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

**MINUTES OF THE MEETING OF 28 JANUARY 2003**

Chairman: Mr. Preben Gregersen (Denmark)

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## **Introduction**

The Chairman stated that the proposed agenda for this meeting was circulated in WTO/AIR/2012 on 17 January 2003. With reference to the agenda, he asked if there were any other matters to be raised under "Other Business". He stated the review of product coverage and the date of the next meeting of the Committee would be taken up under "Other Business". The agenda was adopted with these additions.

### **1. Review of the Status of Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/IT/1/Rev.26)**

1.1 The Chairman stated that an overview of the implementation of the Ministerial Declaration on Trade in Information Technology Products was contained in G/IT/1/Rev.26. This document showed the participants and the implementation issues pertaining to the WTO procedures for implementation. He recalled the two outstanding matters that continued to be shown in document G/IT/1/Rev.26 relating to the outstanding formal procedures for implementation by two participants. He had no new information to report from the Chair, but continued to urge those delegations to finalize these procedures as soon as possible.

1.2 The Committee took note of the Chairman's statement.

### **2. Non-tariff Measures Work Programme (G/IT/22, G/IT/SPEC/Q3/6, G/IT/SPEC/Q4/20, G/IT/SPEC/Q4/21)**

2.1 The Chairman recalled that the Committee had proceeded simultaneously with a number of matters as concerned the NTM work programme. First, there was the issue of the EMC/EMI pilot project workshop, which would be discussed separately under the next agenda item. Secondly, there was the survey on EMC/EMI, in which many responses had now been submitted. And finally, there were the submissions on analysis and ways to proceed with the NTM work programme.

2.2 He noted that since the last meeting, there had been the formal circulation of the US paper on ways to proceed, this was in document G/IT/SPEC/Q3/6. There had also been two more responses to the EMC/EMI survey, which were circulated in documents G/IT/SPEC/Q4/20 and 21.

2.3 Next, he took the opportunity to provide an overview of the work programme. There were 11 original submissions from participants on identification of NTMs which were circulated in the G/IT/SPEC/Q2 series of documents. The Secretariat had summarized these submissions in document G/IT/SPEC/Q2/11 with the exception of one which was circulated after the issuance of the Secretariat's summary. There had been four submissions on analysis and ways to proceed; these were circulated in the G/IT/SPEC/Q3 series. And there were 20 responses to the EMC/EMI Survey, which were circulated in G/IT/SPEC/Q4 series. The Secretariat had summarized these submissions in document G/IT/SPEC/Q4/19 with the exception of two that were circulated after the issuance of the Secretariat's summary.

2.4 He encouraged all delegations to continue to make contributions to the work programme to the extent they had not already done so, or if they had additional information to so contribute. He also looked forward to a full response to the EMC/EMI survey, so that everyone could benefit from the information of all participants.

2.5 From his point of view, he thought that for next steps, it might be useful to have updated summary papers for the Committee to examine. He noted that there had been some submissions circulated after the original overview paper by the Secretariat was prepared. Thus, he suggested that the Secretariat could update document G/IT/SPEC/Q4/19 which contained the survey responses, and G/IT/SPEC/Q2/11 which listed the NTMs identified by participants. Furthermore, it could be useful to discuss some of the papers on analysis and ways to proceed, if the Committee so desired. He believed there was some very good information that had not yet been discussed in depth.

2.6 The delegate of Canada thanked delegations that had contributed to the work programme, both with the responses to the survey and the submissions on NTMs. With respect to the survey, he noted that about half of the participants had responded, and this was encouraging but he hoped others would respond as well. In light of the upcoming workshop on EMC/EMI, he hoped all could respond because the surveys provided a better understanding of the different regimes for all participants and could provide a way forward.

2.7 With respect to the papers recently submitted, he noted the appreciation for the US paper and his delegation shared the concerns about the lack of harmonized conformity assessment procedures and the resulting market access difficulties. He hoped the EMC/EMI pilot project would indicate some ways to further facilitate market access of IT products. The comments on the regulatory process and procedures mentioned in the US paper were thoughtful and he thought that the work done in other forum, for example in OECD and APEC, could be of assistance in this area. In particular, he noted the 1995 OECD Recommendations on Improving the Quality of Government Regulations as a useful starting-point. In summary, the US paper was a very useful contribution to the NTM work programme. He thought the idea of updating the papers was good, as this would be helpful for the upcoming workshop.

2.8 The delegate from the European Communities agreed with the statement of Canada, as they were of the same view regarding the topics mentioned. Furthermore, they were grateful to those participants who had contributed to the survey, and noted that there was still time for others to contribute before the EMC/EMI Workshop. His delegation also welcomed the contribution from the United States that was introduced at the last meeting, noting that this contribution also highlighted many of the same issues as the EC contribution. He encouraged participants to make similar contributions to the work programme.

2.9 In summary, the Chairman noted agreement that the Secretariat would update the documents G/IT/SPEC/Q4/19 and G/IT/SPEC/Q2/11, and the Committee took note of the statements made.

### **3. EMC/EMI Pilot Project Workshop (G/IT/SPEC/Q3/4)**

3.1 The Chairman addressed the issue of the workshop on EMC/EMI, which emanated from the work in the NTM work programme. He recalled from previous meetings that there was a proposal by Canada for this Workshop which was circulated in document G/IT/SPEC/Q3/4. The Committee agreed on the format and modalities contained therein, however, the Committee was awaiting the provision of technical assistance funding to better enable the participation of developing countries. He recalled that that funding for 2002 could not be secured at that time as the activity was not foreseen in the 2002 budget, but that it could be proposed for 2003.

3.2 He noted that as concerned the funding, the item was proposed and included in the 2003 Technical Assistance Plan, as contained in document WT/COMTD/W/104/Add.1/Rev.2. The Secretariat had informed him that background preparations had been underway since December for the Workshop that was scheduled for 4-5 March 2003, and that the funding for the workshop was approved. Thus, the invitations were in the process of going out to the developing country participants to the Committee so that they could nominate the appropriate person from their capital. Furthermore, he noted that as was agreed, there was funding for only one capital based person, but of course, participants could send as many representatives as they wished, but only one would be funded by the WTO.

3.3 Furthermore, he noted that the document circulated on the workshop did not address the issue of international inter-governmental observers. The Secretariat had informed him that they had received an inquiry from an international inter-governmental organization, in this case the OECD, about the possibility of attending the workshop. From his position as Chair, he thought the Committee would like to be open in this respect, especially as contributions from other international inter-governmental organizations were important to broaden the body of knowledge of the NTM work programme. Of course it was up to the Committee to decide on this, but he thought it would be beneficial that interested international inter-governmental organizations could attend as observers if they desired. That was his opinion from the Chair, but he hoped the Committee could react, so that an appropriate response could be given to the OECD and any other international inter-governmental organization.

3.4 Finally, as to the structure of the Workshop, he asked the Secretariat to prepare a draft programme of the workshop based on the proposal of Canada. This was circulated informally in the room today. Of course, it was only through the contributions of each participant representative that the programme could be filled. He hoped that the Committee could work with the Secretariat to identify persons who could present their regulatory regimes for the first day of the workshop. In that respect, he asked delegations to be in contact with the Secretary of the Committee, Ms. Denby Probst to propose possible speakers or agenda items of interest.

3.5 Furthermore, he noted from previous discussions, there were some questions raised on the product coverage of the workshop. He believed that it was not the intent of the Committee to list products of coverage, rather the subject would encompass the products falling within the coverage of the ITA, as determined by each participant. He hoped the Committee would not have to dwell on this matter, and he noted that each participant had a unique Attachment B part of their schedule, and that this issue of classification was still being addressed through the work with the customs experts.

3.6 The delegate of the United States stated that his government attached great importance to the workshop as trade in IT products provided growth potential for all WTO members and NTMs were one of the remaining barriers to this trade. Given the complexity of the subject, it did not lend itself easily to negotiators here in Geneva, rather outside participation by experts was necessary to make

progress in this area. He informed the Committee that his delegation would participate fully in the workshop, and he encouraged developing countries to participate fully, especially as technical assistance funds were available. He hoped that developing countries could take advantage of the opportunity to participate and their concerns known so that concrete work could be done to progress trade liberalization in the future. With respect to IGO participation, his delegation could support their participation as observers.

3.7 The delegate of the European Communities stated their support for the workshop and interest in sending regulators. He was glad to hear that funding was available for developing countries and hoped that this would be utilized extensively, as it would be a unique opportunity to help broaden the understanding on how to treat NTMs in the ITA context. He noted that NTMs were probably the last remaining obstacle to the expansion of trade of IT products.

3.8 The delegate of Canada agreed with the statements of the United States and the European Communities. He was glad that planning was moving ahead within the Secretariat and that funding was available to developing countries. Thus, he hoped there would be significant participation by all countries so that an exchange could take place on the different regimes in place, leading to a better understanding of the rationale for the diversity, including ways to further facilitate trade for IT products. Canada would send regulators to participate in the workshop, including panelists. As concerned IGO participation, his delegation noted the contributions other organizations had made to the work programme and therefore thought they should be able to attend the workshop. As for the draft programme of the workshop, his delegation would examine it, but first impressions were that there should be a good balance of country experiences on the first day to be followed by an interactive discussions on the specific measures to facilitate trade of IT products on the second day.

3.9 The delegate of Chinese Taipei supported the workshop, noting that their regulators would participate and could make a presentation on the subject of telecommunications equipment.

3.10 The delegate of Japan stated that the workshop would be very useful for the better understanding of EMC/EMI issues for market access of IT products. His delegation was glad to hear that funding was available for developing countries to participate. Japan hoped that the workshop would be a success and wanted to contribute as much as possible.

3.11 The Chairman encouraged delegations to be in contact with the Secretariat concerning the preparations for the workshop, and noted that there was no objections for international intergovernmental organizations to participate, thus they would be able to attend if they so desired. Furthermore, he noted that he was available for consultation regarding the workshop if any participant thought that it was necessary.

3.12 The Committee took note of the statements made.

#### **4. Divergences in Classifying Information Technology Products**

4.1 The Chairman recalled that in previous meetings he had provided a brief report on the outcome of the meeting of customs experts that was held during 6-8 May 2002 and at which very good progress was made. He had also mentioned that the Secretariat was working to complete this report in conjunction with customs experts and that this would be available shortly. The Secretariat was finalizing the last aspects of the report which would need clearance from the customs experts before being formally taken up at this Committee. In the meantime, he gave the floor to the Secretariat, Ms. Denby Probst, who provided a brief overview of the draft report.

4.2 The Secretariat provided a an overview of the classification issue. The report from the customs experts was not yet before the Committee and was delayed due to some resource constraints in the

Secretariat. It was now in its final stages and would need to be cleared with the customs experts first, then it will be formally issued.

4.3 There were 55 Attachment B items examined, and these could be categorized into 4 groups based on outcome: 1) those where classification was agreed among the experts, with one or more classifications deemed appropriate (approx. 34 items); 2) those that required some expert help, and would be referred to the WCO Harmonized System Committee (1 item); 3) those that would be referred to this formal Committee, as the experts believed it involved an interpretation of what was meant by the coverage of the ITA as drafted (in some cases this involved a systemic issue of one issue but effected several attachment B items, approx. 14 items or groups of items); and finally, there were items that remained pending or outstanding due to unique domestic processes or procedures, for example cases before a judiciary (in some cases this involved a systemic issue of one issue but effected several attachment B items, approx. 6 items or groups of items).

4.4 The majority of items now fell in the first category, and therefore much has been achieved. There was little, if anything more that the customs experts could do with respect to the outstanding items at a technical level. The most important work would be with the items referred to this formal Committee, and in which the appropriate background material would need to be provided. That was in part why the report would be very detailed and would need to provide all the information concerning these items.

4.5 The delegate of Japan stated that one ITA participant had been treating digital cameras as non-ITA products since January 2002. He noted that this item was stipulated as an ITA product as it was listed in Attachment A of the Ministerial Declaration with the description "digital still image video cameras". After the revision of the Harmonized System in 2002, this participant changed its interpretation of ITA coverage and charged a tariff to imports of digital cameras noting that they were not covered by the ITA. Japan was holding bilateral consultations with the participant and would report any progress to the formal Committee.

4.6 With that overview, the Chairman suggested the Committee take note of this information and take up the formal report at the next meeting.

## **5. New Participants**

5.1 The Chairman recalled there had been one schedule, that of the People's Republic of China, submitted to the Committee for consideration since the meeting in February 2002. At that time, it was decided to revert to the matter of this new participant at a future meeting of the Committee as some participants needed more time to consider the matter. The Committee did not proceed with approval of the schedule at the meetings in 2002, due to the same issue. He did not have much more to report, but wanted to give participants the opportunity to report on new developments.

5.2 The delegate of the United States updated the Committee on the situation with respect to the draft schedule submitted by China. He stated that the end-use certificates for the 15 ITA items that was originally required by the Ministry of Information Industries had been abolished, and were replaced by a system of certification by the Customs Service. This new system by the Customs Service would be compatible with the ITA from the information received, but his delegation wanted to review how the system was operating. He expected by the time of the next meeting there would be no impediment for China to join the ITA.

5.3 The Committee took note of the statements and would revert to the matter at the next meeting.

**6. Other Business**

6.1 The Chairman stated that the issue of the review of product coverage continued to be a matter under consultation, and he encouraged delegations to continue their efforts.

6.2 Furthermore, he proposed that the Committee's next regular meeting be held on 5 March 2003, subject to further confirmation.

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