

# WORLD TRADE ORGANIZATION

G/L/337  
25 October 1999

(99-4631)

## REPORT (1999) OF THE COUNCIL FOR TRADE IN GOODS

In accordance with the "Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO" (WT/L/105), the Council for Trade in Goods is to report each year to the General Council on the activities in the Council as well as in the subsidiary bodies. The reports are to be "factual in nature, containing an indication of actions and decisions taken, with cross references to reports of subordinate bodies and could follow the model of the GATT 1947 Council reports to the CONTRACTING PARTIES" respectively.

Since the last annual report, the Council for Trade in Goods met on 25 and 30 March, 12 April, 2 July and 15 October 1999. The minutes of these meetings are contained in documents G/C/M/38, 39, 40 and 41 respectively.

The following subject matters which were raised and/or acted upon in the Council are included in the report:

1. Election of Chairperson for the Council for Trade in Goods (G/C/M/38).....	3
2. Appointment of Officers for the subsidiary bodies of the Council (G/C/M/38) .....	3
3. Report of the Working Party on Preshipment Inspection (G/C/M/38).....	3
4. Status of Notifications under the Provisions of the Agreements in Annex 1A of the WTO Agreement (G/C/M/38 and 41) .....	3
5. Trade Facilitation (paragraph 21 of the Singapore Ministerial Declaration) (WT/MIN(96)Dec) (G/C/M/40 and 41).....	4
6. Continuation of the Harmonization Work Programme provided for in Part IV of the Agreement on Rules of Origin (G/C/M/38 and 40).....	4
7. Periodic Reports of the Committee on Market Access (G/C/M/38, 40 and 41).....	4
8. Waivers under Article IX of the WTO Agreement.....	4
(a) Harmonized System - Requests for extensions of waivers from Bangladesh, Nicaragua and Sri Lanka (G/C/M/38 and 41).....	4
(b) Zambia - Renegotiation of Schedule LXXVIII (G/C/M/38 and 41).....	5
(c) Decision on the Introduction of Harmonized System (HS) Changes into WTO Schedules of Tariff Concessions on 1 January 1996 - Extension of the time-limit (G/C/M/38 and 41).....	5
(d) Draft decision on waiver for preferential tariff treatment in favour of least-developed countries (G/C/M/39).....	5

(e)	Application of the WTO Agreement on Customs Valuation – Request for waiver by Peru (G/C/M/40) .....	5
<b>9.</b>	<b>Customs Unions and Free-Trade Areas: regional agreements.....</b>	<b>6</b>
(a)	Free Trade Agreement between Croatia and Slovenia (G/C/M/38).....	6
(b)	Free Trade Agreement between Estonia and the Faroe Islands (G/C/M/38) .....	6
(c)	Free Trade Agreement between Israel and Slovenia (G/C/M/38) .....	6
(d)	Free Trade Agreement between Turkey and the Czech Republic (G/C/M/38) .....	6
(e)	Free Trade Agreement between Turkey and the Slovak Republic (G/C/M/38) .....	6
(f)	Free Trade Agreement between Turkey and Estonia (G/C/M/38).....	6
(g)	Euro-Mediterranean Agreement between the European Communities and Tunisia (G/C/M/38) .....	6
(h)	Central European Free Trade Agreement – Accession of the Republic of Bulgaria (G/C/M/38) .....	7
(i)	Free Trade Agreement between Israel and Poland (G/C/M/38 and 41).....	7
(j)	Accession of the Kyrgyz Republic to the Customs Union between the Russian Federation, Belarus and Kazakhstan (G/C/M/40).....	7
(k)	Free Trade Agreement between Turkey and Bulgaria (G/C/M/40) .....	7
(l)	Free Trade Agreement between the Kyrgyz Republic and the Russian Federation (G/C/M/40) .....	7
(m)	Free Trade Agreement between the Kyrgyz Republic and Ukraine (G/C/M/40) .....	7
(n)	Free Trade Agreement between the Kyrgyz Republic and Uzbekistan (G/C/M/40) .....	7
(o)	Free Trade Agreement between the Kyrgyz Republic and Moldova (G/C/M/40).....	8
(p)	Agreements between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania (G/C/M/40) .....	8
(q)	Agreement between Poland and the Government of Denmark and the Home Government of the Faroe Islands (G/C/M/41).....	8
(r)	Free Trade Agreement between Poland and Latvia (G/C/M/41) .....	8
(s)	Free Trade Agreement between the Kyrgyz Republic and Kazakhstan (G/C/W/41) .....	8
(t)	Free Trade Agreement between Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, The Russian Federation, Ukraine, Uzbekistan, Tajikistan and the Kyrgyz Republic (G/C/W/41).....	8
(u)	Interim Agreement between the EFTA States and the Palestine Liberation Organization for the benefit of the Palestinian Authority (G/C/W/41).....	9
<b>10.</b>	<b>Understanding on the interpretation of Article XVII of GATT 1994 (G/C/W/41).....</b>	<b>9</b>
<b>11.</b>	<b>TRIMS Agreement (G/C/W/41).....</b>	<b>9</b>
<b>12.</b>	<b>Consideration of Annual Reports of subsidiary bodies of the Council for Trade in Goods G/C/W/41).....</b>	<b>9</b>

**1. Election of Chairperson for the Council for Trade in Goods (G/C/M/38)**

1.1 At its resumed meeting of 30 March 1999, the Council elected H.E. Ambassador R. Farrell (New Zealand) as its Chairman for 1999.

**2. Appointment of Officers for the subsidiary bodies of the Council (G/C/M/38)**

2.1 At its resumed meeting of 30 March 1999, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies: Committee on Agriculture: H.E. Ambassador Nestor Osorio Londoño (Colombia); Committee on Anti-Dumping Practices: Mr. Milan Hovorka (Czech Republic); Committee on Customs Valuation: Mr. Edward Brown (United Kingdom); Committee on Import Licensing: Mme Marie Gosset (Côte d'Ivoire); Committee on Rules of Origin: Mr. Sandy Moroz (Canada); Committee on Market Access: Mr. Pedro da Costa e Silva (Brazil); Committee on Safeguards: Mr. Hamish McCormick (Australia); Committee on Sanitary and Phytosanitary Measures: Mr. Attie Swart (South Africa); Committee on Subsidies and Countervailing Measures: Mr. Jan Söderberg (Sweden); Committee on Technical Barriers to Trade: Mr. Mohan Kumar (India); Committee on Trade-Related Investment Measures: Mr. Leo Palma (Philippines). The Council also appointed Mr. Bernard Kutten (the Netherlands) as Chairman of the Working Party on State Trading Enterprises (which did not have provisions on election of Chairpersons).<sup>1</sup>

2.2 At the same meeting, the Council agreed to proceed on the understanding that in the case of Vice-Chairpersons, it would be for the subsidiary bodies to decide if they needed a Vice-Chairperson in cases where the option existed under the respective Agreement and/or rules of procedure, and for the respective Chairperson to hold the necessary consultations.

**3. Report of the Working Party on Preshipment Inspection (G/C/M/38)**

3.1 At its meeting of 25 March 1999, the Chairman noted that the Working Party had submitted its report to the General Council (G/L/273), through the CTG, in December 1998, which recommended that its life be extended until 31 March 1999 in order to conclude its work. The work had now been concluded and the final report of the Working Party containing its further recommendations was contained in document G/L/300. The Council took note of the report and forwarded it to the General Council for adoption.

**4. Status of Notifications under the Provisions of the Agreements in Annex 1A of the WTO Agreement (G/C/M/38 and 41)**

4.1 At its meeting of 25 March 1999, the Council took note of document G/L/223/Rev.2 which updated the situation with respect to the status of notifications and Members' compliance therewith and included notifications made up to and on 31 December 1998.

4.2 At its meeting of 15 October 1999, the Council took note of document G/L/223/Rev.3 which updated the situation with respect to the status of notifications and Members' compliance therewith and included notifications made up to and on 30 June 1999.

---

<sup>1</sup> The Committee of Participants on the Expansion of Trade in Information Technology Products elected Mr. Yair Shiran (Israel) as Chairman for 1999.

**5. Trade Facilitation (paragraph 21 of the Singapore Ministerial Declaration) (WT/MIN(96)Dec) (G/C/M/40 and 41)**

5.1 At the Council's meeting on 2 July 1999, the Chairman proposed to delegations to consider accepting a draft status report on work carried out in four dedicated informal meetings of the CTG. The report was contained in document G/C/W/156. As there was no consensus for the adoption of the report, the Council agreed to the Chairman's proposal that the Council resume the discussion at its next meeting.

5.2 At its meeting on 15 October 1999 the Council adopted the draft status report contained in G/C/W156 following agreement on a number of changes to the text.

**6. Continuation of the Harmonization Work Programme provided for in Part IV of the Agreement on Rules of Origin (G/C/M/38 and 40)**

6.1 At its meeting of 25 March 1999, the Council took note of the progress report of the Committee on Rules of Origin (CRO) (G/RO/33) and of the statement of the CRO Chairman.

6.2 At its meeting of 2 July 1999, the Council took note of the progress report of the CRO (G/RO/38) and of the statement of the CRO Chairman.

**7. Periodic Reports of the Committee on Market Access (G/C/M/38, 40 and 41)**

7.1 At its meeting of 25 March 1999 the Council took note of the oral report by the Chairman of the Market Access Committee on the requests for waiver extensions and/or waivers made in connection with the transposition or renegotiation of schedules of tariff concessions and/or in connection with the introduction of harmonized system changes into schedules of tariff concessions on 1 January 1996. The Council was informed of the situation with respect to the operation of the Integrated Data Base (IDB) and the status of IDB submissions. The Council also took note of the periodic report summarizing the activities of the Committee (G/MA/61).

7.2 At its meeting of 2 July 1999, the Council took note of the report of the Chairman of the Market Access Committee (G/MA/62) that agreement had been reached on guidelines concerning the dissemination of the IDB (G/MA/IDB/3).

7.3 At its meeting of 15 October 1999 the Council took note of the oral report by the Chairman of the Market Access Committee on the requests for waiver extensions and/or waivers made in connection with the transposition or renegotiation of schedules of tariff concessions and/or in connection with the introduction of harmonized system changes into schedules of tariff concessions on 1 January 1996. The Council was informed of the situation with respect to the operation of the Integrated Data Base (IDB) and the status of IDB submissions. The Council also took note of the periodic report summarizing the activities of the Committee in 1999 (G/MA/71).

**8. Waivers under Article IX of the WTO Agreement**

**(a) Harmonized System - Requests for extensions of waivers from Bangladesh, Nicaragua and Sri Lanka (G/C/M/38 and 41)**

8.1 At its meeting of 25 March 1999, the Council considered requests by Bangladesh (G/L/298), Nicaragua (G/L/297) and Sri Lanka (G/L/296) for an extension until 31 October 1999 of waivers already granted in connection with the transposition of their schedules into the Harmonized System.

The Council approved the texts of the draft decisions on the waiver extensions in G/C/W/142 (Bangladesh), G/C/W/141 (Nicaragua) and G/C/W/140 (Sri Lanka), and agreed to transmit them to the General Council for adoption.

8.2 At its meeting of 15 October 1999, the Council considered requests by Bangladesh (G/L/324), Nicaragua (G/L/320) and Sri Lanka (G/L/321) for an extension until 30 April 2000 of waivers already granted in connection with the transposition of their schedules into the Harmonized System. The Council approved the texts of the draft decisions on the waiver extensions in G/C/W/162 (Bangladesh), G/C/W/160 (Nicaragua) and G/C/W/161 (Sri Lanka), and agreed to transmit them to the General Council for adoption.

(b) Zambia - Renegotiation of Schedule LXXVIII (G/C/M/38 and 41)

8.3 At its meeting of 25 March 1999, the Council considered a request by Zambia (G/L/295) for an extension, until 31 October 1999, of the waiver granted to it in connection with the renegotiation of its schedule. The Council approved the text of the draft decision (G/C/W/139), and agreed to transmit it to the General Council for adoption.

8.4 At its meeting of 15 October 1999, the Council considered a request by Zambia (G/L/329) for an extension, until 30 April 2000, of the waiver granted to it in connection with the renegotiation of its schedule. The Council approved the text of the draft decision (G/C/W/163), and agreed to transmit it to the General Council for adoption.

(c) Decision on the Introduction of Harmonized System (HS) Changes into WTO Schedules of Tariff Concessions on 1 January 1996 - Extension of the time-limit (G/C/M/38 and 41)

8.5 At its meeting of 25 March 1999, the Council approved the text of the draft decision (G/MA/W/19/Rev.1) granting an extension of individual waivers to Members listed in the annex to that document until 31 October 1999 with an amendment proposed by Canada, and agreed to transmit it to the General Council for adoption. These waivers had been requested by those Members finding it necessary to consult or negotiate under Article XXVIII of GATT 1994 as a result of the HS96 changes introduced in their schedules.

8.6 At its meeting of 15 October 1999, the Council approved the text of the draft decision (G/MA/W/21/Rev.1) granting an extension of individual waivers to Members listed in the annex to that document until 30 April 2000 with a revision to include Bolivia in the list and agreed to transmit it to the General Council for adoption. These waivers had been requested by those Members finding it necessary to consult or negotiate under Article XXVIII of GATT 1994 as a result of the HS96 changes introduced in their schedules.

(d) Draft decision on waiver for preferential tariff treatment in favour of least-developed countries (G/C/M/39)

8.7 At its meeting on 12 April 1999, the Council approved the text of the draft decision (G/C/W/35/Rev.1) and agreed to forward it to the General Council for adoption.

(e) Application of the WTO Agreement on Customs Valuation – Request for waiver by Peru (G/C/M/40)

8.8 At its meeting of 2 July 1999, the Council considered a request by Peru (G/L/311) for an extension of the delay until 1 April 2000 in implementing the Customs Valuation Agreement. The

Council approved the request and agreed that the draft decision granting this waiver (G/C/W/155) be transmitted to the General Council for adoption.

**9. Customs Unions and Free-Trade Areas: regional agreements**

- (a) Free Trade Agreement between Croatia and Slovenia (G/C/M/38)

9.1 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG55/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG55/1.

- (b) Free Trade Agreement between Estonia and the Faroe Islands (G/C/M/38)

9.2 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG64/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG64/1.

- (c) Free Trade Agreement between Israel and Slovenia (G/C/M/38)

9.3 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG66/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG66/1.

- (d) Free Trade Agreement between Turkey and the Czech Republic (G/C/M/38)

9.4 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG67/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG67/1.

- (e) Free Trade Agreement between Turkey and the Slovak Republic (G/C/M/38)

9.5 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG68/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG68/1.

- (f) Free Trade Agreement between Turkey and Estonia (G/C/M/38)

9.6 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG70/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG70/1.

- (g) Euro-Mediterranean Agreement between the European Communities and Tunisia (G/C/M/38)

9.7 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG69/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG69/1.

(h) Central European Free Trade Agreement – Accession of the Republic of Bulgaria (G/C/M/38)

9.8 At its meeting of 25 March 1999, the Council took note of the communication (WT/REG11/N/5) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG11/10.

(i) Free Trade Agreement between Israel and Poland (G/C/M/38 and 41)

9.9 At its meeting of 25 March 1999, the Council took note of the notification (WT/REG/65/N/1) from the parties to the Agreement and of the information provided by the representative of Poland that a Free Trade Agreement between Israel and Poland was awaiting its entry into force and that the text of the Agreement had been made available for circulation (WT/REG65/1).

9.10 At its meeting of 15 October 1999, the Council took note of the notification (WT/REG65/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG65/1.

(j) Accession of the Kyrgyz Republic to the Customs Union between the Russian Federation, Belarus and Kazakhstan (G/C/M/40)

9.11 At its meeting of 2 July 1999, the Council took note of the communication (WT/REG71/N/1) from the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG71/2.

(k) Free Trade Agreement between Turkey and Bulgaria (G/C/M/40)

9.12 At its meeting of 2 July 1999, the Council took note of the communication (WT/REG72/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG72/1.

(l) Free Trade Agreement between the Kyrgyz Republic and the Russian Federation (G/C/M/40)

9.13 At its meeting of 2 July 1999, the Council took note of the notification (WT/REG73/N/1) by the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG73/1.

(m) Free Trade Agreement between the Kyrgyz Republic and Ukraine (G/C/M/40)

9.14 At its meeting of 2 July 1999, the Council took note of the notification (WT/REG74/N/1) by the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG74/1.

(n) Free Trade Agreement between the Kyrgyz Republic and Uzbekistan (G/C/M/40)

9.15 At its meeting of 2 July 1999, the Council took note of the notification (WT/REG75/N/1) by the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on

Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG75/1.

(o) Free Trade Agreement between the Kyrgyz Republic and Moldova (G/C/M/40)

9.16 At its meeting of 2 July 1999, the Council took note of the notification (WT/REG76/N/1) by the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG76/1.

(p) Agreements between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania (G/C/M/40)

9.17 At its meeting of 2 July 1999, the Council took note of the notification (WT/REG77/N/1) from Latvia. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG77/1.

(q) Agreement between Poland and the Government of Denmark and the Home Government of the Faroe Islands (G/C/M/41)

9.18 At its meeting of 15 October 1999, the Council took note of the notification (WT/REG78/N/1 and WT/REG78/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG78/1.

(r) Free Trade Agreement between Poland and Latvia (G/C/M/41)

9.19 At its meeting of 15 October 1999, the Council took note of the notification (WT/REG80/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG80/1.

(s) Free Trade Agreement between the Kyrgyz Republic and Kazakhstan (G/C/W/41)

9.20 At its meeting of 15 October 1999, the Council took note of the notification (WT/REG81/N/1) by the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG81/1.

(t) Free Trade Agreement between Azerbaijan, Armenia, Belarus, Georgia, Moldova, Kazakhstan, The Russian Federation, Ukraine, Uzbekistan, Tajikistan and the Kyrgyz Republic (G/C/W/41)

9.21 At its meeting of 15 October 1999, the Council took note of the notification (WT/REG82/N/1) by the Kyrgyz Republic. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG82/1.

(u) Interim Agreement between the EFTA States and the Palestine Liberation Organization for the benefit of the Palestinian Authority (G/C/W/41)

9.22 At its meeting of 15 October 1999, the Chairman postponed consideration of this Agreement, notified by the EFTA States in WT/REG79/N/1, to a future meeting of the Council following informal consultations with the EFTA States.

#### **10. Understanding on the interpretation of Article XVII of GATT 1994 (G/C/W/41)**

10.1 At its meeting of 15 October 1999, the Council adopted an Illustrative List of Relationships between Governments and State-trading Enterprises and the kinds of activities engaged in by these enterprises (G/STR/4).

#### **11. TRIMS Agreement (G/C/W/41)**

11.1 At its meeting of 15 October 1999, the Council considered a request by the Philippines for extension of the transition period pursuant to Article 5.3 (G/L/325) and agreed to hold informal consultations on the matter. At the same meeting, the Council began the review of the operation of the TRIMS Agreement provided for in Article 9 and agreed to revert to the matter at its next meeting.

#### **12. Consideration of Annual Reports of subsidiary bodies of the Council for Trade in Goods G/C/W/41)**

12.1 At its meeting on 15 October 1999, the Council took note of the reports of the following bodies: Committees on Agriculture (G/L/322), Customs Valuation (G/L/323), Market Access (G/L/331), Rules of Origin (G/L/326), Sanitary and Phytosanitary Measures PS (G/L/315), Technical Barriers to Trade (G/L/327), TRIMS (G/L/319), Participants on the Expansion of Trade in Information Technology Products (G/L/332); Textiles Monitoring Body (G/L/318), Independent Entity (G/L/330), Working Party on State Trading Enterprises (G/STR/W/36); and the interim reports of the Committees on Import Licensing (G/LIC/W/12), Anti-Dumping Practices (Job. no. 5970), Safeguards (Job no. 5969) and Subsidies and Countervailing Measures (Job no. 5972).

---