

WORLD TRADE ORGANIZATION

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REPORT (2008) 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. The Committee shall annually inform the Council for Trade in Goods of developments during the period covered by such reviews."

2. The Committee on Rules of Origin (CRO) held two meetings on 24 April and 9 October 2008. The CRO re-elected Ms. Vera Thorstensen (Brazil) as Chairperson and Mr. Yoshitomo Kondo (Japan) as Vice-Chairman for 2008. 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 implementation by Argentina of its commitment to the Agreement.

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 79 Members have made notifications of non-preferential rules of origin and 86 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.

5. With regard to the Harmonization Work Programme under Part IV of the Agreement, the General Council, at its meeting on 27 July 2007, recognized that, although important progress had been made over the last year, delegations in the CRO felt that the difficulties they had encountered on the "implications" issue and in the sector of machinery was such that guidance from the General Council was now warranted on how to take these issues forward. The recommendation of delegations in the CRO was that work on these issues be suspended until such guidance from the General Council would be forthcoming. The General Council then agreed that "in the meantime the CRO continue its work with a view to resolving all technical issues including the technical aspects of the overall architecture, as soon as possible". The General Council also took note of the statement that the General Council Chairman noted in this connection that "in terms of next steps, delegations had requested the CRO Chair to continue the technical and architecture discussions in the regular business of the CRO". The CRO, at its meetings on 24 April and 9 October 2008, continued its discussions on the technical issues.