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Committee of Participants on the Expansion of Trade in Information Technology Products

MINUTES OF THE MEETING OF 3 DECEMBER 1997

Chairman: Mr. A. Hoda

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Introduction

The Chairman welcomed participants to the third formal meeting of the Committee of Participants on the Expansion of Trade in Information Technology Products. He said that the proposed agenda was circulated in airgram WTO/Air/742 of 21 November 1997 and asked if there were any other matters to be raised under "Other Business". Hearing no requests, he stated that he would take up the date of the next meeting under this agenda item. With this addition, the agenda was adopted.

1. Review of the status of implementation of the Ministerial Declaration on Trade in Information Technology Products (G/IT/1/Rev.1)

1.1 The Chairman drew participants' attention to document G/IT/1/Rev.2 which updates the status of implementation.

1.2 The delegate of the Philippines requested a small correction to be made to the document in paragraph 1, indent 2, whereby the Philippines should be included as one of those countries whose implementation would begin after the completion of domestic procedural requirements.

1.3 The delegate of Switzerland noted that the same correction should also be made for Switzerland.

1.4 The Chairman stated that in the next revision, the Philippines and Switzerland would be added to the list of countries at the end of paragraph 1 which have indicated that implementation would begin after the completion of domestic procedural requirements.

1.5 The delegate of Switzerland further requested that in the revision it should be indicated that Switzerland had notified on behalf of the customs union of Switzerland and Liechtenstein.

1.6 The delegate of New Zealand informed participants that New Zealand's ITA schedule had been finalized and would be submitted to the Secretariat soon. This submission incorporated a number of technical changes that did not affect the substance of New Zealand's commitments, which had already been implemented on a domestic basis.

1.7 The Chairman noted that paragraph 4 of document G/IT/Rev.2 contained a list of the schedules that had been certified and also a list of additional schedules that had been put on the internet web site, although they were not yet certified.

2. Future work programme of the Committee

2.1 Divergences in classifying information technology products (G/IT/2, G/IT/2/Corr.2 and G/IT/2/Add.1)

2.1.1 The Chairman stated that discussions on this matter had taken place at the previous meeting but no agreement was reached on the future direction to be taken. He further noted that there were two sets of documents prepared by the Secretariat which outlined the divergences in classifying information technology products. There was also a proposal made by Japan at an earlier meeting with respect to convening a meeting of experts, and a statement by the United States indicating that a paper would be forthcoming on the issue.

2.1.2 The delegate of the United States noted that consultations with other participants were still ongoing and he confirmed that his delegation intended to submit a paper on how to proceed.

2.2 Review of product coverage

2.2.1 The Chairman, referring to paragraph 3 of the Annex to the Ministerial Declaration and paragraph 7 of the document on the Implementation of the Ministerial Declaration, recalled that, beginning 1 October 1997 and not later than 31 December 1997, participants were to submit to the Committee lists of additional information technology products for possible additional tariff concessions. He noted that the discussions at the last meeting indicated that work was ongoing in capitals and that proposals would be forthcoming.

2.2.2 The delegate of Chinese Taipei stated that his delegation intended to submit a written proposal which would include items, among others, under HS 8540, such as data graphic displays and computer displays.

2.2.3 The delegates of Australia; Canada; EU; Japan; New Zealand; Norway; Switzerland; and the United States stated that consultations were ongoing with industry on this matter and that they intended to submit a list of additional products.

2.2.4 The Chairman stressed the importance of meeting the deadline of 31 December 1997 for submissions of additional product lists.

2.3 Consultations on non-tariff barriers

2.3.1 The Chairman made reference to the discussion at the previous two meetings on this subject. He pointed out that agreement had been reached on a proposal by the United States on surveying participants on their use of two specific standards. There was also another proposal by the European Communities to enlarge the survey but some delegations needed more time to reflect on this issue.

2.3.2 The delegate of the European Communities referred to a room document circulated at the last meeting by his delegation on this matter showing the situation with regard to conformity assessment. In that paper account was taken of questions raised by the United States with respect to technical regulations and whether these regulations were aligned on international standards. The EC proposal outlined the mandatory conformity assessment procedures in operation, which were generally conducted by either the regulatory authority, or by a body which it designated to do so. A third possibility was self-declaration, whereby the government, in the case of mandatory certification, delegated the right to make the conformity assessment to the manufacturer. Thus, these three elements should form part of the survey. It should also cover conformity assessment relating to products and to processes. By processes it was meant the process that went into manufacturing the particular product, e.g. in the case of semi-conductors. It would be useful to have a clear understanding of the situation in this area, in regard to both standards and conformity assessment. The drafting of the questions could be left to the Secretariat.

2.3.3 The Chairman stated that delegations had had the opportunity to examine the European Communities room document since the last meeting and he asked whether participants could agree to extend the coverage of the survey.

2.3.4 The delegation of the Philippines, speaking on behalf of ASEAN, thanked the European Communities for their clarification of the proposal. In principal, ASEAN could go along with the idea of a survey, but would like to have further discussion and examination of the wording of the questionnaire. As the European Communities had offered to have discussions with interested delegations in this respect, ASEANs could lift its reservation to the survey. She further asked whether on conformity assessment the survey would be limited to the two questions proposed by the United States.

2.3.5 In response, the delegate of the European Communities said that in his view the survey would have three parts. One part would relate to the standards mentioned by the United States, i.e. what technical regulations existed in this field; the second part would indicate to what extent they were aligned on the international standards referred to by the United States; the third element would be what conformity assessment procedures existed in regard to products covered by the ITA.

2.3.6 The delegation of Chinese Taipei, stating support in principal for the survey, asked what the scope of the survey would be.

2.3.7 The Chairman stated that the further details being sought by the Philippines and Chinese Taipei could be worked out on the margins of this meeting by the European Communities with interested delegations. It was agreed, in principal, to enlarge the survey.

2.4 Other

2.4.1 The delegate of Canada stated that his delegation had circulated a non-paper on import licensing procedures which reflected industry concerns with respect to administrative procedures and time delays associated with import licensing requirements relating to ITA products. For example, concerns had been raised about the short period of validity of such licences, small contract values requiring import licences, lack of clear focal points for approval of licences, and undue delays in obtaining licences. He further noted that, while under the Agreement on Import Licensing there existed notification requirements, not all participants had complied with either the notification requirements or the responses to the annual questionnaire. More importantly, the information provided in those notifications was not specific to ITA products. He proposed that a survey be undertaken by the Secretariat on import licensing measures. This would also clarify the situation for acceding Members to the WTO. The questions proposed for the survey were contained in the Canadian non-paper. In summary, they were as follows:

- On which ITA products were import licences required? (information to be provided by HS tariff line and description).
- What was the purpose of the licensing regimes that were maintained?
- What was the nature of the import licensing provisions? (for example, were they automatic or not).
- Through what means could importers be made aware of these import licensing provisions, and any changes that might take place?

2.4.2 The delegate of New Zealand supported the proposal by Canada in principal.

2.4.3 The delegate of Malaysia, speaking on behalf of ASEAN, and the delegate of India, stated that they would like some time to study this proposal and would revert to it at a future meeting.

2.4.4 The Chairman summarized that at present, the Committee could only take note of the proposal made by Canada, and that it would be taken up at the next meeting after delegations had the opportunity to study its contents.

3. New Participants

3.1 Schedule of Latvia

3.1.1 The Chairman stated that at the previous meeting concerns had been raised with respect to the schedule of Latvia, in particular as to whether Latvia would implement its ITA schedule without waiting for the completion of its accession to the WTO. There was an indication that this was a condition, which needed further clarification. It was agreed to postpone this matter until the next meeting.

3.2 Schedule of Panama

3.2.2 With respect to the schedule of Panama, the Chairman recalled that the Secretariat had performed an electronic verification and that certain discrepancies had been noted and conveyed to the delegation of Panama. At this time, a revised schedule had not been received. It was agreed to await a response from Panama.

4. Annual report (1997) of the Committee to the Council for Trade in Goods (G/IT/W/2)

4.1 The Chairman drew participants' attention to document G/IT/W/2, which contained a draft annual report of the Committee to the Council for Trade in Goods. This report provided a factual summary of the work undertaken to date in the Committee. It needed to be updated based on the results of the discussions held today.

4.2 The report was discussed paragraph by paragraph:

4.3 With respect to paragraph 5, the delegate of Chinese Taipei proposed to add, at the end of the paragraph, "participants in the process of acceding to the WTO had implemented their schedules on an autonomous basis." Hearing no objection, the Chairman stated that this would be added to paragraph 5.

4.4 On paragraph 8, the delegate of the Philippines requested that more specificity be given to the scope and coverage of the survey. Also, in paragraph 8, the delegate of Switzerland noted that reference was made to "small and medium exporting participants", whereas it would be more appropriate to use "small- and medium-sized exporting participants". The Chairman said that the proposals by Switzerland and by the Philippines would be taken care of when the paper was being updated.

4.5 The delegate of the United States suggested that in order to be consistent with the proposal by the Philippines, in paragraph 8 specific reference should be made to the two standards, IEC 950 and CISPR 22.

4.6 The delegate of the Philippines agreed with the United States' proposal, but asked whether the conformity assessment aspect proposed by the European Communities would be specific to IEC 950 and CISPR 22.

4.7 The delegate of the European Communities responded that it was not intended that the survey should be confined to these two standards but should also cover technical regulations in the field, to what extent they conformed to these standards and to what extent they had conformity assessment procedures attached to them. For example, a reformulation of one of the United States' questions could read "Does your government have mandatory technical regulations to ensure the technical safety of information technology equipment, if so, please identify", and, furthermore "Are these requirements harmonized with IEC 950, if not, please explain the current practice".

4.8 It was agreed to adopt the draft report with the changes that had been proposed.

5. Other Business

5.1 The Chairman proposed that the next meeting of the Committee be held in early February, and that the exact date would be conveyed to participants in the near future. It was so agreed.
