

WORLD TRADE ORGANIZATION

G/L/763
17 November 2005

(05-5421)

REPORT (2005) OF THE COUNCIL FOR TRADE IN GOODS

In accordance with the "Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO" (WT/L/105), the Council for Trade in Goods is to report each year to the General Council on the activities in the Council as well as in the subsidiary bodies. The reports are to be "factual in nature, containing an indication of actions and decisions taken, with cross references to reports of subordinate bodies and could follow the model of the GATT 1947 Council reports to the CONTRACTING PARTIES".

Since the CTG 2004 annual report (G/L/721) was issued, the Council for Trade in Goods has met four times in formal session on the following dates: 11 March 2005 (minutes contained in document G/C/M/79); 10 May and 15 June 2005 (G/C/M/80); 15 July 2005 (G/C/M/81); and 10 November 2005 (G/C/M/82¹).

The subject matters which were raised and/or acted upon in the Council are as follows:

1. Election of Chairperson
 2. Appointment of officers
 3. Matters of the Committee on Market Access
 4. Matters of the Committee on Sanitary and Phytosanitary Measures
 5. Waivers under Article IX of the WTO Agreement
 6. EC enlargement
 7. Review of the Operation of the Agreement on Trade-Related Investment Measures under Article 9
 8. Regional Trade Agreements
 9. Post ATC Adjustment-Related Issues
Issues Related to Trade in Textiles
 10. Nigeria Trade Restrictive Measures
 11. Notifications
 12. Transitional Review under Paragraph 18 of the Protocol on the Accession of the People's Republic of China
 13. Consideration of annual reports of subsidiary bodies
- 1. Election of Chairperson for the Council for Trade in Goods**

At its meeting of 11 March the Council elected H.E. Ambassador Vesa Tapani Himanen (Finland) as its Chairman for 2005.

¹ To be issued.

2. Appointment of Officers for the subsidiary bodies of the Council

At its meeting of 11 March, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies:

Customs Valuation	Jooha Woo (Korea)
Agriculture (Regular Sessions)	Dr. Magdi Farahat (Egypt)
Sanitary and Phytosanitary Measures	Gregg Young (United States)
Anti-Dumping Practices	Frida Collste (Sweden)
Subsidies and Countervailing Measures	Victoria Campeanu (Romania)
Safeguards	Ana Novik (Chile)
State Trade Enterprises	Benjamin Katjipuka (Namibia)
Rules of Origin	Vera Thorstensen (Brazil)
Import Licensing	Pamela Cooper (Canada)
Market Access	Martin Pospisil (Czech Republic)
Technical Barriers to Trade	Margers Krams (Latvia)
Trade-Related Investment Measures	Antonio Buencamino (Philippines)
Trade in Information Technology Products (ITA)	Simon Chan (Hong Kong, China)

At the same meeting, the Council agreed to proceed on the understanding that as concerns Vice-Chairpersons, it would be for the subsidiary bodies to decide if they needed a Vice-Chairperson in cases where the option existed under the respective Agreement and/or rules of procedure, and for the respective Chairperson to hold the necessary consultations.

Upon the unforeseen departure of Mr. Buencamino from Geneva, the Council elected Mr. Suren Badral of Mongolia as Chair of the TRIMS Committee at its meeting of 15 July. At its meeting of 10 November, the Council elected Mr. Christian Häberli (Switzerland) as Chair of the Agriculture Committee (Regular Sessions) to replace Mr. Farahat who left his government function.

3. Matters of the Committee on Market Access

At its meetings on 15 June and 10 November the Council took note of the periodic reports (in documents G/MA/157 and Corr.1 and G/MA/163) of the Committee on Market Access. Also, at the 10 November meeting, the Committee considered the background note on certain unspecified commitments. It agreed on the procedures outlined therein.

4. Matters of the Committee on Sanitary and Phytosanitary Measures

At its meeting on 15 July, the Council considered the Committee's Report on Proposals for Special and Differential Treatment, and the Second Review of the Operation and Implementation of the Sanitary and PhytoSanitary Agreement. The Council agreed to forward these two reports to the General Council for appropriate action.

5. Waivers under Article IX of the WTO Agreement

- (a) Introduction of Harmonized System 1996 changes into WTO Schedules of tariff concessions Requests for a waiver (Argentina – G/L/735/Rev.1, G/C/W/514/Rev.1; Malaysia – G/L/734, G/C/W/512; Panama – G/L/736, G/C/W/515; and Israel (G/L/744, G/C/W/528))

At its meeting on 15 June, the Council considered requests from Argentina, Malaysia, and Panama for waivers in connection with the introduction of HS96 changes to their Schedules of concessions. The Council approved the waiver requests and recommended that the draft decisions contained in the cited G/C/W/- documents be forwarded to the General Council for adoption.

At its meeting on 10 November, the Council considered a request from Israel in connection with the introduction of HS96 changes to their Schedules of tariff concessions. The Council approved the waiver request and recommended that the draft decision contained in G/C/W/528 be forwarded to the General Council for adoption.

- (b) Introduction of Harmonized System 2002 changes into WTO Schedules of tariff concessions
 - Requests for a waiver (G/C/W/533)

At its meeting on 10 November, the Council considered a collective request for a waiver in connection with the introduction of HS2002 changes to the Schedules of concessions. The Council approved the waiver request and recommended that the draft decisions contained in G/C/W/533 be forwarded to the General Council for adoption.

- (c) Albania – Request for a waiver to extend the staging period of implementation for a number of products

At its meeting on 11 March, the Council considered a request from Albania for a waiver to extend the staging period of implementation of its tariff commitments for a number of products. The Council approved the waiver request and recommended that the draft decision contained in G/C/W/507 and Corr.1 be forwarded to the General Council for adoption.

- (d) United States – Request for waiver for the African Growth and Opportunity Act, the Caribbean Basin Economic Recovery Act, as amended and the ANDEAN Trade Promotion Act, as amended (G/C/W/508 and Add.1, G/C/W/509 and Add.1, and G/C/W/510 and Add.1)

At its meetings on 11 March, 15 June, 15 July and 10 November the Council considered a request from the United States for three waivers related to the above programmes. At its meeting of 15 July, the Council agreed that the Chairman would report on his own responsibility to the General Council that the Council had been unable to complete its examination of the three requests and would request that the General Council agree to allow it to continue its work and to report back to the General Council once it had completed its examination.

- (e) Senegal – Request for an extension of the waiver for continued use of minimum values for customs valuation purposes (G/C/W/523 and G/C/W/524)

At its meeting on 15 June and 10 November the Council considered a request from Senegal for an extension of its existing waiver allowing the use of minimum values for customs valuation purposes.

- (f) European Communities – Request for an extension of Article XIII waiver for the tariff rate quota for bananas of ACP origin (G/C/W/529)

At its meeting on 10 November, the Council agreed to revert to this matter at its next meeting.

6. EC enlargement

At its meeting on 11 March, the Council agreed on the extension of the deadline set out in the communication from the EC (G/L/695/Add.1/Rev.1) and agreed to refer the matter to the General Council for adoption.

7. Review of the operation of the Agreement on Trade-Related Investment Measures under Article 9

- (a) Review of the operation of the TRIMs Agreement under Article 9

At its meetings on 11 March the Council took note of the statements made regarding, *inter alia*, the submissions by Brazil and India in documents G/C/W/428 and JOB(04)/93. The Chairman reported that his consultations had proved inconclusive. At its meeting on 15 July and 10 November the Council took note of the statements made by Brazil and India and agreed to revert to the matter at a future meeting.

- (b) Pakistan's request for extension of the transition period under the TRIMs Agreement

At its meetings on 11 March the Council took note of the Chairman's report that his predecessor's consultations on the matter had been inconclusive. At the 15 July meeting, the Chair indicated that the issue was on-going and asked if there were any developments. Pakistan informed the Committee that it had no new information on the matter. The Council took note of the statement and agreed to keep the matter under review.

8. Regional Trade Agreements

At its meetings on 11 March, 15 June, 15 July, and 10 November, the Council adopted the terms of reference under which the CRTA should examine the following Agreements:

- (a) Free Trade Agreement between the EFTA States and Chile
 - Notification from the Parties (WT/REG179/N/1, WT/REG179/1)
- (b) Free Trade Agreement between Albania and Romania
 - Notification from Albania (WT/REG180/N/1, WT/REG180/1)
- (c) Free Trade Agreement between Albania and Bosnia and Herzegovina
 - Notification from Albania (WT/REG181/N/1, WT/REG181/1)
- (d) Free Trade Agreement between Albania and the Former Yugoslav Republic of Macedonia
 - Notification from Albania (WT/REG182/N/1, WT/REG182/1)
- (e) Free Trade Agreement between Albania and Moldova
 - Notification from the Parties (WT/REG183/N/1, WT/REG183/1)
- (f) Free Trade Agreement between the United States and Australia
 - Notification from the Parties (WT/REG184/N/1, WT/REG184/1)
- (g) Free Trade Agreement between Thailand and Australia
 - Notification from the Parties (WT/REG185/N/1, WT/REG185/1)
- (h) Free Trade Agreement between Moldova and Bulgaria
 - Notification from Moldova (WT/REG186/N/1, WT/REG186/1)
- (i) Free Trade Agreement between Moldova and Bosnia and Herzegovina
 - Notification from Moldova (WT/REG187/N/1, WT/REG187/1)

- (j) Free Trade Agreement between Moldova and the Former Yugoslav Republic of Macedonia
 - Notification from Moldova (WT/REG188/N/1, WT/REG188/1)
- (k) Free Trade Agreement between Moldova and Croatia
 - Notification from Moldova (WT/REG189/N/1, WT/REG189/1)
- (l) Free Trade Agreement between Moldova and Serbia and Montenegro
 - Notification from Moldova (WT/REG190/N/1, WT/REG190/1)
- (m) Free Trade Agreement between Romania and Bosnia and Herzegovina
 - Notification from Romania (WT/REG191/N/1, WT/REG191/1)
- (n) Free Trade Agreement between Romania and Serbia and Montenegro
 - Notification from Romania (WT/REG192/N/1, WT/REG192/1)
- (o) Free Trade Agreement between Romania and the Former Yugoslav Republic of Macedonia
 - Notification from the Parties (WT/REG193/N/1, WT/REG193/1)
- (p) Free Trade Agreement between Bulgaria and Bosnia and Herzegovina
 - Notification from Bulgaria (WT/REG194/N/1, WT/REG194/1)
- (q) Free Trade Agreement between Bulgaria and Serbia and Montenegro
 - Notification from Bulgaria (WT/REG195/N/1, WT/REG195/1)
- (r) Free Trade Agreement between Panama and El Salvador
 - Notification from the Parties (WT/REG196/N/1, WT/REG196/1)
- (s) Free Trade Agreement between Croatia and the Former Yugoslav Republic of Macedonia
 - Notification from the Parties (WT/REG197/N/1, WT/REG197/1, WT/REG197/2)
- (t) Economic Partnership Agreement between Japan and Mexico
 - Notification from the Parties (WT/REG198/N/1, WT/REG198/1)
- (u) Free Trade Agreement between Romania and Israel
 - Notification from the Parties (WT/REG199/N/1, WT/REG199/1)
- (v) Free Trade Agreement between the Former Yugoslav Republic of Macedonia and Bosnia and Herzegovina
 - Notification from the Former Yugoslav Republic of Macedonia (WT/REG200/N/1, WT/REG200/1)
- (w) Free Trade Agreement between the EFTA States and Tunisia
 - Notification from the Parties (WT/REG201/N/1, WT/REG201/1)
- (x) Free Trade Agreement between Turkey and Tunisia
 - Notification from the Parties (WT/REG203/N/1, WT/REG203/1)

- (y) Interim Free Trade Agreement between Turkey and the Palestine Liberation Organization for the benefit of the Palestinian Authority
 - Notification from Turkey (WT/REG204/N/1, WT/REG204/1)
- (z) Free Trade Agreement between Croatia and Serbia and Montenegro
 - Notification from Croatia (WT/REG205/N/1, WT/REG205/1)

**9. Post-ATC Adjustment-Related Issues
Issues Related to Trade in Textiles**

At its meeting on 11 March, the Chairman reported to the Council on his informal consultations on this matter. One Member introduced a submission entitled, "The Dismantling of Textile and Clothing Quotas: Impacts, Issues and Proposals for Action" (JOB(05)/31). The Council agreed that the Chair would further consult on this matter. The meeting of 10 May was suspended because of a lack of consensus to place this matter on the agenda. The meeting was resumed on 15 June on the basis of a reformulated agenda item which read, "Issues Related to Trade in Textiles". At this meeting, another Member indicated its intention to submit a proposal and the Council agreed to revert to this item when such a submission was received. At the 15 July meeting, the Council agreed that the Chairman would further consult on this matter and that the Council would revert to it at its next meeting. At the 10 November meeting, the Council again agreed to revert to the matter at its next meeting and that the Chairman would hold further consultations in the interim.

10. Nigeria Trade Restrictive Measures

At its meeting on 15 July, the Council took note of statements from three Members on the new tariff regime and trade restrictive measures in Nigeria.

11. Notifications

Status of notifications under the provisions of the Agreements in Annex IA of the WTO Agreement

At its meeting on 11 March, the Council took note of the latest revision of the status of notifications contained in document G/L/223/Rev.12.

12. Transitional Review under paragraph 18 of the Protocol on the Accession of the People's Republic of China

At its meeting on 10 November, the Council took note of the reports of the CTG subsidiary bodies which had carried out their reviews, and carried out the CTG-specific review with respect to the information requirements stipulated in Annex 1A of the Protocol of Accession. The Council agreed to send the report (G/L/763), together with the reports of the subsidiary bodies, to the General Council.

13. Consideration of annual reports of subsidiary bodies of the CTG

At its meeting on 10 November, the Council took note of the annual reports of its subsidiary bodies.
