

Committee on Market Access

MINUTES OF THE MEETING HELD ON 22 SEPTEMBER 2004

Chairman: Dr. Magdi Farahat (Egypt)

<u>Subjects discussed:</u>	<u>Page</u>
1. Periodic report of the Committee to the Council for Trade in Goods including factual information on waivers expiring on 31 October 2004 (G/MA/SPEC/27).....	2
2. Submission of HS96 documentation (G/MA/TAR/2/Rev.34).....	2
3. HS2002 documentation	2
(i) <i>Submission of HS2002 documentation pursuant to the General Council Decision in WT/L/407(G/MA/TAR/4/Rev.7).....</i>	<i>2</i>
(ii) <i>Consolidated Tariff Schedules Database - HS2002 transposition (JOB(04)/95)</i>	<i>2</i>
(iii) <i>Extension of the HS2002 waiver.....</i>	<i>5</i>
4. Modalities and operation of the Integrated Data Base (IDB)	6
(i) <i>Status of submission of the required documentation (G/MA/IDB/2/Rev20).....</i>	<i>6</i>
(ii) <i>Report by the Secretariat</i>	<i>6</i>
5. Consolidated Tariff Schedules (CTS) Database.....	6
(i) <i>Report by the Secretariat</i>	<i>6</i>
6. Dissemination of the IDB and the CTS Database	7
(i) <i>Communication from the United Nations Economic Commission for Europe (G/MA/W/57)</i>	<i>7</i>
(ii) <i>Communication from the Pacific Islands Forum Secretariat (G/MA/W/59)</i>	<i>7</i>
(iii) <i>Communication from the ANDEAN Community Secretariat (G/MA/W/61).....</i>	<i>7</i>
(iv) <i>Communication from the Commonwealth Secretariat (G/MA/W/63).....</i>	<i>7</i>
7. Review of notified quantitative restrictions based on a Secretariat summary (JOB(04)/92)	7
8. Transitional Review under Paragraph 18 of the Protocol of Accession of the People's Republic of China	10
9. Draft Report (2004) of the Committee to the Council for Trade in Goods (G/MA/SPEC/28)	18
10. Election of the Vice Chairperson.....	19
11. Date of the next meeting	19
ANNEX 1	20
ANNEX 2	22

The agenda as reproduced in document WTO/AIR/2374 and Add.1 was adopted with the inclusion of date of next meeting under "other business". An annotated agenda was circulated in document JOB(04)/118.

1. Periodic report of the Committee to the Council for Trade in Goods including factual information on waivers expiring on 31 October 2004 (G/MA/SPEC/27)

1.1 The Chairperson drew the attention of the Committee to document G/MA/SPEC/27 which contained the draft periodic report of the Committee on Market Access. This report, which would be finalized in the light of the discussion to take place in the meeting, would be submitted to the Council for Trade in Goods for examination at its 1 October 2004 meeting. The report contained in its Annex I a table summarizing factual information on the waiver under process submitted by Israel.

1.2 Israel had forwarded a request for a waiver extension in connection with the introduction of HS96 changes to its schedules of concessions. Factual information provided by Israel was circulated in document G/L/687, and a draft decision in document G/C/W/492.

1.3 Argentina's recent waiver request was circulated in document G/L/693, and draft decision in document G/C/W/493. The factual information provided by Argentina would be included in the final periodic report to be submitted to the Council for Trade in Goods.

1.4 The Committee approved the draft waiver decisions and agreed to forward them to the Council for Trade in Goods for appropriate action.

2. Submission of HS96 documentation (G/MA/TAR/2/Rev.34)

2.1 The Chairman drew the Committee's attention to document G/MA/TAR/2/Rev.34 which reflected the present situation concerning the submission of required documentation under the procedures to incorporate HS changes to schedules of concessions (L/6905). From the document, it could be noted that the HS96 submissions of five Members remained pending due to ongoing consultations.

2.2 The Committee took note of the statement.

3. HS2002 documentation

(i) *Submission of HS2002 documentation pursuant to the General Council Decision in WT/L/407(G/MA/TAR/4/Rev.7)*

3.1 The Chairman referred to document G/MA/TAR/4/Rev.7 which reflected the situation with respect to the circulation of HS2002 documentation. Since the last revision of this document, El Salvador's HS2002 submission had been circulated. Nicaragua had also submitted its final HS2002 documentation.

3.2 The Committee took note of the information.

(ii) *Consolidated Tariff Schedules Database - HS2002 transposition*

3.3 The Chairman stated that since the last formal meeting on 2 July 2004, he had held some informal consultations on the proposal for the Secretariat to convert the schedules in the CTS database into the HS2002 nomenclature. These consultations had taken place on 15 September 2004. At those consultations, Members had before them document JOB(04)/95 setting out some of the technical issues linked to such a transposition and an addendum to that document which provided the financial

estimates of such a project. A flow chart setting out possible simplified procedures to this transposition exercise was also circulated.

3.4 Those consultations were extremely useful and he wished to highlight some of the points that were raised:

- (i) The key question appeared to be the financing of such a project. Reference was made to the Global Trust Fund (GTF), extra budgetary funding etc. A suggestion made by one delegation and which he intended to follow up on was to hold a meeting of key donor Members and see to what extent funding could be provided from such sources.
- (ii) There were many technical questions on document JOB(04)/95, for example one such question was whether INRS would be carried over in the transposition. In connection with the technical details of this project, an idea was put forward to hold a workshop on these matters. He wished to follow up on that suggestion as he felt that it would be useful if Geneva-based delegations could better understand the technical details of this transposition exercise. The Secretariat had indicated that such a workshop should be possible to conduct around mid-October.
- (iii) Concerning the procedures under WT/L/407 and their simplification, a flow chart showing a possible simplified procedure was circulated to all Members at these consultations, and it appeared that conceptually Members could agree with the flow chart. There were some aspects that required further discussion and he thought that the Committee could work on these procedures at the same time as working on the budgetary aspects of this project. In this regard, he proposed that the Secretariat prepare a draft simplified procedure based on the flow chart for discussion in the Committee.
- (iv) A fourth point which was raised related to the existing HS2002 "collective" waiver. He noted that the Committee would be discussing the extension of the HS2002 waiver under the next sub agenda item, but he pointed out that if the transposition project was accepted and the simplified procedures were in place, the Committee would need to re-examine the waiver to see whether in light of these developments the waiver decision would need to be amended or whether a new waiver would need to be elaborated.

3.5 In short, he proposed the following: (1) hold informal consultations with a group of donor Members to see whether financing for this project might be available from them; (2) request the Secretariat to hold a workshop on the technical issues tied to this transposition exercise; and (3) request the Secretariat to prepare a first draft of simplified procedures based on the flow chart for further discussion in the Committee.

3.6 The representative of the Philippines stated that her understanding of the workshop as proposed by India in the informal consultations was that it would be destined for capital-based people.

3.7 The representative of Japan stated that the idea of transposing schedules in the CTS database into HS2002 was very interesting. However, Japan hoped that such an exercise would not have any adverse effects on the ongoing electronic verification work

3.8 The representative of India confirmed that the workshop she had proposed in the informal consultations had been intended for capital-based officials. Through such a workshop capital-based officials would be fully apprised of the procedure and would be able to participate more effectively in the work.

3.9 The representative of the United States stated that her delegation was comfortable with the Chair's proposals. She took note of the desire of some other delegations to ensure that capital-based

officials attended the proposed workshop. With regard to the question of financing, her delegation was prepared to continue consultations with the Chairman on all different avenues. It appeared that if, in fact, there was interest in ensuring that the capital-based officials were well engaged and involved in this exercise then it would be appropriate to consider how to use the GTF for this process. So, her delegation would suggest trying to keep the dialogue open on all different means for financing both the workshop and the ongoing work.

3.10 The representative of the European Communities endorsed what the representative of the US had said, in particular with regard to the financing of this HS2002 exercise. His delegation was willing to participate in informal consultations with donor Members, but he recalled that in the informal discussions held the previous week, other avenues had been mentioned by a number of Members and he thought it would be necessary to examine those avenues.

3.11 The representative of Australia stated that the idea that had been put forward was worth considering and concurred that a major issue was how the estimated cost would be funded. His delegation was looking forward to a full discussion of that issue in subsequent meetings. There were other issues that his delegation considered very important as well and those included the coverage of the transposition. Australia's position was that all elements in the schedule should be included such as tariff rate quotas and agricultural support. The timing was also very important, in particular how long it would take to complete the transposition of the schedules in the CTS database and the time frame for the circulation of the draft HS2002 schedules to the membership for examination.

3.12 The representative of Venezuela supported the proposal of a workshop for capital-based representatives. This kind of initiative was useful for developing countries especially when the subject was complex and highly technical. She sought clarification about the timing of such a workshop.

3.13 The Chairman stated that financing the workshop from the GTF could be explored, but funding the cost of the transposition exercise would not, at least from his view point, be the most apt way to use the GTF. However, this did not mean that in the consultations all avenues would not be explored. He had also taken note of Australia's statement relating to the more technical aspects of the transposition exercise. As to the timing of the workshop, it would be held in October 2004. He wondered whether the workshop should be for Geneva-based and capital-based officials. In case it was for capital-based officials, his sense was that each capital would have to fund the cost of bringing their officials to Geneva.

3.14 The representative of Kenya sought clarification about the Chair's reference to the GTF taking care of the workshop and at the same time capitals financing the cost of their officials coming to Geneva. How would this workshop take place in October 2004, if the GTF was to be used?

3.15 The Chairman stated that his intention was to see with the Chairman of the Committee on Budget, Finance and Administration if there were any extra funds available. He noted that the original idea was to have a workshop for Geneva-based officials which would not burden the GTF or any other source of finance. Now, since it was his sense from the meeting that people from capital should be brought in, there were two constraints: 1) Whether at this juncture, there was enough funding to bring people from the capitals; and 2) whether at this juncture there was enough money to do that from the GTF. So, he was not precluding that money may be available in the GTF, but if the money was not there then capitals would have to pay for their people to come here to participate in the workshop.

3.16 The representative of the Philippines stated that the workshop that was being envisioned was tied to the transposition project. So it was perhaps preferable to organize the workshop around the time the project was approved. To have it in October 2004 was too soon especially since the fate of the project remained unknown.

3.17 The Chairman stated that the workshop could be programmed next year.

3.18 The representative of the United States understood some of the concerns expressed by delegations. She felt that if there was a way to do the workshop, it would help lay the groundwork. It would help to better understand what was involved in this project. One could look at the workshop as a training session to help Members complete an extensive and challenging process which was fundamental. She urged delegations to think practically and to try to proceed with the workshop as soon as it was feasible. Certainly it would be better if capital-based officials could attend, and this was worth exploring if finances were available.

3.19 The Chairman stated that another option was to have an informal briefing for Geneva-based officials in October 2004 and leave the "big" workshop for sometime early next year.

3.20 The representative of Colombia supported this option and felt that it was a practical solution. Geneva-based delegations handling these issues could attend the workshop, and subsequently transmit to their respective capitals the relevant information. By the middle of 2005, experts could be brought to Geneva to ensure their involvement in the project.

3.21 The Chairman stated that in light of the discussion he proposed that: (1) he hold consultations with a group of donor Members to see where financing for this project might be available; (2) request the Secretariat to hold a workshop on the technical issues tied to this transposition exercise for Geneva-based delegations; (3) request the Secretariat to start the process to include the workshop for capital-based representative in the TA 2005 plan; (4) request the Secretariat to prepare a first draft of simplified procedures based on the flow chart for further discussion in the Committee; and (5) suspend the meeting on this item.

3.22 The Committee so agreed.

(iii) *Extension of the HS2002 waiver*

3.23 The Chairman recalled that a number of Members were given an extension of the waiver or a new waiver through the form of a "collective decision" in order to introduce HS2002 changes domestically and to subsequently undertake the exercise of introducing these changes to their respective schedule of concessions. The draft decision was adopted by the General Council on 11 February 2004. Since the adoption of this decision by the General Council, Chinese Taipei, Costa Rica and El Salvador had requested and been covered by this waiver. This waiver which began on 1 January 2004 would expire on 31 December 2004.

3.24 It was evident that the HS2002 exercise as foreseen under WT/L/407 was not going to finish by the end of this year and he proposed that this waiver be extended for another year. He suggested that the Secretariat work on a draft decision which would be faxed to all Members. If no comments were forthcoming within a certain period of time then the Committee could consider that the decision was approved and forward it to the CTG for appropriate action. If there were any substantive comments then he would convene a meeting of the Committee to discuss them.

3.25 The representative of the United States said that her delegation would take a look at the Secretariat's draft decision but she wished to make several points of principle on this issue. Her delegation was strongly of the view that the use of collective waivers should not continue in perpetuity. This Committee had agreed to eliminate the practice of granting collective waivers for the HS96 process and she believed that this had been done for a reason namely to keep pressure on Members and to ensure that they did not delay their work indefinitely. The Secretariat's proposal regarding the transposition of schedules into the HS2002 nomenclature would go a long way to ensuring that all countries would have their schedules in HS2002, which would also facilitate the

important work of the Doha Agenda. However, her delegation did not want to return to the collective waiver process as a general matter.

3.26 The Chairman agreed that the idea of the project would be to simplify the HS2002 process and avoid the need for extensions of the waiver. He proposed that the Secretariat prepare a draft waiver decision¹ for consideration by the Membership. Two weeks would be given for any substantive comments to be submitted. If there were any substantive comments, a meeting of the Committee would be convened.

3.27 The Committee took note of the statements made, and agreed to the Chairman's proposal.

4. Modalities and operation of the Integrated Data Base (IDB)

(i) Status of submission of the required documentation (G/MA/IDB/2/Rev.20)

4.1 The Chairman noted that document G/MA/IDB/2/Rev.20 had been circulated to all Members. This document presented the situation of IDB submissions as of 6 September 2004.

(ii) Report by the Secretariat

4.2 The Secretariat introduced the report which is contained in Annex 1.

4.3 The representative of Brazil stated that he had sometimes encountered difficulties in accessing the IDB and thought it would be useful to have a brief training course on the IDB for Geneva-based officials.

4.4 A member of the Secretariat (Mr. J. Richtering) stated that there were two ways of providing this technical assistance. One would be a general presentation on the IDB and the other a hands-on workshop. It seemed that the preference was for the latter. Delegations could register with the Secretariat, and the Secretariat could arrange for slots in the computer training room and propose dates for training. A half-day training would normally suffice and if there were more detailed technical questions, they could be addressed either in a subsequent workshop or on a bilateral basis.

4.5 The Committee took note of the report and the statements made.

5. Consolidated Tariff Schedules (CTS) Database

(i) Report by the Secretariat

5.1 A member of the Secretariat (Mr. J. Richtering) introduced the report which is contained in Annex 2.

5.2 The Committee took note of the report.

¹ The draft decision was circulated as G/C/W/500 and Rev.1, and adopted by the General Council at its meeting of 13 December 2004. The adopted decision was circulated as document WT/L/598.

6. Dissemination of the IDB and the CTS Database

- (i) *Communication from the United Nations Economic Commission for Europe (G/MA/W/57)*
- (ii) *Communication from the Pacific Islands Forum Secretariat (G/MA/W/59)*
- (iii) *Communication from the ANDEAN Community Secretariat (G/MA/W/61)*
- (iv) *Communication from the Commonwealth Secretariat (G/MA/W/63)*

6.1 The Chairman stated that on 12 June 2002, the Committee had adopted document G/MA/115 containing the dissemination policy of the IDB and CTS database. Certain organizations (UNCTAD, IMF, World Bank, ITC) had been given automatic access to these two databases. However, the Committee had agreed that other intergovernmental organizations wishing to have access would need to obtain approval from the Committee on a case-by-case basis. This policy was contained in paragraph 5 of document G/MA/115. Since the dissemination policy had been adopted the Committee had granted access to the OECD, FAO, ITCB, UNESCAP, the Caribbean Regional Negotiating Machinery and the Caricom Secretariat.

6.2 The Committee had before it requests for access to these two databases from the UNECE, the Pacific Islands Forum Secretariat, the Andean Community Secretariat and the Commonwealth Secretariat. The Secretariats had undertaken to use and publish the information contained in these databases in accordance with the terms and conditions laid out in document G/MA/115. If the Committee agreed to grant them access, he proposed writing to them as was done with the previous organizations and asking them about what data they might have that they could share with the WTO on a reciprocal basis. On this point, he wished to mention that he had received a response from the Caribbean Regional Negotiating Machinery to this question which he intended to circulate as an addendum to their request contained in document G/MA/W/54. They had indicated that they had no such data in their possession.

6.3 In response to a question from the representative from the United States, the Chairman indicated that the request from the Commonwealth Secretariat had been included in the agenda through an addendum to the airgram convening this meeting.

6.4 The representative of the United States applauded the Chairman's effort to try to encourage these organizations to share information. If they did not have the information, her delegation thought that it might be useful if these organizations could encourage their membership to fulfil their IDB obligations. In short, the Committee should try and use the IDB, which was a valuable resource, to leverage more data.

6.5 The Committee took note of the statements and approved the requests from the UNECE, the Pacific Islands Forum Secretariat, the Andean Community Secretariat and the Commonwealth Secretariat for access to the IDB and CTS database.

7. Review of notified quantitative restrictions based on a Secretariat summary (JOB(04)/92)

7.1 The Chairman recalled that at its last formal meeting, the Committee had before it a document by the Secretariat circulated in JOB(04)/92. This document had been prepared to assist Committee Members in reviewing the notifications of quantitative restrictions (QRs). He noted that there might be notifications which should be included or alternatively which should no longer be in this database. It was precisely for this reason that the Committee was undertaking this exercise and he welcomed comments updating the situation on any of those notifications.

7.2 A member of the Secretariat (Ms S. Rishikesh Mavroidis) stated that as mentioned in the decision G/L/59 this summary table had been put together using as a guide the Secretariat's summaries which were prepared for the GATT Technical Group on QRs and other NTMs. There

were a few mistakes in document JOB(04)92, but not of a serious nature, and the Secretariat intended to issue a revised document in the near future. In looking at the original tables prepared for the GATT Technical Group, it had been noted that the tables were not particularly user friendly. There were over 200 pages of data based on different criteria. So instead, what the Secretariat had tried to do in this document was to use some of the criteria and try and present the information to the extent possible in a 'snap-shot' fashion. As to the methodology used, as indicated in the cover note, some problems had been encountered in particular with the column reflecting the number of products. These figures were just indicative and the Committee had to bear this in mind. Regarding justifications for these measures, Members might note that they included several articles from GATT 1994, Annex 5 of the Agricultural Agreement and the Agreement on Textiles and Clothing. In some cases no justification was provided, and therefore nothing was recorded. As already mentioned by the Chairman, some of the notifications in this document might be outdated, or alternatively missing. However, this process worked on the basis of notifications and unless notifications were received indicating that a QR was no longer in force or that it existed, the necessary action could not be taken. In this connection, she pointed out that in 1997 a document was issued entitled "Format for Notification of Quantitative Restrictions", (G/MA/NTM/QR/2) which gave detailed guidelines on how such notifications should be prepared. Finally, this was the first summary table prepared since the decision G/L/59 was adopted by the CTG and comments on the document in terms of its structure, content etc., would be most welcome and would be taken into account in the preparation of the next summary table due in 2006.

7.3 The representative of the United States requested clarification as to why certain Members such as Oman, Pakistan, Peru, the United States and Venezuela which had provided QR notifications had not been included in this document. The answer might be that the format of those notifications was not correct but she sought confirmation.

7.4 A member of the Secretariat (Ms S. Rishikesh Mavroidis) referred to footnote one in the document which stated that "Notifications by some Members were incomplete and have not been included in the table". So, she could confirm that this was the reason why the notifications of these Members had not been included. She noted that in this regard, it would be useful if there was some interaction between the delegation concerned and the Secretariat about such notifications in order to put them in the correct format.

7.5 The representative of India noted that the Chairman had referred to certain discrepancies which had already come to the notice of the Secretariat. In this regard, she wished to note that in document JOB(04)92, India was shown to maintain a number of QRs for balance of payments reasons; this was no longer the case. This change of situation had been notified to the Committee on Import Licensing Procedures, as well as the Dispute Settlement Body and the Balance of Payments Committee. So she would need to get into touch with the Secretariat to find out the status of India's notification to the Committee on Market Access. She also observed that this document reflected restrictions which were maintained under GATT Articles XX and XXI. In this connection, she wished to know whether all Members had notified QRs under Articles XX and XXI. As she saw it there was no formal notification obligation under those articles and some Members may have done it for reasons of transparency. But it would be useful to have a coordinated exercise. If Articles XX and XXI restrictions were to be notified, they should be done so by all the Members. Otherwise documents such as JOB(04)92 gave a very lopsided picture. So, it would be useful to first get all the information and then reflect it for all Members uniformly, or otherwise it was not really appropriate to pursue this document if it did not give a complete picture.

7.6 A member of the Secretariat (Ms S. Rishikesh Mavroidis) indicated that as noted in her introductory statement, this process functioned on the basis of notification. So, the main obligation was to notify if there was a QR being maintained and the justification had to be provided, be it under GATT Article XX or some other Article. There was no obligation for Members to notify that they are not maintaining QRs, but document G/MA/NTM/QR/2 said that Members were encouraged to

provide such information for transparency purposes. Regarding information notified under other Agreements, there was a provision in document G/MA/NTM/QR/2 which stated that if such notifications were made in the context of another Committee or Agreement, Members should indicate that to the Secretariat. So the key was to keep the Secretariat informed the moment a QR was no longer in force, or if it had been notified under some other Agreement.

7.7 The representative of China stated that when his delegation prepared China's QR notification, it also had this question of whether QRs under GATT Articles XX and XXI should be included. He understood now that Members should include this information. China would do it and encouraged all Members to do likewise.

7.8 The representative of the European Communities noted that the Communities had notified two QRs under GATT Article XI. The Communities had already taken appropriate action to phase these QRS out as of 1 January 2005. What was the procedure for communicating this to the Secretariat.

7.9 A member of the Secretariat (Ms. S. Rishikesh Mavroidis) stated that when the time came and the QRs were removed, a notification to that effect should be addressed to the Market Access Division.

7.10 The representative of India stated that given the fact that the current document was not fully reflective of the actual situation of QRs was it going to be revised or was it going to be withdrawn?

7.11 The Chairman responded that the document could continue to be a work in progress, and the Committee could set a deadline of for example, end October 2004 for receipt of any modifications and notifications by Members subsequent to which the document would be issued as a formal WTO document.

7.12 The representative of India wondered whether the end of October deadline was going to achieve the outcome of having all Members' notifications. Her point had been that there needed to be a uniform practice, either all Members' notifications were reflected in the document or none were reflected.

7.13 The Chairman stated that according to the "Decision on Notification Procedures for Quantitative Restrictions", "Members shall make complete notifications of the quantitative restrictions which they maintain by 31 January 1996 and at two-yearly intervals thereafter, and shall notify changes to their quantitative restrictions as and when these changes occur." So, all Members had an obligation to notify, but the Chairman could not force any Member to do that work. But, the commitment was there and Members had to do it as soon as possible.

7.14 The representative of the United States stated that she had some sympathy for India's concern about data. It was a common concern among Members, be it tariff or QR data. When not all Members submitted the required information, there was a disadvantage in terms of focus and analysis to those who provided it. For many years, the United States had provided its tariff data but others had not done the same, and this had been of great concern to the United States. With regard to the process of notification of QRs, the Committee did need periodic efforts to try and re-energize its work in this area. Year after year people tended to forget their obligation in this domain and it was perhaps time for the Chairman to put some pressure on Members in this regard. For the United States, maintaining the document as a JOB document was useful. Perhaps a footnote should be included in the document to point out that the information did not reflect all the QRs maintained by Members.

7.15 The Chairman proposed that once a comparable and representative set of notifications was received the document would be re-issued.

7.16 The Committee so agreed.

8. Transitional Review under Paragraph 18 of the Protocol of Accession of the People's Republic of China

8.1 The Chairman noted that the Committee would be conducting its third transitional review (TRM). With respect to the review, a number of comments/questions had been put to the Chinese delegation from the European Communities, Japan and the United States, which were circulated in documents G/MA/W/56, G/MA/W/60 and Add. 1 and Add.1/Corr.1 and G/MA/W/58, respectively. China had submitted the information required by Annex I of the Protocol, which was circulated in G/MA/W/63. China also submitted questions to the European Communities and to Turkey circulated in documents G/MA/W/62 and Add.1 respectively.

8.2 The representative of China stated that under the TRM this year, he wished to report to the Committee on Market Access about the further trade liberalization and the developments related to the implementation by China of its market access commitments for trade in goods in 2004.

8.3 On the tariff front, China had continued to cut tariffs in 2004 and had bound all tariff lines. The overall tariff level had gone down further to 10.4% in 2004 from 11% in 2003; of which the average tariff for industrial products had been lowered from 11.5% a year ago to 10.6% currently; the average tariff for agricultural products had been reduced from 16.8% to 15.6%. The current average tariff level of China for agricultural products represented already one of the lowest among WTO Members.

8.4 On non-tariff measures, the Ministry of Commerce (MOFCOM) of the People's Republic of China issued the MOFCOM Announcement No. 73 of 2003, which, in accordance with China's NTM reduction commitments in Annex 3 of China's Accession Protocol, spelt out the phase-out of import quota licensing administration for ten types of electro-mechanical products and the phase-out of import tendering administration for 23 types of products. Under Annex 3 of China's Accession Protocol, China had also committed to terminate QRs on natural rubber, some oil products and tires used on automobiles in 2004. According to the Announcement No.63 by the Ministry of Commerce and General Customs Administration of China, i.e. *2004 Product Catalogue Subject to Import Licensing Administration*, the above-mentioned products were no longer subject to QRs since 1 January 2004. For the time being, the only type of products subject to QRs in that Catalogue were automobiles and its key parts, hence in complete conformity with the Annex 3 of China's accession protocol. The 2004 quotas for such products and allocation-related information had also been made available through MOFCOM Announcement No. 37 of 2003.

8.5 On tariff quotas, the State Development Reform Commission and Ministry of Commerce of China had issued an array of announcements to the effect of continued expansion of import tariff quotas and enlargement of market access opportunities. The market for farm products had also further opened up. For detailed information, Members could refer to the written document of Annex 1A information submitted by China to this Committee prior to the convening of the current session.

8.6 He now wished to quote some figures to illustrate how remarkably imports by China had grown as a result of China's faithful implementation of its WTO commitments. In 2001, which was the year China joined this organization, imports by China were US\$243 billion, up 8.3% from 2000. Then in 2002, imports grew by 21% to \$295 billion; in 2003, imports into China surged to \$412 billion, an increase of 39.8%. This momentum of strong growth had continued for the first half of this year, and Chinese statistics indicated that the growth rate for imports during January-July 2004 was as high as 41%, or \$314 billion in value. This was an impressive picture of increased market access for imports into China. This would be impossible without China's tremendous efforts to implement successfully its WTO commitments. He hoped that Members would keep this broad picture in mind when they participated in this exercise of transitional review.

8.7 In the context of this transitional review, China had received some questions from the United States, European Communities and Japan ahead of this meeting. China had also raised its questions and comments in advance of the meeting to the European Communities and Turkey concerning the implementation of their commitments in Annex 7 of the Protocol on the Accession of People's Republic of China. He wished to pass the floor to his colleague from Beijing in order to respond to some of those questions addressed to China.

8.8 Another representative from China stated that before he provided detailed responses to the questions raised by Members under this agenda item, he wished firstly to state that the responses and information provided in his statement were without prejudice to China's understanding and judgment as to whether the questions themselves fell within or were relevant to the mandate of this Committee.

8.9 First of all, he was going to respond to the questions regarding the tariff policy of China. On the tariffs on photographic products, although China's commitments on these products took the form of *ad valorem* duties, China understood that it did not affect China's right to apply specific duties on these products, as long as the specific duties imposed were not higher than those committed in China's Schedule, which China believed to be the case. China knew that there were always different views with regard to the technical details of the calculation method adopted in the conversion, and therefore remained open for technical discussions. Actually several rounds of talks had taken place with the Members concerned and he was informed by his colleagues in Beijing that progress had been made. He did not know to what extent the Member concerned would pursue this issue. If a further exchange of views between experts was deemed necessary, one could discuss through diplomatic channels the timing and venue, and in this particular case China's team would basically be the same as in previous talks.

8.10 As to the specific case of the customs classification of a new product, China believed that due to its technical nature, it was quite understandable that the initial classification might not be appropriate. Therefore, adjustments were very likely to happen subsequently. Chinese enterprises also had this kind of experience. He had transferred to the Chinese customs authorities the comment made on the case, however, he had to clarify that the allegation that an appeal could not be made was wrong. There were clear provisions, both in China's Customs Law and Regulations on the Import and Export Duties, on customs classification and the procedures of appeal which enterprises could rely on. In this particular case the company concerned did file an appeal according to the legal procedures in China. He therefore requested that the Member concerned check the facts before making allegations at the meeting of this Committee.

8.11 On the questions regarding TRQ of fertilizers, in 2004 the total quantity of the TRQ on diammonium phosphate (DAP), urea and NPK that was allocated for importation through state trading enterprises were respectively 4.69 million tons, 2.07 million tons, and 2.35 million tons; whereas the total quantity of each of these three fertilizers allocated for importation through entities other than state trading enterprises were respectively 1.56 million tons, 0.23 million tons and 0.78 million tons. In terms of the implementation regarding the reallocation of TRQ quantities in 2003 and 2004, MOFCOM issued Announcement No. 46 of year 2003 on 27 August 2003 and Announcement No.51 of year 2004 on 8 September 2004. These were the two specific Announcements regarding reallocation of the TRQs of fertilizers in 2003 and 2004 and they were available on the official website of MOFCOM (www.mofcom.gov.cn).

8.12 On the questions on China's new Foreign Trade Law, he could confirm that the Law would be implemented in a way consistent with China's obligations under the WTO Agreements. He also wished to confirm that according to China's legal procedures various administrative investigations and determinations authorized by the Law were subject to judicial review.

8.13 On the comments and concerns made on the broad authority provided by the Law on import and export restrictions, he noted that China was serious about its obligations under the WTO Agreements as was demonstrated by the implementation of the commitments China had undertaken. People could not expect that each and every word in China's Law would be the same as that in the WTO Agreements. As he had said earlier, the Law would be implemented in a way which was consistent with China's obligations under the WTO Agreements.

8.14 On the granting of the trading rights pursuant to the provisions of the Law which reflected China's accession commitment, he wished to inform the Committee that on 25 June 2004, MOFCOM issued Decree No.14 of 2004, which published the Measures for Registration of Foreign Trade Operators. These Measures, which were finalized based on public comments and opinions, became effective on 1 July 2004. China was translating this Ministry Decree and would be able to provide it to the Committee at a later stage. From 1 July to 31 August 2004, the number of registrations done throughout the country was 12,690, which was 2.6 times of the number in the same period of last year. As to the exception where registration was not required, both in the Law and the Measures, it was aimed at bridging with other laws and regulations. For example, those foreign trade operators who had already acquired trading rights fell under this exception and did not have to go through a re-registration process. It was definitely not China's intention to create any discrimination.

8.15 On import and export restrictions and justifications, as noticed by Members, China had submitted QR notifications both in 2002 and 2003. China was preparing another QR notification to reflect the latest development in 2004 in this respect, because with the implementation of the accession commitments, QRs had been greatly reduced. With respect to the remaining QRs including the import quotas for automobiles, which some Members were interested in, China would implement further its reduction commitments. Detailed information on QRs would be included in the forthcoming QR notification of China.

8.16 As to the import prohibition of waste and used goods such as old cars and worn clothes, China believed it was not in violation of WTO rules and had no intention of making any changes to the policy. It was out of the legitimate concern to protect the life and health of the Chinese people, as well as that of its animals and plants. If Members had seen the dirty worn clothes with blood stains which were seized by the Chinese inspection and quarantine authorities, Members would not have believed that these items would not cause any hygiene-related problems. Imagine the reaction of the general public in China when they saw this kind of news live on the TV. He therefore hoped that this particular issue would not be brought up again in the Committee.

8.17 On the export restriction of exhaustible resources including coke, China believed that it fell under the exception set forth in Article XX of the GATT 1994. The export restriction of coke had always been implemented with parallel restrictions on domestic production. To name a few, as early as in 1999, *the Catalogue of the First Batch of Investment Projects to be Prohibited in the Industry and Commerce Field*, issued by the former State Economic and Trade Commission, specifically prohibited the investment in certain coke producing facilities. In 2000 *the Catalogue of the Second Batch of Backward Production Capacities, Techniques and Products Subject to Elimination* also required that certain coke producing facilities be shut down. Furthermore, *the Law on Prevention and Treatment of Water Pollution* and *the Law on Prevention and Treatment of Air Pollution* required that a dynamic pollutant monitoring system be established for each and every coke producing enterprise and a disposition fee be levied and increased for coke producing enterprises. Strict environmental and energy-saving criteria etc. were also developed for any new investment in this industry. It was true that in the last one or two years the scale of coke production in China had enlarged quite rapidly and investment in this industry was growing fast. From China's point of view this was an irrational response to the fast expansion of the economy, and was definitely not the result of the policy of the Chinese Government. China's strict control over the expansion of this industry had been consistent and would continue to be implemented, and on the export front the global quota system would

continue, in a WTO-consistent manner, to maintain a stable supply of this resource product in the world market.

8.18 On this coke issue, he wished to elaborate a little bit more on the history of China's administration and Members' reactions. Years ago when China imposed neither domestic production control nor export restriction, China was accused of dumping. ADP cases were launched against China's export of coke, and he did not know whether a case was still there with respect to certain Members who now had problem with China's export restriction. Now after China had imposed restrictions both on domestic production and export, China was told again that it was WTO inconsistent. It was really a catch-22 situation. It seemed to him that the only way out was for China to ban all production and export, like some Members did with oil. He did not know if he should recommend this option to the relevant authorities.

8.19 With regard to the automatic import licensing system, at this stage it was of utmost importance and necessary for China, particularly against the background of the elimination of a large number of non-tariff measures in quite a short period of time since accession. China had to monitor closely the trade of these products and the effects of the elimination. This system of automatic licensing was implemented in a manner consistent with WTO rules.

8.20 On the new Auto Industry Development Policy, he had noticed Members' questions on the distribution network and also on the customs classification of CKD and SKD kits etc. As provided in the policy itself, the detailed implementing rules on these issues were still to be drafted and therefore there were no definite answers yet with regard to all these questions. He had transmitted to the relevant authorities the comments made by Members in this context. As far as he knew, in the drafting process of these implementing rules, the relevant authorities in China had already begun to solicit ideas and comments from industry representatives including those from joint ventures. On the customs classification of CKD and SKD kits the current practice had not changed. He believed that the channels for Members to reflect their comments and observations during the drafting process were always there, as was seen in the drafting process of the Policy itself and other rules and regulations.

8.21 On the VAT policy for diammonium phosphate (DAP) and monoammonium phosphate (MAP), the two fertilizers, China had adjusted its policy in 2001 and now China believed that the policy was in conformity with WTO rules and principles including national treatment. At this stage, China did not have any plans to change this policy because China believed it to be WTO-consistent and it served China's policy goal of encouraging full utilization of phosphate resources in China which although were abundant were mostly lean ores. As to the request for statistics, China had been trying to identify resources where the statistics would be available but so far due to the time constraints had not been successful. China would continue with its work and get back to the interested Members once there was an outcome.

8.22 Last but not least, China had questions from a Member regarding a new registration system in China for foreign exporters of recycled scrap. Domestically this issue fell under the responsibility of China's TBT people and to avoid their repeated travel to Geneva which was obviously too burdensome, China was prepared to respond to these questions in the Committee of TBT Measures. China hoped that the Member concerned would extend its understanding to this situation.

8.23 The representative of the European Communities thanked the Chinese delegation for the explanation provided on a number of issues which had been raised by the Communities and by others in the context of the TRM. The Communities limited themselves in their written communication, which was issued well in advance on this meeting in order to provide the necessary time to the Chinese delegation for their replies, to three main issues. He had carefully listened to the statement made by China, especially at the hinting of the revised Foreign Trade Law and had noted with interest that some of the comments that the Communities and others had made earlier had been taken into account in the formulation of this Trade Law. He had also taken note of China's explanations about

Decree No. 14 of 2004 which was issued on 25 June 2004, and the Communities looked forward with interest to see the translation which had been announced. He wished to say more with respect to the second issue raised in the Communities communication concerning the Chinese export restrictions on raw materials. He had listened very carefully to the explanation which was given with regard to the export restrictions to coke, but had not heard anything with regard to the other issue which was of high importance and big interest for the Communities which was the export restriction on other raw materials, for example on rare earth. This was a question the Communities had raised last year in the TRM exercise and the reply from China had been that they were still verifying the WTO justification and would provide the information later to the Secretariat. To the best of his knowledge, no such communication and justification had been received. Hence, the Communities had felt obliged to reiterate their concerns and questions. So the Communities looked forward to receiving replies from China with regard to this question, and especially with regard to the question of rare earth. The third issue that the Communities had mentioned in their submission was that of the New Automobile Policy. Here, he had taken note of the explanations provided by China in their statement, and of the fact that there were not yet any definitive answers available and rules were still to be drafted. So, he reassured the Chinese delegation that the Communities remained highly interested in receiving the answers on these particular questions that they had put with regard to distribution and also to the joint venture ownership limitation. He had also taken note of the clarification which China had given with regard to the customs classification on specific automotive parts. The Communities had included in their communication the question that they wished to know better what China understood by the reference to "regulated amount".

8.24 To conclude, there was a question put by China to the Communities. The Communities had issued the Council Regulation No. 1985 in 2003 which was published in the Official Journal of the European Union, dated 13 November 2003. In this regulation, the Communities had provided for the complete phasing out of the still existing bilateral restrictions, import restrictions and had also put the implementing provisions into it. He wished to re-emphasize again the Communities appreciated the explanations and clarifications heard from China, but would very much like for China to give a complement on these clarifications with regard to the subjects he had just mentioned.

8.25 The representative of the United States thanked the Chinese delegation for the statement. Before addressing the particular substantive issues under review here, he had some general comments regarding the TRM. This was the first TRM meeting of this year and would be followed by reviews in the other Councils and Committees over the next two months. The United States shared the view of China and other delegations expressed last year that the TRM proceeded relatively smoothly then and was a constructive and positive exercise. In large part this was due to the time and effort spent by China's WTO delegation along with experts from China's Ministry of Commerce and other agencies that attended the TRM meetings. He encouraged China to maintain that same approach this year as his delegation had found it valuable and thought other Members had found it valuable to have experts from Beijing available for exchanges at and around the TRM meetings. The United States believed that the TRM could continue to be a useful process for China and other WTO Members to exchange information, review implementation progress, clarify points of agreement or disagreement and indeed as China had done this year, raise questions about specific commitments made by other Members in China's Protocol of Accession. As it did last year the TRM could help ensure that China fully understood any concerns of Members regarding implementation and that Members fully understood China's efforts in that regard. The United States looked forward to continuing in a cooperative and pragmatic spirit during this year's TRM.

8.26 Turning to some of China's responses, first he wished to turn to the issue of export restrictions and the United States appreciated China's responses. His delegation was disappointed to hear that China was not considering eliminating export quotas on coke. As the Communities had mentioned other export restrictions on raw materials had not been addressed in China's response. As reflected in the questions from a number of Members, the United States thought that these restrictions raised serious WTO concerns. The United States noted that China could achieve its environmental and

natural resource objectives in the absence of export restrictions, and the issue was instead whether and how China restricted trade in administering its regime. His delegation noted that GATT Article XX imposed a number of obligations on Members who chose to exercise an exception from their GATT Article XI obligations. China addressed one part of those requirements in its response, but did not address the entirety of the requirements and his delegation looked forward to a further dialogue with China on that issue. He also noted that China had entered into discussions earlier this year with the Communities regarding coke export restrictions and would be interested in any clarification from China, as requested by the United States in their written communication, as to the status of those discussions and whether there were going to be or were now any country-specific quota allocations.

8.27 Turning to the auto industrial policy, his delegation appreciated China's responses on this and would certainly continue to follow up with the relevant authorities in Beijing but noted that the framework policy indeed left a significant amount of doubt and created ambiguity about issues that were subject to specific WTO commitments including in the kits area. His delegation was disturbed to see that ambiguity and hoped that it would be clarified quickly in the implementing regulations.

8.28 Regarding fertilizer tariff rate quota, his delegation had received yesterday China's Annex 1A, information and might have additional questions as this notification was examined together with US industry. He did note initially that the notification and China's responses at this meeting did not provide any information on the amount of tariff rate quota applied for as part of the reallocation process or denied as part of the reallocation process. He realised that information would not yet be available for 2004 but was not aware of China providing it for 2003. The reallocation process was a critical part of TRQ administration to make sure that it was being utilized properly and his delegation would be interested in receiving that information from China.

8.29 On the VAT issue, regarding the fertilizer products DAP and MAP, his delegation appreciated that China would follow up in attempting to obtain that data and looked forward to receiving it. The United States disagreed with China's views regarding the interchangeability or the competitive relationship between these products and whether in fact China could maintain different tax regimes on the two products consistently with GATT Article III. But to the United States this was a question of substitutability in competitive relationships between these two products. He wished to propose an expert meeting to hasten disposing of this fundamental question.

8.30 On trading rights, he appreciated the information provided by China. The United States had raised another question to which he had not heard a response from China which was: "Have any enterprises or individually been refused registration? If so, please explain." So his delegation looked forward to getting that information from China.

8.31 On the Scrap Recycling Regulations, his delegation looked forward to hearing from the relevant Chinese agencies. His delegation would have liked to have a response today and hoped to get an answer prior to the TBT Committee meeting.

8.32 Finally, last but not least, on the semi-conductor VAT issue, he noted that Japan had raised some questions regarding subsidies that may be provided to the domestic industry now that the VAT rebate was being phased out. The United States had similar concerns and looked forward to discussing that issue at the Subsidies Committee meeting later this year.

8.33 The representative of Japan thanked the Chinese delegation for attending the meeting. It was the third TRM meeting on market access issues, and Japan recognised that implementation of WTO commitments sometimes meant a lot of work and Japan appreciated the hard work done by China. Japan placed a high importance on the TRM process since Japan thought it was very important to ensure transparency, predictability, stability and consistency which was paramount for Japan which had a great interest in trade with China. In this context, Japan had put various questions and

comments to China and Japan wished to thank the Chinese delegation for its opening statement, which contained answers to most of the questions put by Japan.

8.34 He wished, in this instance, to take this opportunity to highlight some of the important points in Japan's paper, focusing on the issues on which Japan wished to request the Chinese delegation to provide further explanations and clarifications.

8.35 First on the issue of tariff rates on photographic products, Japan appreciated the clarification by China on its willingness to discuss this problem on a bilateral basis. Japan was still not convinced about the legitimate reason of keeping specific duties, especially when agreed rates were in *ad valorem* rates. But without prejudice to this concern, Japan welcomed the willingness of the Chinese delegation to have a technical discussion on the subject and would be eager to discuss the venue and the timing of such bilateral talks through diplomatic channels.

8.36 On the Auto Industry Development Policy, Japan had great interest in this policy which was publicised on 1 June 2004. As pointed out by other delegations, there still remained a lot of ambiguity in this policy. From the explanations from the Chinese delegation Japan understood that many of the details remained to be drafted. It was very important that in this drafting process the concerns raised by Japan would be reflected in an appropriate way. In particular, Japan had raised the issue of the ability of dealers to sell both Chinese-made and imported automobiles. Japan had understood from previous consultations that dealers would not be prohibited from selling both Chinese-made and imported automobiles. But, he wished to reiterate that this was a very important issue for Japan and Japanese industry and urged the Chinese delegation to make sure that in drafting the detailed regulations, dealers would always be allowed to sell both Chinese-made and imported automobiles, regardless of the existence of other regulations.

8.37 On the authorizing system of complete automobile features, Japan understood that more details had to be drafted. But Japan had outlined its specific argument in the comments and question put to China in advance of the meeting. He did not want to repeat them, but wanted to make sure that these points were reflected in the new regulations.

8.38 On the automatic import licensing scheme, there were explanations by the Chinese delegation that the imports had to be closely monitored. Japan had put in its document a question as to whether the import licensing mechanism would be maintained after the beginning of next year, 2005, and wished to have further clarification on this.

8.39 With regard to the export licensing measures on the export of coke, Japan had listened to the explanations by the Chinese delegation very carefully and with great interest. There were some explanations about some regulations on domestic production or investment. Japan needed further clarification and detailed explanations about how these regulations were actually implemented and how this was in line with the requirement under GATT Article XX(g) which stipulated that these measures had to be in conjunction with restrictions on domestic production or consumption. Japan was interested to hear more details about this aspect, and the Chinese view on its consistency with the GATT rule.

8.40 On trading rights, Japan appreciated the responses by China. Japan was looking forward to having a closer look at the new decree that the Chinese delegation had mentioned in their opening statement. Many of the answers were very technical and detailed and so on the other issues Japan would review the comments and answers from China closely. Japan reserved the right to come back to these issues at the next appropriate time including in the context of bilateral contacts with the Chinese authorities. As these answers were very technical and detailed, Japan requested China to provide written versions of China's statements so that Japan could report the discussions of this meeting accurately to the Japanese authorities. Once again, Japan thanked the Chinese delegation for their responses to Japan's questions and looked forward to receiving further clarifications.

8.41 The representative of Canada thanked China for its opening statement and for the details on its efforts to implement its accession commitments. Canada was interested in some of the questions, particularly regarding the tariff treatment of CKD vehicles as well as the issue of reallocating the TRQ for fertilizer. Canada thanked China for its responses and noted that Canada would be following the progress as China developed further regulations with regard to its automobile policy.

8.42 The representative of Turkey thanked the Chinese delegation for the detailed information that China had provided. According to the information received from his capital, his country had also plans to eliminate the QRs on those items imported from China.²

8.43 The representative of China thanked the delegations for their comments and questions and wished to respond to some of them. The first one was with respect to the question regarding rare earth. He had referred to this in his opening statement. Rare earth was part of China's export restriction of exhaustible resources and in China's previous notification of QRs, China had not included very detailed information due to time constraints and translation problems. But as he had noted in his opening statement, China was preparing a new QR notification which would reflect the latest developments.

8.44 On the "regulated amount" which was in the Auto Industry Development Policy, he believed that the delegation from the Communities had referred to Article 56. On this particular point, he wished to draw Members' attention to Article 60 of the policy which stated that the detailed implementing rules would be drafted by the customs authorities and others. He would transfer the comments made by delegations at this meeting to his authorities.

8.45 With regard to the question of coke, as stated in his opening statement, China did not have the intention at this moment to change the global quota system. China would continue to implement it in a WTO consistent way and to maintain a sustainable supply of this product in the world market. He understood that historical trade performance would be respected.

8.46 With regard to the question of the refusal of registration for trading rights, as far as he understood if there were registration cases refused, it would be due to a lack of information or maybe due to the fact that some of the information had not been provided in an appropriate way. So basically, it was an automatic system but if those small mistakes were considered as refusals then it would be difficult to give numbers.

8.47 He had also taken note of the questions from Japan with regard to the licensing system. He was not clear whether the reference had been made to the import licensing system or the automatic import licensing system. But, regarding the import licensing and quota system, China would implement its commitments as China had committed to do in its accession. With regard to the automatic import licensing, China would implement it in a way consistent with WTO practice. With respect to the information, the regulations were available at the MOFCOM's official website and were also included in the *China Foreign Economic and Trade Gazette*, which was provided in China's accession document.

² In a written communication dated 5 October 2004, the representative of Turkey indicated that "In response to the question posed by China, he wished to inform the Committee that Turkey would eliminate the quantitative restrictions on importing footwear, tableware, kitchenware of porcelain or china and ceramic tableware or kitchenware originating in the People's Republic of China by 1 January 2005 in parallel with its commitments under the customs union with the European Union."

8.48 Finally, he had taken note of the comments and observations made by the delegations in their statements and would transfer them to the relevant authorities in China. He was sure that these concerns and comments would be taken into consideration as had already been done in respect of other issues.

8.49 The representative of the United States requested a written copy of China's statement. He also requested that the minutes reflecting discussion of these issues along with Members' questions and China's responses be attached to or incorporated into the Committee's TRM report or referenced in some way.

8.50 The representative of China was prepared to follow the normal practice of this Committee and as pointed out by the US delegation the minutes of this meeting would reflect the discussions, which would contain a lot of information of interest to those delegations concerned. Before concluding, he had some general observations to make about this exercise. First, he wished to express special thanks to the delegations of the Communities and Turkey for their responses to China's questions. The responses were positive and good news. China was pleased to see that with the efforts of the delegations of EC and Turkey and others, this transitional exercise was being carried out in a constructive, positive and useful manner just as the US delegation had mentioned in his general remarks. He wished to express China's appreciation for the efforts put into this exercise by all those Members, and to point out that like China's market, China's mind-set was an open one. China was willing to exchange views and talk about issues which allowed for the growth of trade. There were bound to be issues, but China was willing to discuss them. As the US delegate had mentioned, the transitional review was only part of this process, there was also a process in Beijing. As a matter of fact in the process of drafting China's resolutions and laws, those Members whether governments or businesses, had contributed a lot by submitting their opinions. Of course, the Chinese authorities had solicited these opinions and comments, and many of them had already been taken into account as reflected in the revised version of the new regulations and laws. Therefore it was China's firm conviction that with the joint efforts of Members, the trading regime of China would become increasingly transparent and open and China's trade with its partners would continue to grow.

8.51 The Chairman noted that the report of the review, as in previous years, would be a brief factual report indicating that the review had taken place, an acknowledgment of the documentation submitted pursuant to the review, and a reference to the discussions that had taken place, as reflected in the minutes of this meeting.

8.52 The Committee took note of the statements.

9. Draft Report (2004) of the Committee to the Council for Trade in Goods (G/MA/SPEC/28)

9.1 The Chairman noted that the Committee was required to submit annually a report on its activities to the CTG. A draft report to the CTG, covering the activities of the Committee in 2004, was circulated in document G/MA/SPEC/28. The report would be updated in light of today's meeting.

9.2 The representative of India stated that she had concerns about paragraph 9 on QRs and would suggest an amendment to that particular paragraph in the light of the discussion on that subject at this meeting.

9.3 The Chairman noted that an updated draft of the report based on the discussions at this meeting would be sent to delegations. If there were no comments received on it within a day or two, then it would be forwarded to the Council for Trade in Goods.

9.4 The Committee took note of the statements³.

10. Election of the Vice Chairperson

10.1 The Committee elected Mr William Tagliani (US) as Vice-Chair.

11. Date of the next meeting

11.1 The Committee took note that the next meeting of the Committee would take place on 30 March 2005, subject to confirmation.

³ The report was circulated as G/L/699.

ANNEX 1
Integrated Data Base
Report by the Secretariat

IDB Submissions

Since the circulation of the Status of Submissions document, G/MA/IDB/2/Rev.20, the Secretariat has received the following submissions:

- Chile Imports for 2003
- Mexico Imports for 2003 and tariff data for 2004

IDB Dissemination

The Secretariat continues to load information onto the IDB Internet File Transfer Facility on a monthly basis. As of 31 August 2004, files for 94 Members⁴ and four acceding countries were available on the IDB website.

On the use of IDB data, a request was received from the World Health Organization (WHO) on the tariff duties on essential medicines. It is planned to send the requested data at the level of HS 6 digit subheadings. The WHO does not have full access to the IDB.

There has been a further request from the World Bank for historical tariff data from the Tariff Study, which was the GATT database on tariffs and imports before the IDB was established. The information will be used in economic research work. It is planned to provide these data to the World Bank with the stipulation that the Bank respects the same conditions of use and publication that currently apply to the IDB and the CTS.

Technical Assistance

Since the July 2004 meeting of the Committee, Secretariat staff have undertaken one more national workshop on Non-agricultural Market Access in Fiji in August. This workshop was also used to obtain further IDB submissions from Fiji. A further national NAMA workshop has just begun today in Indonesia. It will also be used to clarify the situation regarding Indonesia's IDB submissions.

The Technical Assistance and Training Plan for 2005 was issued at the beginning of September as document WT/COMTD/W/133. It contains a provision for seven regional workshops on Non-agricultural Market Access (page 38). These workshops will also be used to present the IDB and CTS and to encourage participants to supply data to the IDB.

IDB Internet Analysis Facility

Work is on-going on the implementation of (1) query selection criteria for the CTS database; (2) a report on the CTS tariff concessions, (3) a new product selection applet; and (4) a facility to display reporter notes. A new report on the Tariff Quota information contained in the CTS database is under development. A provision to block the display of "provisional" IDB/CTS information has been completed. This will permit international agencies that have been granted access to the IDB/CTS File Transfer Facility to also have access to the IAF.

⁴ This counts the European Communities as one for its 25 Members and Switzerland and Liechtenstein as one.

Concerning the portable IAF, the Secretariat had intended to use the Microsoft Desktop Engine deployment toolkit. However, the anticipated June release of this toolkit was delayed. If it is not released by end-September, the Secretariat will prepare an alternate installation package for the distribution of the portable IAF.

ANNEX 2
Consolidated Tariff Schedules Database

Report by the Secretariat

Since the last meeting of the Committee, IDB/CTS staff are continuing with their work in the following areas:

- Preparing and verifying IDB linked files including the final bound duties from the CTS.
- Updating Members' files with rectifications and modifications of schedules that were issued after the creation of the initial CTS files.
- Comments from the Czech Republic have been included in a new revision of the database to be loaded this month.

The Secretariat continues to prepare IDB files containing the final bound duties following the procedure presented in JOB(03)/217/Rev.1 using a software application developed specifically for this purpose. The Secretariat loaded 55¹ linked files in the Provisional area of the IDB File Transfer Facility (FTF) in July and August. Further linked files will be posted on the FTF in the coming months. This depends on the availability of applied duties and import data for the year 2001 which has been chosen as the benchmark year for which the final bound duties would be included in the IDB at the tariff line level.
