

The Nairobi and Bali Ministerial Decisions: expanding WTO work on rules of origin

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Background

Members decided that preferential rules of origin would not be harmonized under the WTO Agreement on Rules of Origin

Members did think that preferential rules of origin should be subject to multilateral disciplines

Developing country schemes

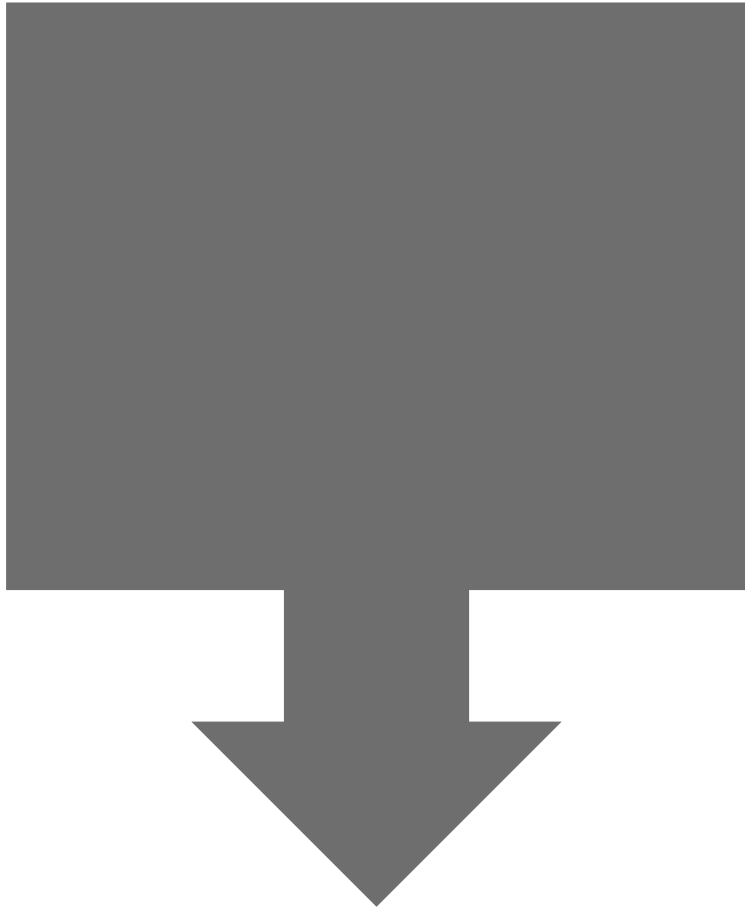
Member	Tariff lines covered	Products excluded	WTO reference
Armenia	43.9%	n.a.	n.a.
Chile	99.5%	Wheat, flour, sugar	WT/COMTD/N/44
China (2018)	96.6%	Agricultural & chemical products, paper, wood, cotton, skins	WT/COMTD/N/39
India	94.1%	Meat, dairy, vegetables, coffee, tobacco, iron and steel, copper	WT/COMTD/N/38
Kazakhstan	37.4%	n.a.	n.a.
Korea, Rep. of	89.9%	Meat, fish, vegetables	WT/COMTD/N/12
Kyrgyz Rep.	99.9%	n.a.	n.a.
Montenegro	93.9%	n.a.	n.a.
Ch. Taipei	31%	Products covered: plastic items, raw skins, textiles and clothing, parts of vehicles, precious stones	WT/COMTD/N/40
Tajikistan	3.7%	n.a.	n.a.
Thailand	74.7%	n.a.	WT/COMTD/N/46
Turkey	80.5%	Meat, fish, food products, steel products	

RO origin applied to preferences for LDCs must be “simple and transparent” 2005 Hong Kong Ministerial Conference

- What are “simple” and “transparent” rules of origin?
 - What are the benchmarks that can be used to achieve this objective?
 - Can there be a roadmap or list of agreed best practices
 - How can this be monitored?
- Sustainable Development Goal 17.12: *“Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access”*

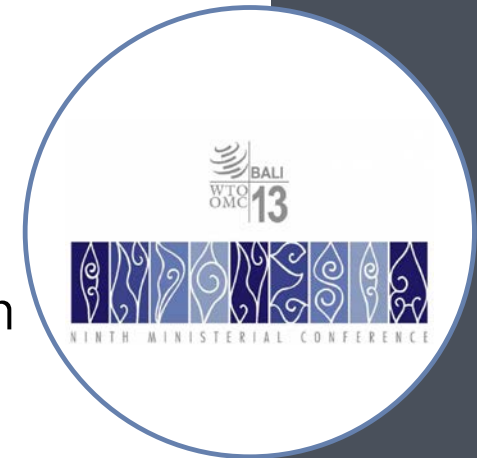


Negotiation of multilateral guidelines



The 2013 “Bali” Ministerial Decision

- WT/L/917: First WTO legal instrument containing detailed provisions on the design of Pref. R.O.
- Decision provides guidelines or examples of what “simple and transparent” rules could be
- Explicit recognition that each Preference Granting Member may maintain its own approach while achieving the objectives of the Decision (*no single system is “better”*)
- But note the preference of LDC delegations for certain types of rules
- Voluntary language
- Broad scope: product specific rules, cumulation, documentation
- Clear monitoring mandate given to the CRO



The 2015 Nairobi Ministerial Decision

- Builds upon the previous Decision: WT/L/917/add.1

Path to reforms

Annual review of annual developments : General Council

Australia; Eurasian Economic Union; Thailand..: comprehensive review of preferences and RO

Japan; Canada: simplification of product specific rules

China: expansion of cumulation possibilities (bilateral, regional cumulation with some RTA partners)

Russia (Euro Asian Economic Union): adoption of the Ministerial Decision's language (60% of VNOM)

Better data: more detailed analysis of preferential trade patterns

Lessons learnt are relevant for rules of origin in different contexts (RTAs and CU)

Thank you for your attention!

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