

**IMPLICATIONS OF THE IMPLEMENTATION OF THE
HARMONIZED RULES OF ORIGIN ON OTHER WTO AGREEMENTS**

Submission from Japan

The following communication, dated 4 March 2002, has been received from the Permanent Mission of Japan.

Relationship between the harmonized rules of origin and labelling requirements on foods

1. Regarding the relationship between the harmonized rules of origin and labelling requirements on foods introduced by Members, we already provided a detailed examination on the matter in our submission presented last June (G/RO/W/66).
2. As stated in that paper, while the harmonized rules of origin are primarily designed to give a single origin for each product, for the purpose of customs procedures, the rationale of origin labelling requirements, enforced at domestic marketing stages, is to provide necessary information to consumers. As a logical consequence of this, when carrying out origin labelling, it is often requested, in the case of processed foods, to declare the origins of the ingredients (in addition to the single origin of the final product), or, in the case of meat, to list the history of the product (i.e. to list individually the place of birth, of rearing and of slaughter).
3. In other words, we have to admit as a reality that sometimes it is not reasonable to apply the rulings set out under the harmonized rules of origin (i.e. by giving a single origin for each product) to those of origin labelling requirements on foods, which aim at achieving consumer policy objectives.
4. In light of the above, we cannot deny the fact that, in certain cases, it is rather inappropriate to thoroughly and automatically apply the results of the ongoing harmonization work to the labelling requirements on foods, which are applied domestically. It should also be understood that, in such cases, the harmonized rules of origin should not prevent the necessary measures to be taken in accordance with WTO agreements for achieving the policy objectives of responding to consumers' concerns.

Relationship between the harmonized rules of origin and sanitary and phytosanitary measures

5. Regarding the relationship between the harmonized rules of origin and sanitary and phytosanitary measures in Members, Japan's idea is as follows.
6. Sanitary and phytosanitary measures, applied by Members in order to protect human, animal or plant life or health, are introduced according to the possibility (risk) of infection of those products subject to such measures. In other words, the question to be posed when applying these measures lies

not only in the “origin” of the product, but also in “how” and “from where” it has been imported, including the place of transit. A logical consequence of this is that each Member will naturally apply these measures as necessary, from a scientific point of view, disregarding to the origin of the product determined by the harmonized rules of origin for the purpose of customs procedures.

7. In light of the above, it is not logical in itself to refer to the harmonized rules of origin (i.e. determine the origin of the product) when deciding whether to apply sanitary and phytosanitary measures. It should, however, be understood that the harmonized rules of origin shall not prevent the necessary measures to be taken in accordance with WTO agreements for achieving the policy objectives of mainly avoiding the introduction of pests or diseases.

A desirable way forward

8. From the above point of view, it is desirable to establish an explicit understanding among Members on at least the following two points, in order to help the smooth implementation of the harmonized rules of origin when the process has been completed:

- (i) In certain cases, it is rather inappropriate to thoroughly and automatically apply the results of the ongoing harmonization work to the labelling requirements on foods applied domestically.
 - (ii) It is not logical in itself to refer to the harmonized rules of origin in deciding whether to apply sanitary and phytosanitary measures.
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