

WORLD TRADE ORGANIZATION

G/L/721
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(04-5213)

REPORT (2004) 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".

Since the CTG 2003 annual report (G/L/665) was issued, the Council for Trade in Goods has met seven times in formal session on the following dates: 26 January 2004 (minutes contained in document G/C/M/72); 27 April 2004 (G/C/M/73 and Corr.1); 5 July 2004 (G/C/M/74); 1 October 2004 (G/C/M/75¹); and 25 November 2004 (G/C/M/78¹). It also held dedicated sessions on textiles and clothing on: 25 October 2004 (G/C/M/76¹); and 11 and 19 November 2004 (G/C/M/77¹).

The subject matters which were raised and/or acted upon in the Council are as follows:

1. Election of Chairperson
2. Appointment of officers
3. Periodic reports of the Market Access Committee
4. Waivers under Article IX of the WTO Agreement
5. EC enlargement
6. Review of the operation of the Agreement on Trade-Related Investment Measures under Article 9
7. Regional Trade Agreements
8. Major Review of the Implementation of the Agreement on Textiles and Clothing (ATC) in the Third Stage of the Integration Process pursuant to Article 8.11 of the Agreement
9. Post-ATC Adjustment-Related Issues
10. Transitional Review under Paragraph 18 of the Protocol on the Accession of the People's Republic of China
11. Notifications
12. Consideration of annual reports of subsidiary bodies

1. Election of Chairperson for the Council for Trade in Goods

At its meeting of 27 April, the Council elected H.E. Ambassador Alfredo Vicente Chiaradia (Argentina) as its Chairman for 2004. Following Ambassador Chiaradia's departure from Geneva, at its meeting of 25 October, the Council elected H.E. Ambassador Choi Hyuck (Republic of Korea) as his successor.

¹ To be issued later.

2. Appointment of Officers for the subsidiary bodies of the Council

At its meeting of 27 April, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies²:

Committee on Agriculture	Mr. R. Lapperre (Netherlands)
Committee on Anti-Dumping	Mr. E. Fernández (Costa Rica)
Committee on Customs Valuation	Mr. R. Twyman (United Kingdom)
Committee on Import Licensing	Ms. V. Campeanu (Romania)
Committee on Market Access	Dr. M. Farahat (Egypt)
Committee on Rules of Origin	Ms. V. Thorstensen (Brazil)
Committee on Safeguards	Mr. H. Drouet (France)
Committee on Sanitary and Phytosanitary Measures	Mr. G. Young (United States)
Committee on Subsidies and Countervailing Measures	Mr. N. Hirose (Japan)
Committee on Technical Barriers to Trade	Mr. S. Dalela (India)
Committee on Trade-Related Investment Measures	Mr. S. Palayathan (Mauritius)
Working Party on State Trading Enterprises	Mr. R. Mosisili (Lesotho)

At the same meeting, the Council agreed to proceed on the understanding that as concerns 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. Periodic reports of the Market Access Committee

At its meetings on 27 April and 1 October, the Council took note of the periodic reports (in documents G/MA/153 and G/MA/154) of the Committee on Market Access.

4. Waivers under Article IX of the WTO Agreement

- (a) Introduction of Harmonized System 1996 changes into WTO Schedules of tariff concessions – Requests for a waiver (Israel – G/L/670, G/C/W/482, G/L/687, G/C/W/492; Malaysia – G/L/676, G/C/W/485; Panama – G/L/672, G/C/W/483; Pakistan – G/L/673, G/C/W/484; Argentina – G/L/693, G/C/W/493)

At its meeting on 27 April, the Council considered requests from Israel, Malaysia, Panama and Pakistan for waivers in connection with the introduction of HS96 changes to their Schedules of concessions. The Council approved the waiver requests and recommended that the draft decisions contained in the cited G/C/W/- documents be forwarded to the General Council for adoption.

At its meeting on 1 October, the Council considered requests from Israel and Argentina in connection with the introduction of HS96 changes to their Schedules of tariff concessions. The Council approved the waiver requests and recommended that the draft decisions contained in G/C/W/492 and G/C/W/493 be forwarded to the General Council for adoption.

² Committee of Participants on the Expansion of Trade in Information Technology Products (ITA): Mr. Frédéric Seppey (Canada).

- (b) Introduction of Harmonized System 2002 changes into WTO Schedules of tariff concessions
– Requests for a waiver (G/C/W/477, G/C/W/500/Rev.1)

At its meetings on 26 January and 25 November, the CTG recommended that the draft waiver decisions contained in documents G/C/W/477 and G/C/W/500/Rev.1 be forwarded to the General Council for adoption.

At its meeting on 25 November, Albania introduced its request for a waiver as contained in document G/C/W/504.

5. EC enlargement

At its meeting on 1 October, the Council agreed on the extension of the deadline set out in the communication from the EC (G/L/695) and agreed to refer the matter to the General Council for adoption.

6. Review of the operation of the Agreement on Trade-Related Investment Measures under Article 9

- (a) Review of the operation of the TRIMs Agreement under Article 9

At its meetings on 26 January, 27 April, 5 July, 1 October and 25 November, the Council took note of the statements made regarding, *inter alia*, the submissions by Brazil and India in documents G/C/W/428 and Job(04)/93. The Chairman agreed to undertake informal consultations, and to inform the Council of the results of his consultations at an appropriate time.

- (b) Pakistan's request for extension of the transition period under the TRIMs Agreement

At its meetings on 26 January, 27 April, 5 July and 1 October, the Council had before it Pakistan's request for the extension of the transition period under the TRIMs Agreement in document G/C/W/478. The Chairman said that he was prepared to conduct informal consultations on this matter as soon as interested Members were ready to engage.

7. Regional Trade Agreements

At its meetings on 26 January, 27 April, 5 July, 1 October and 25 November, the Council adopted the terms of reference under which the CRTA should examine the following Agreements:

- (a) Free Trade Agreement between the United States and Chile
– Notification from the parties to the Agreement (WT/REG160/N/1, WT/REG160/1)
- (b) Free Trade Agreement between the United States and Singapore
– Notification from the parties to the Agreement (WT/REG161/N/1, WT/REG161/1)
- (c) Closer Economic Partnership Arrangement between China and Hong Kong, China
– Notification from the parties to the Arrangement (WT/REG162/N/1, WT/REG162/1)
- (d) Closer Economic Partnership Arrangement between China and Macao, China
– Notification from the parties to the Arrangement (WT/REG163/N/1, WT/REG163/1)
- (e) EC-Chile Interim Agreement
– Notification from the parties to the Agreement (WT/REG164/N/1, WT/REG164/1, WT/REG164/2)

- (f) Free Trade Agreement between Chile and El Salvador
 - Notification from the parties to the Agreement (WT/REG165/N/1 and Corr.1, WT/REG165/1, WT/REG165/2)
- (g) Central European Free Trade Agreement – Accession of the Republic of Croatia
 - Notification from the parties to the Agreement (WT/REG11/N/6, WT/REG11/12)
- (h) Free Trade Agreement between Croatia and Albania
 - Notification from the parties to the Agreement (WT/REG166/N/1, WT/REG166/1)
- (i) Free Trade Agreement between Albania and Bulgaria
 - Notification from the parties to the Agreement (WT/REG167/N/1, WT/REG167/1)
- (j) Free Trade Agreement between Albania and the United Nations Interim Administration Mission in Kosovo (UNMIK)
 - Notification from Albania (WT/REG168/N/1, WT/REG168/1)
- (k) Free Trade Agreement between the Republic of Korea and Chile
 - Notification from the parties (WT/REG169/N/1, WT/REG169/1)
- (l) Enlargement of the European Union
 - Notification from the European Communities (WT/REG170/N/1)
- (m) Free Trade Agreement between Armenia and Ukraine
 - Notification from Armenia (WT/REG171/N/1, WT/REG171/1)
- (n) Free Trade Agreement between Armenia and Kazakhstan
 - Notification from Armenia (WT/REG172/N/1, WT/REG172/1)
- (o) Free Trade Agreement between Armenia and Moldova
 - Notification from Armenia (WT/REG173/N/1, WT/REG173/1)
- (p) Free Trade Agreement between Armenia and the Russian Federation
 - Notification from Armenia (WT/REG174/N/1, WT/REG174/1)
- (q) Free Trade Agreement between Armenia and Turkmenistan
 - Notification from Armenia (WT/REG175/N/1, WT/REG175/1)
- (r) Protocol on Trade in the Southern African Development Community
 - Notification from Tanzania (WT/REG176/N/1 and Rev.1, WT/REG176/1, WT/REG176/2)
- (s) Euro-Mediterranean Association Agreement between the European Community and Egypt
 - Notification from the parties to the Agreement (WT/REG177/N/1, WT/REG177/1)
- (t) Free Trade Agreement between Albania and Serbia-Montenegro
 - Notification from Albania (WT/REG178/N/1, WT/REG178/1)

8. Major Review of the Implementation of the Agreement on Textiles and Clothing in the Third Stage of the Integration Process pursuant to Article 8.11 of the Agreement

At its meeting on 1 October, the Council commenced with the Major Review of the Implementation of the Agreement on Textiles and Clothing in the Third Stage of Integration. The

Council had before it the Comprehensive Report of the TMB to the CTG (G/L/683) and the Background Statistical Information with Respect to Trade in Textiles and Clothing (G/L/692). Twenty-one members of the International Textiles and Clothing Bureau (ITCB) circulated a communication contained in document G/C/W/495. Dedicated sessions were held on 25 October and 11 November, as well as several informal consultations. Informal consultations were held on 25 October and 8 November on a specific topic. At the meeting on 25 November, the Chairman reported on the results of the dedicated sessions on 25 October and 11 November. Following the Chairman's report, the CTG suspended consideration of the item to allow for further discussions on the Draft Report with conclusions to finalize the Major Review process.

9. Post-ATC Adjustment-Related Issues

At its meeting on 1 October, one Member introduced an "Initial Submission on Post-ATC Adjustment-related Issues" (G/C/W/496). This Initial Submission was co-sponsored by six other Members. Three additional Members joined as co-sponsors (G/C/W/496/Rev.1). In informal consultations on 26 October, another Member introduced a second submission under the item "Contribution to the Debate on Post-ATC Related-Issues" (G/C/W/497). The Chair consulted informally on this item on 26 October and 19 November. At the CTG meeting on 25 November, the Chairman provided an oral report to the Council on the results of the consultations. The Chairman will convene informal consultations at an appropriate time. The item will be discussed at a subsequent meeting of the CTG.

10. Transitional Review under paragraph 18 of the Protocol on the Accession of the People's Republic of China

At its meeting on 25 November, the Council took note of the reports of the CTG subsidiary bodies which had carried out their reviews and carried out the CTG-specific review with respect to the information requirements stipulated in Annex 1A of the Protocol of Accession. The Council agreed to send the report (G/L/722), together with the reports of the subsidiary bodies, to the General Council.

11. Notifications

Status of notifications under the provisions of the Agreements in Annex 1A of the WTO Agreement

At its meeting on 5 July, the Council took note of the latest revision of the status of notifications contained in document G/L/223/Rev.11 and agreed that the G/L/223 series should be circulated once rather than twice a year.

12. Consideration of annual reports of subsidiary bodies of the CTG

At its meeting on 25 November, the Council took note of the annual reports of its subsidiary bodies.
