

WORLD TRADE ORGANIZATION

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Committee on Rules of Origin

HARMONIZATION OF RULES OF ORIGIN

Note by the Secretariat

The following communication was sent by the Chairman of the Committee on Rules of Origin on 2 January 1996 to the Chairman of the Technical Committee on Rules of Origin, as agreed by the Committee on Rules of Origin at its meeting on 16 November 1995.

Dear Sir,

I would like to raise three issues with you regarding the Harmonization Work Programme of which our two Committees are currently seized. First, to transmit the position taken by the Committee on the question of the definition of the term "country". Second, to convey requests by the Committee as well as views and suggestions on the results of the first phase of the Harmonization Work Programme forwarded by the Technical Committee. Third, to transmit the request from the Committee on Rules of Origin that would provide the basis for, and ensure that there is, an integrated overall approach in the Harmonization Work Programme.

On the initial issue of the definition of the term "country", the Committee reached a consensus on the matter. It decided as follows:

To request the Technical Committee on Rules of Origin (i) to fully proceed with its Harmonization Work Programme in the absence of an abstractly constructed definition of the term "country", and (ii) in matters relating to the definition of the term "country", to forward to it unresolved practical issues, if any, for a final determination.

The Committee on Rules of Origin, at its meeting on 16 November 1995, began consideration of the interpretations and opinions of the Technical Committee on Rules of Origin contained in the "First Report on the Results of the First Phase of the Rules of Origin Harmonization Work Programme". In this context, the Committee agreed to request the Technical Committee on Rules of Origin to refine definitions 1(c), 1(d) and 1(g) in Annex A to the Report. As concerns the term "plant products" in definition 1(d), it was observed that this could be misinterpreted as "products made from a plant" as opposed to "products obtained from a plant", and therefore, any products manufactured from plants could be regarded as being wholly obtained, regardless of where the plant has come from. According to this observation, the word "obtained" in definition 1(g) might make the definition 1(c) and the term "plant products" in definition 1(d) redundant, and a possible solution to this misinterpretation might be to delete definition 1(c) and the term "plant products" in definition 1(d). However, another observation was that different products were covered by the definitions in 1(c) and 1(g). As an example it was mentioned that one of the products covered by definition 1(c) was "wool" as illustrated in the Explanatory Note, while definition 1(g) might include products made from "wool".

Another observation concerning definition 1(g) was that if the term "solely" was interpreted literally, this might be inconsistent with definition 2 in Annex B to the Report.

Finally, the Committee on Rules of Origin agreed to request the Technical Committee on Rules of Origin to forward, as part of its next report on the Harmonization Work Programme, a general format establishing the overall architectural design of an annex within which the results of the different phases of the Harmonization Work Programme would be finalized as provided for in Article 9.4 of the Agreement on Rules of Origin.

I should therefore be grateful if you would kindly refer the foregoing requests, views and observations to the Technical Committee on Rules of Origin.

The Committee on Rules of Origin will hold its next formal meeting in late January 1996.

Please accept, Sir, the assurances of my highest consideration.

Chiedu Osakwe
Chairman
Committee on Rules of Origin