

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Proposal Regarding the Agreement on Rules of Origin in Terms of
Paragraph 9(a)(i) of the Geneva Ministerial Declaration

Communication from India

The following communication, dated 1 October 1999, has been received from the Permanent Mission of India.

Issues

1. The objectives of the Agreement on Rules of Origin, *inter alia*, to harmonize and clarify rules of origin and to ensure that rules of origin do not themselves create unnecessary obstacles to trade and do not nullify or impair the rights of Members under GATT 1994 are clearly set out in the Preamble of the Agreement.
2. The objectives and principles of harmonizing rules of origin themselves are clearly set out in Part IV of the Agreement. The Committee on Rules of Origin was mandated to initiate the work programme on harmonizing rules of origin as soon after the entry into force of the WTO Agreement as possible and to complete it within three years of initiation. The work programme was initiated on 20 July 1995.
3. Since this work programme did not achieve completion within three years, on 7 July 1998, Members agreed to the continuation of the work programme in accordance with the agenda and schedule contained in document G/RO/25. In accordance with this schedule, the Technical Committee on Rules of Origin has submitted the final result of its work to the CRO as contained in document G/RO/37. All residual work is required to be completed by the CRO itself.
4. The negotiations in the CRO on the disciplines to govern the application of rules of origin are still ongoing, way beyond the original schedule set up by the Agreement. In the meanwhile, the interim arrangements that have been introduced by some Members are creating restrictive, distortive and disruptive effects on trade, in particular, in sectors of export-interest to developing-country Members. Thus the delay in harmonizing the rules of origin is upsetting the balance of rights and obligations.

Proposals

5. The CRO should be mandated to complete its remaining work on harmonizing non-preferential rules of origin in a time-bound manner by 31 July 2000. In the meanwhile, no new interim arrangements should be introduced. Further, any interim arrangements introduced by any Member with effect from 1 January 1995 or any subsequent date should be suspended with effect from 4 December 1999.
