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**REPORT (2018) 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 in accordance with Article 6.1 of the Agreement on Rules of Origin (the Agreement), which provides that "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 formal meetings in 2018: on 19 April and on 15 and 16 October. The minutes of these meetings are contained in documents G/RO/M/70 and [G/RO/M/71] respectively. The work of the Committee was chaired by Mr Gerald PAJUELO (Peru) until April 2018 and by Mrs Thembekile MLANGENI (South Africa) from that date.
3. At its meeting of 15 and 16 October, the CRO conducted the twenty-fourth review of the implementation and operation of the Agreement and conducted a yearly review of developments with relation to preferential rules of origin for LDCs.
4. With relation to non-preferential rules of origin, the Committee did not hold discussions specifically related to the Harmonization Work Programme (HWP). Discussions on this work programme, mandated under Part IV of the Agreement, have been stalled since 2007. Members held different views regarding the implications of adopting harmonized non-preferential rules of origin for other trade policy measures. These "core policy issues" were described in the 2013 Report of the CRO to the Council for Trade in Goods (G/L/1047). Members continue to hold different views regarding the need to finalize or not the HWP.
5. Pending the continuation of the HWP, the Committee continued to engage in an "educational exercise", trying to better understand existing non-preferential rules of origin and practices. Two additional information sessions were held in 2018: on "certificates of origin and other proofs of origin" on 18 April (G/RO/W/175) and on "transparency and notification gaps" on 16 October. Additional sessions may be organized in the future depending on Members' needs. In addition, some Members also held several informal consultations during the year to discuss ways to enhance transparency and notifications.
6. With respect to preferential rules of origin, the Committee continued to review the implementation of the 2013 and 2015 Ministerial Decisions on preferential rules of origin for least developed countries (LDCs) (WT/L/917 and WT/L/917/Add.1). The Committee took note of reports by preference-granting Members about the efforts being made to implement the Decision. The Committee also reviewed the latest status of notifications of preferential rules of origin and preferential trade data (G/RO/W/163/Rev.4). Members also discussed several aspects related to preferential rules of origin in dedicated agenda items on the basis of two background notes by the Secretariat and presentations by LDC delegations.
7. Finally, the CRO conducted its yearly review of new developments in preferential rules of origin for LDCs according to the requirements of Ministerial Decision. As mandated by the Ministerial Decision, the Committee adopted a report of such review for the General Council and will also inform the Sub-Committee on LDCs accordingly.