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Negotiating Group on Market Access

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MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Agreement on Non-Tariff Barriers Pertaining to Standards, Technical Regulations, and Conformity <u>Assessment Procedures for Automotive Products</u>

Communication from the European Communities

Addendum

The following communication, dated 13 August 2009, is being circulated at the request of the delegation of the European Communities.

1. The European Communities have the honour of announcing that they are to present comments on the proposal for an Agreement on non-tariff barriers pertaining to standards, technical regulations, and conformity assessment procedures for automotive products as contained in the compilation of texts of the Chairman of the Negotiating Group on Market Access of 6 December 2008 (TN/MA/W/103/Rev.3). These comments will take the form of textual additions to the current proposal, which are designed to complement it and make it compatible with those regulatory approaches for automotive products which are based on a type-approval systems. The completed textual proposal will incorporate the negotiating text as currently included in the Chair's compilation.

2. Such a completed textual proposal shall be seen as an effort to bridge systemic differences between regulatory systems based on self-certification and systems based on type-approval. The completed textual proposal shall equally respond concretely to the request made by the Global Automotive Industry Dialogue (GAID) to provide meaningful solutions to non-tariff barriers in the trade of automotive products. The GAID currently consists of national automotive associations from seven WTO Members: EC, U.S., Japan, Korea, India, Brazil and Canada.

3. The automotive industry is one of the most globalised manufacturing industries – as the current economic crisis has more than sufficiently demonstrated. Markets are interlinked to such an extent that only global approaches will bring viable solutions. This completed textual proposal outlines a process leading to a situation where using one global set of international standards and a single type approval will be sufficient to commercialise in any participating Member country a vehicle produced in any other Member country. Unnecessary duplications and variations will no longer be required.

4. The proposal will contain numerous elements of voluntary participation of WTO Members. National regulators will thereby retain the full control on their participation in the process. Strengthening of international harmonisation through a gradual convergence process is one of the cornerstones of the proposal. Specific provisions will address questions of mutual recognition and propose the use of functional equivalence. 5. Finally, aspects that have already been present in the earlier proposal text as collated by the Chair, such as for instance good regulatory practice and transparency, have of course been included into the completed textual proposal, to take account of the global interconnection relevant for regulation, production and trade in the automotive sector.

6. The European Communities intend to present this completed textual proposal in advance of the next NAMA week addressing non-tariff barriers as announced by the Chair.