

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Progress Report: NTB Discussions Related to Remanufactured and Refurbished Goods

Communication from the United States

Addendum

The following communication, dated 1 December 2005 is being circulated at the request of the Delegation of the United States.

Introduction

This report has been prepared to inform the NAMA negotiating group about the state of play of the discussions on non-tariff barriers (NTBs) related to remanufactured and refurbished goods.

Paragraph 14 of Annex B of the July framework envisages request offer, horizontal or vertical approaches as the modalities for addressing NTBs in the NAMA negotiations. On November x, the United States tabled a proposal that identifies the types of NTBs faced by international firms engaging in remanufacturing and refurbishing. The proposal suggests a horizontal approach as a means to reduce or eliminate these NTBs.

In June and October of 2005, the United States hosted informal meetings at the WTO to inform Members about NTBs affecting remanufactured and refurbished products. Global industry participated in these meetings, which were well-attended by both developed and developing country Members.

1. Summary of Discussions

The first informal meeting, held on June 8, 2005, was intended to raise awareness among WTO Members about remanufacturing and refurbishing in general and the barriers to trade these industries face¹. Industry representatives from GE Healthcare, Caterpillar and the international Auto Parts Remanufacturers Association briefed Members. The material presented by industry representatives described the remanufacturing process in a way that clearly distinguished the resulting products from used goods. Members raised questions concerning technology transfer, the role of original equipment manufacturers (OEMs), customs issues and warranties.

On October 12, 2005 the United States hosted two industry presentations – one strictly on auto parts remanufacturing featuring Cardone Industries and Detroit Diesel, and a general meeting

¹ Australia, Brazil, Canada, Chinese Taipei, Colombia, EC, Egypt, Hong Kong China, Indonesia, Japan, Korea, Malaysia, Panama, Russia, Singapore, Switzerland, Thailand, Turkey and Vietnam attended this meeting.

featuring industry representatives from Caterpillar, Cardone, GE Healthcare, Siemens, Philips and an academic from Bayreuth University in Bavaria, which maintains a Chair of Remanufacturing. In the auto parts remanufacturing meeting, industry representatives from the United States, Brazil and India joined in an intensive discussion with NAMA representatives from Canada, India, Japan, Korea and the United States. This discussion helped participating Members to understand one another's positions and to begin to identify the types of solutions that might be acceptable. In the general remanufacturing meeting, WTO Members again raised questions related to customs issues and warranties. Participants included Bolivia, Brazil, Bulgaria, Canada, China, Chinese Taipei, Cuba, the EC, Ecuador, Egypt, Hong Kong China, Indonesia, Jordan, Kenya, Korea, Japan, Mexico, Morocco, New Zealand, Russia, South Africa, Switzerland and Thailand.

2. Next Steps

The United States seeks to advance quickly from an issue identification stage into an effective discussion of which non-tariff barriers affecting remanufactured and refurbished goods can be addressed by WTO Member governments and begin considering options for solutions. As discussions advance, reports similar to this one will be prepared and submitted to the NAMA group. The United States is committed to a transparent and inclusive process.
