

VOLUME II

REPORTS OF THE SUBSIDIARY BODIES TO THE
COUNCIL FOR TRADE IN GOODS

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SECTION I

REPORT OF THE WORKING GROUP ON NOTIFICATION
OBLIGATIONS AND PROCEDURES

1996

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I. The Mandate and the Establishment of the Working Group

1. The Marrakesh Decision on Notification Procedures² provides in its Part III for the review of notification obligations and procedures as follows:

"The Council for Trade in Goods will undertake a review of notification obligations and procedures under the Agreements in Annex 1A of the WTO Agreement. The review will be carried out by a working group, membership in which will be open to all Members. The group will be established immediately after the date of entry into force of the WTO Agreement.

The terms of reference of the working group will be:

- to undertake a thorough review of all existing notification obligations of Members established under the Agreements in Annex 1A of the WTO Agreement, with a view to simplifying, standardizing and consolidating these obligations to the greatest extent practicable, as well as to improving compliance with these obligations, bearing in mind the overall objective of improving the transparency of the trade policies of Members and the effectiveness of surveillance arrangements established to this end, and also bearing in mind the possible need of some developing country Members for assistance in meeting their notification obligations;
- to make recommendations to the Council for Trade in Goods not later than two years after the entry into force of the WTO Agreement."

2. This Ministerial Decision was adopted by the General Council on 31 January 1995.³ On 20 February 1995, the Council for Trade in Goods established a Working Group on Notification Obligations and Procedures to carry out the tasks set by the Decision.⁴ At the same meeting,

¹The **observations** and conclusions of the Working Group on the specific subjects examined are shown in **bold print** while the **recommendations** for action by the Council for Trade in Goods are shown in **bold print and are underlined**.

²The full text of the Decision is set out in Annex I.

³Document WT/GC/M/1, paragraph 9.

⁴Document G/C/M/1, paragraphs 6.1-6.3.

Mr. A. Shoyer (United States) was appointed Chairman. This appointment was renewed by the Council for Trade in Goods at its meeting on 14 February 1996.⁵

II. The Task and Organization of the Working Group

3. The Working Group held 11 meetings, on 7 July, 19 October and 28 November 1995, plus 7 February, 11 March, 16 April, 7 May, 6 June, 3 July, 13 September and 3 October 1996.

4. At its first meeting the Working Group noted that it was being called upon to thoroughly review all existing notification obligations in the 12 Agreements listed in Annex 1A of the WTO Agreement, as well as the GATT 1994, including the six Understandings interpreting certain articles thereof. The mandate did not include the Agreements on Services, TRIPs, DSU, TPRM or the Plurilateral Trade Agreements. The question arose at the outset as to whether the recommendations of the Group should focus exclusively on procedural aspects or if they should or could extend to matters entailing possible changes in notification obligations. As noted in the Group's 1995 report to the Council for Trade in Goods (G/L/30, paragraph 2), it was considered that the Group could undertake its work with wide scope to make whatever recommendations it felt appropriate within the terms of reference of the Ministerial Decision. As is borne out in the following sections, however, the recommendations of the Group do not extend to the substantive aspects of the notifications, which the Group considered best served by the respective committees.

5. In launching its work, Members were requested to provide written inputs identifying problems and suggestions, both of a general nature and with respect to particular agreements. The Chairman undertook to contact the chairpersons of various committees with an interest in the Group's work, to encourage them to inform the Group of areas which it could usefully examine. Following replies received, the Chairman observed at the meeting in October 1995 that the committees were well aware of the importance and difficulties in the notification requirements and were actively working towards an

8. At its first meeting the Group heard a presentation, for information

14. In the Group's examination of the specific notification obligations and of the questionnaires and formats used to present the required information, the key topics were the potential for overlapping or duplication in the notification obligations and the possibilities for simplifying or standardizing the

20. The points raised in the Group's examination of these six areas, along with its conclusions, observations and, where considered appropriate, recommendations are set out in the following six sections.

Section A: Duplication or Overlapping in Certain Notification Obligations

21. Participants identified four sets of agreements where some elements of duplication or overlapping might exist. These were: (i) Agreement on Trade-Related Investment Measures (TRIMs) and Agreement on Subsidies and Countervailing Measures; (ii) Agreement on Agriculture and Agreement on Import Licensing Procedures; (iii) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and Agreement on Technical Barriers to Trade (TBT); and (iv) Agreement on Agriculture, Agreement on Subsidies and Countervailing Measures and Article XVI of GATT 1994.

36. Other participants, however, considered that options two and three presented a good basis for a substantive discussion in the Group. It was stressed that a single notification format for agricultural subsidies would simplify the administrative process by removing the double collection of information on the same programmes. There were a number of descriptive or information requirements in the Subsidies format which could be accommodated in the format adopted for the Agriculture Agreement, such as the titles of the programmes and information on their operation. It was considered worthwhile to examine the possibility of adding these to the Agriculture format to arrive at a single notification while not changing the transparency of substantive obligations of the Agreements concer

as well as the elements set forth in

47. To assist the Group in its efforts to maintain an awareness of the work which was

part of that Division's regular work programme. The handbook would be updated, as necessary, by that Division.

60. The Group was subsequently informed that the first portion of the handbook containing information on four agreements (Rules of Origin, Textiles, SPS and TBT) had been circulated to all Members; the second portion containing information on six further agreements was being translated and would be circulated as soon as possible; and information on the remaining agreements was under preparation.

61. One suggestion advanced was that industrialized countries could provide direct assistance to developing countries by exchange of visits of technical experts to discuss with and assist developing country Members in the preparation of responses to notification obligations. After discussion on the possible modalities of such an exchange programme, it found little favour and was not pursued.

Section E: The Status of Notification Obligations Established Pursuant to Decisions of the GATT 1947 CONTRACTING PARTIES

62. The Group examined the list of notification obligations in document G/NOP/W/2/Rev.1, section II(b), which were created by Decisions of the GATT 1947 CONTRACTING PARTIES. It was suggested that some of these CONTRACTING PARTIES Decisions might be redundant or obsolete in the current situation. Those cited were: (a) Items 2, 3 and 4 on pages 48 and 49 of G/NOP/W/2/Rev.1 on CPs Decisions relating to Quantitative Restrictions and Non-tariff Measures which appear to be superseded by the Council for Trade in Goods Decisions of 1 December 1995 (G/L/59 and G/L/60); (b) Item 6, also on page 49, on Import Licensing Procedures which appears to be superseded

Section F: Improving Members' Compliance with Notification Obligations

66. The goal of improving the compliance

a positive impetus to the task of

ANNEX I

DECISION ON NOTIFICATION PROCEDURES

Ministers,

Decide to recommend adoption by the Ministerial Conference of the decision on improvement and review of notification procedures set out below.

Members,

Desiring to improve the operation of notification procedures under the Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement"), and thereby to contribute to the transparency of Members' trade policies and to the effectiveness of surveillance arrangements established to that end;

Recalling obligations under the WTO Agreement to publish and notify, including obligations assumed under the terms of specific protocols of accession, waivers, and other agreements entered into by Members;

Agree as follows:

I. General obligation to notify

Members affirm their commitment to obligations under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, regarding publication and notification.

Members recall their undertakings set out in the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance adopted on 28 November 1979 (BISD 26S/210). With regard to their undertaking therein to notify, to the maximum extent possible, their adoption of trade measures affecting the operation of GATT 1994, such notification itself being without prejudice to views on the consistency of measures with or their relevance to rights and obligations under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, Members agree to be guided, as appropriate, by the annexed list of measures. Members therefore agree that the introduction or modification of such measures is subject to

ANNEX II

List of Working Documents Issued by the Group

Document Number	Date	Title
G/NOP/W/1	30/06/95	Background Note by the Secretariat on Notification Procedures in the GATT since 1979
G/NOP/W/2 & Rev.1	30/06/95 & 25/09/95	Notifications Required from WTO Members Under Agreements in Annex 1A of the WTO Agreement
G/NOP/W/3	22/09/95	Information on Formats for Notifications Under the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/4	03/11/95	Communication from the United States
G/NOP/W/5	21/11/95	Timing Aspects for the Notification Requirements in the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/6	21/11/95	Notification Requirements in the Agreements in Annex 1A of the WTO Agreements Which Appear to have some Elements of Duplication
G/NOP/W/7	14/02/96	Communication from New Zealand
G/NOP/W/8	21/02/96	Communication from the United States
G/NOP/W/9	08/03/96	Information on Compliance with the Notification Obligations Under the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/10	11/04/96	Communication from the United States
G/NOP/W/11	16/04/96	Communication from the European Community
G/NOP/W/12	30/04/96	Communication from Argentina
G/NOP/W/13	10/05/96	Information on Discussions Being Held in Various WTO Committees Related to Topics Under Examination in the Working Group
G/NOP/W/14	20/05/96	Information on Notifications Made Under the Agreements in Annex 1A of the WTO Agreement
G/NOP/W/15	02/07/96	Chairman's Text
G/NOP/W/16	21/08/96	Draft Report of the Working Group to the Council for Trade in Goods
G/NOP/W/16/Rev.1	27/09/96	Draft Report of the Working Group to the Council for Trade in Goods: Revision

ANNEX III

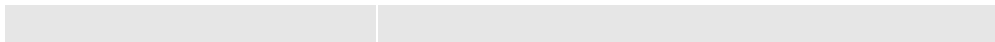
**INFORMATION ON NOTIFICATIONS MADE UNDER THE
AGREEMENTS IN ANNEX 1A OF THE WTO AGREEMENT**

1. At the request of the Working Group on Notification Obligations and Procedures, at its meeting held on 16 April 1996 (G/NOP/6, paragraphs 25-28), the Secretariat compiled a listing of regular/periodic and "one-time" notification obligations under the Agreements in Annex 1A of the WTO Agreement and of notifications submitted pursuant to these obligations up to 1 May 1996. This listing was circulated in

EXPLANATORY NOTES

1. This table sets out notification obligations of a regular/periodic nature (i.e. semi-annual, annual, biennial or triennial) and notifications required on a "one-time only" basis. It does not include ad hoc notifications, that is, those which must be provided only if a certain action is taken. It also does not include those regular/periodic or "one-time" notification obligations listed in document G/NOP/W/2/Rev.1, relating to Marks of Origin (page 50, item 8), Regional Arrangements (page 52, item 13 and page 55, item 7), Balance of Payments (page 54, item 5) and the Integrated Database (page 52, item 15).
2. The symbols used are as follows:
 - (a) "X" denotes that a notification has been received in the WTO. Subsequent addenda or corrections to notifications are not counted as additional notifications.
 - (b) A blank indicates that this is a requirement applicable to the Member concerned, but that no notification has been received up to the cut-off date.
 - (c) "NA" indicates that the requirement was not applicable for this WTO Member during the period covered by the Note.
 - (d) "0" indicates that no notification was received from the Member and that this is a requirement which is:
 - (i) applicable only to those Members maintaining the type of measure or taking the action in question but for which it was not possible to determine whether the Member maintained that type of measure or took the action in question;

or
 - (ii) permitting certain Members to take advantage of special treatment.
3. The abbreviations for the Agreements 0 0 1 333.84 408.72 Tm/h.4 T6 Tm8 11 Tf((page) TjET5/F8 11 Tf



not

4. On 31 August 1996, there were 123 WTO Members. The list of WTO Members in the first column, however, comprises 108 names as the European Community and its 15 member States provide one notification for each of the respective requirements. In the case of Agriculture, Switzerland's notifications are taken to cover Liechtenstein as these two Members have a joint Schedule.
5. The following notes apply to specific agreements:

Agreement on Agriculture

- (a) Notifications may be submitted

- (b) Notifications under Articles 2.6/2.7 were required only by Members which retained their right to use the transitional safeguard mechanism under Article 6.1 plus the four Members in (a) above.
- (c) Notifications under Article 3.1 were required only by Members which maintained restrictions on

Agreement on Import Licensing

- (a) Those Members which have notified are shown with an "X". "NA" indicates that the requirement is not applicable to this WTO Member.
- (b) Certain developing country Members can defer the application of some provisions for not more than two years from the date of WTO Membership (Footnote 5 to Article 2.2).
- (c) Replies to the questionnaire on import licensing procedures are required of all Members

- (c) Members maintaining certain measures (Articles 10 and 11.1) must notify these on a "one-time" basis (Article 12.7). Members that have made such notific

**Notifications Made Under the Provisions of the Agreements
in Annex 1A of the WTO Agreement (cont'd)**

**Notifications Made Under the Provisions of the Agreements
in Annex 1A of the WTO Agreement (cont'd)**

**Notifications Made Under the Provisions of the Agreements
in Annex 1A of the WTO Agreement (cont'd)**



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**Notifications Made Under the Provisions of the Agreements
in Annex 1A of the WTO Agreement (cont'd)**

SECTION II

REPORT OF THE TEXTILES MONITORING BODY

WORLD TRADE
ORGANIZATION

G/L/113
4 October 1996

(96-4055)

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VII.

I. INTRODUCTION

A. The Agreement on Textiles and Clothing (ATC) and the role of the Textiles Monitoring Body (TMB)

1. As specified in paragraphs 1 of Article 1 and Article 9,¹ the ATC sets out

8. According to the ATC, in carrying out its functions the TMB “shall rely on notifications and information supplied by the Members under the relevant Articles...” of the ATC.

9. In most cases notifications are to be submitted to the TMB, and are circulated by the TMB to all WTO Members for information and transparency. In line with the working procedures adopted by the TMB, notifications received pursuant to Articles 2.1, 2.2, 2.7(a) and (b), 2.8 (a) and (b), 2.10, 2.11, 2.15, 3.1, 3.3, 3.4, 6.1 and

Articles 2.6 and 2.7(b)

20. The TMB received forty-two notifications made, pursuant to paragraphs 6 and 7(b) of Article 2, by Argentina, Bangladesh, Bolivia, Brazil, Colombia, Costa Rica, Cyprus, the Czech Republic, the Dominican Republic, El Salvador, Guatemala, Honduras, Hungary, India, Indonesia, Israel, Japan, Korea, Malaysia, Malta, Mauritius, Mexico, Morocco, Myanmar, Nicaragua, Pakistan, Paraguay, Peru, the Philippines, Poland, Romania, Saint Kitts and Nevis, the Slovak Republic, Slovenia, Sri Lanka, Switzerland, Thailand, Tunisia, Turkey, Uruguay, Venezuela and Zambia. It completed its review of thirty-nine of them. In this review the TMB noted that in all cases the products integrated amounted to at least 16 per cent of the respective Members' total imports of the products falling under the coverage of the ATC (in most cases in volume of 1990 imports, in some other cases in value and/or with a different base-year, see Annex I), and that in all cases products from each of the four groups (tops and yarns, fabrics, made-up textile products, and clothing) had been integrated. The review of the notifications made by Israel, Myanmar and Saint Kitts and Nevis are in progress, and will be concluded as soon as the additional information sought by the TMB from these Members is received.

21. As noted above, the TMB in some instances took note of integration programmes which, in certain respects, did not fully meet the technical criteria established under paragraph

notification requirement contained in paragraph 1 of Article 6, and the resulting notification requirement contained in paragraph 7(b) of Article 2, were mandatory and had to be submitted to the TMB within prescribed deadlines.

27. The TMB noted that in some cases products integrated under paragraphs 6 and 7(b) of Article 2 had already been subject to quantitative restrictions, notified under Article 3 and justified under a GATT 1994 provision, and that such restrictions were not affected by the integration of the products concerned. Among the forty-two Members which submitted a notification pursuant to paragraphs 6 and 7(b) of Article 2, twelve made notifications under paragraph 1 of Article 3 invoking justification under Article 2.1 of the ATC for BT restrictions notified under paragraph 4 of the ATC BT

III. ARTICLE 2 - QUANTITATIVE RESTRICTIONS MAINTAINED OR NOTIFIED UNDER THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (MFA), IN FORCE ON 31 DECEMBER 1994

A. Article 2.1 - Restrictions in force on 31 December 1994

28. Paragraph 1 of Article 2 of the ATC states that "all quantitative restrictions within bilateral agreements maintained under Article 4 or notified under Article 7 or 8 of the MFA in force on the day before the entry into force of the WTO Agreement shall, within 60 days following such entry into force, be notified in detail, including the restraint levels, growth rates and flexibility provisions, by the Members maintaining such restrictions to the TMB". Notifications were received pursuant to this paragraph from Canada, the European Communities, Norway and the United States. The TMB completed their review, keeping also in mind observations made by some other Members (see Section B below), and took note of corrections or additions to these notifications made by Canada and the United States (G/TMB/R/6, 7, 10, 11, 12, 13 and 15). According to paragraph 4 of Article 2, "the restrictions notified under paragraph 1 [of Article 2] shall be deemed to constitute the totality of such restrictions applied by the respective Members on the day before the entry into force of the WTO Agreement. No new

made to-measure suits, be notified to the TMB. The TMB understood that these elements would be notified by the United States under paragraph 17 of Article 2 (G/TMB/R/12).

32. The TMB considered the notification by Macau pursuant to paragraph 2 of Article 2. In this notification, Macau stated that the United States' notification received under the provisions of paragraph 1 of Article 2 of the

37. The TMB considered under paragraph 17 of Article 2 a notification by Mauritius of a visa arrangement it had concluded with the United States, and took note of this notification (G/TMB/R/9). It also considered the detailed notifications by Canada of administrative arrangements concluded with Bangladesh, Brazil, Costa Rica, Cuba, Hong Kong, Hungary, India, Indonesia, Korea, Lesotho, Macau, Malaysia, Mauritius, Pakistan, the Philippines, Poland, Romania, Singapore, the Slovak Republic, Sri Lanka, Swaziland, Thailand, Turkey and Uruguay. The arrangements had been bilaterally agreed and contained provisions which implemented, in accordance with the provisions of paragraph 1 of Article 4 of the ATC, administrative aspects of the respective export control systems (export licences, monitoring of exports, quota flexibility provisions, exchange of statistics, re-exports by Canada, consultations). The TMB took note of these notifications (G/TMB/R/13 and 17).

38. A number of notifications are pending review.

E. Article 2.18 - Advanced implementation of growth rates for certain Members

39. Paragraph 18 of Article 2 specifies that “as regards those Members whose exports are subject to restrictions on the day before the entry into force of the WTO Agreement and whose restrictions represent 1.2 per cent or less of the total volume of the restrictions applied by an importing Member as of 31 December 1991 and notified under this Article, meaningful improvement in access for their exports shall be provided, at the entry into force of the WTO Agreement and for the duration of this Agreement, through advancement by one stage of the growth rates set out in paragraphs 13 and 14, or

advancement by one stage of the growth rates set out in paragraphs 13 and 14, or through at least equivalent changes as may be mutually agreed with respect to a different mix of base levels, growth and flexibility provisions. However, it is to be noted that the result in terms of market access in the first stage is improved if the methodology chosen for the advancement by one stage of the growth rates includes the growth factor of the first stage, the manner in which it had been done by one of the Members concerned.

IV. RESTRICTIONS OTHER THAN THOSE MAINTAINED OR NOTIFIED UNDER THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES (MFA)

~~the~~

Review of notifications made ~~to~~ 697.8

12 696BT 1 0 0 1 21 1 0

maintaining the restrictions not later than six months after the date of entry into force of the WTO Agreement”.

47. Four Members notified a phase out-programme pursuant to paragraph 2(b) of Article 3: Cyprus, Hungary, Japan and Slovenia (G/TMB/N/146, 147, 175, and 186, respectively). The TMB took note of such programmes. In so doing, the TMB

51. The United States made twenty-five requests for consultation pursuant to paragraph 7 of Article 6: twenty-four in 1995 and one in 1996 (see Annex II). Eleven resulted in restraint measures being agreed either during the consultation period,

55. Following the TMB's recommendation, the TMB was informed by the United States and Honduras that they had held consultations

60. At a later

as the United States decided to rescind the agreed measure. The TMB took note of such a decision by the United States. These three notifications were, therefore, not reviewed by the TMB. Eight notifications made pursuant to paragraph 9 of Article 6 have been reviewed by the TMB. One notification, received recently, remains to be reviewed.

66. The eight notifications reviewed by the TMB relate to measures agreed on imports into the United States of four products: cotton and man-made fibre underwear (US category 352/652) from Colombia, the Dominican Republic, El Salvador, Honduras and Turkey; women's and girls' wool coats (US category 435) from Honduras; women's and girl's wool suits (US category 444) from Colombia; and cotton and man-made fibre skirts (US category 342/642) from Guatemala. In reviewing these agreed restraints, the TMB made the following observations:

United States/Dominican Republic: imports of cotton and man-made fibre underwear (US category 352/652)

67. In reviewing the restraint measure agreed between the United States and the Dominican Republic on imports of cotton and man-made fibre underwear (US category 352/652), the TMB observed that no growth rate was provided for with respect to the guaranteed access level (GAL).⁷ However, according to indications given by the United States Government, the GAL can be increased on request. Therefore, it was the TMB's understanding that, at the request of the Dominican Republic, the GAL would be increased by no less than 6 per cent annually. The TMB recalled that at a previous meeting, when reviewing the action taken by the United States against imports of category 352/652 from Costa Rica and Honduras under paragraphs 2 and 3 of Article 6, an action taken at the same time as that on imports of the same product from the Dominican Republic, it had found that serious damage, as envisaged in these provisions, had not been demonstrated. The TMB had not, however, reached consensus on the existence of actual threat of serious damage. The TMB noted that, whilst the total level of the agreed restraint was substantially above the rollback level, that portion of the restraint which was available unconditionally to the Dominican Republic (i.e. the specific limit) was lower than that rollback level (G/TMB/R/7).

United States/Honduras: imports of cotton and man-made fibre underwear (US category 352/652)

68. In reviewing the restraint measure agreed between the United States and Honduras on imports of cotton and man-made fibre underwear (US category 352/652), the TMB observed that no growth rate was provided for with respect to the GAL. However, according to indications given by the United States Government, the GAL can be increased on request. Therefore, it was the TMB's understanding that, at the request of Honduras, the GAL would be increased by no less than 6 per cent annually. The TMB recalled that at a previous meeting, when reviewing the action taken by the United States against imports of category 352/652 from Costa Rica and Honduras under paragraphs 2 and 3 of Article 6 it had found that serious damage, as envisaged in these provisions, had not been demonstrated. The TMB had not, however, reached consensus on the existence of actual threat of serious damage. The TMB noted that the total level of the agreed restraint, as well as that portion of the restraint which was available unconditionally to Honduras (i.e. the specific limit) were both substantially above the rollback level (G/TMB/R/8).

69. The TMB also received a communication from Honduras relating to the implementation by the United States of this agreed restraint measure. In this communication, Honduras expressed concern

inter alia, by being made of "US components"

that the agreement was not implemented consistently with its terms by the United States, notably with respect to the level of access to the US market as of 1 January 1996, and that this was, therefore, threatening to seriously disrupt trade from Honduras. Honduras requested that the TMB review the implementation of the limits bilaterally agreed.

United States/Honduras: imports of women's and girls' wool coats (US category 435)

73. In reviewing the restraint measure agreed between the United States and Honduras on imports of women's and girls' wool coats (US category 435, see also paragraph 62 above), the TMB observed that no growth rate was provided for with respect to the GAL. However, according to indications given by the United States Government, the GAL can be increased on request. Therefore, it was the TMB's understanding that, at the request of Honduras, the GAL would be increased by no less than 2 per cent annually. The TMB recalled that at a previous meeting, when reviewing the action taken by the United States against imports of category 435 from India under paragraphs 2 and 3 of Article 6, an action taken at the same time as that on imports of the same product from Honduras, it had found that serious damage, as envisaged in these provisions, had not been demonstrated. The TMB had not, however, reached consensus on the existence of actual threat of serious damage. The TMB noted that the total level of the agreed restraint, as well as that portion of the restraint which was available unconditionally to Honduras (i.e. the specific limit) were both above the rollback level. The TMB also noted that the agreed growth rate of 2 per cent was justified in accordance with paragraph 13 of Article 6 (G/TMB/R/8).

74. The TMB also received a communication from Honduras relating to the implementation by the United States of this agreed restraint measure. In this communication, Honduras expressed concern that the agreement was not implemented consistently with its terms by the United States, notably with respect to the level of access to the US market as of 1 January 1996, and that this was, therefore, threatening to seriously disrupt trade from Honduras. Honduras requested that the TMB review the implementation of the limits bilaterally agreed. The TMB was informed that it was the United States Government's intention to implement the agreement in full and to be in contact with Honduras with a view to resolving this question. The TMB took note of this, informed Honduras of the United States' intention, and decided that, should problems remain, it

above the rollback level. It observed that no growth rate was provided for with respect to the GAL. However, according to indications given by the United States Government, the GAL can be increased on request. Therefore, it was the TMB's understanding that, at the request of

81. Out of the twenty-five actions taken by the United States, eleven safeguard measures remained in force in September 1996, while fourteen had been disinvoked or the measures rescinded. Of these eleven measures, nine had been agreed between the parties and notified pursuant to paragraph 9 of Article 6, and two had been introduced unilaterally by the United States under paragraph 10 of Article 6. In one of the two latter cases, the TMB had reached the conclusion that actual threat of serious damage had been demonstrated, and could be attributed to the sharp and substantial increase in imports from the Member concerned. In the other case, the TMB had concluded that serious damage had not been demonstrated but could not, however, reach consensus on the existence of actual threat of serious damage.⁸

82. In all cases where the TMB conducted an examination of the measures taken under Article 6, and in particular of the measures taken pursuant to its paragraph 10, it carried out a very thorough review of the matter, on the basis of the factual data presented to it in conformity with paragraph 7 of Article 6, complemented by any additional information submitted by the parties, or it decided to seek from the Members concerned. **The TMB observed that, in most cases, Members were able to comply with its recommendations.**

83. **The TMB is aware of the implications for trade of requests for consultations made with a view to introducing safeguard measures, in particular, when transitional measures are applied and subsequently rescinded. It believes, however, worthwhile to mention that, while during the first half of 1995 (at a time the TMB had not as yet reviewed any safeguard action) twenty-four requests for consultations had been made (all of them by the United States) pursuant to paragraph 7 of Article 6, only eight had been made (seven by Brazil and one by the United States) in the following 15 months.**

84. **The TMB observed that both the Members invoking the safeguard provisions of the ATC and the Members subject to such actions had strictly observed the procedural requirements of Article 6. The TMB was aware that it had not always been possible to mrions**

Articles 8.5 and 4.2 - Philippines/United States: changes in the administration or implementation of restrictions

86. In July 1996 the TMB received a communication from the Philippines regarding changes in the United States' rules of origin, which, it was argued, adversely affected imports into the United States of certain textile products from the Philippines and upset the balance of rights and obligations between the two parties under the ATC. The Philippines requested the TMB to consider this matter. At its meeting in July 1996, the TMB was informed by the Philippines and the United States

98. Paragraph 2 of Article 7 states, *inter alia*, that “Members shall notify to the TMB the actions referred to in paragraph 1 which have a bearing on the implementation of this Agreement. In addition, paragraph 3 of that Article offer the possibility that “where any Member considers that another Member has not taken the actions referred to in paragraph 1, and that the balance of rights and obligations under this Agreement has been upset, that Member may bring the matter before the relevant WTO bodies and inform the TMB”. The TMB has not received any notification or information from Members pursuant to these paragraphs.

99. **The TMB was aware of the conclusions reached by the Committee on Market Access in April 1995, according to which in supervising the implementation of concessions relating to tariffs and non-tariff measures, the approach to be followed was to rely on cross or reverse notifications to identify problems that might arise out of the implementation of these concessions. According to the information available to the TMB, no such cross or reverse notification had been submitted to date to the Committee on Market Access. The TMB was equally aware, however, that on a few occasions, issues which may also be relevant in the context of the provisions of Article 7 of the ATC had been raised in the Committee on Market Access.**

100. **The TMB was also aware of the concerns expressed by some Members with respect to the lack of sufficient improvements in access to the markets in some developing Members.**

101. **In accordance with the provisions of paragraph 11 of Article 8, the comprehensive report the TMB is due to submit to the Council for Trade in Goods by the end of July 1997 in the context of the major review of the implementation of the ATC will have to address, *inter alia*, the issue of implementation of Article 7 of the ATC. In order to have a reliable basis for such an assessment, the TMB will have to rely**

X. FUNCTIONING OF TMB

A. TMB working procedures

recommendations, findings and observations; these texts themselves have already been adopted by the TMB. Such reports are, therefore, normally circulated to WTO Members more than a month after each meeting of the TMB. The TMB felt that this time lag was unnecessarily long. It, therefore, authorized its Chairman on several instances, in particular when the TMB had reviewed dispute cases between WTO Members, to issue a note forwarding information on the TMB's recommendations, findings and observations to WTO Members (G/TMB/1 to 8).

110. Following the decision adopted by the General Council at its meeting on 18 July 1996, the TMB considered the question of the derestriction of its working documents (G/TMB/W/- and G/TMB/SPEC/-series). The TMB recalled that in adopting its own working procedures on 13 July 1995 it had agreed that it would "... decide on the implementation of the decision of the General Council on derestriction of documents when the General Council has adopted its decision on this matter" (G/TMB/R/1). The TMB took note of the General Council's decision and decided that it would act in full compliance with it (G/TMB/R/16).

E. Overall assessment

111. **An assessment of TMB's functioning cannot be made without taking into consideration the circumstances of its establishment, the initial workload it was faced with, as well as the importance of this sector of international trade for a large number of WTO Members. At the entry into force of the (ances) TjETBT1 0 0 1.44 512.16 Tm/F17 11 0f(ihe) TjETBT1 0 0 1 177.6 486.24 Tm/E**

which can provide guidance to Members in terms of their implementation of the different provisions of the ATC.

117. The deadlines provided by the ATC to the TMB for its review of dispute cases places it under tight time constraint. On the one hand, the TMB has to reach a conclusion relatively quickly, but on the other hand, it has to cope with a very substantial amount of information and make an in-depth analysis of many economic and legal arguments and considerations. The TMB is of the view that in some instances additional - if limited - time is necessary

to ensure that the TMB continues to develop its collegiality in order to overcome possible difficulties stemming, *inter alia*, from the fact that, on the one hand, TMB members are appointed by Members designated by the Council for Trade in Goods and its membership has to be balanced and broadly representative of the Members and, on the other hand, TMB members discharge their functions on an *ad personam* basis. Also with regard to developing collegiality, noticeable progress could be achieved over time, which provides a good basis for future improvements.

ANNEX III
TMB Meetings

Meeting number	Meeting dates	Meeting reports
1	8-9 and 23-24 March, 10-11 April, 15-19 May, 7-9 June, 4-6 and 12-13 July 1995	G/TMB/R/1
2	13-15 and 17-21 July 1995	G/TMB/R/2
3	28 August to 1 September 1995	G/TMB/R/2
4	12 -15 September 1995	G/TMB/R/3
5	25-28 September 1995	G/TMB/R/4
6	16-20 October 1995	G/TMB/R/5
7	13-17 November 1995	G/TMB/R/6
8	4-5 December 1995	G/TMB/R/7
9	18-20 December 1995	G/TMB/R/8
10	1-2 February 1996	G/TMB/R/9
11	26-29 February 1996	G/TMB/R/10
12	20-22 March 1996	G/TMB/R/11
13	22-24 April 1996	G/TMB/R/12
14	3-5 June 1996	G/TMB/R/13
15	24-27 June 1996	G/TMB/R/14
16	22-23 July 1996	G/TMB/R/15
17	9-11 September 1996	G/TMB/R/16
18	16-18 September 1996	G/TMB/R/17
19	30 September-1 October 1996	G/TMB/R/18

SECTION III

REPORT OF THE COMMITTEE ON SANITARY AND PHYTOSANITARY MEASURES

RE

This report was adopted on 8 October 1996, for consideration

Phytosanitary Measures on

1. The Agreement on trade-related aspects of intellectual property rights and obligations of Members

measures sets out the rights in detail under the GATT.

2. The Committee on Trade and Environment (the "Committee") was established to provide a regular forum for the implementation of the Agreement in particular with respect to the process of international trade. Its functions are to encourage and facilitate the exchange of information on specific sanitary or phytosanitary issues, to recommend guidelines and recommendations for the implementation of international standards, and to hold consultations on matters of mutual interest. Meetings were held in 1995 and again in 1996 (see SPS/R/1-5). In addition, a special joint meeting with the Committee was held on transparency provisions, in particular not

under the "Committee") was established to provide a regular forum for the implementation of the Agreement in particular with respect to the process of international trade. Its functions are to encourage and facilitate the exchange of information on specific sanitary or phytosanitary issues, to recommend guidelines and recommendations for the implementation of international standards, and to hold consultations on matters of mutual interest. Meetings were held in 1995 and again in 1996 (see SPS/R/1-5). In addition, a special joint meeting with the Committee was held on transparency provisions, in particular not

3. At its first meeting, the Committee recommended procedures and modalities for the notification of urgent sanitary and phytosanitary measures (G/SPS/2). Modified procedures for the notification of urgent sanitary and phytosanitary measures (G/SPS/7). In addition, the Committee established an International Enquiry Points (G/SPS/ENQ/series) and of the Committee also agreed to invite international intergovernmental organizations as observers to the Committee. Organizations include the Commission (Codex), International Union for the Protection of New Varieties of Plants (UPOV), World Health Organization (FAO), World Intellectual Property Organization (WIPO), and the International Centre for Trade and Sustainable Development (ICTSD).

procedures (G/SPS/1) and notification provisions under the Agreement (G/SPS/2). Modified procedures for the notification of urgent sanitary and phytosanitary measures (G/SPS/7). In addition, the Committee established an International Enquiry Points (G/SPS/ENQ/series) and of the Committee also agreed to invite international intergovernmental organizations as observers to the Committee. Organizations include the Commission (Codex), International Union for the Protection of New Varieties of Plants (UPOV), World Health Organization (FAO), World Intellectual Property Organization (WIPO), and the International Centre for Trade and Sustainable Development (ICTSD).

Under the provisions of the Agreement, the Committee may delay until 2000 the implementation of the Agreement, existing, sanitary and phytosanitary measures. The Committee shall report to the Council on the progress of its work and on the content of the Agreement.

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5. The Agreement sets two explicit tasks which the Committee has initiated but not yet concluded. Article 5:5 of the Agreement requires the Committee to develop guidelines to further the practical implementation of this provision¹. In formal and informal consultations, draft guidelines are being developed for future consideration by the Committee.

6. The Agreement requires that the

10. The effective implementation of the Agreement requires coordination and cooperation with relevant international intergovernmental organizations which develop standards, guidelines and recommendations with respect to sanitary and phytosanitary measures, and in particular the Office international des épizooties (OIE), the Codex Alimentarius Commission (Codex) and the International Plant Protection Convention (IPPC). Close working relationships have been established with these bodies who contribute regularly to the work of the Committee. Much progress has been made in the work undertaken by these bodies which could facilitate the implementation of the Agreement by WTO Members. Progress in the development of relevant international standards and methodologies for risk assessment, in particular, is of fundamental importance in this regard, as is the revision of the IPPC (now under consideration).

11. The Committee has discussed elements of a practical and effective on-going and future work program. This program includes: reviewing the efficacy of the Agreement's notification process; improving transparency in other areas, including through the exchange of information on Members' administrative structures and procedures related to the establishment of SPS measures; facilitating consultations leading to the resolution of current trade problems; coordinating and improving the quality and efficiency of international technical assistance; and promoting the recognition of equivalent SPS measures consistent with the provisions of the Agreement.

12. Article 12:7 of the Agreement provides that the Committee shall review the operation and implementation of the Agreement three years after its entry into force, and, where appropriate, may submit to the Council for Trade in Goods proposals to amend the text of the Agreement having regard, inter alia, to the experience gained in its implementation. The Committee will undertake appropriate work for such a review of the Agreement.

13. The Committee recommends that Ministers endorse the approach set out in paragraphs 5, 6, 11 and 12, above. Furthermore, the Committee recommends that Ministers reiterate the strong commitment of all Members to the full implementation of the Agreement, including its notification and other transparency provisions.

SECTION IV

REPORT OF THE COMMITTEE ON RULES OF ORIGIN

WORLD TRADE
ORGANIZATION

G/L/119

18 October 1996

(96-4447)

SECTION B - STATUS REPORT OF THE COMMITTEE'S WORK

Implementation of the Agreement

(i) Harmonization Work Programme

7. The Harmonization Work Programme was officially launched on 20 July 1995 and is scheduled for completion by 20 July 1998. The Programme is divided into three Phases:

- (i) Definitions of Goods Wholly Obtained, and Minimal Operations or Processes;
- (ii) Substantial Transformation - Change in Tariff Classification; and
- (iii) Substantial Transformation - Supplementary Criteria.

8. From the initiation of the Harmonization Work Programme, in July 1995, to the present, the Committee has received and considered four Reports from the Technical Committee on Rules of Origin (see Annex 2). According to the Agreement on Rules of Origin, the Technical Committee should submit quarterly results of its work to the Committee. At the time of submitting this Report to the Council for Trade in Goods, the Fifth Report from the Technical Committee had been received, but had not yet been circulated for consideration. Consequently, inputs from that Report were not available for inclusion in this Report.

9. At its meeting of 16 November 1995, the Committee began consideration of the First Report of the Technical Committee concerning the definition of wholly obtained goods (Annex A) and the definition of minimal operations or processes that do not by themselves confer origin to a good (Annex B). At that meeting, it approved definitions 1(a), 1(b) and 1(e) of Annex A, and definitions 1(a), 1(b) and 1(c) of Annex B. The Committee

to the Technical Committee the request to further examine and clarify with a view to possibly defining the following terms when used in the context of wholly obtained or produced: processing, further processing and manufacturing. The Committee noted that the draft definitions of minimal operations or processes will be re-examined throughout the Harmonization Work Programme.

12. The Committee also considered the recommendation from the Technical Committee on the general rules for interpreting and applying the rules of origin and the general format establishing the overall architectural design of the harmonized rules of origin. It was noted that the draft submitted to the Committee presented a valid basis for the continuation of the Harmonization Work Programme, and

did not come to a common view. In the end, the Committee agreed that rules and procedures in domestic legislation must be compatible with GATT 1994 rules, and any changes before the conclusion of negotiations should be consistent with disciplines governing the transition period.

SECTION C - CONCLUSIONS AND RECOMMENDATIONS

Implementation of the Agreement in general

19. The Committee focused on the implementation of the Agreement, particularly on the Harmonization Work Programme.

20. A procedure was adopted by the Committee to deal with queries by Members in respect of notifications of national legislations. This procedure will serve to ensure a proper and coordinated examination of such notified legislation and to ensure conformity with disciplines established in the Agreement. The Committee recommends adherence by Members to the guidelines established for the treatment of notifications by Members.

21. The Committee recognized that notifications are indispensable for the effective and credible functioning of the WTO Agreement. Low rates of notification restrict the ability of the Committee to assess the global status of rules of origin, and consequently the effectiveness of new disciplines once they are concluded. The Committee calls on all Members that have not yet notified either their non-preferential or preferential rules of origin to do so without further delay.

Harmonization Work Programme

22. The Harmonization Work Programme presents a mixed picture of progress and problems. The Work Programme is divided into Phases I, II and III as provided for in Article 9 of the Agreement. Phase I is largely completed, although two issues remain unresolved.

23. First, the origin to be attributed to parts recovered from articles in a country different from the country where the articles were used (consumed) raised several issues.

24. The key pending issue refers to parts recovered from used articles not fit for their original purpose and not capable of being restored or repaired, imported, *inter alia*, for recycling purposes. On this issue, environmental policy considerations were raised by some Members, that trade in such articles and parts should not be used to "dump" scrap and waste, toxic, hazardous and radioactive materials in other countries. The Committee recognized these concerns as valid. At the same time, most Members endorsed the view that the Committee should restrict its work to the attribution of origin to goods, and exclude extra-origin considerations which risk jeopardizing the work of the Committee.

25. The second unresolved question refers to the origin to be attributed to goods obtained or produced on vessels, factory ships, structures and installations outside a country. This question raised several complex issues of international law and public policy linked, in particular, with the practical application of the term "country" in relation to goods which should be considered as being wholly obtained. There are long-standing national positions at issue. Resolution of this problem will be possible only by constructive and mutual compromises and understanding by Members. To this end, the Committee is proceeding with the Harmonization Work Programme on the basis of addressing issues related to the term "country" only to the extent where there are practical consequences for the attribution of origin to specific goods, in the interest of achieving the objectives of this Agreement.

26. The Committee recommends that attention should strictly focus on the conferment of origin to goods, and that extra-origin considerations be excluded from its work. While it is recognized that

harmonization negotiations cannot be undertaken in a vacuum, related issues arising should be referred by the Committee to the relevant Committees.

27. While substantial progress has been made in Phase II of the Harmonization Work Programme, the Phase is behind schedule due to the complexities involved. Notwithstanding these delays, the Committee considers that the Harmonization Work Programme should be completed within the three-year time frame. To this end, additional steps need to be taken, in accordance with the provisions of the Agreement, to ensure adherence to the time frame. Note should be taken of the ongoing efforts to further improve the efficiency of the joint work by the Committee and the Technical Committee. In addition, the Integrated Negotiating Text for the Harmonization Work Programme is a

6. Members that have not notified Preferential Rules of Origin

Antigua & Barbuda
Bahrain

Annex II

1. Minutes of Meetings of the Committee on Rules of Origin
 - 4 April 1995 (G/RO/M/1)
 - 27 June 1995 (G/RO/M/2)
 - 16 November 1995 (G/RO/M/3)
 - 29 November 1995 (G/RO/M/4)
 - 1 February 1996 (G/RO/M/5)
 - 10 May 1996 (G/RO/M/6)
 - 13 September 1996 (G/RO/M/7)
 - 11 October 1996 (G/RO/M/8)

2. Reports of the Technical Committee on Rules of Origin
 - G/RO/1 (First Report)
 - G/RO/4 (Second Report)
 - G/RO/5 (Third Report)
 - G/RO/6 (Fourth Report)
 - G/RO/9 (Fifth Report - received but not yet)

SECTION V

REPORT OF THE INDEPENDENT ENTITY TO THE
COUNCIL FOR TRADE IN GOODS

WORLD TRADE

SECTION VI

REPORT OF THE COMMITTEE ON CUSTOMS VALUATION

Committee on Customs Valuation

**REPORT OF THE COMMITTEE ON CUSTOMS VALUATION
TO THE COUNCIL FOR TRADE IN GOODS**

A. Background

1. The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Agreement) entered into force on 1 January 1995. This report covers the years 1995 and 1996. It addresses the work undertaken by the Committee on Customs Valuation (the Committee) in respect of the objectives of the Agreement, which are: to provide greater uniformity and certainty in the implementation of the provisions of Article VII of the GATT 1994; to establish a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values; to ensure that the basis for valuation of goods for customs purposes should, to the greatest extent possible, be the transaction value of the goods being valued; and to secure additional benefits for the international trade of developing countries.

2. During the period under consideration, the Committee has held four formal meetings, on 12 May 1995 (G/VAL/M/1), 24 October 1995 (G/VAL/M/2), 25 April 1996 (G/VAL/M/3) and 25 October 1996 (G/VAL/M/4, to be issued). The Committee elected Mr. P. Palecka (Czech Republic) as Chairman and Mr. M. Baumbach (Brazil) as Vice-Chairman for 1995, and re-elected them for 1996.

3. Participation in the Committee is open to all WTO Members. In addition, Governments granted observer status by the WTO General Council, as well as representatives of the World Customs Organization (WCO), IMF and UNCTAD attended Committee meetings as observers.

4. At its meeting of 24 October 1995, the Committee adopted its rules of procedure, which were approved by the Council for Trade in Goods.

B. Implementation of the Agreement

5. The Committee examined the national legislations of eight Members which had been submitted during the period under consideration. The Committee concluded its examination of the legislations of Canada, the Czech Republic, the European Communities, Macau, Slovenia, and South Africa. With respect to the Mexican and Indian legislations, the Committee took note of the various points raised and the explanations furnished, and agreed to continue the examination.

6. The Committee adopted two decisions which were referred by the Ministers at Marrakesh to the Committee for adoption: (i) decision regarding cases where customs administrations have reasons to doubt the truth or accuracy of the declared value; and (ii) decision on texts relating to minimum values and imports by sole agents, sole distribu

7. In conformity with Article 20.1 of the Agreement, 51 developing country Members have invoked delayed application of the provisions of the Agreement. Understanding has been reached in the Committee that the texts of the national legislation of these developing country Members will be supplied to the Committee before the developing country Members begin applying the provisions of the Agreement (G/VAL/5, para. B 2(ii)).

8. To date 14 Members have submitted communications indicating that their legislation notified under the Tokyo Round Customs Valuation Agreement remained TjETBT1 0 0 1 483.550 1 209.04 654.96 Tm/F(h) T

ANNEX

- (i) Members who have indicated that their legislation remains valid under the WTO Customs Valuation Agreement in accordance with the decision taken by the Committee (G/VAL/M/1) (14)

Australia (G/VAL/N/1/AUS/1)
 Brazil (G/VAL/N/1/BRZ/1)
 Hong Kong (G/VAL/N/1/HKG/1)
 Hungary (G/VAL/N/1/HUN/1)
 Japan (G/VAL/N/1/JPN/1)
 Korea (G/VAL/N/1/KOR/1)
 New Zealand (G/VAL/N/1/NZL/1)

Norway (G/VAL/N/1/NOR/1)
 Romania (G/VAL/N/1/ROM/1)
 Slovak Republic (G/VAL/N/1/SVK/1)
 Switzerland (G/VAL/N/1/CHE/1)
 Turkey (G/VAL/N/1/TUR/1)
 United States (G/VAL/N/1/USA/1)
 Zimbabwe (G/VAL/N/1/ZWE/1)

- (ii) Members who have submitted their legislations or amendments in accordance with Articles 22.1 and 22.2 of the Agreement (8)
-

Canada (G/VAL/N/1/CAN/1)	Macau (G/VAL/N/1/MAC/1)
Czech Republic (G/VAL/N/1/CZE/1)	Mexico (VAL/1/Add.25/Suppl.1/Rev.1,
European Communities (G/VAL/N/1/EEC/1/Rev.1)	Suppl.2, and Suppl.3)
India (G/VAL/N/1/ID 491.76 654.96 Tm/F83BT48 T8BT1 0 0 1 360.48 499.ppl.3)	

(iv) Members who have made no notifications (36)

Antigua & Barbuda	Lesotho
Argentina	Malawi
Bahrain	Maldives
Barbados	Mozambique
Belize	Namibia
Benin	Papua New Guinea
Botswana	Poland
Chad	Qatar
Cyprus	Rwanda
Dominica	Saint Kitts & Nevis
Fiji	Saint Lucia
Gambia	Saint Vincent & Grenadines
Grenada	Sierra Leone
Guinea Bissau	Solomon Islands
Guinea, Rep. of	Suriname
Guyana	Swaziland
Haiti	Tanzania
Iceland	Trinidad & Tobago

(v) Members who have notified that they apply paragraph 2 of the decision of the Committee on Customs Valuation on Valuation of Carrier Media Bearing Software for Data Processing Equipment

Cyprus (G/VAL/N/1/CYP/1)

SECTION VII

REPORT OF THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE

REPORT OF THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE

This Report was adopted by the Committee on Technical Barriers to Trade on 22 October 1996, for the consideration by the Singapore Ministerial Conference.

* * *

I. INTRODUCTION

1. The Committee on Technical Barriers to Trade was established on 1 January 1995 under Article 13.1 of the Agreement on Technical Barriers to Trade (TBT). Membership of the TBT Committee is open to all WTO Members. Observer governments and observers from international intergovernmental organizations were invited to participate in the TBT Committee's formal meetings in accordance with the relevant Decisions of the General Council.¹

2. The Committee held its first, second, third, fourth, fifth, sixth and seventh meetings on 21 April 1995 (G/TBT/M/1), 14 July 1995 (G/TBT/M/2), 20 October 1995 (G/TBT/M/3), 1 March 1996 (G/TBT/M/4), 28 June 1996 (G/TBT/M/5), 16 October 1996 (G/TBT/M/6) and 22 October 1996 (G/TBT/M/7) respectively. At its first meeting, the Committee elected Ambassador C. L. Guarda (Chile) as Chairperson. On 6-7 November 1995, the Committee held a special joint meeting on Procedures for Information Exchange with the SPS Committee to facilitate the implementation of these procedures by Members. No formal decisions were taken at the meeting, but proposals emanating from the discussions were brought to the attention of the Committee for consideration (G/TBT/W/16). On 27 February 1996, the Committee held a joint informal meeting with the Committee on Trade and Environment to pursue discussions on eco-labelling.

II. IMPLEMENTATION OF THE MARRAKESH MINISTERIAL DECISIONS

3. On

¹ Decisions of the General Council: Participation in Meetings of WTO Bodies by Certain Signatories of the Final Act eligible to become Original Members of the WTO (WT/L/27); Guidelines for Observer Status for Governments in the WTO (WT/L/161 - Annex 2); and Observer Status for International Intergovernmental Organizations in the WTO (WT/L/161 - Annex 3). Representatives of the IMF, UNCTAD, ITC (UNCTAD/GATT), ISO, IEC, FAO, WHO, FAO/WHO Codex Alimentarius Commission, International Office of Epizootics, OECD and UN/ECE are invited to attend meetings of the TBT Committee in an observer capacity.

4. At its first meeting, the Committee took note of the statements made regarding the procedures for notifications under the Code of Good Practice (G/TBT/W/4/Rev.1) and agreed that the Committee Chairperson would inform the Chairman of the Budget Committee of the financial resources needed by the ISO/IEC Information Centre for the application of the WTO Standards Information Service operated by ISO.

5. The first annual WTO TBT Standard Code Directory was prepared by the ISO/IEC Information Centre at the beginning of 1996, and contains information received pursuant to paragraphs C and J of the Code of Good Practice, including information on the work programmes of standardizing bodies that have accepted the Code. At the end of 1995, 28 standardizing bodies from 26 Members

C. Notifications made by Members under Articles 2.9.2, 2.10.1, 3.2, 5.6.2, 5.7.1 and 7.2 of the Agreement since 1 January 1995 (G/TBT/Notif.95.1-365 and G/TBT/Notif.96.1-390)

8. These are periodic notifications of changes in technical regulations and conformity assessment procedures by central governments and local governments. A list indicating the number of notifications made by Members and by Articles is contained in Annex 1.

Total: 755

of which:

Tokyo Round TBT Signatories (46): 31

New WTO Members of the Agreement (79): 2

Local Governmental technical regulations and conformity assessment procedures: 3

Non-notified measures raised in TBT Committee meetings: 1

D. Establishment of Enquiry Points by Members under Article 10 (G/TBT/ENQ/7)

9. Members are required to establish national Enquiry Points to answer all reasonable enquiries on their application of trade-related technical regulations, standards and conformity assessment procedures.

Total: 73

of which:

Tokyo Round TBT Signatories (46): 45

New WTO Members of the Agreement (79): 28

E. Notifications made by Members under Article 10.7 of the Agreement

10. Members are obliged to notify whenever they have reached agreements with any other country or countries on issues related to technical regulations, standards or conformity assessment procedures which may have a significant effect on trade.

Total: none

F. Overall assessment

11. At the Committee's fifth meeting, the Chairperson expressed the view that implementation of the TBT Agreement was proceeding slower than is desirable in relation to the submission of statements under Article 15.2 and the number of standardizing bodies that have accepted the Code of Good Practice. To the extent that this was due to real technical difficulties or a lack of awareness of the obligations under the Agreement, the Secretariat was encouraged to redouble its technical assistance work in this area. The Secretariat has organized together with the ISO and with the ITC three regional seminars in 1996 in South Africa, Latin America and Central America, aiming at providing technical assistance to new Members, in particular developing countries, to better understand the Agreement so that it can be fully implemented.

IV. ACTIVITIES OF THE COMMITTEE SINCE 1 JANUARY 1995

A. Decisions and Recommendations adopted by the Committee (G/TBT/1/Rev.4)

12. At its first meeting, the Committee adopted its rules of procedure. These were subsequently approved by the Council for Trade in Goods. At its second meeting, the Committee adopted decisions and recommendations regarding: (i)

16. Several Members expressed interest in and requested further information on the ISO 9000 and ISO 14000 standards series on quality management and environmental management (G/TBT/M/2-4). A presentation was made and a communication was received from the ISO in this regard (G/TBT/W/20).

C. Other Activities and Reviews conducted by the Committee

17. At its fourth meeting, the Committee carried out its first annual review of the implementation and operation of the Agreement under Article 15.3 based on background documentation contained in G/TBT/3 and Corr.1. The need for improving implementation was emphasized.

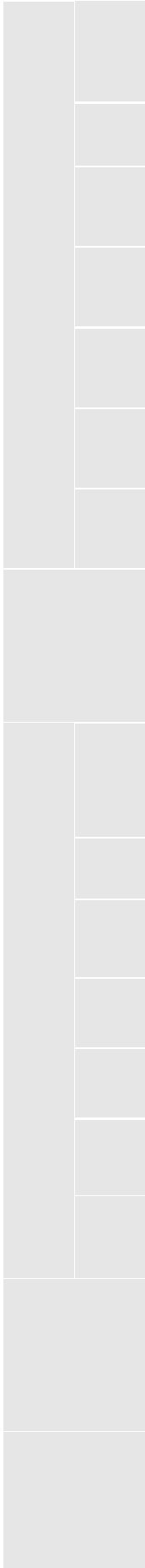
18. At its sixth meeting, the Committee conducted a periodic examination of the special and differential treatment granted to developing country Members under Article 12.10 of the Agreement (G/TBT/M/6).

19. The Committee held discussions on decisions and recommendations on conformity assessment procedures and heard representations from the ISO on latest developments in ISO/IEC work relating to rules and guides in conformity assessment activities; from the International Laboratory Accreditation Conference (ILAC) on accreditation activities in the conformity assessment area; and from the United Nations - Economic Commission for Europe on rules and work of the UN/ECE.

V. PROGRESS CONCERNING WORK UNDER THE BUILT-IN AGENDA

20. Under Article 15.4 of the Agreement, the Committee will carry out its first triennial review of the operation and implementation of the Agreement not later than the end of 1997, including the provisions relating to transparency, with a view to recommending an

Annex 1



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365	332	14	2	19	6	-	7	371	331	10	1	16	1	-	26
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TOTAL

Annex 2
Notifications under Article 15.2 and of the Establishment of Enquiry Points under Article 10
by Members; and of the Acceptance of the Code of Good Practice for the Preparation,
Adoption and Application of standards by standardizing bodies

MEMBER			
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MEMBER	ARTICLE 15.2	ACCEPTANCE OF THE CODE OF GOOD PRACTICE	ENQUIRY POINTS
Dominican Republic			x
Ecuador		1	
Egypt		1	x
El Salvador			x
European Community	x	3	x
Fiji			x
Finland	x	1	x
France	x	1	x
Gabon			
Gambia			
Germany	x	1	x
Ghana			x
Greece	x		x
Grenada			
Guatemala			
Guinea			
Guinea Bissau			
Guyana			
Haiti			
Honduras			
Hong Kong	x		x
Hungary		1	x
Iceland			x
India		1	x
Indonesia	x	1	x
Ireland	x		x
Israel			x
Italy	x	2	x
Jamaica		1	x
Japan	x	4	x
Kenya		1	x
Korea			x
Kuwait			
Lesotho			

MEMBER	ARTICLE 15.2	ACCEPTANCE OF THE CODE OF GOOD PRACTICE	ENQUIRY POINTS
Liechtenstein			
Luxembourg	x		x
Macau			x
Madagascar			
Malawi			x
Malaysia	x	1	x
Maldives			
Mali			
Malta			
Mauritania			
Mauritius			x
Mexico	x		x
Morocco			x
Mozambique			
Myanmar			x
Namibia			
Netherlands	x	1	x
New Zealand	x	1	x
Nicaragua			
Nigeria	x		x
Norway	x	1	x
Pakistan			x
Papua New Guinea			
Paraguay			
Peru		1	x
Philippines	x	1	x
Poland		1	
Portugal	x		x
Qatar			
Romania	x	1	x
Rwanda			
Saint Kitts and Nevis			
Saint Lucia			

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Total

42	60	73
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SECTION VIII

REPORT OF THE COMMITTEE ON ANTI-DUMPING PRACTICES

Committee on Anti-Dumping Practices

REPORT (1996) OF THE COMMITTEE ON
ANTI-DUMPING PRACTICES

I. Organization of the work of the Committee

1. The Agreement on Implementation of Article VI of the General Agreement of Tariffs and Trade (hereinafter "the

purview of the Agreement, including the text of

prior to the entry into force of the Agreement. Another concern was the complexity of the procedural and substantive requirements of the Agreement, and the need for significant training and education, particularly for new users of anti-dumping measures and developing countries, to ensure that actions were taken consistently with the Agreement.

III. Semi-annual reports on anti-dumping actions taken by Members

10. Article 16.4 of the Agreement provides that Members shall submit, on a semi-annual basis, reports on anti-dumping duty actions taken within the preceding six months. Pursuant to the recommendation of the Informal Contact Group (PC/IPL/11, Annex 7), which was adopted by the Committee at its 21 February meeting (G/ADP/M/1, paras. 21-22), the first semi-annual report submitted by each WTO Member would cover the period July-December or January-June, whichever Semi-annual

15. Pursuant to Article 16.4 of the Agreement, Members are to report without delay to the Committee all preliminary and final anti-dumping actions taken. Guidelines for the information to be contained in these reports

at its first meeting in February 1995, in light of suggestions from the Chairman of the General Council. The Committee decided that the Secretariat should prepare a draft report in the same format as had been used in

24. The Committee observed that one of its major tasks during the first two years of the Agreement had been to review the domestic anti-dumping legislations notified by Members. The review exercise indicated that implementation in this regard was less than complete. Not all Members that are current or potential users of anti-dumping measures had completed the domestic legislative processes to incorporate the relevant requirements of the Agreement. Thus, further efforts were required in order to ensure substantive implementation of the Agreement. In addition, during the meetings to review notifications of legislation, a variety of issues regarding the WTO-consistency of notified legislations were raised. The meetings provided Members with an opportunity to seek clarification of issues arising out of other Members' legislation. Generally, Members were able to clarify the issues raised. Both Members notifying legislation and those submitting questions generally found the process helpful and wished to continue this work in the Committee. The Committee thought it extremely important that Members carefully consider all questions posed, comments made and replies provided in the course of these review sessions.

25. In addition, the Committee considered that further efforts were required in order t

**ANNEX A
ANTI-DUMPING LEGISLATION NOTIFICATIONS**

MEMBER	NOTIFICATION PROVIDED
Antigua and Barbuda	
Argentina	G/ADP/N/1/ARG/1 + Suppl.1
Australia	G/ADP/N/1/AUS/1 + Suppl.1
Bahrain	
Bangladesh	
Barbados	G/ADP/N/1/BRB/1
Belize	
Benin	
Bolivia	G/ADP/N/1/BOL/1 + Suppl.1
Botswana	G/ADP/N/1/BWA/1
Brazil	G/ADP/N/1/BRA/1 + Suppl.1
Brunei Darussalam	
Burkina Faso	
Burundi	
Cameroon	
Canada	G/ADP/N/1/CAN/2
Central African Republic	
Chad	
Chile	G/ADP/N/1/CHL/1
Colombia	G/ADP/N/1/COL/1
Costa Rica	G/ADP/N/1/CRI/1

Ecuador	G/ADP/N/1/ECU/1
Egypt	G/ADP/N/1/EGY/1
El Salvador	G/ADP/N/1/SLV/1
Fiji	
Gabon	
Ghana	
Grenada	
Guatemala	G/ADP/N/1/GTM/2
Guinea Bissau	
Guinea, Republic of	G/ADP/N/1/GIN/1
Guyana	
Haiti	
Honduras	G/ADP/N/1/HND/2
Hong Kong	G/ADP/N/1/HKG/1
Hungary	G/ADP/N/1/HUN/1
Iceland	G/ADP/N/1/ISL/1
India	G/ADP/N/1/IND/2 + Corr.1 + Suppl.1
Indonesia	G/ADP/N/1/IDN/2
Israel	G/ADP/N/1/ISR/2
Jamaica	G/ADP/N/1/JAM/1
Japan	G/ADP/N/1/JPN/2 + Corr.1 & 2 + Suppl.1
Kenya	G/ADP/N/1/KEN/1
Korea	G/ADP/N/1/KOR/1 + Corr.1 & 2
Kuwait	
Lesotho	
Liechtenstein	
Macau	G/ADP/N/1/MAC/1
Madagascar	
Malawi	G/ADP/N/1/MWI/1 + Corr.1
Malaysia	G/ADP/N/1/MYS/1

Maldives	G/ADP/N/1/MDV/1
Mali	
Malta	G/ADP/N/1/MLT/1
Mauritania	
Mauritius	G/ADP/N/1/MUS/2
Mexico	G/ADP/N/1/MEX/1 + Corr.1 & 2
Morocco	G/ADP/N/1/MAR/1
Mozambique	
Myanmar	
Namibia	
New Zealand	G/ADP/N/1/NZL/2
Nicaragua	G/ADP/N/1/NIC/1
Nigeria	
Norway	G/ADP/N/1/NOR/3
Pakistan	G/ADP/N/1/PAK/1
Papua New Guinea	
Paraguay	G/ADP/N/1/PRY/1
Peru	G/ADP/N/1/PER/1 + Suppl.1 + Corr.1
Philippines	G/ADP/N/1/PHL/1
Poland	G/ADP/N/1/POL/1
Qatar	
Romania	G/ADP/N/1/ROM/1
Rwanda	
Saint Kitts & Nevis	
Saint Lucia	G/ADP/N/1/LCA/1
Saint Vincent & Grenadines	
Senegal	G/ADP/N/1/SEN/1
Sierra Leone	
Singapore	G/ADP/N/1/SGP/1
Slovak Republic	G/ADP/N/1/SVK/1
Slovenia	G/ADP/N/1/SVN/1

Solomon Islands	
South Africa	G/ADP/N/1/ZAF/1
Sri Lanka	G/ADP/N/1/LKA/1
Suriname	G/ADP/N/1/SUR/1
Swaziland	G/ADP/N/1/SWZ/1
Switzerland	G/ADP/N/1/CHE/1
Tanzania	
Thailand	G/ADP/N/1/THA/2 + Corr. 1
Togo	
Trinidad and Tobago	G/ADP/N/1/TTO/1 + Corr. 1
Tunisia	G/ADP/N/1/TUN/1
Turkey	G/ADP/N/1/TUR/2
Uganda	G/ADP/N/UGA/2
United Arab Emirates	
United States	G/ADP/N/1/USA/1 + Corr. 1 + Suppl. 1
Uruguay	G/ADP/N/1/URY/2
Venezuela	G/ADP/N/1/VEN/1 + Suppl. 1 & 2
Zambia	G/ADP/N/1/ZMB/1
Zimbabwe	G/ADP/N/1/ZWE/2

**ANNEX B
SEMI-ANNUAL REPORTS**

Key: X = Semi-annual report of actions taken submitted
N = Report of no actions taken submitted
not applicable = obligation did not apply to Member for that period
blank = No report submitted

MEMBER	1 July - 31 December 1995	1 January - 30 June 1996
Antigua and Barbuda		
Argentina	X	X
Australia	X	X
Bahrain		
Bangladesh		
Barbados	N	
Belize		
Benin		
Bolivia	N	
Botswana		
Brazil	X	X
Brunei Darussalam		
Burkina Faso		
Burundi		
Cameroon		
Canada	X	X
Central African Republic		
Chad	not applicable	
Chile	X	X
Colombia	X	X
Costa Rica	N	
Côte d' Ivoire		
Cuba	N	N
Cyprus	N	N
Czech Republic	N	N

MEMBER	1 July - 31 December 1995	1 January - 30 June 1996
Djibouti		
Dominica		
Dominican Republic	N	N
European Communities ⁴	X	X
Ecuador		
Egypt	N	N
El Salvador		
Fiji		
Gabon		
Ghana		
Grenada		
Guatemala	N	X
Guinea Bissau		
Guinea, Republic of		
Guyana		
Haiti		
Honduras	N	N
Hong Kong	N	N
Hungary	N	N
Iceland	N	N
India	X	X
Indonesia		N
Israel	X	X
Jamaica	N	
Japan	X	X
Kenya		
Korea	X	X
Kuwait		N

⁴The EC is counted as 1 Member.

MEMBER	1 July - 31 December 1995	1 January - 30 June 1996
Lesotho		
Liechtenstein		
Macau		
Madagascar		
Malawi		
Malaysia	X	X
Maldives		
Mali		
Malta	N	N
Mauritania		
Mauritius	N	
Mexico	X	X
Morocco	N	N
Mozambique		
Myanmar		
Namibia		
New Zealand	X	X
Nicaragua		
Nigeria		
Norway	N	N
Pakistan		
Papua New Guinea		
Paraguay	N	N
Peru	X	X
Philippines	X	N
Poland	N	
Qatar		
Romania	N	N
Rwanda		
Saint Kitts & Nevis		
Saint Lucia	N	

MEMBER	1 July - 31 December 1995	1 January - 30 June 1996
Saint Vincent & Grenadines		
Senegal	N	N
Sierra Leone		
Singapore	X	N
Slovak Republic	N	N
Slovenia	N	N
Solomon Islands	not applicable	
South Africa	X	
Sri Lanka	N	N
Suriname		
Swaziland	N	
Switzerland	N	N
Tanzania		
Thailand	X	N
Togo		
Trinidad and Tobago		
Tunisia	N	
Turkey	X	X
Uganda		N
United Arab Emirates		N
United States	X	X
Uruguay	N	N
Venezuela	X	X
Zambia	N	
Zimbabwe	N	

Initiation	Provisional Measures (negative preliminary determinations not included)	Definitive Duties (negative determinations not included)	Price Undertakings	Measures in force on 30 June 1996 (definitive duties and price undertakings)	
					No.

Initiation	Provisional Measures (negative preliminary determinations not
------------	--

Initiation	Provisional Measures (negative preliminary determinations not included)	Definitive Duties (negative determinations not included)	Price Undertakings	Measures
------------	--	---	--------------------	----------

No.	Initiation		Provisional Measures (negative preliminary determinations not included)		Definitive Duties (negative determinations not included)		Price Undertakings		Measures in force on 30 June 1996 (definitive duties and price undertakings)
	Countries ⁶ involved	No.	Countries involved	No.	Countries involved	No.	Countries involved		
	MEXICO								
3	CHN(1) CHT(1)	USA(1) 1	BRA(1)	20	BRA(6) CAN(2) CHN(1)	3	VEN(3)	61	
					DEU(1) IND(1) JPN(1)				
					NLD(1) RUS(1) USA(3)				
					VEN(3)				
	NEW ZEALAND								
9	CAN(1) KOR(1)	IDN(1) ZAF(2)	2	3	CHT(1) GBR(1) THA(1)	0	NONE	26	
	PERU								
4	CHL(1) CHN(2)	MEX(1)	1	2	CHN(2)	0	NONE	2	
	PHILIPPINES⁸								

SECTION IX

REPORT BY THE COMMITTEE ON AGRICULTURE ON THE
MARRAKESH MINISTERIAL DECISION ON MEASURES
CONCERNING THE POSSIBLE NEGATIVE EFFECTS
OF THE REFORM PROGRAMME ON LEAST-DEVELOPED
AND

WORLD TRADE
ORGANIZATION

G/L/125
24 October 1996

(96-4471)

procedures for the Singapore Ministerial Conference (WT/L/145), as a basis for its review of the provisions of the Decision.

5. Section II of this report summarizes the procedures established for monitoring the follow-up to the Decision as well as the steps taken by the Committee to assist in making the Decision operational; Section III outlines the follow-up

Marrakesh Ministerial Decision, donors and international organizations concerned would have a role to play (G/AG/R/4, paragraph 17, refers).

11. The WTO list itself was initially established at the March 1996 meeting of the Committee. In addition to least-developed countries auntries

provided under aid programmes has a key role to play in helping to realise this objective. While noting that, given budgetary restraints, account had to be taken of competing priorities and of the relative effectiveness of various forms of assistance, Members agreed that full consideration should continue to be given in the context of their aid programmes to requests for the provision of technical and financial assistance to least-developed and net food-importing developing countries to improve their agricultural productivity and infrastructure.

Differential Treatment in the Context of an Agreement on Agriculture Export Credits (Paragraph 4 of the Decision)

15. Under Article 10:2 of the Agreement, which relates to the prevention of circumvention of export subsidy commitments, Members undertake to "work towards the development of internationally agreed disciplines to govern the provision of export credits, export credit guarantees or insurance programmes and, after agreement on such disciplines, to provide export credits, export credit guarantees or insurance programmes only in conformity therewith". Further work on the elements

- (i) that, in anticipation of the expiry

DECISION

ANNEX

SECTION X

REPORT OF THE COMMITTEE ON AGRICULTURE

WORLD TRADE
ORGANIZATION

G/L/131

7 November 1996

(96-4724)

assistance and advice has been provided by the Secretariat on request to developing country Members on implementation issues.

10. Overall, Members of the Committee agree that the review process has been conducted in an efficient and effective manner and that the highest priority should continue to be accorded to this key area of the Committee's work.

11.

Attachment

Regular notifications pertaining to the 1995 year made under the Agreement



SECTION XI

REPORT OF THE COMMITTEE ON SUBSIDIES AND
COUNTERVAILING MEASURES

WORLD TRADE ORGANIZATION

G/L/126
28 October 1996

(96-4486)

Committee on Subsidies and Countervailing Measures

REPORT (1996) OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES

I. Organization of the work of the Committee

1. The Agreement on Subsidies and Countervailing Measures (hereinafter "the Agreement") entered into force on 1 January 1995. All Members of the WTO are *ipso facto* members of the Committee on Subsidies and Countervailing Measures established under the Agreement.

2. Observer governments in the General Council of the WTO have Observer status in the Committee. In addition, the Committee invited, on an *ad hoc* basis, representatives of the World Bank, OECD, IMF and UNCTAD to attend meetings of the Committee in an observer capacity. At its regular meeting on 23 October 1996, the Committee took note of the decision of the General Council regarding the status of international organizations as Observers to the WTO and authorized the Chairman to consult informally regarding on which international intergovernmental organizations would be granted observer status in the Committee. Pending the outcome of such consultations, the Committee agreed to continue to invite those organizations which had been following the Committee's meetings on an *ad hoc* basis.

3. This Report focuses on the period since the Committee's last annual report (G/L/31 and Corr. 1), that is, November 1995 - October 1996. However, where relevant, information from the previous period is reported. During the period under review (1 November 1995 - 24 October 1996) the Committee held six meetings. Regular meetings of the Committee were held on 1-2 May 1996 and 23-24 October 1996 (G/SCM/M/9 and G/SCM/M/12). Special meetings of the Committee were held on 6 March 1996 and 22-26 July 1996 (G/SCM/M/8 and G/SCM/M/11). Additional special meetings were held jointly with the Committee on Anti-Dumping Practices on 4-7 December 1995 and 24-26 April 1996 (G/SCM/M/7 and G/SCM/M/10).

4. The Committee at its special meeting of 22 February 1995 elected Mr. Ole Lundby (Norway) as its Chairman. The Committee at its regular meeting of 13 June 1995 elected Mr. Victor do Prado (Brazil) as its Vice-Chairman. The Committee at its regular meeting of 1-2 May 1996 elected Mr. Victor do Prado (Brazil) as its Chairman and Ms. Michelle Slade (New Zealand) as its Vice-Chairwoman. Pursuant to the Committee's Rules of Procedure, they took office at the end of that meeting.

5. The Committee at its regular meeting of 1-2 May 1996 adopted Rules of Procedure for Meetings of the Committee on Subsidies and Countervailing Measures (G/SCM/10). The Council for Trade in Goods subsequently approved the Committee's Rules of Procedure at its meeting of 22 May 1996.

II. Permanent Group of Experts

10. As of 24 October 1996, 46 of 125 WTO Members¹ had notified subsidies pursuant to Article

15. Article 29.3 provides that Members in transformation into a market economy shall notify subsidy programmes falling within the scope of Article 3 by the earliest practicable date after the date of entry into

and

and

productive discussions during the continued review of legislations. Review of new and amended legislations would follow the same procedures used during the joint special meetings to review legislation. References to the questions and answers submitted regarding continued review of notifications of legislation can be found in the minutes of the regular meeting of the Committee (G/SCM/M/12).

24. As of the end of the period under review, a significant number of the written questions put to Members during the course of the legislative review meetings remained unanswered. Nonetheless, the Chairman observed the progress that had been made in the review process (G/SCM/M/7, para. 30). Questions put to Members ranged from those regarding general, policy matters to very specific and highly technical questions of national administration of countervailing measures. Among the concerns raised by Members were perceived inconsistencies between the Agreement and both newly-enacted legislation and legislation enacted prior to the entry into force of the Agreement. In addition, Members expressed concern regarding the potential for actions inconsistent with the Agreement in Sections of are based on legislation enacted prior to the entry into force of the Agreement. Another concern was the complexity of the procedural and substantive requirements of the Agreement, and the need for significant training and education, particularly for new users of countervailing measures and developing countries, to ensure that actions were taken consistently with the Agreement.

X. Semi-annual reports on countervailing actions

25. Article 25.11 of the Agreement provides that Members shall submit, on a semi-annual basis, reports on countervailing duty actions taken within the preceding six months. Pursuant to the recommendation of Tf(of) TjETBT1 0 02.4 Tm/F8 11 Tf(on) Tj8 538.32 Tm/F8 11 Tf98n0 1m 1 226.8 564.24 T

or

XIII. Concluding observations

34. The Committee considered that, in general, good progress had been made in the first two years in implementing the Agreement. However, the Committee considered that much remained to be done, and that additional efforts from Members were required in order to achieve full implementation of the Agreement.

ANNEX A
SUBSIDY NOTIFICATIONS
(G/SCM/N/3/...)

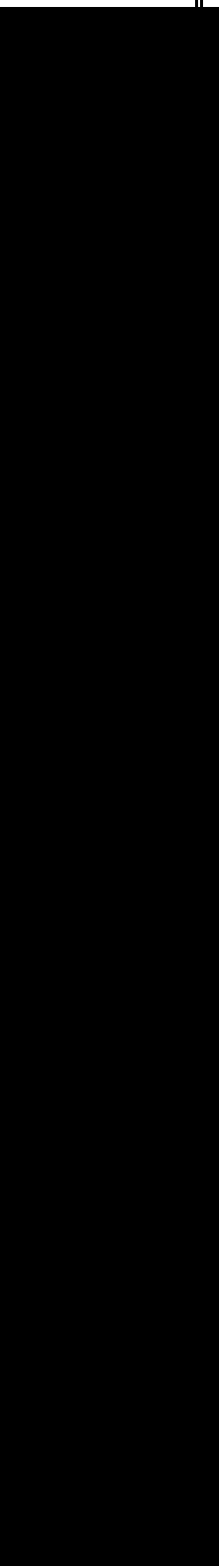
Member		Member		Member	
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ANNEX B
COUNTERVAILING DUTY LEGISLATION NOTIFICATIONS

MEMBER/OBSERVER	NOTIFICATION PROVIDED
Antigua and Barbuda	
Argentina	G/SCM/N/1/ARG/1 + Suppl.1
Australia	G/SCM/N/1/AUS/1 + Suppl.1
Bahrain	
Bangladesh	
Barbados	G/SCM/N/1/BRB/1
Belize	
Benin	
Bolivia	G/SCM/N/1/BOL/1 + Suppl.1
Botswana	
Brazil	G/SCM/N/1/BRA/1 + Suppl.1
Brunei Darussalam	
Burkina Faso	
Burundi	
Cameroon	
Canada	G/SCM/N/1/CAN/2
Central African Republic	
Chad	
Chile	G/SCM/N/1/CHL/1
Colombia	G/SCM/N/1/COL/1
Costa Rica	G/SCM/N/1/CRI/1
Côte d' Ivoire	
Cuba	G/SCM/N/1/CUB/1 + Suppl.1
Cyprus	G/SCM/N/1/CYP/2
Czech Republic	G/SCM/N/1/CZE/1
Djibouti	
Dominica	
Dominican Republic	G/SCM/N/1/DOM/1
European Communities	G/SCM/N/1/EEC/1

MEMBER/OBSERVER	NOTIFICATION PROVIDED
Ecuador	G/SCM/N/1/ECU/1
Egypt	G/SCM/N/1/EGY/1
El Salvador	G/SCM/N/1/SLV/1
Fiji	
Gabon	
Gambia	
Ghana	
Grenada	
Guatemala	G/SCM/N/1/GTM/2
Guinea Bissau	
Guinea, Rep.of	G/SCM/N/1/GIN/1
Guyana	
Haiti	
Honduras	G/SCM/N/1/HND/2
Hong Kong	G/SCM/N/1/HKG/1
Hungary	G/SCM/N/1/HUN/1
Iceland	G/SCM/N/1/ISL/1
India	G/SCM/N/1/IND/2 + Corr.1 + Suppl.1
Indonesia	G/SCM/N/1/IDN/2
Israel	G/SCM/N/1/ISR/2
Jamaica	G/SCM/N/1/JAM/1
Japan	G/SCM/N/1/JPN/2 + Corr.1 & 2 + Suppl.1
Kenya	G/SCM/N/1/KEN/1
Korea	G/SCM/N/1/KOR/1 + Corr.1 & 2
Kuwait	
Lesotho	
Liechtenstein	
Macau	
Madagascar	
Malawi	G/SCM/N/1/MWI/1
Malaysia	G/SCM/N/1/MYS/1

MEMBER/OBSERVER	NOTIFICATION PROVIDED
Maldives	G/SCM/N/1/MDV/1
Mali	
Malta	G/SCM/N/1/MLT/1
Mauritania	
Mauritius	G/SCM/N/1MUS/2
Mexico	G/SCM/N/1/MEX/1 + Corr.1



MEMBER/OBSERVER	NOTIFICATION PROVIDED
Solomon Islands	
South Africa	G/SCM/N/1/ZAF/1
Sri Lanka	G/SCM/N/1/LKA/1
Suriname	G/SCM/N/1/SUR/1
Swaziland	
Switzerland	G/SCM/N/1/CHE/1
Tanzania	
Thailand	G/SCM/N/1/THA/2 + Corr. 1
Togo	
Trinidad and Tobago	G/SCM/N/1/TTO/1
Tunisia	G/SCM/N/1/TUN/1
Turkey	G/SCM/N/1/TUR/2
Uganda	G/SCM/N/1/UGA/2
United Arab Emirates	
United States	G/SCM/N/1/USA/1 + Corr. 1 + Suppl. 1
Uruguay	G/SCM/N/1/URY/1
Venezuela	G/SCM/N/1/VEN/1 + Suppl. 1 & 2
Zambia	G/SCM/N/1/ZMB/1
Zimbabwe	G/SCM/N/1/ZWE/2

**ANNEX C
SEMI-ANNUAL REPORTS**

Key: X = Semi-annual report of actions taken submitted
N = Report of no actions taken submitted
not applicable = obligation did not apply to Member for that period
blank = No report submitted

MEMBER	1 July-31 December 1995	1 January-30 June 1996
Antigua and Barbuda		
Argentina	X	X
Australia	X	X
Bahrain		
Bangladesh		
Barbados	N	
Belize		
Benin		
Bolivia	N	
Botswana	N	N
Brazil	X	X
Brunei Darussalam		
Burkina Faso		
Burundi		
Cameroon		
Canada	X	X
Central African Republic		
Chad	not applicable	
Chile	N	N
Colombia	N	N
Costa Rica	N	
Côte d'Ivoire		
Cuba	N	N
Cyprus	N	

MEMBER	1 July-31 December 1995	1 January-30 June 1996
Czech Republic	N	N
Djibouti		
Dominica		
Dominican Republic	N	N
European Communities ³	X	X
Ecuador		
Egypt	N	N
El Salvador		
Fiji		
Gabon		
Gambia	not applicable	
Ghana		
Grenada		
Guatemala		
Guinea Bissau		
Guinea, Republic of		
Guyana		
Haiti		
Honduras	N	
Hong Kong	N	N
Hungary	N	N
Iceland	N	N
India	N	N
Indonesia	N	N
Israel	X	N
Jamaica		
Japan	N	N
Kenya		
Korea	N	N

³The EC is counted as 1 Member.

MEMBER	1 July-31 December 1995	1 January-30 June 1996
---------------	--------------------------------	-------------------------------

MEMBER	1 July-31 December 1995	1 January-30 June 1996
Saint Lucia	N	
Saint Vincent & Grenadines		
Senegal	N	N
Sierra Leone		
Singapore	N	N
Slovak Republic	N	N
Slovenia	N	N
Solomon Islands	not applicable	
South Africa	N	
Sri Lanka	N	N
Suriname		
Swaziland	N	
Switzerland	N	N
Tanzania		
Thailand	N	N
Togo		
Trinidad and Tobago	N	
Tunisia	N	N
Turkey	N	N
		N
		N
		X

ANNEX D*
Summary of Countervailing Duty Actions
(1 July 1995-30 June 1996)

No.	Initiation	Provisional Measures (negative preliminary determination not included)		Definitive Duties		Price Undertakings		Measures in force on 30 June 1996 (definitive duties and price undertakings)
		No.	Countries involved	No.	Countries involved	No.	Countries involved	
	Countries ¹ involved							
	ARGENTINA							
0		0		1	EEC(1)	0		1
	AUSTRALIA							
1	GBR (1)	0		0		0		13
	BRAZIL							
0				6	CIV(1) IDN(1) PHL(1)	0	LKA(2)	7
					MYS(1)			

*Includes actions covered by the Tokyo

Initiation		Provisional Measures (negative preliminary determination not included)		Definitive Duties		Price Undertakings		Measures in force on 30 June 1996 (definitive duties and price undertakings)
No.	Countries ¹ involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
	CANADA							
1	ITA(1)	2	EEC(1) ITA(1)	1	EEC(1)	0		6
EEC								

Initiation		Provisional Measures (negative preliminary determination not included)		Definitive Duties		Price Undertakings		Measures in force on 30 June 1996 (definitive duties and price undertakings)
No.	Countries ¹ involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
	PERU							
0		0		1	ARG(1)	0		0
UNITED STATES								
1	CAN(1)	2	ITA(1) TUR(1)	2	ITA(1) TUR(1)	0		65
VENEZUELA								
0		0		0		0		3

LIST OF ABBREVIATIONS USED IN

SECTION XII

REPORT OF THE COMMITTEE ON IMPORT LICENSING

Committee on Import Licensing

REPORT OF THE COMMITTEE ON IMPORT LICENSING

A. Background

1. The Agreement on Import Licensing Procedures (the Agreement) entered into force on 1 January 1995. This report, drawn up in accordance with the statement made by the Chairman of the General Council at its meeting on 16 April 1996 with regard to "Reporting Procedures for the Singapore Ministerial Conference" (WT/L/145), addresses the work undertaken by the Committee on Import Licensing (the Committee) during 1995 and 1996 in respect of the implementation of the Agreement.

2. The Agreement establishes disciplines on the users of import licensing systems with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It aims to simplify, clarify and minimize the administrative requirements necessary to obtain import licences.

3. During the period under consideration, the Committee held four meetings on 3 May and 12 October 1995, and on 8 March and 23 October 1996 (G/LIC/M/1-4). It elected Mr. Calson Mbegabolawe (Zimbabwe) as Chairman and Mr. Jan Michalek (Poland) as

8. Under Articles 1.4(a) and/or 8.2(b) of the Agreement, the Committee received notifications of laws and regulations relevant to import licensing applicable in Argentina, Australia, Barbados, Canada, Chile, Colombia, Costa Rica, Cuba, Cyprus, the European Communities, Hong Kong, Hungary, Jamaica, Japan, Malta, Mauritius, Morocco, New Zealand, Nicaragua, Norway, Pakistan, Peru, Romania, Singapore, Swaziland, Turkey, Uganda, United

ANNEX

- (i) Notifications of legislation and/or publications (Articles 1.4(a) and/or 8.2(b)) received from:
(30) (G/LIC/N/1/- series)

Argentina	Hong Kong	Pakistan
Australia	Hungary	Peru
Barbados	Jamaica	Romania
Singapore	Japan	Singapore
Chile	Malta	Swaziland
Colombia	Mauritius	Turkey
Moroccofrom: Costa Rica	Morocco	Uganda
Cuba	New Zealand	United States
Cyprus	Nicaragua	Uruguay
ECpublicatyt	Norway	Zimbabwe

- (ii) Replies to the Questionnaire on Import Licensing Procedures (Article 7.3) received from:
(29) (G/LIC/N/3/- series)

Argentina
Australia
Barbados
Bolivia
Canada
CBT1 0 0 1 236.16 642 Tm/F8 1143bados

SECTION XIII

REPORT OF THE WORKING PARTY ON
STATE TRADING ENTERPRISES

REPORT (1996) OF THE WORKING PARTY ON
STATE TRADING ENTERPRISES

I. Organization of the work of the Working Party

1. The Working Party on State Trading Enterprises was established by the Council for Trade in Goods at its meeting on 20 February 1995 pursuant to paragraph 5 of the Understanding on the Interpretation of Article XVII of the General Agreement on Tariffs and Trade 1994 (hereinafter "the Understanding"). Membership of the Working Party is set out in Annex 1 to the Understanding. BT 1 0 0 1 73.68 559.68 Tanding"). BT 1 0 0 1 73.68 e

II. Notification and review of Members' state trading activities

7. All Members are required under Article XVII of GATT 1994 and paragraph 1 of the Understanding to submit annually notifications of their state trading activities. In the first and fourth years, "new and full" notifications are required, while in the intervening

information while avoiding duplication and unnecessary information was stressed. One problem facing the Working Party in finalizing the questionnaire was the divergent views expressed on the provision of commercially sensitive information.

14. At its meeting of 26 September, the Working Party discussed written proposals submitted by New Zealand (G/STR/W/31) and the United States (G/STR/W/32) regarding the illustrative list of relationships and activities of state trading enterprises. The submissions were deemed a positive contribution to work on this issue and a good basis for further progress. Preliminary views were expressed that a clearer understanding of what should be notified would assist Members in complying with their obligations and would stimulate an increase in transparency. It was suggested that work should be accelerated on the revised questionnaire and the illustrative list. The link between these two tasks, and the need for them to progress rapidly and in parallel, was again stressed. It was agreed that work on the questionnaire would continue on the basis of the text in G/STR/W/30.

IV. Other Matters

15. At the meeting of 26 September, the European Communities submitted a paper (G/STR/W/33) outlining suggestions for future work to be undertaken by the Working Party, including an examination of whether Article XVII and the Understanding needed further strengthening. It was explained that the ~~ingood~~ the paper was not to ren

ANNEX

NOTIFICATIONS SUBMITTED BY WTO MEMBERS UNDER
ARTICLE XVII:4(a) OF GATT 1994 AND PARAGRAPH 1 OF THE
WTO UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII

Status as of 17 October 1996

Member	New and Full Notification	Updating Notification
Antigua and Barbuda		
Argentina	X	
Australia	X	X
Bahrain		
Bangladesh		
Barbados	X	
Belize		
Benin		
Bolivia		
Botswana		
Brazil	X	
Brunei Darussalam		
Burkina Faso		
Burundi		
Cameroon		
Canada	X	X
Central African Republic		
Chile	X	X
Colombia	X	X
Costa Rica	X	
Côte d'Ivoire	X	
Cuba		
Cyprus	X	
Czech Republic	X	
Djibouti		
Dominica		
Dominican Republic		
European Communities	X	X
Ecuador		
Egypt		

Member	New and Full Notification	Updating Notification
El Salvador		
Fiji		
Gabon		
Ghana		
Grenada		
Guatemala		
Guinea Bissau		
Guinea, Rep. of	X	
Guyana		
Haiti		
Honduras	X	
Hong Kong	X	X
Hungary	X	
Iceland		
India	X	
Indonesia	X	X
Israel	X	
Jamaica	X	
Japan	X	X
KenyaJapanJapanJapan		

XXXX Japan J

Member	New and Full Notification	Updating Notification
Myanmar		
Namibia		
New Zealand	X	X

Member	New and Full Notification	Updating Notification
United Arab Emirates	X	
United States	X	X
Uruguay	X	
Venezuela	X	
Zambia		
Zimbabwe		
Total*	45/108	16/108

SECTION XIV

REPORT OF THE COMMITTEE ON SAFEGUARDS

Committee on Safeguards

REPORT (1996) OF THE COMMITTEE ON
SAFEGUARDS

I. Organization of the work of the Committee

1. The Agreement on Safeguards entered into force on 1 January 1995. Pursuant to Article 13.1 of the Agreement, membership in the Committee on Safeguards is open to the participation of any Member indicating its wish to serve on it. Pursuant to a decision of the Council for Trade in Goods at its 20 February 1995 meeting, all WTO Members would be Members of the Committee on Safeguards, except for those that had explicitly indicated their wish to the contrary by 22 February 1995. No Member indicated such a wish, and accordingly, at its meeting of 24 February, the Committee took note that, by virtue of the Council for Trade in Goods' decision, all Members of the WTO are Members of the Committee.

2. Observer governments in the General Council of the WTO have Observer status in the Committee. In addition, at its special meeting of 13-14 July 1995, the Committee invited, on an *ad hoc* basis, representatives of the World Bank, OECD, and IMF to attend meetings of the Committee in an observer capacity. At its regular meeting on 25 October 1996, the Committee took note of the decision of the General Council regarding the status of international organizations as Observers to the WTO and authorized the Chairman to consult informally on which international intergovernmental organizations would be granted observer status in the Committee. Pending the outcome of such consultations, the Committee agreed to continue to invite those organizations which had been following the Committee's meetings on an *ad hoc* basis.

3. The focus of this report is on the period since the Committee's last annual report (G/L/32), that is, November 1995-October 1996. However, where relevant, information from the previous period is reported. During the period under review the Committee held three meetings. The regular meeting of the Committee was held on 25 October 1996 (G/SG/M/7). Special meetings of the Committee were held 11-12 December 1995 and 6 May 1996 (G/SG/M/5+ Suppls. 1 and 2, and G/SG/M/6, respectively).

4. Mr. Jorge A. Ruiz (Argentina) was appointed Chairman of the Committee for 1995-1996. At its meeting of 24 February 1995, the Committee decided to elect its own officers, Chairman and Vice-Chairman. The Committee at its special meeting of 13-14 July 1995 elected Mr. András Lakatos (Hungary) as Vice-Chairman for 1995-1996. At its special meeting of 6 May 1996, the Committee elected Mr. J. Antonio S. Buencamino (Philippines) as Chairman, and Ms. Laurence Wiedmer (Switzerland) as Vice-Chairman, for 1996-1997. Pursuant to the Committee's rules of procedure, Mr. Buencamino and Ms. Wiedmer took office at the end of that meeting.

5. At its special meeting of 6 May 1996, the Committee agreed to add a second regular (Spring) meeting to its annual meeting schedule. This meeting will be scheduled in conjunction with the Spring meetings 11 Tf(virtue) TjETBT21 0 0 1 244.08 196.56 Tm/F

for Trade in Goods, and incorporating relevant changes to make them applicable to the Committee. The Council for Trade in Goods subsequently approved the Committee's Rules of Procedure at its meeting of 22 May 1996.

II. Notification and examination of

13. As of early May 1996, the Committee had conducted an initial review of almost all notifications received to that point, in four special meetings. The Committee therefore decided that for the immediate future, review of legislative notifications should take place in the context of regular Committee meetings, rather than in special meetings called for that purpose.

14. The Committee adopted procedures for future reviews of legislat

G/SG/M/5, paras. 4-15). In connection with this review, it was noted that very few grey area measures had been notified. The question was raised whether this meant that in fact only a small number of such measures existed, or whether it might reflect a failure to notify. The possibility of counternotification of such measures, pursuant to Article 12.8 of the Agreement, was recalled.

V. Notifications under Article 11.2 of timetables for phasing out measures referred to in Article 11.1(b) or for bringing them into conformity with the Agreement.

19. During the review period, the Committee continued its review of timetables for the phasing out of "grey area" measures. These notifications can be found in document series G/SG/N/5. These timetables should provide for all such measures to be phased out or brought into conformity with the Agreement within four years after the date of entry into force of the WTO Agreement, subject to not more than one exception per importing Member, which may extend until 31 December 1999.² At its 11-12 December 1995 special meeting, the Committee reverted to its discussion of the notifications of timetables that it had commenced at its 6 November 1995 regular meeting. Subsequently, Slovenia and South Africa, which had notified that they had relevant measures, submitted notifications of their timetables for phasing out the measures or bringing them into conformity with the Agreement, and the EC submitted a supplement to its previously-notified timetables. The first of these notifications was reviewed at the Committee's 6 May 1996 special meeting, and the latter two at the 25 October 1996 regular meeting. The comments of Members with respect to these notifications are reflected in the minutes of Committee meetings (G/SG/M/3, paras. 57-59; G/SG/M/5, paras. 4-15; G/SG/M/6, paras. 3-6; and G/SG/M/7).

VI. Notifications under Article 12.1 of initiation of an investigation, making a finding, or applying or extending a safeguard measure

20. Under Article 12.1 of the Agreement, Members are required to immediately notify the Committee upon initiating an investigatory process relating to serious injury or threat thereof and the reasons for it, upon making a finding of serious injury or threat thereof caused by increased imports, and upon taking a decision to apply or extend a safeguard measure.

21. At its 11-12 December 1995 special meeting, the Committee reverted to its review of notifications under Article 12.1(a) of initiations of investigations from Korea and the United States that it had commenced at its regular meeting of 6 November 1995. (G/SG/N/6/KOR+ Suppl.1 and G/SG/N/6/USA.) Subsequently, additional notifications of initiations of investigations were received, from Brazil, Korea and the United States. (G/SG/N/6/BRA/1, G/SG/N/6/KOR/2 and KOR/3, and G/SG/N/6/USA/2 and USA/3.) These notifications were reviewed at the Committee's 6 May 1996 special meeting and 25 October 1996 regular meeting. The comments of Members with respect to these notifications are reflected in the minutes of Committee meetings (G/SG/M/3, paras. 5-24; G/SG/M/5, paras. 4-15; G/SG/M/6, paras. 7-11; and G/SG/M/7).

22. During the review period, a notification under Article 12.1(b) of a finding of serious injury or threat thereof caused

2/58 (4

23. During the review period, a notification under Article 12.1(c) was received from Brazil concerning application of a provisional safeguard measure (G/SG/N/7/BRA/1). This notification was reviewed

30. Assistance under Article 13.1(b), (c) and (d): Pursuant to a decision of the Committee at its 6 November 1995 meeting, requests for assistance on matters referred to in Article 13.1(b), (c) and (d) are to be handled on an *ad hoc* basis. During the review period, no such requests were received by the Committee.

X. Concluding observations

31. The Committee considered that, in general, good progress had been made in the first two years in implementing the Agreement. However, the Committee considered that much

ANNEX
SAFEGUARDS LEGISLATIVE NOTIFICATIONS

MEMBER	NOTIFICATION PROVIDED
Antigua and Barbuda	
Argentina	G/SG/N/1/ARG/3
Australia	G/SG/N/1/AUS/1
Bahrain	
Bangladesh	
Barbados	
Belize	
Benin	
Bolivia	G/SG/N/1/BOL/1

MEMBER	NOTIFICATION PROVIDED
Ecuador	G/SG/N/1/ECU/1
Egypt	G/SG/N/1/EGY/1
El Salvador	G/SG/N/1/SLV/2
Fiji	
Gabon	
Gambia, The	
Ghana	G/SG/N/1/GHA/1
Grenada	
Guatemala	G/SG/N/1/GTM/1
Guinea Bissau	
Guinea, Rep.of	G/SG/N/1/GIN/1
Guyana	
Haiti	
Honduras	G/SG/N/1/HND/1
Hong Kong	G/SG/N/1/HKG/1
Hungary	G/SG/N/1/HUN/2 + Add.1 + Suppl. 1 & 2
Iceland	G/SG/N/1/ISL/1
India	G/SG/N/1/IND/1
Indonesia	G/SG/N/1/IDN/1
Israel	G/SG/N/1/ISR/2
Jamaica	
Japan	G/SG/N/1/JPN/2 + Corr.1
Kenya	G/SG/N/1/KEN/1
Korea	G/SG/N/1/KOR/2
Kuwait	
Lesotho	
Liechtenstein	
Macau	G/SG/N/1/MAC/2
Madagascar	
Malawi	
Malaysia	G/SG/N/1/MYS/1

MEMBER	NOTIFICATION PROVIDED
Maldives	G/SG/N/1/MDV/1
Mali	
Malta	G/SG/N/1/MLT/1
Mauritania	
Mauritius	G/SG/N/1/MUS/1
Mexico	G/SG/N/1/MEX/1
Morocco	G/SG/N/1/MAR/1
Mozambique	
Myanmar	G/SG/N/1/MYM/1
Namibia	
New Zealand	G/SG/N/1/NZL/1
Nicaragua	G/SG/N/1/NIC/1
Nigeria	G/SG/N/1/NGA/1
Norway	G/SG/N/1/NOR/3
Pakistan	G/SG/N/1/PAK/1
Papua New Guinea	
Paraguay	G/SG/N/1/PRY/1
Peru	G/SG/N/1/PER/1
Philippines	G/SG/N/1/PHL/1
Poland	G/SG/N/1/POL/1
Qatar	
Romania	G/SG/N/1/ROM/1
Rwanda	
Saint Kitts & Nevis	
Saint Lucia	G/SG/N/1/LCA/1
Saint Vincent & Grenadines	
Senegal	G/SG/N/1/SEN/1
Sierra Leone	
Singapore	G/SG/N/1/SGP/1
Slovak Republic	G/SG/N/1/SVK/1
Slovenia	G/SG/N/1/SVN/1

MEMBER	NOTIFICATION PROVIDED
Solomon Islands	
South Africa	G/SG/N/1/ZAF/1
Sri Lanka	G/SG/N/1/LKA/1
Suriname	
Swaziland	
Switzerland	G/SG/N/1/CHE/1
Tanzania	
Thailand	G/SG/N/1/THA/1 + Rev.1
Togo	
Trinidad and Tobago	G/SG/N/1/TTO/1
Tunisia	G/SG/N/1/TUN/1
Turkey	G/SG/N/1/TUR/2
Uganda	G/SG/N/1/UGA/1
United Arab Emirates	
United States	G/SG/N/1/USA/1
Uruguay	G/SG/N/1/URY/1
Venezuela	G/SG/N/1/VEN/1 + Corr.1
Zambia	G/SG/N/1/ZMB/1
Zimbabwe	G/SG/N/1/ZWE/2

SECTION XV

REPORT OF THE MARKET ACCESS COMMITTEE

REPORT OF THE MARKET ACCESS COMMITTEE

Section A - Background

1. The Committee on Market Access was established under paragraph 7 of Article IV of the WTO Agreement by the General Council at its meeting of 30 January 1995. Its mandate (WT/L/47) covers market access issues related to tariffs, non-tariff measures not covered by any other WTO body, as well as matters related to the Integrated Data Base.

2. Mr. Jean Saint-Jacques (Canada) has been elected Chairman, and Mrs. Marie Gosset (Côte d'Ivoire), Vice-Chairperson of the Committee. Their mandates were renewed for 1996. Participation in the meetings of the Committee is open to all WTO Members, to Governments granted observer status by the General Council and to the following international organizations: FAO, IMF, ITCB, UNCTAD, WCO and the World Bank.

3. Rules of Procedure for the Committee, based on the Rules of Procedure adopted by the Council for Trade in Goods (CTG) and approved by the General Council on 31 July 1995, were adopted by the CTG on 1 December 1995 (WT/L/79).

4. The Committee held four formal meetings each in 1995 and in 1996 as well as a number of informal meetings.

Section B - Status report of the Committee's work

Tariff Matters

Implementation of the Uruguay Round results

5. The implementation of tariff concessions contained in the WTO Schedules on Goods began on 1 January 1995 according to the provisions of the Marrakesh Protocol and the Schedules annexed thereto. Beginning on 1 January 1996, the second stage of reductions started. There is no special notification procedure for the implementation of tariff reductions. The Committee agreed that if problems arose in this respect, it would rely on reverse notifications. To date, no such reverse notifications have been submitted.

Implementation of Harmonized System 1996 changes

6. The Harmonized Commodity Description and Coding System (Harmonized System or HS), which is administered by the World Customs Organization (WCO), is the customs nomenclature used by nearly all WTO Members for their schedules of tariff concessions. Special procedures were established for the introduction of changes to the Harmonized System into WTO schedules of concessions. In 1993, the WCO agreed to approximately 400 sets of amendments to the Harmonized System, to enter into effect on 1 January 1996. These affect bound schedules of tariff concessions of a large number of WTO Members. Members have had to implement the changes, in keeping with their WCO

obligations, in their customs nomenclature on 1 January 1996. They were unable, however, to carry

proposals. The delegations which have put forward these proposals requested that the Committee recommend to the CTG that Members consider them positively. While some Members expressed support in varying degrees, other Members expressed their opposition to the proposals and to the requests for recommendations.

11. Additionally, there were two other communications submitted which concern plurilateral market access initiatives: a paper on the

Non-tariff Matters

Notifications of quantitative restrictions

15. A Decision on Notification Procedures for Quantitative Restrictions (G/L/59) was adopted by the CTG on 1 December 1995. In accordance with this Decision, Members were to submit to the Secretariat by 31 January 1996 complete notifications on the QRs they maintained. The situation with regard to those notifications is far from satisfactory as only 22 Members have submitted their notifications.

Reverse notification of non-tariff measures

16. At its meeting in December 1995, the Council for Trade in Goods also adopted a decision related to the reverse notification of non-tariff measures (G/L/60). One submission has been received to date.

Integrated Data Base

17. In October 1995, the Committee examined several issues concerning the future of the Integrated Data Base and agreed that Members should make every effort to provide the necessary trade and tariff information in order to establish a reliable data base. However, to date very few Members have submitted the required information. Since October 1995, the Secretariat has received complete IDB submissions from 10 Members and recent import statistics from 14 Members. In addition, in response to specific requests, the Secretariat has been able to update the files of a number of countries on the basis of data collected, *inter alia*, from the Trade Policy Review Division and from published customs tariffs.

18. The Committee also agreed that (1) the Secretariat prepare a simplified format for the IDB data submissions and develop PC applications for the preparation of data in capitals; (2) the Secretariat undertake a study on the "restructuring" of the IDB from a mainframe to a PC environment; (3) the IDB be made operational with basic information on tariffs and imports before broadening its scope to include non-tariff measures and other types of restrictions; and (4) access to the IDB could be given to international organizations. Since then, the Secretariat has prepared and circulated simplified formats for the submission and a PC software for the preparation of data in capitals in a format compatible for use with the IDB mainframe applications. A study on the "restructuring" of the IDB from a mainframe to a PC environment was initiated in August 1996.

WTO-WCO Coordination

19. Members expressed the desire for increased cooperation with the WCO with respect to future changes to the Harmonized System. Under the current WCO agenda, changes to the Harmonized System are made every 4 years and the next update is being prepared for the year 2000. Thus, the Committee suggested that better communication between the two organizations would be advantageous for the implementation of Harmonized System 2000 changes and their introduction, as necessary, into WTO schedules of concessions. The Chairman undertook to initiate consultations on this issue.

Future work of the Committee

20. The Committee will focus on the following issues:

- continue the supervision of the implementation of Uruguay Round concessions relating to tariffs and non-tariff measures, and of concessions by acceding countries;

- improving the efficacy of its work through ensuring a) the submission of timely notifications of Quantitative Restrictions and timely provision of trade and tariff information by Members; b) the completion and implementation of the loose-leaf schedules on goods and the development of an electronic verification process; both of which will provide

SECTION XVI

REPORT OF THE COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

Committee on Trade-Related Investment Measures

REPORT (1996) OF THE COMMITTEE ON
TRADE-RELATED INVESTMENT MEASURES

I. General

1. This Report is submitted pursuant to Article 7.3 of the Agreement on Trade-Related Investment Measures, which requires the Committee on Trade-Related Investment Measures to report annually to the Council for Trade in Goods. The Report covers the period November 1995-October 1996 but in view of the Singapore Ministerial Conference it also contains references to work of the Committee in 1995.

2. Since the period covered by its previous annual report¹, the Committee held formal meetings on 18 March, 30 September and 1 November 1996 under the Chairmanship of Mr. Vassili Notis (Greece). The minutes of these meetings have been circulated in documents G/TRIMS/M/4 and 5. Meetings of the Committee were open to all WTO Members. In addition, governments with observer status in the WTO have been invited to attend the meetings of the Committee. Pursuant to interim procedures agreed upon by the General Council in April 1995 regarding the participation of international intergovernmental organizations in meetings of WTO bodies, representatives of IMF, OECD, UN, UNCTAD and the World Bank have also attended the meetings of the Committee as observers.

II. Implementation

3. The work of the Committee in 1995 and 1996 has centred on the implementation of the notification and transition arrangements provided for in Article 5 of the Agreement on Trade-Related Investment Measures with regard to existing trade-related investment measures ("TRIMs") that are inconsistent with the Agreement. Article 5.1 requires Members to notify any TRIM inconsistent with the Agreement within 90 days after the entry into force of the WTO Agreement. Article 5.2 gives the benefit of a transition period for the elimination of measures notified under Article 5.1.

4. In March 1995, the Committee endorsed a standard format for notifications under Article 5.1² and submitted to the General Council through the Council for Trade in Goods a recommendation in regard to the operation of the deadline for notifications under Article 5.1 in case of countries eligible to become original WTO Members that accepted the WTO Agreement after 1 January 1995. This recommendation, adopted by the General Council at its meeting on 3 April 1995, provides that such governments shall have a period of 90 days after the date of their acceptance of the WTO Agreement to make the notifications foreseen in Article 5.1 but that the period for the elimination of TRIMs notified

¹G/L/37

²G/TRIMS/1

under Article 5.1 continues to be governed by reference to the date of entry into force of the WTO Agreement itself.³

5. The Committee has received notifications of measures under Article 5.1 from Argentina, Barbados, Chile, Colombia, Costa Rica, Cuba, Cyprus, the Dominican Republic, Ecuador, Egypt, Indonesia, India, Mexico, Malaysia, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Thailand, Uruguay, Venezuela and South Africa.⁴ In the case of some Members, notifications were submitted later than the 90-day period foreseen for them. While there is no obligation to do so, some Members notified the Committee that they did not

TRIMs notified under Article 5.1 to new investments.⁶ The Committee also adopted a proposal for implementation of Article 6.2, which provides for notification to the Secretariat of publications in which information on TRIMs can be found.⁷

III. Built-In Agenda

9. Article 9 of the TRIMs Agreement provides that not later than five years after the entry into force of the WTO Agreement, the Council for Trade in Goods shall review the operation of the TRIMs Agreement and, as appropriate, propose amendments to its text. In the course of this review, the Council shall consider whether the Agreement needs to be complemented with provisions on investment policy and competition policy. Some Members have drawn attention to the importance of work

ANNEX 1

NOTIFICATIONS RECEIVED UNDER ARTICLE 5.1 OF THE AGREEMENT
ON TRADE-RELATED INVESTMENT MEASURES

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Argentina	G/TRIMS/N/1/ARG/1	30 March 1995
Barbados	G/TRIMS/N/1/BRB/1	31 March 1995
Chile	G/TRIMS/N/1/CHL/1	14 December 1995
Colombia	G/TRIMS/N/1/COL/1	31 March 1995
Colombia	G/TRIMS/N/1/COL/Add.1	4 June 1995
Colombia	G/TRIMS/N/1/COL/2	31 July 1995
Costa Rica	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus	G/TRIMS/N/1/CYP/1	29 June 1995
Cyprus	G/TRIMS/N/1/CYP/2	30 October 1995
Dominican Republic	G/TRIMS/N/1/DOM/1	26 April 1995
Egypt	G/TRIMS/N/1/EGY/1	29 September 1995
Ecuador	G/TRIMS/N/1/ECU/1	20 March 1996
Indonesia	G/TRIMS/N/1/IDN/1 ⁸	23 May 1995
India	G/TRIMS/N/1/IND/1	31 March 1995
India	G/TRIMS/N/1/IND/1/Add.1	22 December 1995
India	G/TRIMS/N/1/IND/1/Add.1/Corr.1	18 March 1996
India	G/TRIMS/N/1/IND/1/Add.2	11 April 1996
Mexico	G/TRIMS/N/1/MEX/1	31 March 1995

⁸In a communication dated 28 October 1996 the Permanent Mission of Indonesia advised the Committee that Indonesia was withdrawing the portion of the notification made on 23 May 1995 which concerned motor vehicles.

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Mexico	G/TRIMS/N/1/MEX/1/Rev.1 ⁹	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1/Rev.1	14 March 1996
Nigeria	G/TRIMS/N/1/NGA/1	17 July 1996
Pakistan	G/TRIMS/N/1/PAK/1	30 March 1995
Peru	G/TRIMS/N/1/PER/1	30 March 1995
Philippines	G/TRIMS/N/1/PHL/1	31 March 1995
Poland	G/TRIMS/N/1/POL/1	28 September 1995
Romania	G/TRIMS/N/1/ROM/1	31 March 1995
Thailand	G/TRIMS/N/1/THA/1	30 March 1995
Uruguay	G/TRIMS/N/1/URY/1	31 March 1995
Uruguay	G/TRIMS/N/1/URY/1/Add.1	30 August 1995
Venezuela	G/TRIMS/N/1/VEN/1	31 March 1995
South Africa	G/TRIMS/N/1/ZAF/1	19 April 1995

⁹English only

ANNEX 2

NOTIFICATIONS INDICATING THAT NO TRIMS INCONSISTENT WITH THE
AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES
ARE MAINTAINED

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Switzerland	G/TRIMS/N/1/CHE/1	8 August 1995
Israel	G/TRIMS/N/1/ISR/1	24 October 1996
Honduras	G/TRIMS/N/1/HND/1	7 July 1995
Saint Lucia	G/TRIMS/N/1/LCA/1	14 February 1996
Mauritius	G/TRIMS/N/1/MUS/1	27 March 1995
Nicaragua	G/TRIMS/N/1/NIC/1	18 July 1996
Singapore	G/TRIMS/N/1/SGP/1	9 October 1996
Slovenia	G/TRIMS/N/1/SVN/1	27 March 1995
Trinidad & Tobago	G/TRIMS/N/1/TTO/1	1 April 1996
Zambia	G/TRIMS/N/1/ZMB/1	13 April 1995