
Committee on Market Access

MINUTES OF THE MEETING OF 5 OCTOBER 1999

Chairman: Mr. Pedro Miguel da Costa e Silva (Brazil)

Table of contents

	<u>Pages</u>
1. Adoption of the agenda.....	2
2. Periodic report of the Committee to the Council for Trade in Goods including factual information on waivers expiring on 31 October 1999.....	2
3. Submission of Harmonized System (HS) 96 documentation.....	4
4. Modalities and operation of the Integrated Data Base.....	4
(a) Status of submission of the required documentation	4
(b) Progress Report on the Work done by the Secretariat	5
(c) Technical Assistance.....	7
5. APEC's request for an Internet Mirror Site of the Integrated Data Base (IDB).....	7
6. Status of Notifications of Quantitative Restrictions.....	7
7. Draft Report (1999) of the Committee to the Council for Trade in Goods	8
8. Other Business.....	8
(a) Consolidated Tariff Schedules Database Project	8
(b) Date of the next meeting.....	9

1. Adoption of the agenda

1.1 The above agenda as reproduced in document WTO/AIR/1178 of 22 September 1999 was adopted with the addition of items 8(a) and 8(b). An annotated agenda was circulated in an informal document (Job No. 5533).

2. Periodic report of the Committee to the Council for Trade in Goods including factual information on waivers expiring on 31 October 1999

2.1 The Chairman drew the Committee's attention to document G/MA/SPEC/12 which contained the draft periodic report of this Committee. He noted that this report, which would be finalized in the light of the discussion at this meeting, would be submitted to the Council for Trade in Goods for examination at its meeting of 15 October 1999. As was customary, the report contained in its Annexes I and II, tables summarizing factual information on the waivers submitted by the Members concerned. In this context, he requested the Committee to take note of the requests that had been presented by Members regarding the extension of their respective waivers and of the reasons for doing so.

2.2 As could be noted in this document, the waivers could be divided into three different groups: (1) the waivers granted in connection with the introduction of HS96 changes into the WTO schedules; (2) the waivers related to the transposition of pre-Uruguay Round schedules into the HS; and (3) a waiver concerning the renegotiation of the Schedule of Zambia¹ following the introduction of the HS. All waivers expired on 31 October 1999. If agreed to, the waivers for which requests for extensions had been made, would be extended to 30 April 2000.

2.3 As far as the first group of waivers was concerned (HS96 waivers), a draft decision on a further extension for examination by the Committee was circulated in document G/MA/W/21 dated 27 September 1999. The changes in the text, compared to the precedent version, related to the reference dates and the list of Members concerned by the extension.

2.4 Twenty-five Members had forwarded to the Secretariat detailed requests for the extension of the waivers concerning the introduction of HS 1996 changes to their schedules of concessions. The list of those Members was reproduced in Annex I of document G/MA/SPEC/12 and in document G/MA/W/21. Since these documents were prepared, Costa Rica had also sent in a request for a waiver extension. The draft decision and the periodic report would be revised accordingly for consideration by the Goods Council. The revised draft decision would then be forwarded by the Goods Council to the General Council for adoption.

2.5 The representative of Australia stated that all reservations had been lifted on the proposed transposition of Australia's schedule, and his authorities were preparing the necessary notification in accordance with GATT Article XXVIII procedures. Australia should be in a position to submit this notification before the expiry date of the waiver of 31 October 1999; nevertheless, Australia wished to seek an extension of the waiver. In the event, Australia was able to make the necessary notification before 31 October 1999, Australia would be withdrawing its request for a waiver extension.

2.6 The representative of Egypt informed the Committee that Egypt had responded to questions submitted by two delegations and was now awaiting their responses.

2.7 The representative of Switzerland recalled that Switzerland had a reservation on the schedule of one delegation and was still awaiting a response from that delegation.

¹ By the time of the meeting, no request for a waiver extension had been received from Zambia.

2.8 The representative of Japan expressed concern that many Members had not yet finished the HS96 verification process and had requested waiver extensions again. Japan had repeatedly indicated its serious concern about this matter and had requested delegations to conduct consultations actively. However, unfortunately this problem still remained. Japan had proposed market access negotiations on non-agricultural products in the Seattle preparatory process. Such negotiations should be based on the same legal basis, i.e. the HS96 nomenclature, as that would facilitate negotiations. The objective would be for such negotiations to commence at the beginning of next year and for this reason a six-month waiver extension was not appropriate. It was also in this connection that his delegation wished to inform the Committee that his delegation intended to make a proposal at the upcoming meeting of the Council for Trade in Goods to reduce the time-period for waiver extensions from six to two months. He was also aware that no decision had been taken in the General Council about future negotiations on non-agricultural products.

2.9 The representative of Egypt stated that it would be difficult to accept the proposal of a two-month waiver extension. The Committee had on previous occasions agreed to six months, and Members had submitted their respective justification for requesting a six-month waiver extension. Additionally, the outcome of consultations taking place in the General Council in the context of the preparations for the next Ministerial meeting should not be prejudged.

2.10 The representative of Argentina stated that he did not believe that Japan's proposal was the best way forward regarding this matter as it might result in a more frequent renewal of waiver extensions. Instead, he would appeal for all negotiations undertaken under this process to be concluded as quickly as possible.

2.11 The representative of Mexico stated that his delegation was concerned by Japan's proposal because two months appeared to be an extremely short period of time in which to complete the necessary process of transposition. From what he had understood, Japan wished to see the negotiations on the so-called Millennium Round based on the 1996 HS. However, a two-month extension of waivers was not the most appropriate way of expediting the process, as Members might not be able to complete the transposition exercise. This might result in Members continuing to use the 1992 or even the 1988 version of the HS and lead to confusion. He urged the Chairman to reach a solution to this issue before the Council for Trade in Goods meeting of 15 October 1999.

2.12 The representative of the United States stated that he had some sympathy with the spirit behind Japan's proposal. It was clear that this was a situation that needed to be rectified. His only concern was the lateness with which this proposal had come forward. He was also not enthusiastic about the prospect of addressing this issue two months from now when Members would be in the last stages of the preparatory process to Seattle. He felt that consultations were needed in order to determine whether there was a better way to proceed.

2.13 The representative of Panama stated that her delegation had concerns about Japan's proposal as it would be difficult for her delegation to complete the necessary work in two months. Therefore, she requested Japan to reconsider its position.

2.14 The representative of Slovenia felt a certain sympathy with the objective of Japan's proposal that these consultations and negotiations should be concluded within reasonable time as using the 1996 version of the HS as the basis for future negotiations was important. On the other hand, his delegation could not agree with the proposal to reduce the time-period of the waiver extension. There was a specific reason for this which could be seen in document G/MA/SPEC/12. Slovenia had negotiations and consultations with one delegation which still did not have clear instructions from the capital; this had been the situation for a year.

2.15 The Chairman proposed that he consult with interested delegations on this matter and try to resolve the situation before the Goods Council meeting of 15 October 1999.

2.16 The Committee took note of the statements made, and agreed to the Chairman's proposal.

2.17 The Chairman noted that on the second group of waivers (transposition of pre-UR schedules), waiver extensions had been requested by Nicaragua and Sri Lanka. Details concerning these requests from these two Members for the extension of the waivers for the transposition of their schedules in the Harmonized System were contained in Annex II of document G/MA/SPEC/12. The requests and the draft decisions related to these extensions had been circulated and would be considered by the Council for Trade in Goods at its meeting of 15 October 1999 and then forwarded to the General Council for adoption.

2.18 The Committee took note of the statement.

3. Submission of Harmonized System (HS) 96 documentation

3.1 The Chairman stated that according to the provisions contained in the General Council Decision of 15 June 1999, extending the time-limit of the waivers until 31 October 1999 to Members that had requested it (reference to document WT/L/303), it was envisaged that the Members concerned would submit by this date the complete documentation related to the introduction of HS96 changes in their WTO schedules, and that they could request technical assistance from the Secretariat for the preparation of documentation.

3.2 Document G/MA/TAR/2/Rev.20 reflected the present situation concerning the submission of the required documentation. The only difference with respect to the previous revision was the fact that Bolivia had submitted documentation which now left seven Members presently under waivers not having as yet submitted the required documentation. Some of these countries had requested technical assistance from the Secretariat, and their documentation was being prepared and would be circulated shortly.

3.3 To date, out of the 31 Members currently under waivers, 7 Members, as mentioned earlier, had not yet submitted the required documentation, the submission of one Member was finalized, and the submissions of 23 Members were still pending due to ongoing consultations and/or negotiations. The submissions of two Members, which had not requested an extension of their waivers, were also pending.

3.4 He urged delegations concerned to speed up the process of introduction of HS96 changes so that the number of waivers could be further reduced.

3.5 The Committee took note of the statement.

4. Modalities and operation of the Integrated Data Base

(a) Status of submission of the required documentation

4.1 The Chairman stated that document G/MA/IDB/2/Rev.6 showed the status of submissions of the required documentation as of 27 September 1999. He noted that 65 Members and 3 acceding countries had provided IDB submissions.

4.2 Since the document had been circulated, a submission had been received from Singapore (1998 imports and references).

4.3 Since the last meeting of the Committee, 6 Members had submitted documentation for the first time and the number of country periods had increased by 35 to 197 (including Singapore). Furthermore, several Members had authorized the Secretariat to use information submitted in the context of the Trade Policy Review Mechanism for the IDB. He reminded Members that the deadline for furnishing 1998 imports was the 30 September 1999.

(b) Progress Report on the Work done by the Secretariat

4.4 The Secretariat reported that with respect to the IDB internet site, the processed IDB submissions for 44 Members covering 102 country periods had been posted to the provisional area of the internet site on 1 June 1999. On 2 August 1999, after the 60-day mandatory approval period had expired, these files had been transferred to the approved area.

4.5 The Secretariat was currently preparing another set of files for the website. Submissions from 21 Members would be posted to the provisional area this week.

4.6 She drew attention to the fact that a number of approved files had been revised since they were posted to the internet site on 1 June. Where the revisions had been received from Members or were of a minor nature, the revised files would be re-posted directly to the approved area. Files with more substantial revisions, for example, where the Secretariat had to correct unmatched trade items, would be posted to the provisional area. The Secretariat would contact the Members concerned for approval before re-posting these files to the approved area.

4.7 With regard to the 1999 IDB CD-ROM, it would contain approved files that incorporated at least tariff data. There were files for 46 country periods in the approved area of the internet site that met this requirement. That left the question of Members' files, which incorporated at least tariff data, that had been processed, but had not undergone the 60-day approval period. Should Members wish these files to be incorporated into the CD-ROM, the approval process would need to be accelerated. Due to unforeseen software problems and an unexpected surge in the workload, the target date for issuing the CD-ROM had been extended to mid-November.

4.8 Concerning the use of IDB information, she informed the Committee that a number of Secretariat reports and papers had been recently prepared, or were in the process of being prepared, which incorporated IDB information. They included a paper for the Committee on Agriculture on the Tariff Treatment of Products of Special Interest to Developing Country Members that was issued on 28 July 1999 as AIE/S13; an informal paper entitled "Market Access for Least Developed Countries: Compilation of Information by the Secretariat" that had been circulated to the Sub-Committee on Least Developed Countries on 28 September 1999; and a study on market access being undertaken by the Economic Research and Analysis Division. IDB staff had been called upon to assist the WTO Divisions concerned in this work. Consequently, a number of statisticians and programmers had been diverted from IDB work for around seven weeks in June and July. Both the International Monetary Fund and the World Bank had asked for, and had been granted access to, the IDB internet site in accordance with the terms set out in G/MA/IDB/3 of 1 June 1999.

4.9 The Secretariat provided a progress report on the IDB software development. On the IDB Internet File Transfer Facility, the Secretariat had received several suggestions from users of the internet facility with respect to improving the navigation features. One concerned the addition of a feature to accede directly to a particular country in order to avoid scrolling through several pages to reach the desired country. The ICC had been contacted to implement this change as well as several other changes, and had provided an estimated completion date of end-November 1999.

4.10 Progress had been made with the IDB CD-ROM. The technical problems in the software to create the CD-ROM database had been corrected and a test CD-ROM with the data for four of the major markets had been created. This week data for more countries would be added.

4.11 To date, the Secretariat had uncovered and corrected some technical problems. One problem was serious and out of the Secretariat's control because it related to size limitations in the Windows 3.1 16-bit operating environment, under which the application was developed. The Secretariat had resolved the problem by dropping preferential duties in the HS chapter in order to reduce the size of information recorded for that HS Chapter. In that particular case, the tariff averages were not affected because the MFN applied duties were bound and duty-free. If this problem were to occur in other markets, the Secretariat might have to exclude certain preferential duties from the CD-ROM. To ensure that the problem did not occur elsewhere, the Secretariat would need to check the figures for all markets that would be included in the IDB CD-ROM. In future, the Secretariat might need to consider rewriting the IDB CD-ROM software in a 32-bit operating environment, if resources were available to do so.

4.12 There were also problems with the data of some Members because of invalid HS codes. The statisticians of the IDB Section were in the process of adding these codes to the IDB CD-ROM concordances. If the HS codes were not included in the concordances, the CD-ROM application would ignore those tariff lines.

4.13 The Secretariat expected that at least three more weeks would be required for testing. An additional week would be necessary to incorporate the help file and to make the master CD. Should other unexpected software problems arise, which were not easily resolved, more time might be necessary to produce the IDB CD-ROM. It would take a further two weeks to have the CD-ROM copies made by an external firm. The Secretariat planned to issue two copies of the CD-ROM to each delegation as was done in the past, unless Members considered that more copies should be issued. Delegations requiring more copies were invited to advise the Secretariat of the fact.

4.14 The IDB Reporting Tools were also progressing and foreseen to be ready in November. They would be distributed via the Internet File Transfer Facility. Tests had been conducted for several markets and the figures for averages, profiles, etc. corresponded with those of the IDB CD-ROM.

4.15 The Reporting Tools operated from the Microsoft Access database files that users download from the Internet. They allowed for the selection of products based on the various levels of the HS nomenclature or by the product categories used in the Uruguay Round Multilateral Trade Negotiations. Further selection according to optional tariff and trade criteria, similar to the IDB CD-ROM, was also possible. Several reports could be compiled for the selected products: tariff and trade report at the tariff line level; tariff report at the tariff line level; import suppliers at the tariff line level; summary tariff averages; and summary tariff and trade profiles. It was also possible to export the information presented in the reports for further processing using standard PC software such as spreadsheet or PC DBMS software. The reports were compiled based on one duty and one trade weight. The trade weights possible were either all origins, a given trading partner, or a group of partners that were part of a preferential trade arrangement.

4.16 To use the tools, a PC with a Pentium 486 processor and Windows 95/98 or NT operating system was required. The reporting tools were slower than the IDB CD-ROM. It might require several minutes to compile reports for a large number of products. This would depend on the power of the user's PC. The Secretariat might need to look further into the speed factor. It might be necessary to prepare another CD-ROM containing the reporting tools and the access database files, for those users that could not download large files from the internet due to slow connections. The Secretariat requested delegations that were in that position to contact it.

4.17 Once the IDB CD-ROM and reporting tools were distributed, the Secretariat would work on the Internet Reporting Application. At that point, the approved IDB files would have been loaded in the dissemination database, as the CD-ROM production was being sourced from the dissemination database.

4.18 The representative of Australia thanked the Secretariat for undertaking a significant amount of work in what was a very technically difficult area and hoped that these tools would become available in the near future.

4.19 The representative of Canada agreed with Australia in this regard. His delegation found the IDB a very useful tool and would encourage all Members to ensure that they have the most timely information in their submissions of the IDB.

4.20 The Committee took note of the statements.

(c) Technical Assistance

4.21 The Secretariat reported that technical assistance activities since the 22 June 1999 meeting of the Committee had covered a WTO workshop in Madagascar, which included technical assistance on the IDB, and three missions to Latin America. These last-mentioned missions were for the PC software data entry system being developed jointly by SIECA, the Inter-American Development Bank and the WTO. A further mission on the PC data entry software project would be undertaken on 16 October 1999. The aim of that mission was to introduce some IDB-related enhancements into the system and to finalize distribution-related issues. The current target date for the software to be ready for distribution was early next year. Remaining work to be done by the Secretariat was the enhancement of the WTO part of the help function and translating the software into French.

4.22 A further five technical assistance missions had been planned in response to formal requests. They were scheduled as either individual missions, or in cooperation with the activities organized by the Technical Cooperation Division.

4.23 The Committee took note of the statement.

5. APEC's request for an Internet Mirror Site of the Integrated Data Base (IDB)

5.1 The representative of Singapore on behalf of APEC's Market Access Group (MAG) stated that the MAG at its last meeting in Rotorua had reviewed the need for an IDB mirror site in the APEC Secretariat. The consensus reached was that there was no necessity to incur additional expenses for a mirror site. This was as the IDB was already available to all APEC members who were WTO or acceding WTO Members who had supplied data to the IDB. There was therefore no need for APEC MAG to maintain a mirror site at the APEC Secretariat. As such, MAG, had decided to reverse the earlier decision and would not pursue the initiative to request for a mirror site of the IDB. Singapore, on behalf of APEC MAG expressed appreciation to the Committee for the time taken to consider the request.

5.2 The Committee took note of the statement.

6. Status of Notifications of Quantitative Restrictions

6.1 The Chairman recalled that Members were required to make notifications of the QRs they maintain every two years. With respect to the 1999 notifications, he referred to document G/MA/NTM/QR/1/Add.6 which provided an update of the situation. He recalled that the QR database was moved from the mainframe computer to a PC Microsoft Access database last year. In

total the PC database contained the notifications of 25 Members. 13 of those were technically in a state that they could be made available, upon request to Members. A further 21 Members had notified the Secretariat that they do not maintain QRs.

6.2 The Committee took note of the statement.

7. Draft Report (1999) of the Committee to the Council for Trade in Goods

7.1 The Chairman drew the Committee's attention to document G/MA/SPEC/13, which contained the draft annual report of the Committee. This report would be finalized in the light of the discussion that had taken place at this meeting, and would be submitted to the Council for Trade in Goods for its meeting of 15 October 1999. The report provided a factual summary of the activities of the Committee in 1999.

7.2 The Committee adopted its report subject to its finalization in light of the present meeting.

8. Other Business

(a) Consolidated Tariff Schedules Database Project

8.1 The Secretariat reported that a three-phase approach had been adopted for processing the schedules of developing Members. The first phase consisted of reformatting the information available on electronic media into the data base structure that had been developed by the Secretariat. The second phase involved transposing the nomenclatures, where necessary, introducing the rectifications and merging the schedules. The third phase involved matching and expanding the HS96 schedule to the national customs tariff detail. The second phase would commence in November, and the third phase in December. Forty-two Members' schedules were ready for phase two of the processing. The Secretariat had benefited from assistance provided by Miss Yvette Davel (former Secretary to the Committee). She had clarified a number of issues raised by the project team. She would be available again at the end of October for this very helpful exercise, and again in the second half of November to assist staff in verification. The Secretariat would be filing a mid-term report on the project with the Government of the United Kingdom at the end of this month.

8.2 With respect to other Members, she recalled that the former Deputy Director-General, Mr. Hoda, had sent a letter on 30 April 1999 to the representatives of 14 Members, requesting them to submit their consolidated schedules to the Secretariat as part of the common effort to complete the exercise within the same time-frame. The final data base design developed by the Secretariat and the required data elements had been sent to these Members under cover of Ms Jackson's (Director, Statistics Division) letter of 9 August 1999. Since then, two Members had contacted the Secretariat for information and advice on completing their schedules. Another Member had formally requested the Secretariat to include its schedules in the project for developing Members.

8.3 The representative of the United States stated that his government attached great importance to this project for developing countries and to the submission by developed countries of their consolidated schedules. His government was finalizing the consolidated schedule and expected in the near future to be able to submit it to the Secretariat. His delegation felt that it would be useful for the process of exchange of experiences, if under the auspices of the Secretariat informal consultations could be held both to benefit from the work that was being done on developing country schedules and from the tools that were being developed. It would also be useful to have a clear idea of how other Members were proceeding in their efforts as well.

8.4 The representative of the European Communities agreed with the statement by the United States. His delegation had done a lot of work and the schedule was ready, with the exception of one section.

8.5 The representative of Canada stated that his delegation attached much importance to this exercise. His delegation shared the views expressed by the European Communities and the United States. Work was proceeding well in Canada, and his delegation hoped to be in a position within a month or so to table the electronic loose-leaf schedule.

8.6 The representative of Switzerland thanked the Secretariat for the efforts undertaken and the delegation which had made the funds available on this project. This was an important exercise because it would contribute to the proper functioning of the IDB, and would also permit the electronic verification of schedules.

8.7 The representative of Norway stated that his delegation attached importance to this project and would be interested in participating in the consultations proposed by the United States. He also enquired as to whether the Secretariat had any indication as to the date of completion of the project.

8.8 In response, the Secretariat stated that one year had been given to complete the original project which started in April 1999. The team working on the project was trying hard as possible to complete it by the end of 1999. If this were not possible, the project would be completed by the end of March 2000.

8.9 The Committee took note of the statements.

(b) Date of the next meeting

8.10 The Committee took note that its next meeting was scheduled for Spring 2000.
