

REPORT (2006) 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 one meeting on 19 October 2006. The CRO re-elected Ms. Vera Thorstensen (Brazil) as Chairperson and Mr. Yoshitomo Kondo (Japan) as Vice-Chairman for 2006. 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 issue "transitional review under paragraph 18 of the Protocol of Accession of the People's Republic of China".

4. The Chairperson of the CRO, at the request and on behalf of the Chairman of the General Council, has conducted intense consultations with Members in order to resolve the 94 core policy issues with regard to the Harmonization Work Programme under Part IV of the Agreement. The CRO, in July 2002, forward 93 core policy issues as well as the implications issue to the General Council for discussion and decision at that level (G/RO/52; WT/GC/M/75), since then the matter has been in the hands of the General Council. The General Council, at its meetings on 28 July 2006, agreed to continue its work with a view to completing the negotiations on the core policy issues by July 2007. The General Council also agreed that the CRO would complete its remaining work concerning the overall architecture, technical issues, the overall coherence exercise as well as rectifications of Harmonized Rules of Origin on the basis of HS 2007 by December 2007.
