

REPORT (1998) OF THE COMMITTEE ON RULES OF ORIGIN

1. The Committee on Rules of Origin (CRO) held eight meetings between 2-6 February, 16-27 March, 27 April – 1 May, 25-29 May, on 19 June, 1 and 6 July, 15 October and 5 November 1998 (G/RO/M/13-20). At its meeting in March the Committee elected Mr. Ric Wells (Australia) as Chairman and Mr. Rossman Ithnain (Singapore) as Vice-Chairman for 1998. Observer governments in the General Council of the WTO have observer status in the Committee. In addition, representatives of the ACP, EFTA, IADB, IMF, ITCB, OECD, UNCTAD, WCO and the World Bank attend meetings of the Committee in an observer capacity.

2. In connection with the Harmonization Work Programme (HWP) for non-preferential rules of origin, as set out in Part IV of the Agreement, the CRO:

- reviewed four Reports from the Technical Committee on Rules of Origin (the TCRO) to the CRO (G/RO/19, 22, 23 and 27);
- conducted formal, informal, plurilateral and bilateral negotiations on unresolved issues concerning chapters 1-24 (agricultural products), 50-63 (textile products);
- endorsed about 1,600 of the product-specific rules which had been referred to the CRO from the TCRO, keeping in mind, however, that in accordance with Article 9.3(b) of the Agreement, the Committee should finally consider the results of the Harmonization Work Programme in terms of their overall coherence (see G/RO/W/22/Rev.4);
- at the meeting in May, came to the conclusion that, due to the complexity of issues, the work could not be completed within the three-year period foreseen in Article 9.2(a) of the Agreement. The Council for Trade in Goods and the General Council, in July, approved the recommendations of the CRO that it, in cooperation with the TCRO, should continue the work identified in Articles 9.2(c) and 9.3 of the Agreement; that Members commit themselves to make their best endeavour to complete the HWP by November 1999; that the TCRO shall submit the final result of its work to the CRO by the end of May 1999 for final consideration by the CRO; and that in June 1999 the CRO shall review the status of the HWP and make a recommendation on a deadline for completing that work;
- as concerns the issue “implications of the implementation of the harmonized rules of origin on other WTO Agreements”, considered submissions from the Dominican Republic and Honduras (G/RO/W/33), El Salvador (G/RO/W/34), India (G/RO/W/28/Rev.1, G/RO/W/30), Korea (G/ROW/28) and the United States (G/RO/W/32).

3. At the request of the Chairman of the Council for Trade in Goods (CTG), the Committee included the matter of "trade facilitation" in its agenda. Noting that certain provisions of the Agreement on Rules of Origin covered some customs practices which were linked to trade facilitation, the CRO discussed the implementation of Article 2(h) and paragraph 3(d) of Annex II of the Agreement. The Secretariat has circulated information provided by 33 Members in this context in documents G/RO/W/26 and G/RO/W/26/Add.1. The Committee will continue discussions on this matter with a view to sending a report to the CTG by March 1999.

4. Pursuant to Article 5.1 and paragraph 4 of Annex II of the Agreement, all Members are required to notify their rules of origin, judicial decisions and administrative rulings of general application relating to rules of origin. To date, 68 Members have made notifications relating to non-preferential rules of origin and 71 Members have made notifications relating to preferential rules of origin.
