

INTRODUCTION OF HARMONIZED SYSTEM CHANGES INTO WTO SCHEDULES OF TARIFF CONCESSIONS ON 1 JANUARY 1996

This following communication, dated 29 April 1998, has been received from the Permanent Delegation of the European Communities.

1. With reference to the statement made by the Chairman of the Council for Trade in Goods on 6 October 1997 about unspecified reservations in connection with HS96 changes, the EC would like to confirm that it has specified its reservations on the schedules of the following WTO Members:

Australia, Canada, Colombia, Costa Rica, Iceland, Indonesia, Korea, Malaysia, New Zealand, Norway, Switzerland/Liechtenstein, Thailand, USA and Venezuela.

In other words the EC is either expecting a reaction from the countries concerned to the specific comments presented on their schedules or pursuing discussions with them with a view to finding a satisfactory outcome to this exercise under GATT Article XXVIII.

2. It should be noted that Argentina, Brazil, Paraguay and Uruguay have made submissions which also include changes resulting from the forming of the Mercosur customs union without it being possible to assess separately the effects of HS96 transposition. The Community has therefore reserved its rights under both Article XXIV:6 and Article XXVIII. We do not consider the 30 April 1998 deadline as appropriate. It is our intention to take up all the issues in the Article XXIV:6 context.

As the statement made by the Chairman of the Council for Trade in Goods on 6 October 1997 about unspecified reservations only applies to "reservations to documentation submitted for the introduction of HS96 changes", we would also like to recall that this understanding does not concern those Members which have not yet submitted such documentation or which have only submitted provisional or incomplete documentation such as South Africa and Israel.

3. With regard to the schedules of other WTO Members where reservations remain unspecified, the EC reservation can be deemed to have been withdrawn subject to the following understandings:

- For those WTO Members who have submitted proposed loose-leaf or other schedules incorporating HS96 tariff changes, the concessions remain unchanged for headings not affected by HS96, unless changes for such headings have been indicated in accompanying correlation tables.
- In respect of the other (agricultural) commitments in schedules:
 - the necessary modifications will be made in respect of HS96 changes;

- the concessions not affected by HS96 changes remain unchanged.
- Should any errors be found in the schedules of WTO Members in respect of the above, it is understood that the necessary changes will be made to the schedule concerned in order to rectify the error.
