under the waiver, thus bringing to 39 the total number of delegations covered by the new extension. The text of this decision would be on the agenda of the next meeting of the Council for the Trade in Goods on 6 October and would be referred to the General Council for decision.

2.2 The representative of Bulgaria confirmed that his country would be applying for inclusion under the waiver because of the technical difficulties facing its authorities in preparing the documentation.

2.3 The representative of the Czech Republic asked that the Secretariat document should be corrected, as his country had received specific reservations with respect to its schedule.

2.4 The representative of Switzerland expressed dissatisfaction regarding the implementation of HS96 changes. The practice by some delegations to raise what had been referred to as general reservations and which seemed to impede the certification of those changes was, in the view of his delegation, not in conformity with existing rules in WTO. This situation was detrimental to the legal security and undermined the credibility of the WTO as a rule driven organization. In this context, he recalled that the question of the possible extension of the individual waivers, which were for operational reasons grouped into one single decision, was an issue which was presently being dealt with in the Council for Trade in Goods and that its Chairman was still holding informal consultations on this matter. He added that for the time being, his authorities were not in a position to comment on the possible extension of the waivers or to present a request for a possible extension of the individual waiver originally granted to Switzerland by the General Council on 13 December 1995 (WT/L/124).

2.5 The representative of Canada informed the Committee that his delegation would shortly lift its reservation on Thailand's documentation and would also specify its concerns regarding the documentation from the Czech Republic and Turkey. Canada was also meeting shortly with EC on each other's reservations. Canada was also working to clear away its other reservations. However, this did not mean that Canada would be able to withdraw its request for extension since it would not be possible to conclude all outstanding discussions with trading partners before the deadline. He added that Canada would approach this matter in a practical manner in this Committee and in the informal consultations.

2.6 The representative of the Commission of the European Communities said that his delegation was working fast to clear away any problem with third countries' schedules and would communicate specific comments to some of the countries in the coming days.

2.7 The representative of Thailand thanked the Canadian delegate for his information; his delegation was still waiting to receive specifications from two Members.

2.8 The representative of Norway pointed out that his delegation's view on the question of extension of waivers was well known and did not need to be repeated. Some progress with respect to the verification and certification of schedules had been registered but the situation was still far from being satisfactory. Regarding Norway's schedule, an extension of the waiver was necessary in view of the fact that two Members still maintained reservations. One of these two Members had recently submitted specific requests and the Norwegian delegation would respond shortly. With respect to the other reservation no progress had been noted and the Member concerned was urged to devote the necessary resources in order to finalize the certification.

2.9 Replying to a request by the delegate of the Philippines to the delegation of the United States as to why it had requested an extension of its waiver, the representative of the United States said that it was because of the reservations raised to its schedule.

2.10 The representative of India supported what was said by the Swiss delegate and said that his delegation was of the view that raising general reservations was harmful to the broad policy objective that this Committee was trying to follow and, in pursuance of this, India had either converted all its general reservations into specific ones or lifted the reservations. However, on India's part, there were still some reservations and his delegation was trying to resolve them quickly.

2.11 The representative of the United States added that his Government was in the process of clearing away the waivers as quickly as possible and he expected this process to continue and that all the necessary work would be achieved in a reasonably short period of time.

2.12 The representative of Japan expressed concern at the repeated prolongation of extensions of waivers and hoped that this situation would be corrected shortly.

2.13 The Chairman stressed that the number of waivers in the second group had diminished even further since the preceding occasion: two delegations (Bolivia and Senegal) were about to complete their Article XXVIII negotiations and had not requested a new extension of their waiver. The details concerning those countries that had requested an extension were also given in Annex II of document G/MA/SPEC/5. Those requests would be on the agenda of the Council for Trade in Goods, which was to refer them to the General Council for decision. The Chairman called on the countries concerned to make the necessary efforts to conclude the waiver process as quickly as possible.

2.14 The representative of New Zealand referred to the request for extension of waiver by Sri Lanka and pointed out that (1) the factual information contained in the report reflected only the view of Sri Lanka and was not reflecting other countries' views since for New Zealand, the difficulties in concluding the negotiations were not due to the political situation in the country but was due to the position taken by the Tariff Commission set up by the Sri Lankan Government; (2) it was not the expectation of New Zealand, at the moment, to conclude the negotiations at any time soon; he reported that as far as his country was concerned, it would be impossible to conclude the negotiations the way they were proceeding at the moment; (3) in the present circumstances, the delegation of New Zealand had to reserve its position on the request for extension of the waiver.

2.15 The delegate of Nicaragua informed the Committee that the Member that had made a reservation on Nicaragua's schedule had written to her delegation this week and she was hoping to make progress in the very near future.

2.16 The delegate of Canada confirmed that his delegation had almost concluded its negotiations with Bolivia on the transposition of its schedule into the Harmonized System.

2.17 The representative of Sri Lanka, in reply to the statement made by the delegate of New Zealand, agreed that the Secretariat's summary should be corrected to reflect that there was more than the political situation which prevented the conclusion of the negotiations and that Sri Lanka's request for extension of the waiver highlighted a number of other concerns that his country was facing. He reassured Sri Lanka's trading partners that it would do its utmost to fulfil its multilateral commitments as early as possible.

2.18 The representative of Guatemala reported to the Committee that her delegation was in contact with the Members that still had reservations on Guatemala's schedule and was hoping to terminate the consultations before 31 October 1997.

2.19 The Chairman then suggested to examine the draft report contained in document G/MA/SPEC/5 paragraph by paragraph being understood that the report would be completed in the light of the discussion that would take place at the meeting.

2.20 Paragraph 3 of the report: the representative of Switzerland suggested adding a new sentence after the first sentence, to read: "A number of delegations expressed concerns about the use, by some Members, of general reservations which seemed to impede the certification of schedules presented to implement HS96 changes". He also suggested to add a second element in the same paragraph in the sentence reading "In the short term Members should pursue the work on the verification and certification of HS96 documentation without delay **and on the basis of existing rules and procedures**" in order to reflect one of the basic principles agreed upon in the context of the Chairman of the CTG's consultations.

2.21 The representative of the United States noted that with respect to the first addition proposed by Switzerland his delegation would have no problem. However, as concerned the second proposal, in one of the informal consultations his delegation had specifically stated that it viewed the original HS rules as a mistake, that in some cases these rules were not working well, and that the US was not willing to explicitly endorse those rules again. Therefore, his delegation was not prepared at this point to agree to the second addition proposed by Switzerland.

2.22 The delegate of the European Communities supported the US position. His delegation also felt that those rules needed changing, in order to provide for full details to be made available. If the Swiss phrase were to be inserted, his delegation would want to insert a counter-balancing phrase.

2.23 The representative of Canada said that the first sentence suggested by Switzerland was factually correct. As far as the second Swiss proposal was concerned, in order to balance what had been said, his delegation would want to observe that other Members emphasized the practical approach in a constructive and cooperative fashion in terms of providing the requested information such as concordances. His delegation could not support the proposed words "and on the basis of existing rules or procedures" or, if they were to be accepted, it would be necessary to have additional sentences to counterbalance the language of the text.

2.24 The representative of Norway, referring to the first amendment as expressed by the Swiss delegate, felt that it was a correct reflection of the discussion that had taken place in the Market Access Committee and as such supported its inclusion in the report. With respect to the second amendment, his delegation agreed with Switzerland that such an addition would correctly reflect consultations that took place under the Chairman of the CTG. However, recognizing other delegations' need to counterbalance the text where this amendment was to be included, he preferred that, on this point, it remained as it was.

2.25 The representative of Mexico said that with respect to the first amendment suggested by Switzerland, his delegation had no difficulty in having this amendment included in the text. With reference to the second suggestion, he indicated for the record that in the case of Mexico, his authorities had been working to submit the documentation on the Harmonized System and had referred to the Decision established in that respect as well to the agreed procedures. To raise doubts about these procedures that had been agreed would create uncertainties as to what would happen in the future. If those agreed procedures were not to be respected, then the question of whether the text suggested by Switzerland should be included or not would be relevant. It would seem that there was no consensus on the Swiss proposal. However, his delegation wanted to be absolutely clear that, in the foreseeable future, when Mexico would submit its transposition into HS96, the presently applied procedures would be those that had been agreed upon and not others.

2.26 The representative of Bulgaria associated his delegation with the views expressed by Mexico.

2.27 Summing up the situation, the Chairman noted that there was consensus on the first amendment proposed by the Swiss delegation, but not with respect to its second proposal, which had met with some opposition. Under the circumstances, he suggested that the original wording of the remainder of the paragraph should be maintained.

2.28 The delegate of Switzerland noted the comments made by the other delegations, particularly on the second proposal which in the view of the Swiss delegation, was a perfectly factual reflection of the content of Ambassador Johanessen's summing up of the constituent elements of what was called the short term solution. Unfortunately there did not seem to exist a consensus as to adding the proposed words to the existing sentence. While taking a constructive and flexible attitude, the Swiss delegation, in the absence of consensus in that context, requested the Chairman and the Secretariat to reflect fully the contents of the debate and the views expressed by all delegations, particularly on the second element proposed by the Swiss delegation, in the report of the meeting.

2.29 The Chairman thanked the Swiss delegation for its flexibility and confirmed that the minutes of the meeting would, as far as possible, include the full text of all interventions.

2.30 Paragraph 4 of the report: the representative of Switzerland suggested to modify slightly the first sentence of the paragraph to read: "On 13 December 1995 several Members were granted **individual** waivers, **for operational reasons grouped into one single decision**, for the introduction of HS96 changes ...". The changes proposed were basically to delete "on a collective basis" in the present text and to add the word "individual" before "waivers" and then to add in comas "for operational reasons grouped into one single decision".

It was so agreed.

2.31 Referring to paragraph 8 of the report, on IDB, the delegate of Japan wished to ensure that IDB data would be only for the use of WTO Members and international organizations.

2.32 The Chairman confirmed the interpretation of the delegation of Japan, pointing out that the Decision on the implementation of the IDB did indeed stipulate that its use would be limited to WTO Members and other international organizations that had an agreement with the WTO.

2.33 The Canadian delegate, reverting to paragraph 3 suggested that the following sentence be added: "A number of Members emphasized the importance of providing information to facilitate the process of verification such as concordances". He added that if no consensus could be reached on this sentence, he would not insist.

2.34 The representative of Mexico stated that in this context several consultations had taken place under the auspices of the Council for Trade in Goods and the Canadian proposal reflected the discussions there. It appeared however to his delegation that there was no need to counterbalance the Swiss proposal because, as he understood, the Swiss sentence would not be included in the text.

2.35 The Chairman asked the Canadian delegate whether he would insist on including his proposal in paragraph 3 and reminded the Committee that it had not accepted the second proposal by Switzerland, which meant that it would not appear in the text.

2.36 The Canadian delegate, confident that the minutes would reflect the Canadian concern that countries should provide information to facilitate the process of verification, withdrew his proposal.

2.37 After the detailed examination of the report, the Chairman suggested that the Committee should adopt the draft report to the Council for Trade in Goods, naturally including all the amendments that had been approved, and completed in the light of the meeting's deliberations.

2.38 The representative of the United States said that his delegation had not had sufficient time to review the contents of the draft report and was not willing to give the Secretariat the authority to issue a final document for transmission to the CTG that would differ from the present one. It would want to see the final document and would communicate his approval to the Secretariat.

2.39 It was agreed that the Secretariat would circulate a revision of the draft report in English only, which would be put in the boxes of the delegations the following day and that the delegations would have 24 hours to communicate to the Secretariat any comments they would have on the report.

### 3. Submission of documentation related to the HS96

3.1 The Chairman reminded the Committee that the Decision of the General Council of 24 April 1997 (document WT/L/216) extending to 31 October 1997 the time-limits of waivers granted to Members which had so requested had envisaged that by that date the Members concerned would submit complete documentation concerning the introduction of the HS96 changes to their WTO schedules or, in case of special circumstances, that they would seek technical assistance from the Secretariat. He pointed out that document G/MA/TAR/2/Rev.10 reflected the current situation of submissions of the requested documentation. The aforementioned document showed that of the 39 Members under current waivers, eight had submitted only preliminary information or none at all. Since the date of that document, the documentation concerning Brunei Darussalem had been circulated. The other countries concerned were Egypt, El Salvador, Honduras, Mexico, Pakistan, South Africa and Zimbabwe. Three of them, however, (Egypt, El Salvador and Honduras), had requested technical assistance from the Secretariat in the preparation of the required documentation and it was expected that this documentation would be circulated in the very near future. It was to be noted that so far there had been 38 submissions, two of which had been certified while one remained pending as the Council for Trade in Goods studied certain procedural matters, and reservations had been made regarding 35 submissions. In the light of that situation, the Chairman once again called on the countries concerned by an extension of waiver to submit the necessary documentation as rapidly as possible, if they had not yet done so.

### 4. Integrated Database

4.1 The Chairman recalled that at its meeting of 24 June 1997, the Committee had approved a draft decision on the Supply of Information to the Integrated Database for Personal Computers which had been forwarded to the General Council and adopted on 16 July 1997 (document WT/L/225). As indicated in the annotated agenda, there were four points for discussion regarding IDB: the current status of submissions, the status of implementation of the project, the deadline for submissions and the modalities of technical assistance. The Chairman gave the floor to Mrs. J. de Verteuil of the Systems Development and Production Section of the Secretariat to report to the Committee on the two first points, i.e. the status of submissions and of implementation of the project.

4.2 Mrs. de Verteuil informed the Committee that a new release of the IDB CD-ROM had been distributed to WTO Members in June 1997, containing IDB information for 130 country-periods and a PC application for their analysis. Copies of the CD-ROM could be obtained from the Statistics and Information Systems Division.

4.3 Concerning the status of submissions, she reported that since 1 June 1997 a number of IDB submissions had been received. Tariffs for 1995 or 1996 and their corresponding imports had been submitted by three countries. Seven other countries had submitted imports for 1996 and one country

had submitted imports for 1995. Of these import submissions, the corresponding tariffs for four countries were already available in the IDB or had been prepared by the Secretariat. The 1997 tariffs for six countries had been submitted to other WTO Divisions. The Secretariat had completed the processing of four submissions for which both tariffs and imports were available, as well as the 1997 tariff for one other country. The other submissions were being analyzed or processed, or awaiting the corresponding tariff submissions.

4.4 Regarding the status of implementation of the PC IDB, she noted that the project development schedule for 1997 was contained in document G/MA/IDB/1/Rev.1. She then reported on the work accomplished to date. The equipment and software for the PC IDB had been installed with the exception of backup equipment which had not yet arrived. The IDB statisticians had undertaken basic and advanced training in Microsoft Access. One programmer had followed initial training in Visual Basic and advanced training would be undertaken by the development team later that week. The database design had been finalized and a test database had been established with information for several markets. Some work would still be required to establish the system reference files. The general-purpose formatting and conversion modules had been written. These would be packaged as an application in October when the data verification modules were completed. The PC IDB Conversion Facility was scheduled to be operational at the end of October. Due to unforeseen contingencies, the programs to transform the PC IDB format to the IDB CD-ROM format had only been started in mid-September and would be ready sometime in November. The specifications were being prepared for the IDB Internet site for file distribution to Members. A request would shortly be made to the International Computing Centre to carry out this work. The mainframe IDB database files in the old IDB format had been transferred to PC and archived. Other mainframe files were being examined to determine whether they should be archived or deleted. Guidelines for the contents of IDB submissions were being prepared. These would be completed and distributed to Members once the Committee had decided on the deadlines for submissions. In summary, the project was advancing and full implementation of the basic system was foreseen for the end of the year, unless there were problems in establishing the IDB Internet site by that time.

4.5 The representative of the European Communities requested that the details of the Secretariat's report be reflected in full in the minutes of the meeting because his delegation was taking a keen interest in the progress of the IDB.

4.6 The representative of the United States thanked the Secretariat for all its work on the IDB which appeared to be on course. His delegation was looking forward to having it up and running and being used. He asked whether it would be possible to obtain a table for the IDB, indicating the countries that had submitted tariff and trade information, in order to keep track of the IDB contents, the status of processing and where work might have to be done to solicit the information that was not coming in a timely fashion.

4.7 The Chairman thanked the representative of the United States for his suggestion and indicated that in future, the Secretariat would draw up a table of the IDB situation, to be provided to the Committee. In reply to the request of the European Communities, he indicated that the Secretariat's report would be fully reflected in the minutes of the meeting.

4.8 Concerning the third point - the deadlines for submissions, the Chairman recalled that as described in G/MA/IDB/1/Rev.1, IDB submissions would consist of imports, tariffs containing bound and applied duties, reference information and tariff correlation tables showing changes in the tariff nomenclature from one year to the next, where there were such changes.

4.9 He indicated that a number of points should be reviewed regarding the deadlines and the content of IDB submissions, bearing in mind the type of technical assistance that might be required by certain

Members. These points concerned the reference years and deadlines for the first submissions and deadlines for the following submissions. He then invited Mrs. M. Gagliardi of the Integrated Database Section to provide Members with some basic information in this regard.

4.10 Mrs. Gagliardi recalled that the PC IDB would contain matched imports and tariffs for the previous year, tariffs for the current year and reference information. National tariff correlations would be furnished by Members when differences between the tariff nomenclature for the current year and the previous year existed. She noted that when Members supplied their bound and applied duties for the current year, they should cover any known changes which would occur during the year, such as agricultural duties which come into effect in the month of July for some countries. She indicated that when Members provided their import statistics, the import nomenclature should match that of the corresponding tariff. Otherwise, Members should supply the corresponding tariff lines for any statistical items which did not appear in the tariff. Regarding the deadlines for the submissions, she informed the Committee that the Secretariat was now ready to receive matched tariffs and imports for 1996 and tariffs for 1997, which should now be available for many Members.

4.11 As far as the deadlines for the submissions were concerned, the Chairman suggested that for the first submissions, Members should provide tariffs and imports for 1996 as soon as possible or at the latest by 30 November 1997. For the following submissions, the deadline for the tariff submission of the current year might be 30 March and the deadline for information on imports for the previous year, 30 September. This would apply to Members whose tariff is based on the calendar year. For countries where fiscal and civil years had a different span, the deadlines could be adjusted in order to take into account the dates when the national domestic tariffs come into force.

4.12 The representative of Mexico indicated that if consensus was reached on providing data for 1996, his delegation would have no problem. He drew attention to the fact that document G/MA/IDB/1/Rev.1 was approved on 27 June 1997 and that paragraph 1 of that document stated that the PC IDB would come into force at the end of 1997 and would be implemented by the end of 1997.

4.13 The representative of Switzerland thanked the Secretariat for the hard work put into this exercise. He could not give a firm confirmation as to whether his delegation would be in a position to respect those deadlines, particularly concerning the submissions of import data. The date of September for future import submissions would be a target that his delegation would seek to reach, but it would be necessary to consult with his authorities. He proposed that informal consultations be organized on this matter.

4.14 Concerning the guidelines for the preparation of IDB submissions, which were to be distributed after the deadlines has been agreed upon (see 4.4 above), the representative of Columbia suggested that they be circulated as a draft document before taking the decision on deadlines. She pointed out that the guidelines might show that the information required for submissions could be more complex than was indicated in G/MA/IDB/1/Rev.1. If so, this would definitely have an impact on when her authorities would be able to submit the information. It was so agreed.

4.15 The Chairman indicated that the issue of deadlines would be best resolved in informal consultations once delegations had the opportunity to consult with their capitals. He suggested that delegations took note of what had been said on this matter.

4.16 The Chairman also informed the Committee that a number of delegations had approached him regarding the problem of their access to the IDB. These delegations represented observers whose accession processes were under way. These parties were prepared to provide information for the IDB but were prevented from accessing the IDB, since access was only permitted for Members and



international organizations with which the WTO had a mutual access agreement. While his intention was not to discuss this matter nor to come to a decision at this stage, he wanted to inform the Committee that he would be holding informal consultations on this matter. He requested delegations to prepare for these consultations, specifically to decide whether they were in favour or not of granting these observers access to the IDB.

4.17 The representative of Bulgaria proposed that Members should take into consideration the need to have statistical information from those countries. He suggested that they should be granted access to the IDB on the condition that they themselves provided this information. He pointed out that although some acceding countries may be prepared to give statistical information, there could be others benefiting from such a decision who would not be able to fulfil this condition.

4.18 The fourth point for discussion was the modalities of technical assistance for the preparation of IDB submissions. The Chairman indicated that the Secretariat was preparing a working document, to be ready in November, on the technical assistance that could be provided for this PC IDB exercise. He explained that the document would cover: the development of software for the preparation of submissions, the organization of regional and/or individual seminars for Members, cooperation with other WTO divisions to offer IDB training and for follow-up, the establishment of contact points in missions and capitals, and financial issues relating to technical assistance. The Chairman noted that the Committee would have an opportunity to examine the document in November before it was transmitted to other bodies in charge of technical cooperation.

## 5. Quantitative restrictions

5.1 The Chairman recalled that at its meeting of the previous 24 June, the Committee had approved a decision concerning the format for the notification of quantitative restrictions set out in document G/MA/NTM/QR/2. Accordingly, future submissions concerning quantitative restrictions should follow the approved format. In that connection the Chairman referred to document G/MA/QR/1/Add.4, which contained an update on the status of notifications of quantitative restrictions received so far.

5.2 The representative of the European Communities pointed out that his delegation had submitted on 31 January 1996 a "nil return" which would be prepared in the revised format on the occasion of the next biennial period.

5.3 The delegate of Canada requested confirmation that notifications under this item should also include cross-reference on notifications of quantitative restrictions to other WTO committees.

5.4 The Chairman confirmed that a reference should be made to notifications of quantitative restrictions submitted in other WTO committees.

## 6. Future work of the Committee

6.1 The Chairman reminded delegations of the list of future activities and recommendations that the Committee had submitted to the ministers at Singapore in its report of 4 November 1996 (document G/L/132). He referred specifically to the points set out in paragraphs 20 and 21 of that document, which he briefly enumerated:

- Continuation of the supervision of the implementation of Uruguay Round concessions;
- submission of notifications of quantitative restrictions and tariff information by Members;

- completion of the establishment and verification of changes in the Harmonized System;
- review of the procedural issues identified with respect to modifications of schedules;
- establishment of a closer working relationship with the World Customs Organization (WCO);
- implementation of the Integrated Database (IDB).

He added that the future work and recommendations he had described should be kept under review and, if necessary, appropriate actions should be taken. The Chairman recalled the mandate given to the Committee by the Singapore Ministerial Meeting and called on delegations so wishing to speak on that particular point.

6.2 The representative of the European Communities pointed out that for the moment, the Integrated Database needed to be implemented. Furthermore there was the issue of electronic verification both as concerned the numerical and the textual verification of the schedules. Also discussions on schedules had taken place in the context of waivers, but delegations in general had schedules in various formats with separate sets of changes following the initiatives on information technology products, pharmaceuticals and spirits. In this context there was the question of preparing revised consolidated schedules which would be IDB friendly in every aspect so that changes in a schedule could be identified electronically; this was one of the aspects of future work that needed to be addressed possibly in the first half of 1998.

6.3 The delegate of New Zealand referred to the statement made by the European Communities about their "nil return" notification on quantitative restrictions and felt that there was need yet to have a clear idea in the Committee as to what was notifiable under the decision, since as far as his country was concerned, the notifications submitted to the Secretariat in this context related to environmental restrictions pursuant to international environmental agreements such as ozone depleting substances and the like and he thought that many countries had such restrictions in place. He felt that those restrictions were notifiable. His delegation had taken the requirement being any quantitative restrictions which were not notifiable to other committees of the Organization and proceeded accordingly. Other Members such as the European Communities might have a different opinion, although in his view they might also have such restrictions in place. In this context, it might be useful at some stage to take stock and to review the kind of restrictions that Members had negotiated in order to come to an agreement on precisely what to do in the future.

6.4 The representative of Canada, following up on the statement made by New Zealand, was wondering whether quantitative restrictions already notified to other committees should again be notified here. In his view, it would be useful to know exactly what should be notified or not in terms of transparency and in terms of what needed to be done in the capitals.

6.5 The representative of Mexico, referring to the content of paragraph 20 of document G/L/132, summarized the activities of the Committee and indicated that as far as the implementation of Uruguay Round was concerned, there was a sort of self regulation. Regarding the notification of quantitative restrictions, a decision had been adopted by the Committee and a number of QRs notifications had been received. As concerned the completion of the loose-leaf exercise, a decision had also been taken on this matter, leaving the question of electronic verification of schedules pending for the moment. The implementation of HS96 changes was related to the review of procedures concerning the modification of schedules; work in this context had not started but was expected to start soon. Regarding the establishment of a close working relationship with the World Customs Organization, the Committee appreciated the participation in meetings and the explanations given by the WCO expert concerning

the HS96 changes as well as the future changes foreseen in the Harmonized System. He therefore felt that a very good relationship had been established with the WCO. On the IDB, the Committee had also approved a decision and the process of its implementation had started. In summary, he felt that the Committee had been working well and he believed that an essential basis had been established so as to continue its work in the future.

6.6. The Chairman thanked the representative of Mexico for his statement on the Committee's activities and noted in that regard that it had proved highly useful for the Committee to review its activities periodically. By placing the item on the agenda, he had wished to give Members the opportunity of addressing any item in relation to any other or to seek clarifications on any particular subject.

6.7 Referring to the future work of the Committee and to the statement made by the delegate of the European Communities on the need for this Committee in the future to address and possibly give priority to the establishment of a programme of electronic verification of schedules, the delegate of Norway noted that such a process required first the establishment of consolidated loose-leaf schedules in an electronic format. He stressed that the certification of the consolidated loose-leaf schedules would have to proceed partly manually.

6.8 The Chairman confirmed that until electronic verification of schedules became possible, manual verification was inevitable, at least at the current stage.

6.9 The delegate of Argentina reverted to the question of the notification of quantitative restrictions in the framework of the future work programme of the Committee and shared fully the concern expressed by New Zealand to the extent that what was to be notified was not quite clear. It would be necessary to obtain clarifications as to what had to be notified taking into account the format of the notification. When the format was approved it seemed very clear, half of a page relating to those quantitative restrictions which had not been notified in other committees and a second page indicating QRs notified to other committees. However, it had been pointed out that the cross-reference to other documents was not enough since more information was needed to establish a reference in the electronic database. Therefore, in the context of the future programme of work for the Committee, it would be necessary to examine also the second part of the format since the type of information sought from the Members was not sufficient.

6.10 The Chairman stated that that was precisely the reason for which he had placed the topic on the agenda of the current meeting, so as to take stock of what had been accomplished and what needed specific attention. The Committee needed to examine those matters carefully. He took note of the statements that had been made, and intended to resume consideration of some of the points raised, during the next informal consultations that he would be holding.

## 7. Other business

### 7.1 Intention of the Korean Government to increase applied tariff rates

7.1.1 The delegate of Switzerland reported that the Swiss authorities had been informed that Korea was planning to increase applied tariff rates for 257 products as of 1 January 1998. Recognizing Korea's right to increase those applied rates, which would still be within the Uruguay Round binding commitment, the Swiss industry - in particular the textile industry - was concerned that such a policy might have a negative impact on existing trade flows. From a market access point of view it was important for an exporter that a country's trade and tariff policy was predictable. Frequent changes of applied rates, particularly when the rates were increased, did not help to improve the security of market access as well as sound investment policies. The Swiss delegation hoped that Korea would make this process

as transparent as possible and that the new applied rates would also be notified to the WTO. He added that his delegation would pursue this issue bilaterally with Korea and reserved the possibility to come back to it, if necessary, in the relevant WTO forum.

7.1.2 The representative of the European Communities said that his delegation was also aware of this measure which created great concern and indicated that his authorities had detected a few items where Korea might have inadvertently increased certain applied rates above the bound rates. His delegation would carry out bilateral consultations on those few items.

7.1.3 The representative of Korea, stating that he would report the Swiss statement to his capital, said that, as he understood, the WTO was a strictly rule based organization. Measures taken by countries which did not violate WTO rules should not be discussed in this Committee, and tariff increases on unbound commitments would not violate any WTO commitments. He added that delegations should be more cautious in choosing items to be discussed in this Committee. Referring to the problem of predictability and security raised by the Swiss delegation, he pointed out that his Government had not changed any tariff rates for the last ten years except under the pre-indicative tariff reduction plan. Accordingly, he did not think that such statements were appropriate in the present situation and the Korean tariff increases would be implemented after prior notice would be given to all trading partners. Moreover, the fact that the Swiss delegation raised this matter in this Committee concerning a measure to be taken by the Korean Government on 4 January 1998 showed that full prior notice had already been given.

7.1.4 The Committee took note of the statements.

## 7.2 Vice-chairperson

7.2.1 The Chairman informed the Committee that Mrs. Simona Valceanu of Romania, who was the Vice-Chairperson of the Committee, left Geneva to return to her country, leaving this position vacant. He suggested to hold informal consultations on this matter and to report the Committee about the results of his consultations at the next meeting.

## 7.3 Tariff information available in the Secretariat

7.3.1 The Chairman informed the Committee that the Secretariat had prepared another revision of document G/MA/TAR/3 in order to reflect the current situation of the national tariffs available in the Secretariat. He also called upon members of the Committee to verify the information concerning their country and asked Members that had not yet done so to submit their most recent national tariff schedules to the Secretariat, as that type of document constituted an important analytical tool.

## 7.4 Date of the next meeting of the Committee

7.4.1 The Chairman informed the Committee that, according to the schedule of meetings drawn up by the Secretariat, the next meeting of the Committee was planned for 2 December 1997, subject to confirmation.