

REPORT (1998) OF THE COUNCIL FOR TRADE IN GOODS

In accordance with the "Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO" (WT/L/105), the Council for Trade in Goods is to report "in November each year to the General Council on the activities in the Council as well as in the subsidiary bodies". The reports are to be "factual in nature, containing an indication of actions and decisions taken, with cross references to reports of subordinate bodies and could follow the model of the GATT 1947 Council reports to the CONTRACTING PARTIES".

Since the last annual report, the Council for Trade in Goods met on 4 and 16 February, 4, 16 and 25 March, 21 April, 5 June, 8 July, 1 October, 30 November and 7 December 1998. The minutes of these meetings are contained in documents G/C/M/29 to 37.

The following subject matters which were raised and/or acted upon in the Council are included in the report:

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1. Election of Chairperson for the Council for Trade in Goods (G/C/M/30)

1.1 At its resumed meeting of 4 March 1998, the Council elected H.E. Ambassador R. Saborío Soto (Costa Rica) as its Chairman for 1998.

2. Appointment of Officers for the subsidiary bodies of the Council (G/C/M/30)

2.1 At its resumed meeting of 4 March 1998, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies: Committee on Agriculture: H.E. Ambassador Nestor Osorio Londoño (Colombia); Committee on Anti-Dumping Practices: Mr. José Antonio S. Buencamino (Philippines); Committee on Customs Valuation: Mr. Mohamed Bentaja (Morocco); Committee on Import Licensing: Mme Marie Gosset (Côte d'Ivoire); Committee on Rules of Origin: Mr. Ric Wells (Australia); Committee on Safeguards: Mr. Shishir Priyadarshi (India); Committee on Sanitary and Phytosanitary Measures: Mr. Alex Thiermann (United States); Committee on Subsidies and Countervailing Measures: Mr. Carlos Antonio da Rocha Paranhos (Brazil); Committee on Technical Barriers to Trade: Mr. Otto Th. Genee (Netherlands); Committee on Trade-Related Investment Measures: Mr. Dimitrij Grčar (Slovenia). The Council appointed the following nominated persons as Chairpersons: Mr. Jacques T. d'Orfeuil (France) for the Working Party on State Trading Enterprises; Mr. Edward Brown (United Kingdom) for the Working Party on Preshipment Inspection¹.

2.2 At the same meeting, the Council agreed to proceed on the understanding that in the case of Vice-Chairpersons, it would be for the subsidiary bodies to decide if they needed a Vice-Chairperson in cases where the option existed under the respective Agreement and/or rules of procedure, and for the respective Chairperson to hold the necessary consultations.

3. Chairperson of the Market Access Committee (G/C/M/30, 31, 32 and 33)

3.1 At its resumed meeting of 4 March 1998, the Council took note that it had not been possible to reach a consensus on the nomination for Chairperson of the Market Access Committee, and agreed that the Council Chairman for 1998 should continue consultations with a view to finding a consensus on a Chairperson before the first meeting of the Market Access Committee scheduled for 26 March 1998.

3.2 At its meeting of 16 March 1998, the Council took note of the information provided by the Chairman that consultations were still ongoing on the matter of the Chairperson of the Market Access Committee.

3.3 At its meeting of 25 March 1998, the Council took note of the consensus on the nomination of Mr. Ole Lundby (Norway) as Chairman of the Market Access Committee, pending confirmation from the Norwegian authorities of his availability.

3.4 At the meeting of 21 April 1998, the Chairman informed the Council that the Norwegian Government had confirmed Mr. Lundby's availability to chair the Market Access Committee.

4. Status of Notifications under the Provisions of the Agreements in Annex 1A of the WTO Agreement (G/C/M/30, 31 and 36)

4.1 At its meeting of 4 February 1998, the Council agreed to revert to the consideration of document G/L/223 at its next meeting when the document was expected to be available in the three

¹ The Committee of Participants on the Expansion of Trade in Information Technology Products elected Mr. Martin Harvey (New Zealand) as Chairman for 1998.

official WTO languages. The document listed notification obligations under the provisions of the Agreements in Annex 1A of the WTO Agreement and Members' compliance therewith and included notifications received up to and on 31 December 1997.

4.2 At its meeting of 16 March 1998, the Council took note of document G/L/223 and its corrigendum.

4.3 At its meeting of 1 October 1998, the Council took note of document G/L/223/Rev.1 which updated the situation with respect to the status of notifications and Members' compliance therewith and included notifications made up to and on 30 June 1998.

5. Trade Facilitation (paragraph 21 of the Singapore Ministerial Declaration) (WT/MIN(96)Dec) (G/C/M/30, 31, 33, 34 and 37)

5.1 At its meeting of 4 February 1998, the Council took note of the report by the Chairman on the state of preparations for the WTO Symposium on Trade Facilitation scheduled for 9-10 March 1998.

5.2 At its meeting of 16 March 1998, the Council took note of the Chairman's summary (G/L/226) of the main issues raised and the outcome of the WTO Symposium on Trade Facilitation. The Council agreed that the Secretariat prepare a factual paper on the Symposium.

5.3 At its meeting of 21 April 1998, the Council took note of document G/C/W/113 prepared by the Secretariat and containing a checklist of issues raised during the Symposium. The Council also agreed to the Chairman's proposal to hold informal consultations to determine the process to take the work on trade facilitation forward.

5.4 At the Council meeting of 5 June 1998, the Chairman informed the Council that consultations had taken place to determine the process to take the work on trade facilitation forward. In this context, Switzerland² and the European Communities had submitted proposals for a possible structure of future trade facilitation work. He drew the Council's attention to the factual report of the WTO Symposium on Trade Facilitation prepared by the Secretariat and contained in document G/C/W/115.

5.5 At the Council's resumed meeting on 8 July 1998, the Chairman presented a proposal on future work on trade facilitation (G/C/M/34, paragraphs 6.6 to 6.7). The Council agreed to the Chairman's understanding that if no objections were received by 13 July 1998 on the proposal, he would assume that the text was acceptable to all delegations³. The Council was to meet in a series of regular informal meetings at which time it would address *inter alia* issues such as import and export procedures and requirements, physical movement of consignments and electronic facilities and their importance for facilitating international trade. An evaluation of the exploratory and analytical work to assess the scope for WTO rules in trade facilitation would take place in June 1999.

5.6 At the Council meeting of 30 November 1998, the Chairman reported on the discussions on trade facilitation which were being carried out in accordance with paragraph 21 of the Singapore Ministerial Declaration. The first informal meeting of the Council was held on 28-29 September 1998 where import and export procedures and requirements, including customs and border-crossing problems were examined; an overview of the Kyoto Convention and its current revision process was also provided. A second informal meeting was scheduled for 7-8 December 1998, and a third one for 1-2 March 1999. The Council took note of the Chairman's report.

² Circulated in document G/C/W/114.

³ No objections were received.

6. Continuation of the Harmonization Work Programme provided for in Part IV of the Agreement on Rules of Origin (G/C/M/35)

6.1 At the Council meeting of 8 July 1998, the Chairman of the Committee on Rules of Origin introducing the report of that Committee (G/RO/25), indicated that the Committee had concluded at its meeting of 29 May 1998 that the Harmonization Work Programme (HWP) could not be finalized by 20 July 1998, the date scheduled for its completion. The report contained a number of recommendations and proposals on the continuation of the HWP and were reflected in paragraphs 4 to 6 of the Committee's report. The Council approved the proposals and recommendations and forwarded them to the General Council for adoption.

7. Periodic Reports of the Committee on Market Access (G/C/M/33, 36 and 37)

7.1 At its meetings of 21 April and 1 October 1998 the Council took note of the oral reports by the Chairman of the Market Access Committee on the requests for waiver extensions and/or waivers made in connection with the transposition or renegotiation of schedules of tariff concessions and/or in connection with the introduction of harmonized system changes into schedules of tariff concessions on 1 January 1996. On 1 October 1998, the Council was informed of the situation with respect to the modalities and operation of the Integrated Data Base (IDB). The Council also took note of the periodic reports summarizing the activities of the Committee in 1998 (G/MA/59 and 60).

7.2 At its meeting of 1 October 1998, the Council agreed that the Chairman initiate consultations with the Chairman of the Market Access Committee, and, as necessary with delegations concerned, on the concerns expressed by India regarding the adoption by the Market Access Committee of proposals for dissemination of the IDB.

7.3 At the Council meeting of 30 November 1998, the Chairman reported that he had initiated consultations with the Chairman of the Market Access Committee and the delegations concerned on this question. While his consultations were still in course, he felt that it would be preferable to await the results of the open-ended consultations to be conducted by the Chairman of the Market Access Committee on this matter before continuing his own consultations. The Council took note of the Chairman's report.

8. Waivers under Article IX of the WTO Agreement

(a) Harmonized System - Requests for extensions of waivers from Bangladesh, Nicaragua and Sri Lanka (G/C/M/33 and 36)

8.1 At its meeting of 21 April 1998, the Council considered requests by Bangladesh (G/L/227), Nicaragua (G/L/230) and Sri Lanka (G/L/229 and Rev.1) for an extension until 31 October 1998 of waivers already granted in connection with the transposition of their schedules into the Harmonized System.

8.2 The Council approved the texts of the draft decisions on the waiver extensions in G/C/W/107/Rev.1 (Bangladesh), G/C/W/110 and Corr.1 (Nicaragua) and G/C/W/109 (Sri Lanka), and agreed to transmit them to the General Council for adoption.

8.3 At its meeting of 1 October 1998, the Council considered requests by Bangladesh (G/L/255), Nicaragua (G/L/256) and Sri Lanka (G/L/257) for an extension until 30 April 1999 of waivers already granted in connection with the transposition of their schedules into the Harmonized System.

8.4 The Council approved the texts of the draft decisions on the waiver extensions in G/C/W/118 (Bangladesh), G/C/W/119 (Nicaragua) and G/C/W/120 (Sri Lanka), and agreed to transmit them to the General Council for adoption.

(b) Zambia - Renegotiation of Schedule LXXVIII (G/C/M/33 and 36)

8.5 At its meeting of 21 April 1998, the Council considered a request by Zambia (G/L/228) for an extension, until 31 October 1998, of the waiver granted to it in connection with the renegotiation of its Schedule. The Council approved the text of the draft decision (G/C/W/108), and agreed to transmit it to the General Council for adoption.

8.6 At its meeting of 1 October 1998, the Council considered a request by Zambia (G/L/258) for an extension, until 30 April 1999, of the waiver granted to it in connection with the renegotiation of its Schedule. The Council approved the text of the draft decision (G/C/W/121), and agreed to transmit it to the General Council for adoption.

(c) Decision on the Introduction of Harmonized System (HS) Changes into WTO Schedules of Tariff Concessions on 1 January 1996 - Extension of the time-limit (G/C/M/33 and 36)

8.7 At its meeting of 21 April 1998, the Council approved the text of the draft decision (G/C/W/111) granting an extension of individual waivers to Members listed in the annex to that document until 31 October 1998, and agreed to transmit it to the General Council for adoption. These waivers had been requested by those Members finding it necessary to consult or negotiate under Article XXVIII of GATT 1994 as a result of the HS96 changes introduced in their schedules.

8.8 At the Council meeting of 1 October 1998, the representative of Japan noted that only 3 Members had finished the process of rectifications and modifications to schedules to introduce the HS96 changes. In view of future tariff negotiations, it was indispensable to establish schedules based on HS96 as soon as possible. To counteract the situation of repeated requests for waiver extensions, he requested Members to consider the current waiver extension as being the last one and to pursue actively bilateral negotiations. With respect to the latter the following measures should be taken: 1) Members should submit concordance tables; 2) the Secretariat should prepare a list showing the situation of objections; and 3) Members who had still not finished the process by the end of April 1999 should conduct bilateral negotiations with those who had raised objections. The list of objections would be revised in light of the results of these negotiations. The Council took note of the statement.

8.9 At the same meeting, the Council approved the text of the draft decision (G/MA/W/17/Rev.1) granting an extension of the individual waivers to Members listed in the annex to that document until 30 April 1999, and agreed to transmit it to the General Council for adoption.

(d) EC/France – Trading Arrangements with Morocco - Request for an extension of the waiver (G/C/M/37)

8.10 At its meeting of 30 November 1998, the Council considered the request for a waiver extension from the EC/France (G/L/275). This waiver applied to the provisions of paragraph 1 of Article I of the GATT to the extent necessary to permit France to apply duty-free tariff quotas to a number of products originating in parts of the territory of Morocco not covered by paragraphs 2 and 4 of Article I of GATT 1994. The Council approved the text of the draft decision (G/C/W/130) granting this waiver extension and agreed to transmit it to the General Council for adoption.

9. Work on Data Issues in the Market Access Committee (G/C/M/36)

9.1 At its meeting of 1 October 1998, the Council took note of the statement made by the representative of the United States urging Members to comply with their obligation, in accordance with the Decision by the General Council of 16 July 1997 (WT/L/225), to notify trade and tariff data electronically on an annual basis. This data was to be stored in the IDB by the Secretariat. The Market Access Committee was also working on methods for Members to supply electronically schedules of WTO bindings in current HS nomenclature. These activities were important for firstly assessing implementation of market-access commitments and secondly for preparing future mandated negotiations.

10. Outcome of the major review of the implementation of the Agreement on Textiles and Clothing (ATC) during the first stage of the integration process pursuant to paragraph 11 of Article 8 of the ATC (G/C/M/29 and 30)

10.1 At the Council meeting of 4 February 1998, the Chairman recalled that the major review of the implementation of the ATC during the first stage of the integration process had been carried out between October and December 1997. Following this formal review process, he had held a series of informal meetings with a view to developing a summary of the main points raised in the review and an agreed set of conclusions flowing from it. However, in spite of determined efforts by delegations, the views remained far apart and it had not been possible in the time available to develop conclusions that would attract consensus. This had been reported to the General Council on 10 December 1997.

10.2 In early 1998, the Chairman considered that further efforts were warranted in view of the great deal of progress that had been achieved and informal consultations resumed in mid-January. This led to a full set of conclusions, integrated into the respective sections of the summary of the review. This was contained in document G/C/W/105. The Council took note of the Chairman's statement and of his intention to convene a meeting of the Council on 16 February 1998 in order to present this text formally to the Council for action.

10.3 At its meeting on 16 February 1998, the Council took note of the text in document G/C/W/105⁴, containing the outcome of the major review of the implementation of the ATC during the first stage of the integration process, pursuant to paragraph 11 of Article 8 of the ATC.

11. Understanding on the Interpretation of Article XVII of the GATT 1994 (G/C/M/33)

11.1 At its meeting of 21 April 1998, the Council took note of the statement by the Chairman of the Working Party on State Trading Enterprises on the Working Party's review of state trading notifications and of the adequacy of the 1960 questionnaire. The Council approved the revised questionnaire on state trading (G/STR/3) and agreed to implement it beginning with the 1998 new and full notifications. It also took note of the postponement in the deadline established for the submission of new and full notifications in 1998 from 30 June to 30 September 1998.

12. Notification by Colombia under Section C of Article XVIII of the GATT 1994 (G/C/M/35)

12.1 At the Council meeting of 8 July 1998, the representative of the United States expressed concern (G/L/248) at a notification by Colombia in which Colombia indicated its intention to invoke Article XVIII:C for the purpose of imposing quantitative restrictions on imports of salt (WT/COMTD/N/8 and Corr.1). The Council took note of this statement and of the statements made by the representatives of Colombia, Australia, the European Communities, Japan and Cuba.

⁴ Subsequently issued as G/L/224.

13. Work Programme on Electronic Commerce (G/C/M/36 and 37)

13.1 At the Council meeting of 1 October 1998, the Chairman recalled that the General Council had established a comprehensive work programme (WT/L/274) to examine all trade-related issues relating to global electronic commerce. It had also instructed the Council for Trade in Goods to examine and report on aspects of electronic commerce relevant to the provisions of GATT 1994, the multilateral trade agreements covered under Annex 1A of the WTO Agreement, and the approved work programme. The Council agreed to the Chairman's proposal to hold open-ended informal consultations on the way to proceed with regard to the work mandate on electronic commerce.

13.2 At the Council meeting of 30 November 1998, the Chairman reported on the results of his consultations concerning the way to proceed with the work mandate on electronic commerce. He indicated that at an informal meeting on 8 October 1998, it was agreed to hold three informal meetings (9 November 1998, 26 January and 8 March 1999) to discuss the matters indicated in the work programme, before the General Council was to undertake its interim review of progress in the implementation of the work programme which was due for completion by 31 March 1999. At the first of these meetings on 9 November 1998, the Council took up the question of market access for and access to products related to electronic commerce; customs duties and other duties and charges as defined under Article II of GATT 1994; and classification issues. The Council took note of the Chairman's report and of the agreement reached at the Council's informal meeting of 8 October 1998.

14. Reporting on Regional Trade Agreements - Recommendations by the Committee on Regional Trade Agreements (WT/REG/4) (G/C/M/37)

14.1 At its meeting of 30 November 1998, the Council approved the recommendations of the Committee on Regional Trade Agreements (WT/REG/4) on how the required reporting on the operation of regional trade agreements should be carried out.

15. APEC Ministerial Meeting (G/C/M/37)

15.1 At the Council meeting of 30 November 1998, the representative of Malaysia informed the Council that at the APEC Ministerial Meeting held in Kuala Lumpur on 14-15 November 1998, Ministers of participating economies agreed that APEC's early voluntary sectoral liberalization initiative be brought to the WTO. The Council took note of this information.

16. Customs Unions and Free-Trade Areas: regional agreements

(a) Free Trade Agreement between Latvia and Slovenia (G/C/M/30)

16.1 At its meeting of 4 February 1998, the Council took note of the communication (WT/REG34/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG34/1.

(b) Free Trade Agreement between Lithuania and Slovenia (G/C/M/30)

16.2 At its meeting of 4 February 1998, the Council took note of the communication (WT/REG35/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG35/1.

- (c) Free Trade Agreement between the Slovak Republic and the Republic of Latvia (G/C/M/30)

16.3 At its meeting of 4 February 1998, the Council took note of the communication from the Slovak Republic (WT/REG47/N/1). The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG47/1.

- (d) Free Trade Agreement between the Slovak Republic and the Republic of Lithuania (G/C/M/30)

16.4 At its meeting of 4 February 1998, the Council took note of the communication from the Slovak Republic (WT/REG48/N/1). The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG48/1.

- (e) Free Trade Agreement between Poland and the Republic of Lithuania (G/C/M/30)

16.5 At its meeting of 4 February 1998, the Council took note of the communication from Poland (WT/REG49/N/1). The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG49/1.

- (f) Central European Free Trade Agreement – Accession of the Republic of Slovenia (G/C/M/30)

16.6 At its meeting of 4 February 1998, the Council took note of the communication (WT/REG11/N/2) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG11/4.

- (g) Central European Free Trade Agreement – Accession of Romania (G/C/M/30)

16.7 At its meeting of 4 February 1998, the Council took note of the communication (WT/REG11/N/3) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG11/5.

- (h) Customs Union between the European Community and the Principality of Andorra (G/C/M/31)

16.8 At its meeting of 16 March 1998, the Council took note of the notification (WT/REG53/N/1) from the European Community. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG53/1.

- (i) Free Trade Agreement between Hungary and Israel (G/C/M/31 and 33)

16.9 At its meeting of 16 March 1998, the Council took note of the information provided by the representative of Hungary that a Free Trade Agreement within the meaning of Article XXIV of GATT 1994 between Israel and Hungary had entered into force on 1 February 1998, and that the text of the Agreement had been made available for circulation.

16.10 At its meeting of 21 April 1998, the Council took note of the communication (WT/REG54/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the

Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG54/1.

(j) Free Trade Agreement between Israel and the Czech Republic (G/C/M/33)

16.11 At its meeting of 21 April 1998, the Council took note of the communication (WT/REG56/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG56/1 and 2.

(k) Free Trade Agreement between Israel and the Slovak Republic (G/C/M/33)

16.12 At its meeting of 21 April 1998, the Council took note of the communication (WT/REG57/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG57/1 and 2.

(l) Free Trade Agreement between Turkey and Hungary (G/C/M/34)

16.13 At its meeting of 5 June 1998, the Council took note of the notification (WT/REG58/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG58/1.

(m) Free Trade Agreement between Turkey and Romania (G/C/M/34)

16.14 At its meeting of 5 June 1998, the Council took note of the notification (WT/REG59/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG59/1.

(n) Free Trade Agreement between Turkey and Israel (G/C/M/34)

16.15 At its meeting of 5 June 1998, the Council took note of the notification (WT/REG60/N/1) from the parties to the Agreement. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG60/1.

(o) Free Trade Agreement between Turkey and Lithuania (G/C/M/35)

16.16 At its meeting of 8 July 1998, the Council took note of the notification (WT/REG61/N/1) by Turkey. The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG61/1.

(p) Free Trade Agreement between the Czech Republic and the Republic of Estonia (G/C/M/36)

16.17 At its meeting of 1 October 1998, the Council took note of the notification by the Czech Republic (WT/REG62/N/1). The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG62/1.

- (q) Free Trade Agreement between the Slovak Republic and the Republic of Estonia (G/C/M/36)

16.18 At its meeting of 1 October 1998, the Council took note of the notification by the Slovak Republic (WT/REG63/N/1). The Council adopted the terms of reference under which the Committee on Regional Trade Agreements should examine this Agreement, which was circulated in document WT/REG63/1.

- (r) Free Trade Agreements between the Czech Republic and Turkey, and the Slovak Republic and Turkey (G/C/M/36)

16.19 At its meeting of 1 October 1998, the Council took note of the information provided by the representative of the Czech Republic, speaking on behalf also of the Slovak Republic, on the Free Trade Agreement between the Czech Republic and Turkey and the Free Trade Agreement between the Slovak Republic and Turkey, both of which had entered into force on 1 September 1998.

- (s) Free Trade Agreement between Turkey and Estonia (G/C/M/37)

16.20 At its meeting of 30 November 1998, the Council was informed by the representative of Turkey that the Free Trade Agreement between Turkey and Estonia had entered into force on 1 July 1998 and would be notified to the Committee on Regional Trade Agreements.

17. Issues raised concerning Members' trade practices

- (a) Japan – Canada's new simplified national customs tariff (G/C/M/34)

17.1 At the Council meeting of 5 June 1998, the representative of Japan expressed concern at the implementation by Canada of its new simplified customs tariff. The Council took note of this statement and of the statements made by the representatives of Canada and Switzerland.

- (b) Korea – Mexico's Price Monitoring System (G/C/M/36)

17.2 At the Council meeting of 1 October 1998, the representative of Korea expressed concern about the Automatic Import Advice System or Prior-to-import Notification System which Mexico had put into operation on 27 August 1998. The Council took note of this statement and of the statements made by the representatives of Thailand, speaking on behalf of ASEAN Members, and Mexico.

- (c) Korea – Peru's Tax Regime related to the Import of Used Cars (G/C/M/37)

17.3 At the Council meeting of 30 November 1998, the representative of Korea expressed concern at Peru's tax regime related to the import of used cars. The Council took note of this statement and of the statement made by the representative of Peru.

18. Consideration of annual reports of subsidiary bodies of the Council for Trade in Goods (G/C/M/37)

18.1 At its meeting of 30 November 1998, the Council took note of the reports from the following subsidiary bodies: Committees on Agriculture (G/L/276⁵), Anti-Dumping Practices (G/L/268), Customs Valuation (G/L/277), Import Licensing (G/L/264⁶), Rules of Origin (G/L/271), Safeguards (G/L/272), Sanitary and Phytosanitary Measures (G/L/274⁵ and Corr.1⁷), Subsidies and Countervailing Measures

⁵ Report by the Chairman.

⁶ Document G/L/264* cancels and replaces document G/L/264 in the English version only.

⁷ English version only.

(G/L/267), Technical Barriers to Trade (G/L/278), Trade-Related Investment Measures (G/L/259), the Textiles Monitoring Body (G/L/270 and Corr.1⁸), the Independent Entity (G/L/269), the Working Party on State Trading Enterprises (G/L/281). The Council took note of the report of the Working Party on Preshipment Inspection (G/L/273), approved the recommendation contained therein, and forwarded the report to the General Council for appropriate action. The Council noted that the reports from the Committee on Market Access and the Committee of Participants on the Expansion of Trade in Information Technology Products (G/L/280) needed further discussion in these bodies, and agreed to consider them at its resumed meeting.

18.2 At its resumed meeting of 7 December 1998, the Council took note of the reports from the Committee on Market Access (G/L/284) and the Committee of Participants on the Expansion of Trade in Information Technology Products (G/L/280/Rev.1).

19. Adoption of the annual report of the Council for Trade in Goods to the General Council (G/C/M/37)

19.1 At its meeting of 30 November 1998, the Council adopted the draft annual report contained in document G/C/W/129, subject to the updating that would be required to reflect the work of the Council at that meeting and its resumed meeting on 7 December 1998.

⁸ French version only.