

REPORT (2001) OF THE COMMITTEE OF PARTICIPANTS ON THE EXPANSION OF TRADE IN INFORMATION TECHNOLOGY PRODUCTS

1. The Committee of Participants on the Expansion of Trade in Information Technology Products, hereinafter referred to as the Committee, was established pursuant to the provisions of the Ministerial Declaration on Trade in Information Technology Products (WT/MIN(96)/16), hereafter referred to as the Ministerial Declaration, and the provisions for the Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/L/160), in order to carry out the provisions of paragraphs 3, 5, 6 and 7 of the Annex to the Declaration.
2. The Committee has held four formal meetings in 2001: on 27 February, 27 April, 5 July, and 24 September. The minutes of these meetings are contained in documents G/IT/M/25 to G/IT/M/28¹. Mr. H. Yano (Japan) was elected Chairman of the Committee for 2001.
3. During the past year, the Committee approved the draft schedule of commitments submitted by Bulgaria. Thus, with the addition of this country, the total number of participants to the Ministerial Declaration is fifty-six². Membership in the Committee is open to representatives of all participants. The Committee's rules of procedure provide for observer status in the Committee for WTO Members which are not participants to the Ministerial Declaration and Governments that are observers to the Council for Trade in Goods. Requests for observer status by international intergovernmental organizations are considered on a case-by-case basis. The International Trade Centre (ITC) and Organization for Economic Cooperation and Development (OECD) have been granted observer status; and the World Customs Organization (WCO) has been granted observer status to meetings where the issues of HS classification and HS amendments are included in the agenda.
4. The Committee addressed a number of on-going issues during the year. As a result of the approval of the Non-Tariff Measures Work Programme in late 2000, the Committee began work by identifying NTMs which were impediments to trade in ITA products. In this respect, there are nine submissions by participants thus far. The Committee is in the process of examining the economic and developmental impact of such measures on trade in ITA products and the benefits which would accrue to participants from addressing their undue trade-distorting effects. It is foreseen, in its final phase, that the Committee will give formal consideration of the outcome of the work programme.
5. The Committee addressed classification divergences during the year. Noting the constructive work of the customs experts from their meetings in 1999 and 2000, the Committee worked on the basis of their reports. Progress was made on the divergences and the Committee forwarded one list of products to the WCO Harmonized System Committee for their consideration. Furthermore, the Committee was able to identify products where divergences were narrowed to one classification option, or were significantly reduced to two or more possible classifications. The Committee continued to review the situation so that further progress could be made.

¹ Currently in the process of being issued.

² Counting the individual members of customs unions separately (EC member states, Switzerland and Liechtenstein).

6. The Committee has consistently reviewed the status of implementation, a summary of which was provided in documents G/IT/1/Rev.17 to G/IT/1/Rev.20 during the year. There were 56 participants³ (covering Members and States or separate customs territories in the process of acceding to the WTO) representing approximately 93 percent of world trade in information technology products. The latest document noted that 45 participants had submitted the formal documentation for rectification and modification of their WTO schedules in order to incorporate the commitments arising from the Ministerial Declaration and that 43⁴ of these had been certified by the Director-General. Nine participants had incorporated their commitments in their schedules at the time of accession, thus it was not necessary to submit the documentation for rectification and modification of schedules. It was noted that the one participant who was not yet a WTO Member was implementing the concessions on an autonomous basis. There were two countries that were still awaiting the completion of domestic procedural requirements so that their schedules could be certified, and one who had not yet submitted the necessary documentation.

7. The Chairman regularly informed the Committee under "other business" that various participants continued to consult amongst themselves on review of product coverage. He encouraged delegations to continue consultations.

³ Ibid.

⁴ One schedule was in the process of being certified by the Director-General.