

GENERAL AGREEMENT ON

RESTRICTED

TAR/Spec/5
12 October 1989

TARIFFS AND TRADE

Committee on Tariff Concessions

DRAFT REPORT OF THE COMMITTEE ON TARIFF CONCESSIONS TO THE COUNCIL

1. Since its last report to the Council, the Committee on Tariff Concessions held two meetings: on 8 May and on 13 October 1989 under the Chairmanship of Mr. A. de la Peña (Mexico). In addition to these meetings, the Committee held an informal meeting on 17 July 1989 to discuss technical issues related to the content of column 6 in the loose-leaf schedules of tariff concessions.
2. The Committee pursued its activities related to the implementation of the Harmonized Commodity Description and Coding System (Harmonized System), the submission of the required documentation for Article XXVIII negotiations to be carried out in connection with the introduction of the Harmonized System and the establishment of new HS schedules for their annexation to a protocol. The Committee examined also more specific issues concerning the completion of the various columns in the loose-leaf schedules, in particular column 5 (existing initial negotiating rights), column 6 (date when a concession was first granted) and column 7 (historical INRs).
3. Since the Harmonized System entered officially into force on 1 January 1988 for a certain number of contracting parties, several additional countries decided to apply the new system of nomenclature either on 1 January 1989 or in the course of the year. To date, out of 97 GATT contracting parties, 60 have decided to adopt the Harmonized System representing thus more than 95 per cent of GATT contracting parties' trade. Several contracting parties requested a waiver from their obligations under Article II in order to be able to put into force the Harmonized System immediately and conduct the necessary Article XXVIII subsequently. The Committee noted, however, that a few countries had implemented the Harmonized System without following the GATT procedures established to this effect and urged them to submit the required documentation as soon as possible.
4. On 3 February 1989 a new Geneva (1989) Protocol was opened. So far, Yugoslavia has annexed its HS schedule to this Protocol, but some countries are expected to terminate their Article XXVIII negotiations in the near future and might be able to annex their new HS schedule to the Geneva (1989) Protocol by 31 December 1989.
5. Formal and informal discussions in the Committee have centred around the question of entries in column 6 of the loose-leaf schedules (date of a concession first incorporated in a GATT schedule). The Committee [agreed

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that, as a general rule, the date to be indicated in column 6 should be the date at which a concession or part of a concession was first granted and that delegations which cannot accept this general approach would indicate on what basis information in column 6 has been entered and would also explain the reasons why the general approach could not be followed.]

6. Most of the HS schedules annexed to the various protocols constitute certified but incomplete loose-leaf schedules since information in certain columns is missing. Bilateral negotiations have been carried out by the delegations concerned with a view to reaching an agreement on the transposition of initial negotiating rights into the HS loose-leaf schedules. At present, three contracting parties have a complete certified HS schedule. Delegations agreed to make every effort in order to terminate their negotiations as early as possible and submit for certification the information in the missing columns of their respective tariff schedules.

7. The Committee also pursued its efforts towards obtaining approved consolidated pre-HS schedules. Out of the sixty-two contracting parties having a GATT schedule (EEC schedule = 12 member States) forty-five schedules have been circulated according to the requirements of the loose-leaf system and eighteen have been approved and certified. Several contracting parties have been approached by the secretariat regarding the status of their schedules and the possibility of carrying out renegotiations in order to update their schedules. In this respect, the secretariat has provided technical assistance to some of the delegations concerned.