

REPORT (2002) OF THE COMMITTEE ON RULES OF ORIGIN TO THE COUNCIL FOR TRADE IN GOODS¹

1. This report is being submitted to the CTG in accordance with Article 6.1 of the Agreement on Rules of Origin (the Agreement), which provides as follows:

"The Committee shall review annually the implementation and operation of *Parts II and III* of this Agreement having regard to its objectives (emphasis added). The Committee shall annually inform the Council for Trade in Goods of developments during the period covered by such reviews."

2. Since its regular report to the CTG made on 8 October 2001 (G/L/490/Rev.1), the Committee on Rules of Origin (CRO) held four meetings on 10 December 2001, 19 April, 28 June and 15 November 2002 (G/RO/M/39-42). The CRO elected Mr. Stefan Moser (Switzerland) as Chairman and Mr. Ronaldo Costa Filho (Brazil) as Vice-Chairman for 2002 at its meetings in April 2002. Observer governments in the General Council of the WTO have observer status in the CRO. In addition, representatives of the ACP, EFTA, IADB, IMF, ITCB, OECD, UNCTAD, WCO and the World Bank attend meetings of the CRO in the capacity of observers.

3. With regard to *the work under Part II* of the Agreement on Rules of Origin (the Agreement), the CRO, at its meeting in November 2002 discussed the issue "transitional review under paragraph 18 of the Protocol of Accession of the People's Republic of China" (G/RO/54).

4. With regard to *the work under Part III* of the Agreement, the CRO, at the meetings in April, June and November 2002, took note of the notifications under Article 5 and paragraph 4 of Annex II of the Agreement. To date 83 Members have made notifications of non-preferential rules of origin and 87 Members have made notifications of preferential rules of origin. The Chairman expressed concern that a number of Members had not yet complied with the notification requirements. He urged Members who had not yet notified to do so as early as possible (G/RO/M/40-42).

5. Apart from the above-summarized implementation and operation of *Parts II and III* of the Agreement, most of CRO's formal and informal sessions was devoted to its *work under Part IV*, namely the Harmonization Work Programme (HWP). The Chairman of the Committee made a report to the General Council on the progress of the HWP at its meeting on 31 July 2002, and the CRO, as mandated, forwarded 93 core policy issues as well as the implications issue to the General Council for discussion and decision at that level (G/RO/52; WT/GC/M/75).

¹ This report covers the period November 2001-November 2002.