
Committee on Market Access

MINUTES OF THE MEETING OF 23 MARCH 2000

Vice-Chairman: Mr. Christophe Kiener (Switzerland)

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The above agenda as reproduced in document WTO/AIR/1263 and Corr.1 was adopted with the addition of items 6 (a), (b), (c) and (d). An annotated agenda was circulated in an informal document (Job No. 1546). The Committee also agreed that, in light of the informal consultations that were still ongoing on the slate of chairpersons for subsidiary bodies of the Council for Trade in Goods, consideration of the item on "Election of Chairperson" be postponed to its next meeting.

1. Periodic report of the Committee to the Council for Trade in Goods including factual information on waivers expiring on 30 April 2000 (G/MA/SPEC/14)

1.1 The Chairman drew the Committee's attention to document G/MA/SPEC/14 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 5 April 2000. The report contained in its Annexes I and II tables summarizing factual information on the waivers under process submitted by the Members concerned. In this context, he requested the Committee to take note of the requests that had been presented by the Members concerned regarding the extension of their respective waivers and of the reasons for doing so.

1.2 As could be noted in this document, the waivers were divided into three different groups: (1) waivers granted in connection with the introduction of HS96 changes into the WTO schedules; (2) waivers related to the transposition of pre-Uruguay Round schedules into the Harmonized System (Nicaragua and Sri Lanka); and (3) a waiver concerning the renegotiation of the Schedule of Zambia following the introduction of the Harmonized System. All the waivers expired on 30 April 2000; if the requests were approved, the waivers would be extended until 31 October 2000.

1.3 As far as the first group of waivers was concerned, a draft decision on a further extension for examination by the Committee was circulated in document G/MA/W/22 dated 13 March 2000. The changes in the text compared to the precedent version related to the reference dates and the list of Members concerned by the extension.

1.4 To date 23 Members had forwarded to the Secretariat requests for the extension of their waivers. The list of those Members was reproduced in both documents G/MA/W/22 and G/MA/SPEC/14. Since these documents were issued, the Maldives, Morocco and Thailand had requested an extension of their waivers. Slovenia, at the informal meeting of 17 March 2000 had informed the Committee that it would no longer need an extension of the waiver following the removal of the last reservation on its documentation. Revised versions of these documents, G/MA/W/22 and G/MA/SPEC/14, would be prepared for the Council for Trade in Goods. The draft decision would then be forwarded by the Council for Trade in Goods to the General Council for adoption.

1.5 The representative of Slovenia confirmed that Slovenia was no longer requesting a waiver extension.

1.6 The representative of India stated that at the last informal meeting, the EC had informed the Committee that they had lifted their reservation on India's schedule and that they had sent a letter to the Secretariat to that effect. With that, the requirement for India to seek an extension of the HS96 waiver would cease. Therefore she requested the Secretariat to remove India's request for a waiver extension in documents G/MA/SPEC/14 as well as in G/MA/W/22, subject to the EC's confirmation.

1.7 The representative of the European Communities confirmed that his delegation had lifted its reservation.

1.8 The representative of Japan stated that the current HS96 waiver ended on 30 April 2000, but many Members had requested a six-month extension. For more than four years, his delegation had expressed serious concern about this kind of automatic extension of waivers. His delegation proposed that consultations be held to facilitate the process and to enable Members to conclude this exercise as soon as possible.

1.9 The Chairman stated that the documents G/MA/SPEC/14 as well as G/MA/W/22 would be adapted to take account of the changes in the situation as confirmed by India and Slovenia. Regarding the statement made by Japan, he stated that consultations were underway and he would report on this under the next agenda item.

1.10 The Committee took note of the statements.

1.11 The Chairman stated that details concerning the Members which had requested an extension of their respective waivers for either the transposition of their schedules in the Harmonized System or the renegotiation of their schedule following the introduction of the Harmonized System were contained in Annex II of document G/MA/SPEC/14. These extensions concerned Nicaragua, Sri Lanka and Zambia. For the information of the Committee, Bangladesh had concluded its Article XXVIII negotiations. 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 5 April 2000 and then forwarded to the General Council for adoption.

1.12 The representative of Sri Lanka stated that the justifications for Sri Lanka's request for the extension of the time-limit on the waiver which expired on 30 April 2000 were provided in document G/L/350 of 6 March 2000 and the draft decision for consideration by this Committee and the Council for Trade in Goods was circulated as document G/C/W/180 of 6 March 2000. Although Sri Lanka's original request for a waiver dated back to 12 January 1990, Members would appreciate that Article XXVIII negotiations by most countries did not start until the end of the Uruguay Round negotiations since most of the countries were preoccupied with other important issues. In the period that followed since 1995, Sri Lanka had sought extensions of the waiver continuously for a number of reasons, the most important being that the country was engaged in a protracted separatist war which had caused economic hardships accounting for almost a quarter of its annual budget. Sri Lanka had also been attempting to find solutions to sensitive economic issues that affected large sections of the population, particularly the poor segment of society. Furthermore, the appointment of the Presidential Tariff Commission in the latter part of 1998 had delayed the process of engaging in active tariff negotiations with concerned trading partners pending completion of the deliberations on Sri Lanka's tariff policy. She conveyed to Members and to the countries concerned her government's deep appreciation for their understanding of Sri Lanka's problems, and added that Sri Lanka regretted the delay related to the conclusion of these negotiations. Sri Lanka's commitment to the multilateral trading system and its mindfulness of honouring its obligations had made it take fresh initiatives and intensify consultations with the concerned countries. Following recent initiatives, Sri Lanka had concluded its negotiations with New Zealand on 18 February 2000 and with Australia on 14 March 2000, thereby finalizing negotiations with three countries out of the five with whom Article XXVIII negotiations had been initiated. With regard to clarifications sought on the reservations made by the remaining other two countries, Sri Lanka was able to clarify relevant issues with these two countries and in fact had already held a first round of negotiations with one country. It was Sri Lanka's intention to enter into negotiations with the other country in the coming weeks. Sri Lanka was encouraged by the constructive manner in which the remaining two countries were approaching the negotiations. Sri Lanka was keen to conclude Article XXVIII negotiations as speedily as possible so as to establish a new Schedule-VI of Sri Lanka, and subsequently to submit

HS96 documentation. Sri Lanka was approaching the current Article XXVIII negotiations keeping in mind the need to submit HS96 documentation as well. Therefore in order to conclude negotiations with the two remaining trading partners, Sri Lanka required at least one more waiver extension. Her government also wished to assure its trading partners in these negotiations that every effort would be made to conclude the negotiations satisfactorily and in the mutual interest of all concerned as soon as possible.

1.13 The Committee took note of the statements.

2. Submission of HS96 documentation

2.1 The Chairman stated that according to the provisions contained in the General Council Decision of 4 November 1999, extending the time-limit of the waivers granted to Members that had requested it until 30 April 2000 (WT/L/338), 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 in special circumstances they could request technical assistance from the Secretariat.

2.2 The Committee had before it document G/MA/TAR/2/Rev.21 which reflected the present situation concerning the submission of the required documentation. From the document, it could be noted that five Members presently under waivers had not 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. Since the last meeting of the Committee, the HS96 documentation submitted by the following Members had been approved: Australia, Canada and Tunisia. Additionally, the Committee had recently been informed that India's and Slovenia's documentation had also been approved. He also informed the Committee that El Salvador's documentation had been verified and would be circulated in the very near future.

2.3 To date, apart from the five Members that had not yet submitted the required HS documentation, the submissions of twenty-one Members, whether they had requested an extension of waivers or not, remained pending due to ongoing consultations and/or negotiations.

2.4 He also wished to report, for the sake of transparency, on the informal consultations that had been taking place on the subject of the HS96 transposition exercise. Informal consultations on this subject were first held on 26 January of this year. At that meeting, delegations had highlighted a number of problems which were holding up the transposition process, as well as possible solutions to try and inject a certain momentum to this exercise. An exercise which was all the more important in light of the future HS2002 amendments. The Chairman had, at that meeting, indicated that his purpose was not to decide on anything at that time, but to give an opportunity for delegations to consult with their authorities about the various ideas and come back to this matter at the next informal round of consultations.

2.5 Another informal meeting was held on 14 February 2000 where it was agreed that maximum transparency concerning the HS96 transposition process would be useful, and that the Secretariat should prepare, on the basis of the information available in the Secretariat, an informal list reflecting the detailed status of the pending HS96 submissions. This list was sent out to all Members through a letter dated 24 February 2000. It was indicated that this list may not be fully correct or complete and that Members were invited to communicate comments to the Secretariat to that effect as early as possible before the next informal meeting of the Committee which was scheduled for 17 March 2000.

2.6 At the meeting of 17 March 2000, a revised detailed list giving an updated picture of the situation with respect to HS96 submissions was circulated to Members. At this meeting, it was agreed that this informal list would be continually updated and that informal consultations on the matter

pursued. In this connection, he invited delegations to put forward any ideas they might have on the subject in writing and these would be taken up in the course of informal consultations.

2.7 The representative of Switzerland reported that after consideration of the information provided by Uruguay, Switzerland was now able to lift the reservation it had regarding certification of Uruguay's HS96 changes.

2.8 The representative of Mexico stated that Mexico's HS96 transposition documentation would be submitted shortly. Details concerning this had already been provided to Members at the informal meeting. The Secretariat's informal paper circulated at that meeting was very useful in pushing the HS96 process forward. He also thanked the Chairman for the strong leadership he had shown in moving the work forward in this area.

2.9 The Committee took note of the statements.

3. Modalities and operation of the Integrated Data Base

(a) Status of submission of the required documentation

3.1 The Chairman stated that on the status of submissions of the required documentation, a document G/MA/IDB/2/Rev.7 has been circulated to all Members. This document presented the situation as of 8 March 2000 with regard to the furnishing of PC IDB submissions. He noted that 69 Members and 2 acceding countries have provided IDB submissions. The Secretariat had informed him that, since the document had been circulated, a submission was received from Colombia relating to revised imports for the years 1996, 1997 and 1998. He reminded Members that the deadline for submitting 2000 tariffs was 31 March 2000.

3.2 The representative of Canada stated that his authorities had the previous day provided by e-mail to the Secretariat Canada's 2000 tariff rates and 1999 import data. His delegation encouraged all Members to not only submit the required data, or update it as necessary, but to do so by the deadlines.

3.3 The representative of Japan stated that Japan had submitted the 1999 bound tariffs.

3.4 The representative of Hungary stated that the Hungarian customs tariff for 2000 had been provided to the Secretariat the previous day.

3.5 The representative of Malaysia stated that he would remind his authorities of the need to send the 1998, 1999 and possibly 2000 data.

3.6 The Committee took note of the statements.

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

3.7 The Secretariat reported that with respect to the Internet File Transfer Facility, concerning the frequency of updates, the Secretariat was now carrying out the loading of files at the latter part of each month. In February 2000, 60 files were posted to the internet site. Twenty-seven new files and 19 revised files were posted to the provisional area. An additional 14 revised files were posted to the approved area. The Secretariat had started the March processing and would be loading 18 files, of which 9 were new and would be posted to the provisional area. Of the remaining 9 files, 7 would be posted to the provisional area and 2 to the approved area.

3.8 Before the files were loaded to the Internet site, the Secretariat created an internal version of the IDB CD-ROM for those markets and checked the figures produced from the CD-ROM against those produced from the IDB Reporting Tools. When there were discrepancies, the Secretariat investigated the causes and would need to update the data accordingly, before posting the files to the internet site. This checking process avoided having to introduce revisions to the files due to inadvertent coding errors. It would also make it easier to produce the next CD-ROM for Members. The Secretariat had also tried to improve the documentation of changes to information that had been supplied by delegations and had posted to the internet a list of modifications carried out for each file posted on the site. Delegations were now notified by letter when their files were posted to the provisional area of the site, so they would be officially notified when the 60-day approval period started.

3.9 Concerning technical matters, the International Computing Centre (ICC) had implemented the changes to the Internet File Transfer Facility, including a search facility to position to the desired country, and had created French and Spanish versions of the IDB Forum.

3.10 According to the IDB Dissemination policy (G/MA/IDB/3 - paragraph 4), the passwords for the Internet File Transfer Facility should be changed periodically. The Secretariat planned to change the passwords around the beginning of June 2000. The exact date was not yet known since the ICC might prefer to do this during a weekend. The new passwords would be sent to Heads of Delegations well in advance of the changeover. The Secretariat wished to ask delegations to ensure that these new passwords were communicated to their capitals. In the past, when the passwords for the Document Dissemination Facility (DDF) were changed, there were many users that could no longer access the DDF because they had not received the new passwords. This resulted in a lot of queries to the Secretariat and to delegations.

3.11 With respect to the Release 3 of the IDB CD-ROM, it was distributed in December 1999. It contained IDB information for 35 countries or territories covering 75 country-periods. At the Committee's meeting in October 1999, the Secretariat had informed delegations of some technical limitations with the IDB CD-ROM 16-bit software which related to the data of one market. After the meeting, the problem was found in another market as well. Therefore, the Secretariat had to exclude certain preferential duties from the CD-ROM for those markets. At the October 1999 meeting, the Secretariat had also pointed out that in future, it might need to consider rewriting this software in a 32-bit operating environment if resources were available to do so. It would seem that the time was approaching to rewrite the software and the Secretariat was investigating ways to eventually incorporate this in its work plan.

3.12 In conformity to the IDB dissemination policy set out in document G/MA/IDB/3, the World Bank and the IMF had received copies of the IDB CD-ROM. The Secretariat had written to the other international organizations listed in Annex 1 of G/MA/IDB/3, asking them if they wished to receive the new version and outlining the conditions in publishing information from the CD-ROM as described in the dissemination policy. These organizations had been asked to confirm their acceptance of these conditions. So far, UNCTAD had accepted the conditions.

3.13 The next update of the CD-ROM would be produced in June 2000 and would replace Release 3. It would contain all approved files as of the end of May 2000. In theory, that would represent all files that had been posted to the provisional area of the internet site up to 31 March 2000 and all files that had been posted to the approved area of the site up to 31 May 2000. For files posted to the provisional area after 31 March 2000, the Members concerned would need to inform the Secretariat in writing should they wish to have that data included in the next release of the IDB CD-ROM. This would apply to both new data and revisions of existing data.

3.14 With regard to the reporting tools application, it was ready and would be distributed shortly via the internet, as soon as the installation instructions were prepared and translated. At present, the interface was available only in English. French and Spanish versions of the help file would be available, but not until some time in April 2000. The reporting tools were developed using an English version of MS Access 97 running under Windows NT. The Secretariat experienced some delays in distributing this software, because it had to test how the installation program for the application would react with non-English versions of MS Access and Windows. In creating the installation program, there were two possibilities. For users that did not have MS Access installed on their PC's, the Secretariat had created an installation program with what was called a run-time version. The run-time version would install all the MS Access components required by the application on the user's PC. For users that had MS Access, the Secretariat had created an installation program that would not override the users' existing MS Access installation. This was to avoid the possible replacement of non-English language components of MS Office with English ones. Although the Secretariat could place both versions of the installation program on the internet, it did not wish to risk that users inadvertently used the wrong installation program, thereby changing their MS Office configuration. The Secretariat could provide the run-time version of the installation program to those delegations that did not use MS Office as their desktop software. Delegations should contact the Secretariat if they did not use MS Office as desktop software or if they experienced problems in downloading the installation program from the Internet.

3.15 Regarding the IDB Internet Reporting Application, the Secretariat had started its development which would contain extraction features and reports similar to those available with the IDB CD-ROM. The Secretariat hoped to develop this application using one interface that would be capable of supporting English, French and Spanish texts, thus avoiding maintenance of 3 language-versions of the application. All the files that had been posted to the internet site had been loaded in the dissemination database. A consultant had recently installed software on the dissemination server to make it internet compliant. The Secretariat had mentioned that the IDB CD-ROM needed to be redeveloped. It would like to avoid having to maintain two completely separate reporting applications - one operating from the internet and the other from the CD-ROM. The Secretariat was looking at a solution in which the components developed for the internet application could eventually be used to create a new version of the IDB CD-ROM application.

3.16 The representative of Mexico requested that the Secretariat's report be distributed in writing.

3.17 The representative of the United States stated that with respect to the new screens for the IDB transfer facility, if her understanding was correct, a user would no longer need to scroll through every country to find Switzerland or Thailand, but could go immediately to the right spot. This was an improvement which was highly appreciated. She indicated that many Members were interested in the details of the Secretariat's report and while much of that information could probably wait until the minutes of the meeting, certain time-limits had been specified concerning the next update of the CD-Rom. This information would be useful to have as soon as possible as delegations would have more time to react.

3.18 The Chairman stated that the Secretariat's report would be faxed to delegations as soon as possible.

3.19 The representative of Hong Kong, China stated that given the regular nature of the progress reports made by the Secretariat, on the IDB and Consolidated Tariff Schedules Database project, it would be appreciated if Members could receive these progress reports in advance of meetings, even in an informal way.

3.20 The Chairman stated that an attempt would be made to provide such reports to delegations prior to meetings.

3.21 On the development of the Internet Reporting Tools, the representative of the European Communities wondered whether there would be a pilot phase to see with interested delegations whether any problems had been encountered.

3.22 The Secretariat responded that it had thought to approach this project in stages. As soon as the Secretariat could deliver via the internet tariff line level data based on a query, it would make available a prototype to delegations for their feedback.

3.23 The Committee took note of the statements.

(c) Review of the Operation of the IDB and IDB related technical assistance activities in accordance with paragraph 19 of document G/MA/IDB/3 entitled "Dissemination of the Integrated Data Base"

3.24 The Chairman recalled that the Committee had discussed at some length last year the dissemination practices of the IDB before reaching an agreement on 1 June 1999 on the following which was contained in paragraph 19 of document G/MA/IDB/3:

"In light of the need to assure the broadest possible participation of Members in the IDB and full compliance with the 16 July 1997 Decision of the General Council (WT/L/225) concerning supply of information to the IDB, Members agreed that the Market Access Committee would undertake prior to 1 June 2000 a review of the operation of the IDB and of IDB related technical assistance activities. If, at the time of the review, participation of Members in the IDB falls substantially below the current level of participation, access to the IDB data will be temporarily suspended until adequate participation is secured again, unless other steps considered appropriate by Members are agreed."

3.25 To assist in this review, the Secretariat had prepared a paper circulated in document G/MA/IDB/W/5.

3.26 Before providing a summary of this document, the Secretariat informed the Committee of the IDB technical assistance missions undertaken since the October 1999 meeting. In October 1999, there was a mission to Guatemala on the PC data entry software project being developed jointly by the Central American Secretariat for Economic Integration (SIECA), the Inter-American Development Bank and the WTO. It was decided to incorporate some WTO-requested enhancements to the software. The Inter-American Development Bank was preparing a proposal for a legal agreement for the use and updating of the software. Subsequently, the WTO had tested the latest version of the software and encountered some problems, which were communicated to SIECA and the Inter-American Development Bank in January 2000. They had since informed the Secretariat that the Spanish version of the software was completely functional and that they would be forwarding the final texts of the interface and the manual for translation by the WTO into French. Technical assistance missions on the IDB were also conducted in Mali and Togo in December 1999. Imports for 1996 through 1998 and applied tariffs for 1996 through 1999 were brought back for both these Members. In February 2000, the IDB was covered in a half-day presentation at a regional Seminar in Burkina Faso in the context of the Islamic Development Bank-WTO 3rd Short Trade Policy Course in French.

3.27 Regarding this agenda item, the Secretariat had prepared a document entitled "Review of the IDB and IDB-Related Technical Assistance Activities" (G/MA/IDB/W/5), to assist Members in their evaluation of these items. Section A of the document provided some background information. Section B concerned the operation of the IDB and Section C provided a summary of IDB technical assistance activities. With respect to submission levels as outlined in Section B, in June 1999, 59 Members had provided IDB submissions. Since then an additional 10 Members had provided submissions. Thus there were 69 Members that had provided information, out of a total of the

119 Members that were required to supply information, representing 58 per cent of WTO Membership. The value of imports for the 69 Members accounted for 95 percent of imports of all Members. Table 1 of the document gave a breakdown of Members that had supplied IDB submissions and those that had not. Of those that had not, 49 were developing countries and 22 of these were least developed countries. Table 2 of the document presented the status of submissions of the 69 Members that had provided submissions. Items in bold text represented new or revised submissions since June 1999. Current requirements for submissions were information for 1996 through 1999 for tariffs and information for 1996 through 1998 for imports. It could be seen from Table 2 that 14 Members had provided tariff and import data for all years; 24 Members had provided tariffs and imports for at least 3 years; 8 Members had submitted tariffs and imports for 1 or 2 years; 3 Members had provided tariff and/or import data for different time periods; 14 Members had submitted only imports; and 6 Members had submitted only tariffs. Of those submissions received, some information was found to be invalid or incomplete and could not be processed. For these cases, the Secretariat had requested clarification from the concerned Members. At present, 27 percent of the files received were subject to clarification. Section C of the document summarized the technical assistance activities that had been carried out. Paragraph 12 listed the 13 missions carried out prior to June 1999. Paragraph 13 listed the 10 missions carried out since then. Paragraph 14 highlighted that the technical assistance missions had been productive in improving the number of submissions and extending the coverage of the information.

3.28 In addition to those missions listed in the document, presentations on the IDB and its requirements were regularly given at the WTO Trade Policy Courses, which took place 3 times each year and which were attended by representatives of developing countries. The IDB was also covered in the WTO Short Trade Policy courses. At the moment, 5 official requests for technical assistance were being prepared. One concerned a regional seminar on the IDB to be held in Namibia in mid-2000. The others concerned requests from Barbados, Congo, Côte d'Ivoire and Qatar. The Secretariat hoped that these missions would result in further improvements in Members' submissions for the IDB.

3.29 The representative of the United States stated that her delegation was encouraged by the recent activity in terms of countries filling in some of the missing information, and complimented those countries that had made an effort to supply the information. From her delegation's perspective, the most important issue at this stage was how many Members were in a position to provide the timely update of their 1999 trade and their 2000 tariffs according to the modalities that were agreed to by all WTO Members. While it was encouraging that some countries had supplied historic data, there was still a lot of missing information concerning the years 1998 and 1999. Her delegation suggested that as the date, 1 June 2000 approached, the Chair could hold consultations to continue to assess the situation. It would be premature to come to any decision now. Her delegation needed to see what kind of progress was being made within the next few weeks. On a matter not directly related to this agenda item, she noted that many Members had their tariff schedule posted on their homepage. The United States had done that, and she thought that India had. This practice should be encouraged as it would improve overall transparency and facilitate the submission of such information.

3.30 The representative of Canada urged all those countries needing technical assistance to request it. While his delegation was very encouraged by recent developments, it did note that in some cases gaps remained with respect to more current data. However, the deadline for providing 2000 tariffs was the end of March 2000, so it might be premature to begin a debate as to whether or not the participation in the IDB continued to improve. His delegation perceived two problems. One was filling in the gaps in existing data, and the other was encouraging those countries which had not yet submitted to submit the required data and to take advantage of technical assistance. He urged all Members to meet the requirements for this year, which was to provide their 2000 tariffs by the end of this month and their 1999 import data by the end of September 2000. He would join with the United States in requesting that the Chairman hold informal consultations on the matter.

3.31 The representative of Australia stated that there was ongoing technical assistance which he hoped would encourage those countries, listed in Table 1 as non-respondents, to be in a position to make submissions to the IDB. His delegation also agreed with the United States suggestion of informal consultations on the way to examine the information provided and to have that expanded to include relevant 1998, 1999 and 2000 data.

3.32 The representative of the European Communities agreed with the importance of technical assistance. It seemed to be productive in the sense that it had resulted in an additional number of submissions to the IDB. He noted, however, when looking at the list of non-respondents that although the vast majority of them were developing or least-developed countries, there were some countries in that group that should be capable of submitting data since they did not fall into either of those two categories. He felt that these Members should make a particular effort to submit data as soon as possible. He agreed that there should be a focus on the constant updating process and suggested that it might be useful to have a presentation for those who had provided data globally, which percentage had provided the most up-to-date data so that one could see how operational the data really was. On the transparency point, and responding to the US suggestion, there was a lot of useful information on national government websites. Information which was useful not only for other WTO Members or other governments, but also for economic operators. His authorities were planning to post the TARIC which had much more detailed tariff information, including preferential tariffs. In any case, he felt that all Members should post their basic m.f.n tariff on their websites for the sake of transparency.

3.33 The representative of Chile noted that a lot of technical assistance missions were being carried out in Members' capitals from where the IDB information was obtained. However, he felt that training on the IDB, in the form of a seminar or workshop would also be useful for representatives of developing countries based in Geneva so that they would know what to request from their capitals.

3.34 The representative of Guatemala stated that Guatemala was one of the countries having received technical assistance. He encouraged the Secretariat to draw up reports on such technical assistance missions. These reports would contain the Secretariat's assessment of what it found when it arrived at the country concerned and what it felt should be the next steps for the country to take. For example, in Guatemala, he had understood that it was a one-day technical assistance mission conducted in parallel with work carried out by the WTO Secretariat, the Inter-American Development Bank and SIECA. He supported Chile's suggestion that a seminar or workshop be organized on the IDB for representatives based in Geneva.

3.35 The representative of Hong Kong, China stated that if there was agreement to hold informal consultations, then his delegation would suggest that the purpose be twofold. One would be to examine the status of submissions, the other could be to decide what further efforts were required to encourage Members to submit their IDB notifications, and whether further technical assistance was required.

3.36 The representative of Cuba supported Chile's suggestion. He recalled that there had been a two-day seminar on rules of origin organized for permanent representatives based in Geneva which had assisted them in further understanding the subject, which in turn had helped them to better inform their capitals.

3.37 The representative of Thailand speaking on behalf of ASEAN, stated that ASEAN countries had benefitted greatly from the IDB technical assistance programme. In 1999, a regional seminar was held in Thailand and the results from that seminar were tangible. It was the people in the capitals who made the submissions a reality and ASEAN countries supported the work in this area.. At the same time, ASEAN lent its support to the suggestion made by the Chilean delegation. It would be useful if technical assistance could also be provided to delegations in Geneva so that they could learn about the

IDB. Speaking on behalf of Thailand only and on the Chairman's statement concerning possible suspension of access to the IDB if the level of participants to the IDB fell below a certain level, and the suggestion of holding consultations on this matter, he advised against this kind of implementing criteria.

3.38 The representative of Côte d'Ivoire stated that her delegation wished to see technical assistance become more widespread, regionally and nationally according to the needs expressed by countries or even on the basis of some plan established by the WTO. This should not be incompatible with the proposal made by certain countries to have a seminar to inform experts located in Geneva. She wished to draw attention to the fact that travel by representatives from developing country Members or least-developed country Members, including Côte d'Ivoire, to Geneva involved considerable cost. In such cases perhaps one or at the most two delegates could be sent. Whereas if technical assistance took place in the country concerned, many more people would be able to benefit from it. This factor should be borne in mind when considering technical assistance.

3.39 The Chairman proposed that the Committee hold consultations on the kind and the amount of data provided by Members to the IDB. In light of requests made by many delegations, he also proposed that a seminar be held in Geneva relating to the IDB and technical assistance issues. This could perhaps give the Committee the chance both to take stock of activities already undertaken and to look at future prospects. In this connection, a document such as that requested by Guatemala on the Secretariat's assessment of a Member's situation could be circulated.

3.40 The Committee so agreed.

3.41 The representative of Mexico stated that his delegation thought it extremely important that all countries met their notification obligations under the IDB. However, he would hesitate very much on suspending access to the IDB. He doubted that any suspension of access to the IDB had been agreed to in document G/MA/IDB/3. The purpose of consultations should be on how to ensure that countries continue to submit data to the IDB.

3.42 The Chairman noted that progress was already encouraging, and with the consultations, additional progress could be made.

3.43 The Committee took note of the statements.

4. Review of paragraph 1 of the Understanding on the Interpretation of Article XXVIII of the GATT 1994

4.1 The Chairman stated that this item was on the agenda of this meeting following the decision by the Council for Trade in Goods at its meeting of 24 January 2000 to request the Market Access Committee to examine this matter. In terms of background information, he recalled that during the Uruguay Round of Negotiations, the Negotiating Group on GATT Articles (NG7) had reviewed a number of GATT articles including Article XXVIII relating to "Modification of Schedules". Under Article XXVIII, there were three categories of Members which had a right to participate in the negotiations and consultations with the Member proposing a modification in its schedule: those holding initial negotiating rights, those having a principal supplying interest, and those having a substantial interest. One of the elements of Article XXVIII and its interpretative notes which was discussed in the GATT Articles Group concerned the criteria pertaining to principal supplier interest and these discussions had led to paragraph 1 of the present Understanding.

4.2 Paragraph 1 of this Understanding stated that "For the purposes of modification or withdrawal of a concession, the Member which has the highest ratio of exports affected by the concession (i.e. exports of the product to the market of the Member modifying or withdrawing the concession) to its

total exports shall be deemed to have a principal supplying interest if it does not already have any initial negotiating right or a principal supplying interest as provided for in paragraph 1 of Article XXVIII. It is, however, agreed that this paragraph would be reviewed by the CTG five years from the date of entry into force of the WTO Agreement with a view to deciding whether this criterion has worked satisfactorily in securing a redistribution of negotiating rights in favour of small and medium-sized exporting Members. If this is not the case, consideration will be given to possible improvements, including, in the light of the availability of adequate data, the adoption of a criterion based on the ratio of exports affected by the concession to exports to all markets of the product in question". Since 1995, there had been nine Article XXVIII cases and only one had so far concluded.

4.3 The representative of Switzerland stated that at that meeting of the Council for Trade in Goods on 24 January 2000, Switzerland had been the only Member requesting a review of paragraph 1 of the Understanding on the Interpretation of Article XXVIII of GATT 1994. It would have been interesting to have a discussion as to whether or not the criteria listed in paragraph 1 had worked satisfactorily, but in view of the low interest shown by other delegations on this issue Switzerland would not be pursuing this matter.

4.4 The representative of Korea stated that his authorities had instructed him to float an idea that he felt might not be directly related to paragraph 1 of the Understanding but mostly related to paragraph 2. So at this stage, he wished to consult with his capital on this matter.

4.5 The representative of Hong Kong, China stated that paragraph 1 was meant to protect the interests of small-and medium-sized exporting Members, including Members like Hong Kong, China, he wished to know from the Secretariat whether this paragraph had been invoked by small and medium-sized exporting Members. If yes, the question could be asked whether the criterion had worked satisfactorily. Additionally, Members who had made use of this criterion might wish to share their experience on whether there was need for improvement.

4.6 The Secretariat stated that according to information available to it, this criterion had not been invoked officially. However, as Members were aware, Article XXVIII negotiations took place in various ways and not everything that took place in these negotiations was made known to the Secretariat.

4.7 The representative of Mexico stated that this provision concerned the interests of small and medium-sized exporting Members, but in particular also of developing countries. An initial negotiating right could be granted in those cases where a country might have an export product which represented a high percentage of its total exports. When that product was affected by renegotiations by a third country, the exporting country would have the right to declare itself as a country with principal supplying interests. Taking into account the information from the Secretariat, namely that it was not aware of an invocation of this criterion, his view would be that developing countries could look into this matter and see whether there was some way of improving the criterion or not. In fact, the review called upon Members to improve the criterion if necessary or if possible.

4.8 The representative of Australia stated that in connection with an issue touched upon by Mexico in respect of the initial negotiating rights, it was his delegation's understanding that initial negotiating rights could be requested on any product, irrespective of whether that particular country seeking the initial negotiating right was a principal or major supplier.

4.9 The representative of Mexico stated that the delegation of Australia was correct. In Mexico's previous statement, he had not been referring to initial negotiating rights *per se*, but rather the right that a Member would have to declare itself as having a particular supplying interest, thus giving it negotiating rights. Initial negotiating rights were obtained or granted when a country negotiated that condition with another, whether that exporting country was or was not a principal supplier. In fact,

Members were requesting, from countries acceding to the WTO, initial negotiating rights on products which they did not import.

4.10 The representative of the United States stated that any new language proposed by a Member should be accompanied with some empirical or detailed reference to a real world situation that motivated the concern. What Members had to review was whether the provision was operating effectively.

4.11 The Chairman proposed that the Committee revert to this item at its next meeting. In the interim, he invited interested delegations to submit to the Secretariat any proposals in writing in light of the text contained in paragraph 1 of the Understanding.

4.12 The Committee took note of the statements and agreed to the Chairman's proposal.

5. Consolidated Tariff Schedules Database Project

5.1 The Secretariat stated that its report consisted of a brief background of the Consolidated Tariff Schedules (CTS) Database project, followed by a progress report on the work done by the Secretariat and some indications of future work. The CTS Database technical co-operation project was approved by the Committee at its meeting on 27 November 1998. At that meeting, it was decided that the Secretariat would process the tariff schedules of developing country Members. Developed country Members agreed to prepare their schedules themselves. At the same meeting, the Chairman pointed out that the work of the Secretariat and of the developed country Members was expected to proceed in parallel, and that the information contained in the CTS database should become available to all Members at the same time. Members noted that the database would be a working tool only, and there would be no implications as to the legal status of the information it contained. The expected time frame for completion of the processing was one year.

5.2 On successful completion of the pilot project, and on receipt of funds from the Government of the United Kingdom, the Secretariat had begun work on processing the tariff schedules of developing country Members in April 1999. The scope of the project was limited to those data elements contained in Part I - Section 1 A, and Part I Section 2 of the Schedules; i.e. tariffs for agricultural products and other products.

5.3 By letter of 30 April 1999, Deputy Director-General Mr Hoda had informed developed country Members and 5 other Members, that the Secretariat had begun work on the project, and noted that the work for developed country Members should proceed in parallel. In August 1999, after the database design had been finalised, these same Members were given the database tables and all the information required for preparation of their schedules. At the request of one of these Members the Secretariat had agreed to process its schedule. The Secretariat had also processed the Schedule of another of these Members and submitted it to the Member for approval. At the suggestion of the United States, the Secretariat had established in November 1999 an electronic mail list to assist Members processing their own schedules with technical advice.

5.4 Regarding work in progress, the Secretariat had committed to processing 107 Schedules. The deadline it had been working to was one year after the receipt of funds from the Government of the United Kingdom, i.e. 31 March 2000. As of 22 March 2000, out of the 107 schedules, 8 more remained to be done. Of the schedules already processed, 80 had been checked by the schedules expert, Ms. Yvette Davel, and sent to Members for approval. Nine more were being checked and 10 were under processing. Five statisticians were working on the schedules. The Schedules had been processed in the latest nomenclature available in the Secretariat. Twenty-four schedules were in the HS 92 nomenclature and the remaining 83 were in HS 96 nomenclature. In line with paragraph 3 of document G/MA/63, which set out the scope of the CTS project, no supplementary information had

been sought from Members. However, Members had been informed when the latest national tariffs had not been obtainable in an electronic format. The Secretariat expected that by 31 March 2000, all 107 schedules would have been processed and the draft database files would have been sent to Members for approval. Members were requested to approve their draft tariff schedule database files within a period of 90 days. If, after that period, no revisions or other information were communicated to the Secretariat, the files would be automatically deemed approved for inclusion in the database. In principle, all 107 draft tariff schedule files would have been approved by 30 June 2000. Each draft tariff schedule file sent to Members contained a note explaining how the schedule was processed. The note also listed any problems that were encountered during the processing and the solutions that were adopted by the Secretariat.

5.5 Due to resource and technical constraints, the working language for the database was English. Only the product descriptions were in the official language designated in the schedules. The Secretariat had made some informal French translations of the data base tables available to Members. The Secretariat was ready to assist Members with translation problems on a case by case basis to the extent it could.

5.6 Regarding future work, some post processing tasks remained to be done before the database was operational. The Secretariat would need to: incorporate any revisions provided by developing Members into the database files; check the schedules prepared by Members themselves for conformity to the database structure; if modifications needed to be introduced into Members' files by the Secretariat, they might need to be sent back to Members for approval; develop reporting tools for querying and analysing the information; develop dissemination modalities (CD-ROM, Internet, etc.); develop training material on the use of the CTS database as part of the technical assistance to be provided to developing Members; and link the bound rates in the CTS database to the IDB. Some preliminary work had already begun. For example, the Secretariat had been looking into the feasibility of adapting some IDB reporting tools, and the project programmer was looking into the technicalities of establishing the link to the IDB.

5.7 Ms Jackson, the Director of the Statistics Division, wished to thank the Government of the United Kingdom once again for making this very important and useful project possible. She wished to also express her very deep appreciation for the excellent work done by the project team. Their dedication, enthusiasm, and hard work had made it possible for the Secretariat to complete the processing phase of the project within the required time frame.

5.8 The representative of the European Communities stated that the Secretariat's report had given a clear picture of developments on the developing country side of the project and left open the question of the stage reached by other Members. As far as his delegation was concerned, it had already provided a test version on the non-agricultural part of the schedule containing all the elements from the Decision on the "Establishment of Consolidated Loose-Leaf Schedules on Goods", including tariffs and initial negotiating rights. His delegation had also included commitments on pharmaceuticals and on the Information Technology Agreement (ITA). The agricultural part of the schedule was close to completion. His delegation had included everything that was in its Uruguay Round schedule, so tariffs, tariff quotas, domestic support and export subsidies in separate but inter-linked databases were there. It was important to give a complete and accurate reflection of a Member's concessions and he trusted that other Members were working on the same basis. Another issue to be addressed was the usability of the results of this database. He was pleased to hear that the Secretariat would be developing reporting tools and building a bridge between the CTS database and the IDB. He pleaded for as much simplicity as possible. His delegation had found the IDB excellent when one was looking for details on a line-by-line basis, but it was not very easy to select raw data and process it according to one's own needs.

5.9 The representative of Australia stated that Australia should be in a position to submit its consolidated tariff schedule by the end of March 2000. As to the comprehensiveness of the information included, it was his understanding that tariff rate quota data was there, but as to domestic support or export subsidies he was not sure. However, he agreed that inclusion of such information would be very useful. In connection with reporting tools, Australia shared the EC's view on the need for simplicity.

5.10 The representative of Canada stated that his authorities were hoping to complete the work on Canada's consolidated tariff schedule by the end of April 2000. In addition to its Uruguay Round schedule, Canada's ITA and pharmaceutical commitments were included in Canada's consolidated tariff schedule. Canada was also preparing the schedule on the basis of Canada's simplified tariff. At this stage, Canada was looking at how to include agricultural information such as the tariff rate quota levels, domestic supports, and export subsidies into the schedule. Canada agreed with the point raised by the EC and Australia about the need to develop appropriate reporting tools and linkages to the IDB, and would join in the call for simplicity.

5.11 The representative of Norway stated that his authorities had not yet completed a first draft of Norway's schedule. He did not have much detailed information as to what the draft contained so far. He shared the views of the EC concerning the usability and user-friendliness of the database, both in relation to the CTS and the IDB. There was a need to ensure that users could easily obtain the information they were looking for. In addition, he requested the Secretariat to distribute its report in written form.

5.12 The representative of Switzerland recalled that the Swiss schedule was used as a pilot project. She shared the views of other delegations regarding the simplicity of use of the database. In addition, for the purpose of transparency, it would be useful to include information on tariff rate quotas, domestic support and export subsidies.

5.13 The representative of the United States wondered whether, in connection with the schedules prepared by the Secretariat, concordance tables would be provided for those Members whose nomenclature had changed from the time of their Uruguay Round schedules. Such tables would assist other Members to trace commitments that they were interested in. Her delegation had prepared such concordance tables when making the submission to the IDB, since the United States nomenclature changed from year to year. It was a lot of work, but such tables did facilitate transparency. Her authorities were preparing the United States schedule for the CTS database in two phases. They were putting the bound rates into the non-legal nomenclature that was used for the IDB submission, and they were also preparing the more formal legal nomenclature which would take more time. Her delegation would be interested in holding informal consultations with the Secretariat on the actual format in which information on tariff rate quotas and export subsidies should be submitted, in particular for the latter as a nomenclature was used. The domestic support information from the Uruguay Round was on a more aggregated level, but it was nevertheless important to have that information presented in a way that was consistent with the database structure which would make it user-friendly. She was pleased to inform the Committee that while in its Uruguay Round schedule, the United States had included the tariff rate quota information into the headnotes of each chapter, which might not have been user-friendly, for the CTS exercise, her authorities were looking at putting this information into the more standard format. It was also in order to do this in a technically appropriate way that she proposed informal consultations with the Secretariat. For her delegation, like for many other Members, it was important to have transparent and user-friendly linkages developed between the CTS database and the IDB. Her delegation supported the suggestions made on being able to download the information *en masse*, and on developing simple user-friendly tools and linkages.

5.14 The representative of New Zealand shared the views expressed by other delegations about simplicity and transparency issues. As to the state of play in terms of New Zealand's work on the CTS exercise, he reported that technical issues relating to New Zealand's tariffs along with other priorities had thus far prevented his authorities from completing the CTS exercise in respect of the New Zealand's schedule. He stated that New Zealand would be in a position to submit its schedule by the end of May 2000.

5.15 The representative of India stated that her delegation had received from the Secretariat India's draft consolidated schedule and was in the process of verifying it. Since, she had not been able to use the IDB for various technical reasons, which she had briefly communicated to the Secretariat, she agreed with others who had spoken before that the database which was to be established must be transparent and user-friendly. In this connection, she wished to be part of the informal discussions on how to make the database user-friendly. She also wished to know more about the suggestion by the US on the linkage between the CTS database and the IDB.

5.16 The Chairman stated that the Secretariat would send out by fax its report made under this agenda item. As regarded the user-friendly aspect of the database, he proposed that the Secretariat organize open-ended informal consultations at the expert level on this matter. He also proposed that those delegations wishing to include information on tariff rate quotas, export subsidies and domestic support for agricultural products in their schedules of concessions should contact the Secretariat to try and coordinate the format in which this information would be presented in their schedules.

5.17 On the Chair's last proposal, the representative of the European Communities suggested that Members should be working in a consistent manner. These agricultural commitments which stemmed from the original decision needed to be addressed in a more structured way through informal consultations. Inclusion of such elements concerned not only the developed country Members who were preparing their own schedules, but also developing country Members whose schedules had been prepared by the Secretariat. The Secretariat might need to review these schedules to take account of these types of commitments, bearing in mind that only a relatively small proportion of WTO Members were affected by them.

5.18 The representative of Canada stated that his delegation had assumed that these consultations would only concern the question of the format in which such agricultural data would be submitted, as he had thought it to be clear that such information should in any case be submitted. However, it did not appear to be the case. There had to be consistency among Members with respect to the information contained in the database as well as the format in which the information was presented.

5.19 The representative of Australia recalled that the Secretariat had advised Members during previous informal consultations that inclusion of that sort of information might require a revisitation of twenty-four developing country Member schedules. He suggested that future informal consultations include a description of what this would entail in terms of additional work and the meeting of deadlines.

5.20 The Committee agreed that the Chairman hold informal consultations on this matter.

6. Other Business

(a) HS2002 changes

6.1 The representative of the United States stated that the Harmonized System Committee at the World Customs Organization (WCO) was this week reviewing an indicative document that outlined the HS2002 changes. Based on the experience that Members had in terms of the HS96 changes, she indicated that it would be useful to start thinking about the development of a simplified, transparent,

easy to implement, electronic way of dealing with future HS changes. In this connection, she suggested that the Chairman could start informal consultations or invite the WCO to make a presentation at the appropriate time in terms of how it viewed the work. This would enable Members to be better organized and help them to avoid the protracted process that had taken place for the HS96 exercise.

6.2 The representative of the European Communities supported the US suggestion. In addition, there was a combination of what each Member had to do on the domestic front and its obligations in the WTO, and Members needed to make sure that the timing was coherent on both levels.

6.3 The representative of India wondered whether the representatives of the United States and the Communities were making a proposal under "other business" for the Committee's consideration and approval.

6.4 The representative of Australia clarified that these representatives had merely drawn the Committee's attention to the future HS2002 changes and what that would entail in terms of work for Members.

6.5 The Committee took note of the statements.

(b) Request from the International Cotton Advisory Committee for the PC IDB CD-ROM Release 3

6.6 The Chairman recalled that at the informal meeting on 17 March 2000, the Committee had considered the request from the International Cotton Advisory Committee for the PC IDB CD-ROM Release 3. This request had been sent to all Members along with the fax dated 13 March 2000 convening the meeting of 17 March 2000. At the meeting itself, further information about the International Cotton Advisory Committee i.e its functions and Membership, was circulated. From the discussion at that meeting, it had appeared to him that consensus would not be possible on granting the International Cotton Advisory Committee access to the PC IDB CD-ROM Release 3. He proposed that the Secretariat send an appropriate reply along those lines to the International Cotton Advisory Committee.

6.7 The Committee so agreed.

(c) Submission of national tariffs in 2000

6.8 The Chairman drew the Committee's attention to document G/MA/TAR/3/Rev.5 and its corrigendum which contained a revised and updated list of tariffs available to the Secretariat. He encouraged Members to submit the most recent version of their customs tariffs if they had not already done so. He stressed the importance of having updated information in the tariff library as it was consulted regularly by delegations, members of the Secretariat, private parties, students etc. Additionally, he requested any Member which felt that its national tariff information submitted in the TPRM or the IDB context could be used in the tariff library, to inform the Secretariat accordingly.

6.9 The representative of Estonia stated that through a letter dated 16 September 1999, Estonia had provided the Secretariat with the tariff information which was in force as of 1 January 2000. This fact needed to be reflected in the document G/MA/TAR/3/Rev.5.

6.10 The Committee took note of the statements.

(d) Date of the next meeting

6.11 The Committee noted that according to the time-table of meetings established by the Secretariat, the next meeting of the Committee was scheduled to take place on 27 June 2000 subject to confirmation.
