

WORLD TRADE ORGANIZATION

RESTRICTED

G/RO/3

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Committee on Rules of Origin

FIRST ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT ON RULES OF ORIGIN

Background Document by the Secretariat

Article 6:1 of the Agreement on Rules of Origin provides that "the Committee shall review annually the implementation and operation of Part II and Part III of this Agreement having regard to its objectives". The main objectives of the Agreement are those listed in the preambular paragraphs.

At its meeting of 29 November 1995, the Committee conducted its first annual review on the basis of document G/RO/W/8. The present revised version of that document takes into account the points made during that review and the work of the Committee at that meeting as a whole.

The information contained in this document covers the period from 1 January to 31 December 1995.

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1. MEMBERS AND OBSERVER STATUS UNDER THE AGREEMENT

(a) MEMBERS (112)

Antigua and Barbuda	Guatemala	Nigeria
Argentina	Guinea	Norway
Australia	Guinea Bissau	Pakistan
Austria	Guyana	Paraguay
Bahrain	Honduras	Peru
Bangladesh	Hong Kong	Philippines
Barbados	Hungary	Poland
Belgium	Iceland	Portugal
Belize	India	Romania
Bolivia	Indonesia	Saint Lucia
Botswana	Ireland	Saint Vincent & Grenadines
Brazil	Israel	Senegal
Brunei Darussalam	Italy	Sierra Leone
Burkina Faso	Jamaica	Singapore
Burundi	Japan	Slovak Republic
Cameroon	Kenya	Slovenia
Canada	Korea	South Africa
Central African Republic	Kuwait	Spain
Chile	Lesotho	Sri Lanka
Colombia	Liechtenstein	Suriname
Costa Rica	Luxembourg	Swaziland
Côte d'Ivoire	Macau	Sweden
Cuba	Madagascar	Switzerland
Cyprus	Malawi	Tanzania
Czech Republic	Malaysia	Thailand
Denmark	Maldives	Togo
Djibouti	Mali	Trinidad and Tobago
Dominica	Malta	Tunisia
Dominican Republic	Mauritania	Turkey
Egypt	Mauritius	Uganda
El Salvador	Mexico	United Kingdom
European Communities	Morocco	United States
Finland	Mozambique	Uruguay
France	Myanmar	Venezuela
Gabon	Namibia	Zambia
Germany	Netherlands	Zimbabwe
Ghana	New Zealand	
Greece	Nicaragua	

(b) OBSERVER GOVERNMENTS (40)

Albania	Fiji	Russian Federation
Algeria	Former Yugoslav Rep. of Macedonia	Rwanda
Angola	Gambia	Seychelles
Armenia	Grenada	St. Kitts and Nevis
Belarus	Haiti	Sudan
Benin	Latvia	Taipei, Chinese
Bulgaria	Lithuania	Tonga
Cambodia	Mongolia	Ukraine
Chad	Niger	United Arab Emirates
China	Oman	Uzbekistan
Congo	Panama	Vanuatu
Croatia	Papua New Guinea	Viet Nam
Ecuador	Qatar	Zaire
Estonia		

(c) OBSERVER INTERNATIONAL ORGANIZATIONS (5)¹

IMF
OECD
UNCTAD
World Bank
World Customs Organization

2. OFFICERS OF THE WTO COMMITTEE ON RULES OF ORIGIN

Chairman: Mr. C. Osakwe (Nigeria)
Vice-Chairman: Mrs. A. Ivanka (Hungary)

3. MEETINGS OF THE COMMITTEE

During the reporting period, the Committee has held four formal meetings on 4 April, 27 June, 16 November and 29 November 1995. The minutes of these meetings are contained in documents G/RO/M/1, G/RO/M/2, and G/RO/M/3 and 4 (to be issued), respectively.

4. NATIONAL RULES OF ORIGIN PROVIDED

(i) Non-preferential rules of origin

Article 5:1 of the Agreement provides that each Member shall provide to the Secretariat, within 90 days after the date of entry into force of the WTO Agreement for it, its rules of origin, judicial decisions and administrative rulings of general application relating to rules of origin in effect on that date. If by inadvertence a rule of origin has not been provided, the Member concerned shall provide it immediately after this fact becomes known. Lists of information received and available within the Secretariat shall be circulated to the Members by the Secretariat.

¹The invitations of these five organizations made by the Council for Trade in Goods and the Committee are *ad hoc* arrangements, pending final agreement on guidelines for observer status for international intergovernmental organizations. These arrangements are without prejudice to the positions of delegations in future discussions on the question of observer status of international intergovernmental organizations.

During the reporting period, notifications relating to non-preferential rules of origin have been received from the following Members (21):

Argentina (G/RO/N/2)
Australia (G/RO/N/1)
Canada (G/RO/N/1)
Colombia (G/RO/N/1)
Cuba (G/RO/N/3)
Czech Republic (G/RO/N/2)
European Communities (G/RO/N/1)
Hong Kong (G/RO/N/1)
Hungary (G/RO/N/2)
Japan (G/RO/N/1)
Korea (G/RO/N/1)
Malta (G/RO/N/4)
Morocco (G/RO/N/2)
New Zealand (G/RO/N/1)
Peru (G/RO/N/4 and 5)
Romania (G/RO/N/1)
Slovak Republic (G/RO/N/1)
Slovenia (G/RO/N/5, G/RO/N/7 - to be issued)
South Africa (G/RO/N/3)
Switzerland (G/RO/N/4)
United States (G/RO/N/1 and 6)

During the reporting period, the following Members have notified that they do not have non-preferential rules of origin (14):

Brunei Darussalam (G/RO/N/5)
Chile (G/RO/N/6)
Costa Rica (G/RO/N/1)
Honduras (G/RO/N/3)
Iceland (G/RO/N/5)
India (G/RO/N/1)
Jamaica (G/RO/N/4)
Malaysia (G/RO/N/6)
Mauritius (G/RO/N/1)
Philippines (G/RO/N/6)
Singapore (G/RO/N/3)
Thailand (G/RO/N/1)
Trinidad and Tobago (G/RO/N/7 - to be issued)
Venezuela (G/RO/N/1)

(ii) Preferential rules of origin

Paragraph 4 of Annex II of the Agreement on Rules of Origin provides that Members shall provide to the Secretariat promptly their preferential rules of origin, including a listing of the preferential arrangements to which they apply, judicial decisions, and administrative rulings of general application relating to their preferential rules of origin in effect on the date of entry into force of the WTO Agreement for the Member concerned. Members shall provide any modifications to their preferential

rules of origin or new preferential rules of origin as soon as possible to the Secretariat. Lists of information received and available with the Secretariat shall be circulated to the Members by the Secretariat.

During the reporting period, notifications relating to preferential rules of origin have been received from the following Members (33):

Australia (G/RO/N/1)
Bolivia (G/RO/N/1)
Brunei Darussalam (G/RO/N/4)
Canada (G/RO/N/1 and 6)
Chile (G/RO/N/6)
Colombia (G/RO/N/1)
Cuba (G/RO/N/3)
Czech Republic (G/RO/N/2)
Dominican Republic (G/RO/N/5)
European Communities (G/RO/N/1)
Honduras (G/RO/N/3)
Hungary (G/RO/N/2)
India (G/RO/N/1)
Indonesia (G/RO/N/4)
Japan (G/RO/N/6)
Jamaica (G/RO/N/4)
Korea (G/RO/N/7 - to be issued)
Malaysia (G/RO/N/4)
Malta (G/RO/N/4)
Mauritius (G/RO/N/1)
Morocco (G/RO/N/2)
New Zealand (G/RO/N/1)
Peru (G/RO/N/1)
Philippines (G/RO/N/4)
Singapore (G/RO/N/3 and 4)
Slovak Republic (G/RO/N/1)
Slovenia (G/RO/N/5, G/RO/N/7 - to be issued)
Switzerland (G/RO/N/6)
Thailand (G/RO/N/1 and 4)
Trinidad and Tobago (G/RO/N/7 - to be issued)
United States (G/RO/N/1 and 6)
Uruguay (G/RO/N/5)
Venezuela (G/RO/N/1)

During the reporting period, Hong Kong notified that it does not have preferential rules of origin.

5. AMENDMENTS, INTERPRETATIONS AND RECTIFICATIONS OF THE TEXT OF THE AGREEMENT

During the year under review the Committee has not dealt with any of these matters.

6. OTHER DECISIONS TAKEN BY THE COMMITTEE

At its first meeting on 4 April 1995, the Committee agreed that, if a notification were to be made in a language other than one of the WTO working languages, such notification should be accompanied by a summary in one of the WTO working languages (G/RO/1)

7. REPORT BY THE TECHNICAL COMMITTEE ON RULES OF ORIGIN

In conformity with paragraph 2(c)(i) of Article 9 of the Agreement, the Technical Committee on Rules of Origin has submitted to the Committee on Rules of Origin the First Report on the Results of the First Phase of the Rules of Origin Harmonization Work Programme (G/RO/2).

In conformity with paragraph 3(a) of Article 9 of the Agreement, the Committee, at its meeting of 16 November 1995, started its review of the First Report, and:

- (a) agreed to adopt the following recommendation from the Drafting Group²:
- the Committee requests the Technical Committee to fully proceed with its Harmonization Work Programme in the absence of an abstractly constructed definition of the term "country"; and to forward to it unresolved practical issues relating to the definition of the term "country", for a final determination; and
 - the Committee may request the Drafting Group to address particular issues relating to the definition of the term "country" and, in that connection, to offer clarification that may enhance the work of the Technical Committee;
- (b) agreed, as concerns the process of reviewing the reports submitted to the Committee by the Technical Committee on Rules of Origin in Brussels:
- to request the Technical Committee to forward a general format establishing the overall architectural design within which the results of the different phases of the Harmonization Work Programme will be finalized, as provided for in Article 9.4;
 - to consider the interpretations and opinions contained in the reports of the Technical Committee on the different phases of the Harmonized Work Programme when forwarded by the Technical Committee, with a view to endorsing them; and
 - to establish an open-ended Working Group to deal with bracketed interpretations and opinions of the Technical Committee, and consequently forward appropriate recommendations to the Committee for a final consideration and decision. The Working Group would have the following terms of reference:
 - to consider bracketed language that may be included in the interpretation and opinions presented by the Technical Committee to the Committee on Rules of Origin in order to make recommendations to the Committee on Rules of Origin; and

²In response to a request from the Technical Committee, the Committee, at its meeting on 27 June 1995, set up a Drafting Group to elaborate a definition of the term "country" for the purposes of the Agreement on Rules of Origin.

- for this purpose the Working Group shall include in its consideration all the information contained in the documents circulated by the Secretariat of the Technical Committee on Rules of Origin;

(c) agreed that the Chairman would hold informal consultations with Members on the issue of the binding or non-binding nature of the Explanatory Notes which form part of the definitions elaborated by the Technical Committee under the first phase of the Harmonization Work Programme.

The Committee will continue its review of the first report at its next meeting.

8. SUBSTANTIAL DIFFICULTIES ENCOUNTERED BY MEMBERS IN APPLYING THE AGREEMENT

During the period under review, no Member has reported any substantial difficulty in applying the Agreement.

9. CONSULTATION AND DISPUTE SETTLEMENT

The Secretariat is not aware of any Member that has requested consultations under Article 7 of the Agreement. The provision of Article 8 has not been resorted to.

10. ANNUAL REPORT (1995) TO THE COUNCIL FOR TRADE IN GOODS

The Committee adopted its annual report to the Council for Trade in Goods (G/RO/W/7) in accordance with the requirements of Article 6:1 of the Agreement.