

**REPORT (2005) OF THE COMMITTEE ON RULES OF ORIGIN
TO THE COUNCIL FOR TRADE IN GOODS**

1. This report is being submitted to the Council for Trade in Goods (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 adopted on 21 October 2004 (G/L/704), the Committee on Rules of Origin (CRO) held one meeting on 23 September 2005. The CRO re-elected Ms. Vera Thorstensen (Brazil) as Chairperson and Mr. Tomoyoshi Watanabe (Japan) as Vice-Chairman for 2005. 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, the CRO discussed the issue "transitional review under paragraph 18 of the Protocol of Accession of the People's Republic of China".

4. With regard to *the work under Part III* of the Agreement, the CRO, took note of the notifications under Article 5 and paragraph 4 of Annex II of the Agreement. To date 77 Members have made notifications of non-preferential rules of origin and 83 Members have made notifications of preferential rules of origin. The Chairperson expressed concern that a number of Members had not yet complied with the notification requirements. She urged Members who had not yet notified to do so as early as possible.

5. Apart from the above-summarized implementation and operation of *Parts II and III* of the Agreement, the Chairperson and Vice-Chairman of the CRO, at the request of the Chairman of the General Council, have conducted intense consultations with Members in order to resolve the 94 core policy issues with regard to the Harmonization Work Programme under *Part IV* of the Agreement. The General Council, at its meetings on 27 July 2005, agreed to continue its work with a view to completing the negotiations on the core policy issues by July 2006. The General Council also agreed that following resolution of these core policy issues, the CRO would complete its remaining technical work by 31 December 2006.
