

REPORT (2012) 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 in 2012: on 7 June and on 22 November. In addition, Members of the Committee have held a number of informal meetings and two technical workshops in 2012. The CRO elected Mr Changsheng LI (China) as Chairperson for 2012. Observer governments in the General Council of the WTO have observer status in the CRO. In addition, representatives of the ACP, EFTA, IADB, IMF, OECD, UNCTAD, WCO and the World Bank attend meetings of the CRO as observers.

3. With regard to the work under Part III of the Agreement, the CRO took note of 11 new notifications under Article 5 and paragraph 4 of Annex II of the Agreement. Notifications received in 2012 bring the total number of Members having notified non-preferential rules of origin to 85 and the total number of Members having notified preferential rules of origin to 127. The latter number reflects both notifications made to the CRO as well as to other bodies of the WTO. The Chairman urged Members who had not yet notified their rules of origin to the Committee to do so as early as possible.

4. 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 delegations in the CRO had encountered such difficulties on the "implications" issue and in the sector of machinery that guidance from the General Council was 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 agreed and instructed the CRO to focus its work, in the meantime, on the technical aspects of the overall architecture.

5. The CRO, at its meetings on 7 June and 22 November continued accordingly, focusing particularly on the Rules of Appendix 2. In addition, the CRO has initiated the transposition of draft harmonized rules of origin (originally negotiated in the 1996 version of the Harmonized System) into more recent versions of the HS. The WTO Secretariat has been instructed to conduct that work in collaboration with Members and the Secretariat of the World Customs Organization (WCO). The CRO reviewed the first two stages of that work in 2012, namely the transposition of draft rules into the HS2002 and the HS2007.
