

WORLD TRADE ORGANIZATION

RESTRICTED

G/RO/M/38

29 November 2001

(01-6093)

Committee on Rules of Origin

MINUTES OF THE MEETING OF 8 OCTOBER 2001

Chairman: Mr. H. Ahn

The agenda proposed for the meeting, contained in WTO/AIR/1613, was adopted by the Committee on Rules of Origin (CRO) as follows:

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I. PRODUCT-SPECIFIC RULES OF ORIGIN

1.1 The Chairman stated as follows:

A. CHAPTERS 1-24 (AGRICULTURAL PRODUCTS AND FISH)

Issue Nos. 1-2: The Chairman proposed a package deal for these Issues (option A for both Issue Nos. 1 and 2), emphasizing the fact that the origin rule for the products concerned will not have any impact on the SPS measures required for purposes other than origin indication.

Issue Nos. 4 and 6: The Chairman clarified that his recommendations for Issue Nos. 4 and 6 were made as a package. Some Members supporting option A for Issue No. 4(i) stated that a speciality good would be produced as a result of drying. Another Member stated that drying of fish was for purposes of preservation.

Issue No. 8: It was agreed to delete this Issue and split.

Issue No. 10(i): There was consensus on option B (non-origin-conferring) (subject to ECU).

Issue No. 10(ii): There was consensus on option B (non-origin-conferring).

Issue Nos. 11-13: The Chairman stated that his recommendations were made as a package. There was consensus on option A for Issue No. 11 (CTHS) (subject to AUS, DOM, VEN). Issue 12 was quite controversial, in Issue 13 there was a growing support on the Chairman's recommendation.

Issue No. 15: The Chairman clarified that his recommendations in this issue were made as a compromise package. There was growing consensus on the Chairman's recommendations.

Issue Nos. 16-20: The Chairman stated that his recommendations were made as a package.

Issue No. 21: There was consensus on the Chairman's recommendation (option A: CTH).

Issue No. 22: No consensus was reached.

Issue No. 23: There was consensus on the Chairman's recommendation (option B: WO language) (subject to AUS, CAN, GUA, US).

Issue Nos. 24-25: There was consensus on the Chairman's recommendation (option C) (subject to AUS, CAN, US).

Issue No. 27: There was consensus on option A (subject to CHI, GUA, HON).

Issue No. 28: There was consensus on the Chairman's recommendation (option B).

Issue No. 29: There was consensus on option B (subject to CH, DOM, GUA, US, CH).

Issue Nos. 30 and 32: There was growing consensus towards the Chairman's recommendation (option B). Two Members supporting option A stated that these issues should be considered after the resolution of Issue No. 31.

Issue No. 31: No consensus was reached. However, some Members flagged some flexibility and their interest in linking this issue to Issue No. 122 as stated in the "Notes" column.

Issue No. 33: It was agreed to delete this issue and consider this issue under Issue No. 122 (subject to AUS and CAN).

Issue No. 35: Several Members supporting option A intended to reconsider their positions.

Issue No. 36: A Member supporting option B stated that when all ingredients were originated in a single country, the origin should be conferred to that country rather than a country in which the ingredients were mixed.

Issue No. 37: There was growing consensus towards the Chairman's recommendation (option A).

Issue Nos. 43, 44, 46: Linked to Issue No. 45.

Issue No. 45: The Chairman indicated the possibility of dividing the animal oil (origin-conferring) and the vegetable oil (non-origin-conferring). A number of Members supporting option B supported the suggested division. They also indicated flexibility in Issue Nos. 43, 44 and 46 if there was consensus on the Chairman's suggestion. One Member supporting option A stated that option A is a very restrictive rule; therefore crude refining alone is not origin-conferring.

Issue Nos. 49-50: There was growing consensus towards the Chairman's recommendation for headings 1601, ex1602 (b), 1603, 1604 (a), ex1604 (b) and 1605. Concerning split heading 1602 (a), one Member stated that production of uncooked meat from Chapter 2 should be excluded (CTH, except from Chapter 2), while other Members pointed out that the exclusion of the entire Chapter 2 might not be necessary. One Member stated that production of goods of HS ex1604(a) from fresh or chilled fish should be excluded, while some other Members pointed out that in most cases, the goods concerned would be produced from frozen fish.

Issue Nos. 51-57: There was consensus on the Chairman's recommendation package (subject to AUS, CAN, EC, HON, IND, JPN, KOR, NZ, PHI).

Issue Nos. 58-64: There was growing consensus towards the Chairman's recommendations package. However some Members stated that they preferred option A for Issue No. 64 and that if their preference were accepted they could join the growing consensus.

Issue No. 69: There was consensus on option A (CTH/CC) (subject to DOM, PHI, SRI).

Issue No. 70: There was consensus on option A (CTH) (subject to ARG, PHI, SRI, THA).

Issue No. 71: There was consensus on option B (non origin-conferring) (subject to AUS, CH, GUA, NZ, THA).

Issue No. 72: There was consensus on option B (non origin-conferring) (subject to DOM, GUA).

Issue No. 73: There was consensus on option A (subject to DOM, GUA, VEN).

Issue No. 74: There was consensus on option B (CTH/CC) (subject to DOM, KOR).

Issue No. 75: No consensus was reached. A mixture issue concerning HS 2009.90 should be dealt with under Issue No. 122.

Issues No. 77 and 78: No consensus was reached.

Issue No. 79-83: The Chairman proposed the following package deal:

- No. 79: option C
- No. 80: option B
- No. 81: option A
- No. 82: option A
- No. 83: option B

No consensus was however reached.

Issue No. 85: It was confirmed that consensus in the last July meeting had been reached as follows:

- HS 2103.10: CTH
- HS 2103.20: CTH
- HS 2103.90: CTSH

Issue Nos. 89, 91 and 93: One Member proposed the following package deal:

- No. 89: option B
- No. 91: option C
- No. 93: option B

The Chairman then suggested that he would prefer a package saying "89:B", "91:A" and "93:B". Both packages got support, meaning that no consensus has been reached.

Issue No. 94: Based on the informal discussions, the Chairman changed his recommendation to "CTH, except from 2201". There was growing consensus on this new recommendation.

Issue Nos. 95-97: The Chairman suggested based on the discussion during the July meeting the following package deal:

- No. 95: CTH, except from Chapter 4
- No. 96: CTH, except from HS 2106.90
- No. 97: CTH, except from HS 2009

However, no consensus was reached.

Issue Nos. 98, 99 and 101: No consensus was reached.

Issue No. 100: There was growing support for the Chairman's recommendation (option C and EC-proposal in G/RO/W/64).

Issue No. 101: No consensus was reached.

Issue Nos. 103, 104: There was growing consensus towards the Chairman's recommendations package.

Issue No. 105: There was consensus on option B (subject to MAL).

Issue No. 106: Linked to the mixture issue. Should be dealt in parallel with Issue 122.

Issue No. 107: It was agreed to delete this Issue (see Issue No. 104).

Issue No. 108: No consensus was reached.

Issue No. 109: There was consensus on option A (CTH) (subject to EC, EGY, IND).

Issue No. 110: Linked to Issue Nos. 91, 95 and 97. No consensus was reached.

Issue Nos. 112-114: There was consensus on the following Chairman's recommendation package (subject to IND, PHI, KOR and EGY):

- No. 112: option A (CC)
- No. 113: option A (CTHS)
- No. 114: option A (CTHS)

Issue No. 115: Linked to Issue No. 45.

Issue No. 116: There was growing consensus towards the Chairman's recommendation.

Issue Nos. 117 and 118: No consensus was reached.

Issue Nos. 119 and 120: There was consensus on option A (CTH).

Issue Nos. 121 – 125: There was consensus to deal with these issues possibly after resolution of the product specific issues in a general manner.

B. CHAPTERS 25-27 (MINERAL PRODUCTS)

Issue No. 1: There was growing support for the following Chairman's summary: grinding of clinker alone is not origin-conferring; mixture issue should be addressed separately to recognize certain mixtures of clinker and other materials to produce cement as origin-conferring.

Issue No. 8: There was overwhelming support for the Chairman's recommendation (option A).

Issue No. 9: There was consensus on option A (Chapter Note 4) (from the note the process of "obtaining sulphur" is deleted). It was also agreed that this Chapter Note should be reviewed in light of the overall architecture and other Chapter rules during the overall coherence exercise.

C. CHAPTERS 28-40 (CHEMICAL PRODUCTS)

Issue No. 1: The US intended to submit a compromise proposal.

Issue No. 2: Switzerland and the US were requested to draft a compromise proposal by the end of the week.

Issue No. 3: It was noted that this issue was linked to Issue No. 2.

Issue No. 4: One Member supporting option A stated that they would join the consensus.

Issue No. 5: The Chairman's recommendation (option B) enjoys the support of a majority of Members. One Member supporting option A stated that the production of perfumes and toilet waters of heading 33.03 by dilution should be considered as origin-conferring; therefore this issue was linked to Issue No. 9 for this Member. Another Member supporting option A stated that this issue

was linked to Issue No. 1; if addition of inactive ingredients were considered as origin-conferring under Issue No. 1, the deliberate and proportionally controlled addition of diluents should be considered as origin-conferring.

Issue No. 6: There was consensus on the following Note to Chapter 33 (subject to PHI):

"1. Mixtures and blends:

For the purposes of headings 33.02, 33.04, 33.05, 33.06 and 33.07, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring. However, the mere addition of the goods of headings 33.01 or 33.02 to the goods of other headings of this Chapter should not be considered as producing a good having physical or chemical characteristics which are relevant to the purposes or uses of the good under this Chapter."

Issue No. 7: It was agreed that the word "(refining)" should be deleted in the suggested Note "Separation" to Chapters 33, 38 and 39. Members supporting option B stated that a separation rule was unnecessary, since the purification rule in Basket 1 could fully address the concern raised by Members supporting option A.

Issue No. 9: The Chairman's recommendation (CTH, except by mere dilution or by mere addition of alcohol to odoriferous substances or to a perfume base) enjoys the support of a majority of Members.

Issue No. 10: There was consensus on the Chairman's recommendations (CTSH with Chapter Note on mixtures).

Issue No. 13: There was consensus on option A (CTHS) (subject to CHI, EGY, NZ).

Issue No. 14: There was consensus on option A (CTH with Chapter Note on mixtures).

Issue No. 22: There was growing support for option A.

Issue No. 24: No consensus was reached.

Issue No. 26: There was consensus on option B (CTH).

Issue No. 27: There was consensus on option B (CTH).

Issue No. 28: There was consensus on option C (CTH, or change within the heading to reinforced, laminated or supported material).

Issue No. 30: The EC and US were requested to draft a compromise proposal for each relevant subheading.

Issue No. 32: There was growing support for the Chairman's recommendation (4001.21: CTH, 4001.22: CTSH, 4001.29: CTSH) (subject to SRI).

D. CHAPTERS 41-43 (LEATHER)

Issue No. 6: There was overwhelming support for the Chairman's recommendation (option A).

Issue No. 7: Two more Members (COL, GUA) joined the Chairman's recommendation (option C).

E. CHAPTERS 44-49 (WOOD AND PAPER)

Issue Nos. 3-4: There was consensus on this Issue (CTHS for HS ex4410(a), ex4411(a) and ex4412(a); CTH for HS ex4410(b), ex4411(b) and ex4412(b)).

Issue No. 7: There was consensus on this Issue (CTHS, except from finished staves for ex4416(a); CTH for ex4416(b)).

F. CHAPTERS 50-63 (TEXTILES)

Issue Nos. 2, 3, 14 and 15: The Chairman proposed the following package deal:

- No. 2: HS 5105; origin-conferring (option B)
HS 5203; non origin-conferring (option A)
- No. 3: origin-conferring (option B)
- No. 14: non origin-conferring (option B)
- No. 15: non origin-conferring (option B)

(If AUS and NZ join this package, there will be consensus)

Issue Nos. 6 (for compacted yarn process or slub yarn process): If the package deal for Nos. 2, 3, 14 and 15 is accepted these processes will be solved through issue 3 .

Issue Nos. 4, 5, 11 and 16: Linked to Issue Nos. 12 and 13.

Issue No. 10: There was consensus on option B (CTH, except from HS 5602) (subject to GUA, PAK, VEN).

Issue No. 12 and 13: No consensus was reached.

Issue Nos. 20 and 23: No consensus was reached.

Issue Nos. 26 and 27: There was consensus on the Chairman's recommendation (option B: CTH, except from HS 58.04) (subject to MOR for Issue No. 26).

Issue No. 35: It was agreed to delete option A.

Issue No. 36: No consensus was reached. Linked with the outcome in Issue No. 60.

Issue No. 37: Three more Members (AUS, MOR, TUR) joined the Chairman's recommendation, which enjoys the support of a large majority of Members. One member supporting Option E reaffirmed the need for a threshold for substantial coating.

Issue No. 38: There was consensus on the Chairman's recommendation (option A – CTH).

Issue No. 39: There was consensus on the Chairman's recommendation (option B – CTH, provided the starting material is unbleached fabric, felt or non-woven) (subject to PAK).

Issue No. 40: There was consensus on the Chairman's recommendation (option B – CTHS) (subject to PAK).

Issue Nos. 41 - 43: It was confirmed that consensus in the last July meeting had been reached as follows:

- HS ex5808 (a) – 5910 (b) : CTH
- HS 5911 (a) and (c): CTH, except by cutting only

Issue No. 44: Two more Members (JPN, KOR) joined the Chairman's recommendation (option D), which enjoys the support of a large majority of Members.

Issue No. 45: No consensus was reached.

Issue No. 47: Four Members ([ARG], AUS, BRA, COL) joined the Chairman's recommendation (option B), which enjoys the support of a large majority of Members.

Issue No. 48: Three Members (CHI, GUA, MEX) joined the Chairman's recommendation (option B), which enjoys the support of a large majority of Members.

Issue No. 49: No consensus was reached.

Issue Nos. 51 and 53: There was consensus that the processes under these issues are non origin-conferring (subject to MAL). The proper rule will be further considered.

Issue Nos. 54, 55 and 57: No consensus was reached.

Issue No. 58: Related to Issue Nos. 35 and 47.

Issue No. 59: No consensus was reached.

Issue No. 60: Based on the informal discussions, the Chairman changed his recommendation to "CTH, except from headings 58.11 or 6307.90". Thirteen Members (ARG, AUS, BRA, CAN, CH, COL, EGY, [GUA], IND, JPN, KOR, MEX, NOR) supported the Chairman's recommendation.

Issue No. 61 and 67: The Australian compromise submitted was welcomed by several Members. However, they preferred a solution similar to Option B. No consensus was reached.

Issue Nos. 69-71: No consensus was reached.

Issue Nos. 74, 75, 77: The need of these rules will be discussed further.

Issue No. 81: One Member pointed out that this issue should be treated as Issue 60.

Issue No. 83: It was agreed to delete this Issue.

Issue No. 84: There was consensus on option A (CTH).

G. CHAPTERS 64-67 (FOOTWEAR AND HEADGEAR)

Issue No. 1: There was consensus on the Chairman's recommendation (option A).

Issue No. 3: No consensus was reached. One Member stated that they would join the Chairman's recommendation (option A) if the residual rule of the overall architecture should be applied for this issue.

Issue No. 7: There was consensus on the Chairman's recommendation (CTH for ex6702(a); CTHS for ex6702(c); and CTH for ex6702(b)) (subject to COL, MAL, VEN).

Issue Nos. 9-12: The Chairman proposes the following compromise recommendations:

"Issue No. 9: Manufacture of uppers and parts of uppers:

- ex6406(a): uppers to which a permanent inner sole is attached: CTHS

- ex6406(b): other uppers: CTHS

(the splits (a) and (b) will be joined together to avoid changes in between unformed and formed uppers)

- ex6406(c): parts: CTH

Definition of formed uppers: delete.

Production of footwear from uppers:

6401-6405: CTH, with the exception of uppers to which a permanent inner sole is attached."

H. CHAPTERS 68-70 (CERAMICS)

Issue No. 1: There was consensus on option B (CTH, except from HS 6907) (subject to DOM).

Issue No. 7: There was consensus on option B (CTH) (subject to CHI, EGY, PHI).

Issue Nos. 9-11: The US made the following proposal for consideration at the next meeting: CTH; or change by chemically etching, sand-blasting or grinding with subsequent acid polishing, of unworked glassware (not etched, sand-blasted, ground, carved, engraved or otherwise decorated).

I. CHAPTER 71 (PRECIOUS STONES AND METALS)

Issue No. 1: A question was raised as to the practicability of plating of silver or gold in semi-manufactured form with gold or platinum. No sufficient explanation was provided. A large number of Members shifted to option B.

Issue No. 2(d): There was consensus on option A (CTSH, provided that the goods are cut, ground or otherwise worked to final shape, whether or not polished) (subject to SRI).

Issue No. 3: There was consensus on option A (CTHS) for HS ex7113(a), ex7114(a). It was agreed to delete split heading ex71.15(a).

Issue No. 4: There was consensus on option A (CTH) (subject to AUS and MAU).

Issue No. 5: Switzerland and the US were requested to submit a joint proposal to the CRO.

J. CHAPTERS 72-73 (IRON AND STEEL)

Issue Nos. 1-2: Members agreed that all issues falling under Issue Nos. 1 and 2 could be resolved through agreement on the following principles:

- (1) Cold-rolling of flat-rolled products, or bars and rods is origin-conferring: e.g.
HS 7211(b) (cold-rolled flat products: non-alloy): CTHS (consensus)
HS 7219(b) (cold-rolled flat products: stainless): CTHS (consensus)
HS 7225(b) (cold-rolled flat products: alloy): CTHS (endorsed)
HS 7215 (cold-rolled bars and rods): CTH (endorsed)

*There was consensus on this principle.

(2) Rule for angles, shapes, sections:

HS 7216(a) (hot-rolled flat ASS): CTH, except from HS 7208-7212 (flat-rolled), and except from HS 7213-7215 (bars and rods) when this change results from cutting or bending

HS 7222(b) (hot-rolled stainless ASS): CTH, except from HS 7219-7220 (flat-rolled), and except from HS 7221-ex7222(a) (bars and rods) when this change results from cutting or bending

HS 7228(b) (hot-rolled alloy ASS): CTH, except from HS 7225-7226 (flat-rolled), and except from HS 7227-7228(a) (bars and rods) when this change results from cutting or bending

*There was consensus on this principle (subject to PHI, VEN)

(3) Skin-pass of ASS is non origin-conferring:

HS 7216(b) (cold-rolled ASS, non-alloy): CTH, except from HS 7209, ex7211(b), and except from HS 7215, when this change results from cutting or bending

*There was consensus on this principle (subject to PHI, VEN)

Principles (1) + (2) + (3)

HS 7222(c) (cold-rolled B&R ASS, stainless): CTH, or CTHS from HS 7222(a), except from HS 7219(b) or 7220(b)

HS 7228(c) (cold-rolled B&R ASS, alloy): CTH, or CTHS from HS 7228(a), except from HS 7225(b) or ex7226(b)

Issue Nos. 3 and 5: The joint proposal from Brazil, Japan, Korea and Switzerland was submitted for consideration at the November meeting.

Issue No. 4: The US made the following proposal for consideration at the next meeting:

Chapter Note: For purposes of this Chapter, the expressions "cold-rolled (cold-reduced)" and "cold-formed" mean cold reduction resulting in changes to the crystalline structure of the workpiece. The expressions do not include very light cold-rolling and cold-forming processes (skin pass or pinch pass) which act only on the surface of the material and do not result in change to its crystalline structure.

7217(a), 7217(b): CTH, except from 7213 through 7215; or change from headings 7213 through 7215, provided the material has been cold-formed in conformity with the Chapter Note.

7223(a), 7223(b): CTH, except from 7221 through 7222; or change from headings 7221 through 7222, provided the material has been cold-formed in conformity with the Chapter Note.

7229(a), 7229(b): CTH, except from 7227 or 7228; or change from headings 7221 or 7228, provided the material has been cold-formed in conformity with the Chapter Note.

Issue No. 6: There was growing consensus towards the following proposal:

"HS 7304.21 – CTH
 7304.29 – CTH
 7304.31 – CTH, or CTSHS from ex7304.39(a)
 ex7304.39(a) hollow profiles – CTH
 ex7304.39(b) other – CTH
 7304.41 – CTH, or CTSHS from ex7304.49(a)
 ex7304.49(a) hollow profiles – CTH
 ex7304.49(b) other – CTH
 7304.51 – CTH, or CTSHS from ex7304.59(a)

ex7304.59(a) hollow profiles – CTH
ex7304.59(b) – CTH
7304.90 – CTH

Issue Nos. 7 and 8: There was growing support for the Chairman's recommendations (option A (CTHS) for Issue No. 7, option B (CTH) for Issue No. 8).

Issue No. 9: There was consensus on option B (subject to DOM, EGY, PHI).

Issue No. 11: Pending.

K. CHAPTERS 74-81 (NON-FERROUS METALS)

Issue No. 9: It was noted that this issue is linked to Issue No. 4 of Chapters 72-73.

Issue No. 10: There was consensus on option A (CTH/CTHS) for HS 7410, ex7506(a) and ex7804(a). HS 7607.11 will be further discussed.

Issue No. 13: Members supporting option A stated that the classification of the goods concerned was correct and that the proposed rule was based on commercial reality. One Member supporting option B stated that the criteria used for this good were rather peculiar.

Issue No. 14: Two more Members joined the Chairman's recommendation (option A).

Issue Nos. 15 and 16: There was agreement on the following principles concerning these issues:

- (1) production of pipes or tubes is origin-conferring;
- (2) production of fittings from pipes or tubes is origin-conferring;
- (3) connection of non-originating fittings with non-originating pipes or tubes is not origin-conferring;
- (4) connection of non-originating fittings with originating pipes and tubes is origin-conferring.

The Secretariat was requested to redraft the issues in line with the above principles for discussion in the November meeting.

Issue No. 17: One Member stated that in light of the structure of the HS and the subdivisions, this is a non-issue. Another Member stated that the definition of "simple process" is needed.

Issue No. 18: It was noted that this issue is linked to Issue Nos. 2 and 7-9 of Chapters 72-73.

Issue No. 20: There was consensus on option B (CTH, except from heading 76.04 through 76.06, 76.08 or 76.09).

Issue No. 24: There was consensus on option A (CTH/CTHS/CTSHS; or cold-rolling from articles of the same split (sub)heading).

L. CHAPTERS 82-83 (ARTICLES OF METAL)

Issue nos. 1 and 9: Switzerland and the US were requested to submit a joint proposal to the CRO.

Issue No. 3: There was consensus on option A (CTSH/CTSHS) (subject to MAL and VEN).

Issue No. 5: There was consensus on option A (CTSH/CTSHS).

Issue No. 10: There was consensus on option A (CTH, or change from 8301.60) (subject to MAL).

Issue No. 11bis: A Member supporting option A stated that they would submit detailed information on this matter.

Issue No. 13: There was consensus on option B (CTH).

M. CHAPTERS 84, 85 AND 90 (MACHINERY)

Note: In the preceding sessions, many issues in Chapters 84, 85 and 90 could not be resolved due to the fact that resolution of Issues involved resolution of generic issues, arising under Issue Nos. 1-14, as well as of differences of views specific to each Issue. During the present session, Members showed a spirit of flexibility. For example, on most issues Members moved away from the positions that any assembly resulting in a new good with new characteristics should be origin-conferring.

Members also agreed to delete many issues that, irrespective of the differences specific to those issues, could be dealt with under the generic assembly rule or the blanks issue under the following conditions:

(1) In the non-paper, a registry would be provided to list all the issues deleted under such conditions. This registry would be provided under the generic issue, resolution of which is still pending after the resolution of differences specific to each Issue.

(e.g. under Issue No. 1, if the generic rule involved is assembly rule.)

(2) Two remaining options (one favoured by Members supporting value-added rule and the other favoured by other Members) shall be kept in the matrix as well as in the registry.

Issue No. 1: The following course of action was agreed upon to address this Issue:

Step (1) Members make submissions on the following matters to the Secretariat by 19 October 2001:

- detailed elaboration of how each proposal operates (e.g. mechanics of calculating added value, scope of tariff lines to which value-added rule should apply, residual rule);
- identification of potential problems arising under each proposal (e.g. detailed examples of the implementation cost of value-added methodology, detailed examples of the alleged "arbitrariness" of the value-added methodology arising from differences in wages, exchange rate, designer fees, etc.).

Step (2) The Secretariat circulates the issue paper by 27 October 2001.

Step (3) One full day discussion by all Members on this issue in November/December session.

Issue No. 2: There was consensus on the Chairman's recommendation (working group text) (subject to EC, IND).

Issue No. 6: It was agreed to delete this Issue if there is no practical example.

Issue Nos. 11 and 12: There was consensus on the Chairman's recommendation.

Issue No. 15: It was agreed to delete this issue (subject to MOR). However two options – "CTH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 16: It was agreed to delete this Issue. However two options – "CTH" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 17: It was agreed to delete this Issue. However two options – "CTSH" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 18: It was agreed to delete this Issue (subject to VEN). However two options – "CTH for (a) non-numerically controlled; and CTHS for (b) numerically controlled" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 19: It was agreed to delete this Issue (subject to THA). However two options – "CTSHS" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 20: There was growing support for the Chairman's recommendation (CTH + heading residual rule).

Issue Nos. 21-27 and 29-31: There was growing consensus towards the Chairman's recommendation (CTH with Chapter Note).

Issue No. 28: It was agreed to delete the split heading and thus delete this Issue.

Issue No. 32: There was growing support for option B (CTSHS).

Issue No. 33: There was growing consensus towards the Chairman's recommendation (CTH).

Issue No. 34: It was agreed to delete this Issue. However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 35: There was consensus on the following primary rule (subject to VEN): "CTH, or change to this subheading by assembly of parts, preceded by heat treatment and grinding (if necessary) of the inner or outer ring of split subheading 8482.99(b)".

Issue No. 36: There was consensus on the Chairman's recommendation (subject to VEN) (CTH or change from HS 8482.99(b)).

Issue No. 37: There was consensus on the following primary rule (subject to VEN): "CTH, except from 8482, or change to this subheading by assembly of parts, preceded by heat treatment and grinding (if necessary) of the inner or outer ring of split subheading 8482.99(b)".

Issue No. 38: There was consensus on option D (CTH) (subject to COL, NZ, VEN).

Issue No. 39: There was consensus on the Chairman's recommendation (CTSH, except when the change results only from putting up in pouches, envelopes or similar packings) (subject to VEN).

Issue No. 40: It was agreed to delete this Issue. However two options – "CTH" and "CTH, except from 8503; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 41: It was agreed to delete this Issue (subject to MAL, SG). However two options – "CTH, except when the change results only from mounting together or from making provision for mounting together as a single unit or on a common base" and "CTH, except from 8503; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 42: It was agreed to delete this Issue. However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 43: It was agreed to delete this Issue (subject to MAL). However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 44: There was growing support for option B (CTH).

Issue No. 45: It was agreed to delete this Issue and split subheadings ex8516.90(a) and (b).

Issue No. 46: It was agreed to delete this Issue. However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 47: It was agreed to delete this Issue. However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 48: It was agreed to delete this Issue (subject to MAL, PHI). However two options – "CTSHS" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 49: It was agreed to delete this Issue. However two options – "CTSH" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 50: There was growing consensus towards deleting the splits and thus deleting this Issue.

Issue No. 51: Colombia made a new proposal, suggesting that origin should be provided to the production of "phonogram" (intermediary between performance and the completed medium recording the performance). This Issue will be discussed in the November meeting.

Issue No. 52: It was agreed to delete this Issue and split subheadings ex8524.91(a) and (b).

Issue No. 53: It was agreed to delete this Issue (subject to SG). However two options – "CTH" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 54: Three more Members (BRA, IND, MOR) joined the Chairman's recommendation (CTH).

Issue No. 55: It was agreed to delete options B2 and E3. No consensus was reached.

Issue No. 56: It was agreed to delete option C. No consensus was reached.

Issue No. 57: There was growing consensus towards the Chairman's recommendation (CTH).

Issue No. 58: It was agreed to delete the split and thus delete this Issue.

Issue Nos. 59-62: The Chairman proposed the following package deal:

- Mounting is origin-conferring
- Programming is not origin-conferring (delete the split)

Since it is expected that split of testing would be deleted (Issue No. 63), the implication of the Chairman's package would be to recognize "monitoring, programming and testing" as origin-conferring.

A large number of Members supported this package deal.

Issue No. 63: There was growing consensus on deleting the split, with the exception of SG.

Issue No. 64: It was agreed to delete this Issue (subject to VEN). However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No 65: It was agreed to delete this Issue and split heading ex8541(h).

Issue No. 66: It was agreed to delete this Issue (subject to BRA, KOR, VEN). However two options – "CTSH" and "value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 66 was amended as "using optical fibre cables (HS 9001) to produce other electrical conductors (HS 8544.60) and optical fibre cables (HS 8544.70).

Issue No. 67: It was agreed to delete this Issue (subject to PHI, SG, VEN). However two options – "CTSH, except from 8544.49 (for HS 8544.51), CTSH, except from 8544.59 (for HS 8544.55)" and "CTH, or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue Nos. 75-76: There was growing consensus towards the Chairman's recommendation (CTH).

Issue No. 77: There was growing consensus towards the Chairman's recommendation (CTSHS).

Issue No. 78: It was agreed to delete this Issue. However two options – "CTH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 79: It was agreed to delete the Issue. However two options – "CTH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 80: There was growing consensus towards the modified Chairman's recommendation (CTH, provided mounting of at least two of the goods of HS 9001).

Issue No. 81: It was agreed to delete this Issue. However two options – "CTH" and "CTH; or value-added rule" remain in the matrix and be included in the registry of deleted issues.

Issue No. 82: It was agreed to delete this Issue. However two options – "CTSH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues for further discussion. Several Members were concerned that the current practice of a separate marking of origin on the interchangeable lenses should not be disrupted by the results of the HWP.

Issue No. 83: It was agreed to delete this Issue. However two options – "CTSH, except from more than one of: fronts or temples of subheading 9003.90, or change from blanks" and "CTSH, except from more than one of: fronts or temples of subheading 9003.90; or value-added rule" should remain in the matrix and be included in the registry of deleted issues for further discussion. Several Members expressed their concern with respect to the definition and classification of "fronts".

Issue No. 84: It was agreed to delete this Issue. However two options – "CTH, except from more than one of lenses or frame" and "CTH, except from 9001.40, 9001.50, or 9003; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 85: There was growing consensus towards the Chairman's recommendation (CTSHS).

Issue No. 86: It was agreed to delete this Issue. However two options – "CTH" and "CTH; or value-added rule" should remain in the matrix and be included in the registry of deleted issues.

N. CHAPTERS 86-89 (TRANSPORTATION EQUIPMENT)

Issue No. 68: No consensus was reached. It was noted that an assembly chapter rule could address this issue.

Issue No. 69: It was agreed to include the following new division for HS 8703:

"ex87.03(a): Frame-body-drive assemblies
ex87.03(b): Other"

One Member shifted their position to an *ad valorem* percentage criterion (30%). Members supporting this criterion were requested to come up with a single *ad valorem* percentage criterion.

Issue No. 70: It was agreed to delete this Issue (subject to confirmation by EGY, PHI, CHI). However two options – "CTH" and "CTH, or value-added" should remain in the matrix and be included in the registry of deleted issues.

Issue No. 70bis: It was agreed to add a new Issue 70bis, to read "manufacture of automobile parts.

- US submitted an informal paper, listing products to be covered and the rules to apply.
- MEX and CAN suggested that the list should be expanded to include safety belts and fuel tanks.
- IND proposed "CTH or value-added (30%)".
- CH recalled the applicability of its proposal on assembly.
- Several Members suggested that all these proposals should be reconciled with existing proposals.

Issue No. 71: It was agreed that production of a vessel of HS 8901 to 8905 from a hull which does not have the essential character of a vessel of a particular kind is origin-conferring.

Issue No. 72: There was growing consensus towards the Chairman's recommendation (CTH). It was agreed to delete options A2 and C.

Issue No. 73: There was growing consensus towards the Chairman's recommendation (CTHS). It was agreed to delete option A2.

Issue No. 74A: There was growing consensus towards option B (CTH). It was agreed to delete option A.

O. CHAPTER 91 (WATCHES AND CLOCKS)

Issue No. 1: There was growing support for the Chairman's recommendation (option B) (CTH). India made a compromise proposal (CTH with a 50% value-added rule).

Issue No. 2: There was consensus on option A.

Issue No. 3: It was agreed to delete option D.

Issue No. 4: There was consensus on option C (CTH or change from blanks) (subject to CAN, EC, EGY, IND (dependent upon the text of the blanks rule)).

Issue No. 5: There was growing consensus towards option C (CTH, or change from parts).

P. CHAPTER 92 (MUSICAL INSTRUMENTS)

Issue No. 1: This Issue is linked to Issue No. 1 of Chapters 84, 85 and 90.

Q. CHAPTER 93 (OTHER ARTICLES)

Issue No. 1: There was consensus on the following compromise primary rules (subject to CAN, CHI, IND, PHI):

- HS ex9301(a) (rifles, carbines and continuous-fire weapons): CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 93.05; or assembly if accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel.
- HS ex9301(b) (other): CTH
- HS 9302 and 9303: CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 93.05; or assembly if accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel.
- HS ex9304(a) (guns, rifles and pistols): CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 93.05; or assembly if accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel.
- HS ex9304(b) (other): CTH

Issue Nos. 6 and 7: No consensus was reached.

Issue No. 10: There was consensus on the Chairman's recommendation (CTH; change in classification resulting from change of use is not origin-conferring).

Issue No. 12: Two more Members joined the Chairman's recommendation (CTSH).

Issue Nos. 13-20: There was consensus on the following compromise proposal (subject to THA, PHI):

- HS 9501(a) (body or frame): CTH
9501(b) (other parts and accessories): CTH
9501(c) (other): CTHS, except from HS 9501(a).
- HS 9502.10: CTH
- HS ex9503(b): CTH
ex9503(c), (d) and (e): CTHS
- HS ex9504(a): CTHS
ex9504(b): CTH
ex9505(a): CTHS
- HS ex9506(a) (golf clubs): CTH, or change from blanks of heads that are not further worked than roughly shaped.
ex9506(b) (other): CTH.

Issue No. 23: There were two new proposals:

(US: the country of origin of the goods of this subheading shall be the country in which the interlocking devices are attached to the backing material);

(EC: CTSH, except when it results from mere putting up of the parts of subheading 9607.20).

Issue No. 24: Three more Members supported the Chairman's recommendation [The Chairman changed his recommendation as follows: CTSH, provided at least one major part is originated in the country in which the goods of this subheading are assembled.]

Issue No. 26: No consensus was reached.

Issue No. 27: There was consensus on the Chairman's recommendation (CTSH, except from wood or plastic form prepared for assembly).

Issue No. 28: Linked to the assembly issue.

1.2 The CRO took note of the statement

II. ENDORSEMENT OF PROPOSALS ON HARMONIZED RULES OF ORIGIN (G/RO/W/67/ADD.1 AND G/RO/W/68)

2.1 The CRO agreed to endorse proposals on harmonized rules of origin as follows:

Chapters 1-24 – Issue No. 9: to endorse Option A2 (the primary rule of split heading ex03.01(b) should read "the country of origin of the goods of this split heading shall be the country in which they have been captured; or if farmed, the country in which the fish has been raised from egg or fry (including fingerling)").

Chapters 1-24 – Issue No. 76: to endorse option B (the primary rule of subheading 2008.19 should read "the country of origin of the goods of this subheading shall be the country in which the nuts and seeds are harvested"; the primary rule of subheading 2008.92 should read "CC, except from Chapter 8").

Chapters 1-24 – Issue No. 84: to endorse option B (the primary rule of subheading 2102.20 should read "CTH").

Chapters 1-24 – Issue No. 86: to endorse option A (the primary rule of split subheading ex 2103.30(b) should read "CTSHS").

Chapters 1-24 – Issue No. 87: to endorse option B (the primary rule of subheading 2104.10 should read "CTH").

Chapters 1-24 – Issue No. 90: to endorse option B (the primary rule of split subheading ex 2106.90(a) should read "CTSH/CTH, except from heading 17.02").

Chapters 1-24 – Issue No. 92: to endorse option B (the primary rule of split subheading ex 2106.90(c) should read "CTSH, except from heading 20.09").

Chapters 1-24 – Issue No. 111: to endorse the following primary rule: "CTSH" for subheading 2401.30.

Chapters 25-27 – Issue No. 7: to endorse the following Chapter Note: the country of origin of goods of headings 27.07 and 27.10 through 27.13 that have been obtained as a result of a chemical reaction as defined in Note 1 of this chapter or as a result of a physical separation process listed below shall be the country where the reaction or process occurred:

- (a) atmospheric or vacuum distillation;
- (b) extraction by means of selective solvents.

Chapters 28-40 – Issue No. 11: to endorse the following primary rule: "CTH, except by cutting and putting up for retail sale only" for subheading 3306.20.

Chapters 28-40 – Issue No. 15: to endorse option C (the primary rule of subheading 3502.19 should read "CTH, except from heading 04.07 or 04.08").

Chapters 28-40 – Issue No. 16: to endorse option A (the primary rule of subheading 3701.20 should read "CTH"; the primary rule of subheading 3702.20 should read "CTH, except from heading 37.01").

Chapters 28-40 – Issue No. 18: to endorse option A (the primary rule of split heading ex 38.03(a) should read "CTHS") without prejudice to Members' positions on Chapter 15.

Chapters 28-40 – Issue No. 25: to endorse option B (Note 3(b)(v) "[non-toxic uses for health and safety]" of Chapters 28-35 and 38-39 should be deleted).

Chapters 28-40 – Issue No. 31: to endorse option B (Note 2 of Chapter 40 (Mixtures and Blends) should read "The deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only]¹ to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin-conferring").

Chapters 28-40 – Issue No. 33: to endorse option B (the primary rule of subheadings 4002.19, 4002.20, 4002.31, 4002.39, 4002.49, 4002.59, 4002.60, 4002.70, 4002.99 should read "CTH").

Chapters 28-40 – Issue No. 35: to endorse option B (the primary rule of heading 40.06 should read "CTH").

Chapters 28-40 – Issue No. 37: to endorse option B1 (the primary rule of subheading 4012.20 should read "the country of origin of the goods of this subheading is the country in which these goods were last collected and packed for shipment").

Chapters 41-43 – Issue No. 5: to endorse Option A (each primary rule of split headings ex41.04(b), ex41.05(b), ex41.06(b) and ex41.07(b) should read "CTHS").

Chapters 44-49 – Issue No. 6: to endorse the following primary rules; "CTH, except by mere assembly of wood already cut to size of heading 44.09" for heading 44.14;" CTH, except by mere assembly of board already cut to size of heading 44.07 or 44.08" for heading 44.15".

Chapters 44-49 – Issue No. 8: to endorse Option B (each primary rule of headings 47.01, 47.02, 47.03, 47.04, 47.05 and 47.06 should read "CTH").

Chapters 50-63 – Issue No. 6: to endorse option A (co-spinning starting from yarn or from fibres is a substantial transformation; knopping and looping are not substantial transformation. Substantiality of other processes (compact yarn process and slub yarn process) will be further discussed).

¹ To be finalized when Issue No.5 is resolved.

Chapters 50-63 – Issue No. 8: to endorse option A (the primary rule of split heading ex 52.04(c) and ex 54.01(c) should read "CTH, by corespinning from yarn or fibres". The applicability of this rule to split heading 55.08(c) will be further discussed).

Chapters 50-63 – Issue No. 19: to endorse option A (the primary rule of subheading 5604.10 should read "CTH").

Chapters 50-63 – Issue No. 22: to endorse "CTH, except by cutting only" as the primary rule for heading 56.06 (the language is to be fine-tuned).

Chapters 50-63 – Issue No. 30: to endorse "CTH, except by cutting only" as the primary rule of split heading ex 58.07(b) (the language is to be fine-tuned).

Chapters 50-63 – Issue No. 32: to endorse "CTH, except by cutting only" as the primary rule of split heading ex 58.08(b); the description of split heading ex 58.08(b) should read "ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; (the primary rule of split heading ex 58.08(c) "other" should read "CTH" as endorsed by the CRO at the meeting on 23 July 2001).

Chapters 50-63 – Issue No. 73: to be deleted.

Chapters 50-63 – Issue No. 76: to endorse "CTH, except when resulting only from putting up in sets" as the primary rule of heading 63.08.

Textile-related chapters – Issue Nos. 78 and 79: to be deleted (split heading ex 87.08(b) should be deleted).

Textile-related chapters – Issue No. 80: to endorse option A (the primary rule of split heading ex 88.04(b) should read "CTH").

Textile-related chapters (subheading 9404.30) – Issue No. 81: to endorse option A (the primary rule of subheading 9404.30 should read "CTH").

Chapters 68-70 – Issue No. 4: to endorse option A (the primary rule of split subheading ex 7019.19(a) should read "CTSHS").

Chapters 68-70 – Issue No. 8: to endorse option B (the primary rule of headings 69.11 and 69.12 should read "CTH").

Chapters 68-70 – Issue No. 12: to endorse option A (the primary rule for chapter 70 should read "for subheadings 7019.51 to 7019.90, those rules which refer to a change of subheading shall not apply to changes which are the result solely of trimming or cutting").

Chapters 72-73 – Issue No. 1(b): to endorse option A (the primary rule of split heading ex 72.19(a) and ex 72.25(a) should read "CTH").

Chapters 72-73 – Issue No. 2(a)(i) and (ii): to endorse option A (the primary rule of split heading ex 72.11(b) should read "CTHS").

Chapters 72-73 – Issue No. 2(c)(i) and (ii): to endorse option A (the primary rule of split heading ex 72.19(b) should read "CTHS").

Chapters 72-73 – Issue No. 2(d)(i) and (ii): to endorse option A (the primary rule of split heading ex 72.20(b) should read "CTHS").

Chapters 72-73 – Issue No. 3(b): to endorse option B (the primary rule of split heading ex 72.10(c) should read "CTH").

Chapters 72-73 – Issue No. 12: to endorse option B (the primary rule of heading 73.24 should read "CTH").

Chapters 74-81 – Issue No. 1: to endorse option A1 (the primary rules should read as follows: "CTSHS" for split subheading ex 7406.20(a); "CTSHS" for split subheading ex 7603.20(a)).

Chapters 74-81 – Issue No. 4: to endorse option A (the primary rules should read as follows: "CTSH, except from split subheading ex 7406.20(a)" for subheading 7406.10; "CTHS" for split heading ex 75.04(a); "CTSH, except from split subheading ex 7603.20(a)" for subheading 7603.10; "CTSHS" for split subheading ex 7903.90(a); "CTHS" for split headings ex 81.01(h), ex 81.02(h), ex 81.03(h), ex 81.04(h), ex 81.05(h), ex 81.06(h), ex 81.07(h), ex 81.08(h), ex 81.09(h), ex 81.10(h), ex 81.11(h), ex 81.13(c); "CTSHS" for split subheadings ex 8112.11(d), ex 8112.20(h), ex 8112.30(h), ex 8112.40(h) and ex 8112.91(d).

Chapters 74-81 – Issue No. 8: to endorse option A (the primary rule of split heading ex 74.09(a) should read "CTHS").

Chapters 74-81 – Issue No. 10: to endorse option A (the primary rule of heading 74.10 should read "CTH"; the primary rule of split headings ex 75.06(a) and ex 78.04(a) should read "CTHS").

Chapters 74-81 – Issue No. 11: to endorse option B1 (the primary rule of subheadings 7607.19 and 7607.20 should read "CTH").

Chapters 74-81 – Issue No. 19: to endorse option B (the primary rule of split heading ex 76.10(b) should read "CTH").

Chapters 74-81 – Issue No. 21: to endorse option B (the primary rule of split heading ex 80.07(b) should read "CTH").

Chapters 82-83 – Issue No. 2: to endorse option B (the primary rule of subheadings 8202.10, 8211.91, 8211.92 and 8211.93 should read "CTH").

Chapters 82-83 – Issue No. 6: to endorse option B (the primary rule of subheading 8212.10 should read "CTH").

Chapters 82-83 – Issue No. 15: to endorse option C (the primary rule of subheading 8306.29 should read "CTH").

Chapters 82-83 – Issue No. 16: to endorse option B (the primary rule of heading 83.08 should read "CTH").

Chapters 82-83 – Issue No. 17²: to endorse option B (the primary rule of heading 83.11 should read "CTH").

Chapters 84, 85 and 90 – Issue Nos. 3 and 7: to be deleted.

Chapters 84, 85 and 90 – Issue No. 4: to endorse option B (a primary rule of chapters 84, 85 and 90 should read "Where a change in classification results from the application of HS General Interpretative Rule 2(a) with respect to collections of parts that are presented as unassembled articles

² Consensus on this issue is subject to Malaysia.

of another heading or subheading, the individual parts shall retain their origin prior to such collection").

Chapters 84, 85 and 90 – Issue No. 6: to be deleted.

Chapter 91 – Issue No. 5: to endorse "CTH" for heading 91.14 (Subheadings 9112.10 and 9112.80 will be further discussed).

Chapters 93-97 – Issue No. 5: to endorse Option B (the primary rule of heading 93.07 should read "CTH").

2.2 The representative of Malaysia stated that they joined the consensus for the sake of moving forward and reserved the right to revisit these issues if necessary, at the appropriate time, when the subject of overall coherence was discussed.

2.3 The CRO took note of the statements.

III. IMPLICATIONS OF THE IMPLEMENTATION OF THE HARMONIZED RULES OF ORIGIN ON OTHER WTO AGREEMENTS

3.1 The CRO agreed to revert to this issue at the next meeting.

IV. NOTIFICATIONS UNDER ARTICLE 5 AND PARAGRAPH 4 OF ANNEX II OF THE AGREEMENT ON RULES OF ORIGIN (G/RO/35)

4.1 The Chairman recalled that since the last meeting the Secretariat had circulated a document informing delegations of notification submitted by Mali. To date, 77 Members had made notifications of non-preferential rules of origin and 81 Members had made notifications of preferential rules of origin.

4.2 The Chairman expressed concern that a number of Members had not yet complied with the notification requirements. He urged Members who had not yet notified to do so as early as possible.

4.3 The CRO took note of the statement.

V. ANNUAL REPORT (2001) TO THE COUNCIL FOR TRADE IN GOODS (G/RO/W/69)

5.1 The Chairman noted that the Secretariat had circulated a draft of the Committee's report to the Council for Trade in Goods, as required by Article 6.1 of the Agreement (G/RO/W/69).

5.2 Based on the informal consultations the Chairman had held with Members on this issue, the CRO adopted its revised annual report to the CTG (G/L/490/Rev.1).

VI. OTHER BUSINESS

A. METHODOLOGY TO FURTHER EXPEDITE THE HARMONIZATION WORK PROGRAMME

6.1 Based on the informal consultations the Chairman had held with Members on this issue, the CRO adopted the following methodology:

- (1) Identification of major outstanding issues: it was agreed to make a list of major outstanding issues in view of the fact that a large number of issues have already been resolved, or are

close to being resolved. The list would have no legal implication other than reminding Members of the overall scope of major remaining issues.

- (2) Active search for a compromise option: it was advised that Members, especially when and if they have to stick to an option supported by a small number of Members, should actively develop a compromise option or search for a package of options for a group of issues acceptable as a whole in view of balance of interests within the group.
- (3) Preparations for a structured discussion on horizontal issues: to facilitate the discussion on relevant horizontal issues (assembly rule, mixture rule, architecture, etc.) in the November-December 2001 session, it was agreed to compile issue papers on the basis of Members' submissions. One full-day session has already been allocated for the discussion of the assembly rule. Appropriate time will be allocated to discuss the mixture rule and the overall architecture of harmonized rules depending upon the scope of the specific issues identified by Members.

B. AGENDA AND DATE OF THE NEXT MEETING

6.2 The Chairman suggested that the next meeting of the CRO take place on Monday, 10 December 2001, preceded by informal meetings starting from 26 November 2001 on the basis of the following agenda:

Informal Meetings

Note: meetings will start at 9 a.m. and finish at 7 p.m. each day except Monday, 10 December when the meeting will start at 10 a.m.

| | |
|------------------------|--|
| 26-27 November | Chapters 28-40 (chemicals) Chapters 72-73 (iron and steel) Chapters 74-81 (non-ferrous metals) Chapters 82-83 (articles of metals) Chapters 68-70 (ceramics) Chapter 71 (precious stones) Chapter 91 (watches) |
| 28 November | Assembly rule |
| 29 November-1 December | Chapters 86-89 (transportation equipment) Chapters 84, 85 and 90 (machinery) |
| 3 December | Chapters 25-27 (mineral products), Chapters 41-43 (leather) Chapters 44-49 (wood and paper) Chapters 92-97 (Musical instrument and other articles) |
| 4-6 December | Chapters 1-24 (agricultural products and fish) |
| 7-8 December | Chapters 50-63 (textiles) and related chapters Chapters 64-67 (footwear and headgear) |
| 10 December | - Reporting of the informal meetings; - Endorsement of the proposals on the harmonised rules of origin; - Notifications; |

- Annual review of the implementation of the Agreement on Rules of Origin; and
- Other business

Formal Meeting
10 December
