

WORLD TRADE ORGANIZATION

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REPORT (2001) 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 last annual report, the Council for Trade in Goods met five times in formal session: first, on 14 March; second, 18 April; third, on 5 and 17 July; fourth, on 27 and 31 July 2001; and fifth, on 5 October 2001¹. The minutes of these meetings are contained in documents G/C/M/47, 48, 49, 50 and 52. This report does not cover the meeting of the CTG on 27 September 2001 to conduct the major review of the implementation of the Agreement on Textiles and Clothing in the second stage of the integration process; a record of this meeting can be found in G/C/M/51.

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

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1. Election of Chairperson for the Council for Trade in Goods (G/C/M/47)

1.1 At its meeting of 14 March, the Council elected H.E. Ambassador I Major (Hungary) as its Chairman for 2001.

2. Appointment of Officers for the subsidiary bodies of the Council (G/C/M/47)²

2.1 At its meeting of 14 March, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies: Committee on Agriculture: Chair: Ambassador Apiradi Tantraporn (Thailand), Vice-Chair: Mr. Yoichi Suzuki (Japan); Committee on Anti-Dumping Practices: Mrs. Sahar Hosni Abdelaziz (Egypt); Committee on Customs Valuation: Mr. K. Weerasinghe (Sri Lanka); Committee on Import Licensing: Ms. Simone Rudder (Barbados); Committee on Market Access: Mr. Y. Shiran (Israel); Committee on Rules of Origin: Mr. Ho Young Ahn (Korea); Committee on Safeguards: Mr. Martin Pospisil (Czech Republic); Committee on Sanitary and Phytosanitary Measures: Mr. William Ehlers (Uruguay); Committee on Subsidies and Countervailing Measures: Mr. Remo Moretta (Australia); Committee on Technical Barriers to Trade:

² The Committee of Participants on the Expansion of Trade in Information Technology Products elected Ms. E. Chelliah (Singapore) as Chairperson for 2001.

Mr. Joshua Phoho (Lesotho); Committee on Trade-Related Investment Measures: Mr. Paul Bennett (Ireland); Working Party on State Trading Enterprises; Ms. Maija Manika (Latvia).

2.2 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. Status of Notifications under the Provisions of the Agreements in Annex 1A of the WTO Agreement (G/C/M/48 and 52)

3.1 At its meeting of 18 April, the Council took note of document G/L/223/Rev.6 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 2000.

3.2 At its meeting of 5 October, the Council took note of document G/L/223/Rev.7 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 2001.

4. Periodic Reports of the Committee on Market Access (G/C/M/48 and 52)

4.1 At its meetings of 18 April and 5 October, the Council took note of the periodic report (in documents G/MA/112 and 113) of the Market Access Committee on *inter alia* 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.

5. Waivers under Article IX of the WTO Agreement

(a) WTO Agreement on Customs Valuation – Request for a waiver by Cameroon (G/C/M/47 and 48)

5.1 At its meetings of 14 March and 18 April, the Council considered a request by Cameroon (G/C/W/245, G/C/W/245/ADD.1, G/C/W/245/ADD.2 and G/C/W/258) for a waiver under Article IX of the WTO Agreement concerning Customs Valuation Agreement. The Council at its meeting on 18 April agreed to the request and recommended that the draft decision be transmitted to the General Council for adoption.

(b) WTO Agreement on Customs Valuation - Request for a waiver by Haiti (G/C/M/48)

5.2 At its meeting on 18 April, the Council considered a request by Haiti (G/C/W/256Rev.1) for a waiver for a 3-year extension for the application of the Customs Valuation Agreement.

(c) WTO Agreement on Customs Valuation – Request for a waiver by Madagascar (G/C/M/48 and 49)

5.3 At its meeting on 18 April, the Council considered a request by Madagascar (G/C/W/259) for a waiver under Article IX of the WTO Agreement concerning Customs Valuation Agreement. The Council at its meeting on 5 July agreed to the request and recommended that the draft decision be transmitted to the General Council for adoption (G/C/W/268).

- (d) Pakistan – Minimum values under paragraph 2 of Annex III of the Customs Valuation Agreement (G/C/M/48)

5.4 At its meeting on 18 April, the Council considered a request by Pakistan (G/C/W/246) for a waiver concerning the retention of established minimum values under paragraph 2 of Annex III of the Customs Valuation Agreement.

- (e) Request for a WTO waiver – new ACP-EC Partnership Agreement (G/C/M/47, 48, 49, 50 and 52)

5.5 The EC and the ACP countries had previously submitted for consideration to the CTG a request for a waiver in order to allow the maintenance of preferential trade between the EC and the ACP countries³. Deliberations were held on the request and the Council took note of the various statements made at the meetings on 14 March, 18 April, 5 July, and 31 July.

5.6 At its meeting on 5 October, the CTG agreed that the examination of the waiver request could begin. The Chairman noted that the EC and ACP countries have requested an Article I waiver, to include bananas, until 31 December 2007. However, there was a difference of opinion whether the EC had described the measure intended for the regime between 2005 and 2007. It was possible that during the course of the examination the issue could be resolved to enable Members to agree on whether any Article I waiver could apply up to the end of 2007 for bananas.

- (f) Request for a WTO waiver – Switzerland: Preferential treatment for Albania and Bosnia-Herzegovina (G/C/M/48 and 49)

5.7 At its meeting on 18 April, the Council considered a request by Switzerland for a waiver with respect to the provisions of paragraph 1 of Article 1 of the GATT 1994 (G/C/W/257). At its meeting on 5 July, the Council approved the request and agreed that the draft decision granting the waiver, contained in the same document, be transmitted to the General Council for adoption.

- (g) Zambia – Renegotiation of Schedule LXXVIII (G/C/M/48 and 52)

5.8 At its meeting of 18 April, the Council considered requests by Zambia (G/L/443) for an extension, until 30 October 2001. The Council approved the text of the draft decision (G/C/W/252), and agreed to transmit it to the General Council for adoption.

5.9 At its meeting of 5 October, the Council considered requests by Zambia (G/L/482) for an extension, until 30 April 2002. The Council approved the text of the draft decision (G/C/W/306), and agreed to transmit it to the General Council for adoption.

- (h) Decision on the Introduction of Harmonized System (HS) changes in WTO Schedules of Tariff Concessions on 1 January 1996 – Extension of the time-limit until 30 April 2002. (G/C/M/48)

5.10 At its meeting of 18 April, the Council approved the extension of the waiver, and recommend that the draft decision (G/C/W/255/Rev.1) granting an extension be transmitted to the General Council for adoption.

³ Relevant documents: A. Request by the EC and ACP countries (G/C/W/187), G/C/W/187/Add.2, G/C/W/204, G/C/W/254, G/C/W/269). B. Proposed amendments by Ecuador (G/C/W/267 and Corr.1, WR/DS27/60-G/C/W/274)

- (i) Harmonized System – Requests for extensions of waivers from Nicaragua and Sri Lanka (G/C/M/48 and 52)

5.11 At its meeting of 18 April, the Council considered requests by Nicaragua (G/L/442) and Sri Lanka (G/L/440) for an extension until 30 October 2001 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/227 (Nicaragua) and G/C/W/250 (Sri Lanka), and agreed to transmit them to the General Council for adoption.

5.12 At its meeting of 5 October, the Council considered requests by Nicaragua (G/L/481) and Sri Lanka (G/L/477) for an extension until 30 April 2002 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/299 (Nicaragua) and G/C/W/298 and Corr.1 (Sri Lanka), and agreed to transmit them to the General Council for adoption.

- (j) Request for a waiver by Côte d'Ivoire concerning the Customs Valuation Agreement (G/C/M/52)

5.13 At its meeting on 5 October, the Council considered a request by Côte d'Ivoire (G/C/W/301) for a waiver concerning the continued use of minimum values/reference prices under the Customs Valuation Agreement.

- (k) Request by El Salvador concerning the Customs Valuation Agreement (G/C/M/52)

5.14 At its meeting on 5 October, the Council considered a request by El Salvador (G/C/W/300/Rev.1) for a waiver to apply minimum customs values for a transition period of four years.

- (l) Request by Cuba for extension of a waiver concerning GATT Article XV:6 (G/C/M/52)

5.15 At its meeting on 5 October, the Council considered the above request by Cuba (G/C/W/303 and Corr.1).

6. TRIMs Agreement

- (a) Requests for extension of the transition period pursuant to Article 5.3 (G/C/M/47, 48, 49, 50 and 52)

6.1 At its meetings on 14 March, 18 April, 5 July and 27 July, the Council took note of the statements made regarding requests for extension of the transition period made by Argentina, Colombia, Chile, Egypt, Malaysia, Mexico, Pakistan, Philippines, Romania and Thailand.

6.2 At the resumed meeting on 31 July, the Council took note of the statements made and adopted the draft decisions and agreed that the draft decision for a waiver by Thailand (G/C/W/276/rev.1) be transmitted to the General Council for adoption.⁴

6.3 The meeting of 5 October was suspended on this item. An addendum to this report will be issued when the meeting is reconvened to consider the requests for extension made by Argentina, Colombia, Malaysia, Mexico, Pakistan, Philippines, Romania and Thailand.

⁴ Decisions are contained in the following documents: G/L/460 (Argentina), G/L/461 (Colombia), G/L/462 (Malaysia), G/L/463 (Mexico), G/L/464 (Philippines), G/L/465 (Romania), G/L/466 (Pakistan) and WT/L/410 (Thailand).

(b) Review of the operation of the TRIMs Agreement (G/C/M/47, 48, 49 and 52)

6.4 At its meetings on 14 March, 18 April and 5 July, the Council took note of the statements made.

6.5 At its meeting on 5 October, the Council took note of part 1 of the joint WTO/UNCTAD study contained in document G/C/W/307.

7. Free Trade Agreements (G/C/M/47, 49 and 52)

7.1 At its meetings on 14 March and 5 July and 5 October, the Council adopted the terms of reference under which the CRTA should examine the following agreements:

- (a) Free Trade Agreement between the European Community and South Africa - Notification from the Parties to the Agreement (WT/REG113/N/1 and WT/REG113/1).
- (b) Free Trade Agreement between the Kyrgyz Republic and Armenia - Notification from the Kyrgyz Republic (WT/REG114/N/1, WT/REG114/1 and WT/REG114/1/Corr.1).
- (c) Free Trade Agreement between Turkey and the Former Yugoslav Republic of Macedonia - Notification from Turkey (WT/REG115/N/1 and WT/REG115/1).
- (d) Free-Trade Agreement between Turkey and Latvia – Notification from the parties to the Agreement (WT/REG116/N/1, WT/REG116/1).
- (e) Free-Trade Agreement between EFTA States and the Former Yugoslav Republic of Macedonia – Notification by EFTA States (WT/REG117/N/1, WT/REG117/1).
- (f) Free-Trade Agreement between Georgia and the Russian Federation; Notification from Georgia (WT/REG118/N/1 and WT/REG118/1).
- (g) Free-Trade Agreement between Georgia and Armenia; ; Notification from Georgia (WT/REG119/N/1 and WT/REG119/1).
- (h) Free-Trade Agreement between Georgia and Azerbaijan; Notification from Georgia (WT/REG120/N/1 and WT/REG120/1).
- (i) Free-Trade Agreement between Georgia and Ukraine; Notification from Georgia (WT/REG121/N/1 and WT/REG121/1).
- (j) Free-Trade Agreement between Georgia and Turkmenistan; Notification from Georgia (WT/REG122/N/1 and WT/REG122/1).
- (k) Free-Trade Agreement between Georgia and Kazakhstan; Notification from Georgia (WT/REG123/N/1 and WT/REG123/1).
- (l) Free-Trade Agreement between Israel and Mexico; Notification from the Parties to the Agreement (WT/REG124/N/1 and WT/REG124/1).
- (m) Free-Trade Agreement between Chile and Mexico; Notification from the Parties to the Agreement (WT/REG125/N/1 and WT/REG125/1).

- (n) Interim Agreement between the EFTA States and the Palestine Liberation Organization; Notification from the EFTA States (WT/REG79/N/1 and WT/REG79/1).
 - (o) Free Trade Agreement between the EFTA States and Mexico; Notification from the Parties to the Agreement (WT/REG126/N/1 and Corr.1, WT/REG126/1)
 - (p) Agreement between New Zealand and Singapore on a Closer Economic Partnership; Notification from the Parties to the Agreement (WT/REG127/N/1, WT/REG127/1)
 - (q) Free Trade Agreement between Hungary and Estonia; Notification from the Parties to the Agreement (WT/REG128/N/1 and WT/REG128/1)
- 8. Request by Costa Rica, India, Indonesia, Pakistan, Peru and Hong Kong, China: CTG's oversight function pursuant to Article IV of the Agreement establishing the WTO – transparency regarding new restrictions on textile and clothing products commented upon by the Textiles Monitoring Body (G/C/M/47, 48, 49 and 52)**

8.1 At its meetings of 14 March, 18 April, 5 July and 5 October the Council took note of the statements made.

9. Draft decision on concessions under the harmonized commodity description and coding system – a procedure for introduction of harmonized system 2002 changes to schedules of concessions (G/C/M/49)

9.1 At its meeting of 5 July, the Council agreed that the draft decision (G/MA/W/28 and G/MA/W/28/Corr.1) be transmitted to the General Council for adoption.

10. Notification of actions taken under the 1999 waiver for preferential tariff treatment for least-developed countries (G/C/M/47 and 49)

10.1 At its meeting of 14 March, the Council agreed that the handling of notifications for any market access measures taken specifically in favour of LDC were to be notified to the Sub-Committee on Least-Developed Countries. At its meeting of 5 July, the Council agreed to submit to the Sub-Committee Morocco's notification on preferential treatment for Least-Developed Countries. (G/C/6 – WT/LDC/SWG/IF/18).

11. Request by the Slovak Republic – Notification by Poland under Article 12.5 of the Agreement on Safeguards (G/C/M/52)

11.1 At its meeting on 5 October, the Council took note of statements by the Slovak Republic and Poland as well as other Members regarding Poland's notification in G/L/453-G/SG/35.

12. Consideration of annual reports of subsidiary bodies of the Council for Trade in Goods (G/C/M/52)

12.1 At its meeting on 5 October, the Council took note of the final or interim reports of all its subsidiary bodies.
