

# **WORLD TRADE ORGANIZATION**

RESTRICTED

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**Committee on Rules of Origin**

**DRAFT**

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

Note by the Secretariat

Article 6:1 of the Agreement on Rules of Origin provides that "the Committee shall review annually the implementation and operation of Part II and Part III of this Agreement having regard to its objectives". This background document is circulated by the Secretariat in preparation for the sixth annual review of the implementation and operation of the Agreement on Rules of Origin, to be conducted at the meeting of the Committee on Rules of Origin on 1 December 2000.

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## 1. Members and Observer status

### (a) WTO Members (139)

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

(b) Observer Governments (33)

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

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

ACP  
EFTA  
IADB  
IMF  
ITCB  
OECD  
UNCTAD  
WCO  
World Bank

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

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

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

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

## 4. Harmonization of Rules of Origin

4.1 At the meeting on 28 January 2000, the CRO discussed the development of a management work programme for the Harmonization Work Programme (HWP). In particular, it discussed the problems Members had encountered and possible solutions to those problems in advancing its work, the format and structure of the work, the sequencing of issues to be addressed and a work schedule for future meetings.

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

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

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

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

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

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

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

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

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

- discussed the overall architecture of harmonized rules of origin (G/RO/M/30, paragraph 1);
- discussed product-specific rules of origin for Chapters 1-24 (agricultural products and fish), 84-85 and 90 (machinery) (G/RO/M/30, paragraphs 2 and 3);

- discussed the deadline for completion of the work programme on harmonizing rules of origin (G/RO/M/30, paragraph 5); and
- discussed the implications of the implementation of the harmonized rules of origin on other WTO Agreements (G/RO/M/30, paragraph 4).

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

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

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

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

"There is a growing view that the CRO should set as the new deadline the Fourth Session of the Ministerial Conference or at the latest the end of 2001. Some delegations, while not objecting to setting a deadline *per se* doubted whether, given the fact that a higher WTO body was discussing this issue, the CRO would be an appropriate body for decision on this issue. The Chairman will continue his consultations with Members" (G/RO/M/32, paragraph 5); and

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

4.7 At its meeting on 3 November 2000, the CRO discussed the deadline for completion of the work programme on harmonizing rules of origin. It took note of the communication of the

Chairman of the General Council to the Chairman of the CRO regarding discussions on implementation in the General Council Special Session of 18 October 2000 relating to rules of origin issues. The communication mentioned that the following elements had emerged which might form a basis on which to deal with this issue:

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

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

## **5. Notifications of Rules of Origin**

### **(i) Non-preferential rules of origin**

5.1 Notifications relating to non-preferential rules of origin under Articles 5.1 and 5.2 of the Agreement have been received from [72] Members of which [38] Members notified that they do not have non-preferential rules of origin. [52] Members have not yet notified their non-preferential rules of origin (see Annex).

### **(ii) Preferential rules of origin**

5.2 Notifications relating to preferential rules of origin under paragraph 4 of Annex II to the Agreement have been received from [75] Members, of which two Members notified that they do not have preferential rules of origin. [49] Members have not yet notified their preferential rules of origin (see Annex).

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

The CRO adopted its report to the CTG at its meeting on 3 November 2000.

**[Report to be finalized in light of discussions at the meeting of the CRO in December 2000.]**

## ANNEX

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

Argentina (G/RO/N/2, 10 & 16)	Japan (G/RO/N/1)	Romania (G/RO/N/1)
Australia (G/RO/N/1)	Korea (G/RO/N/1)	Senegal (G/RO/N/10)
Burkina Faso (G/RO/N/19)	Latvia (G/RO/N/25)	Slovak Republic (G/RO/N/1)
Bulgaria (G/RO/N/17 & 27)	Madagascar (G/RO/N/11)	Slovenia (G/RO/N/5, 7, 29 & 29/Rev.1)
Canada (G/RO/N/1)	Mexico (G/RO/N/12)	South Africa (G/RO/N/3)
Colombia (G/RO/N/1)	Morocco (G/RO/N/2)	Switzerland (G/RO/N/4)
Cuba (G/RO/N/3)	New Zealand (G/RO/N/1)	Tunisia (G/RO/N/7)
Czech Rep. (G/RO/N/2)	Niger (G/RO/N/19)	Turkey (G/RO/N/8 & 28)
EC (G/RO/N/1)	Norway (G/RO/N/8)	US (G/RO/N/1 & 6)
Hong Kong, China (G/RO/N/1)	Peru (G/RO/N/4 & 5)	Venezuela The Bolivarian Republic of (G/RO/N/1 & 10)
Hungary (G/RO/N/2)	Poland (G/RO/N/8)	
Israel (G/RO/N/13)	Qatar (G/RO/N/25)	

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

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

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

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



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

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

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

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

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

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

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