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Working Party on the Accession of the Former Yugoslav Republic of Macedonia

DRAFT REPORT OF THE WORKING PARTY ON THE ACCESSION OF THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Corrigendum

Page 22, paragraph 81 – replace as follows:

81. The representative of FYROM replied that the €19 customs evidence fee was applied only to imports at present. However, the scope and application of this fee would be revised in the light of comments from members of the Working Party regarding the compatibility of this current fee with the requirements of Article VIII of the GATT 1994. FYROM would issue an amended regulation, stipulating a fee of €19 per customs declaration and extending the application of the fee to all customs procedures without exemption. The regulation establishing the amended fee~~[, Decree No. xx of xx September 2002,]~~ **- the Regulation Governing the Fee for Customs Services, signed by the Minister of Finance on 20 August 2002 and published in the Official Gazette No. 69/02 -** would become effective prior to FYROM's accession to the WTO.

Page 22, paragraph 84 – delete square brackets as follows:

84. The representative of FYROM confirmed that from the date of accession FYROM would impose fees and charges for services rendered related to importation or exportation only in conformity with the relevant provisions of the WTO Agreements, in particular Articles VIII and X of the GATT 1994. ~~[~~The €100 fee applied to trucks at the Blace border crossing would be reviewed with a view to its elimination as soon as the international situation would permit its removal. ~~]~~ Information regarding the application and level of any such fees, revenues collected and their use would be provided to WTO Members upon request. The Working Party took note of these commitments.

[1] English language only.

Page 24, paragraph 91 – replace as follows:

91. ~~[~~The representative of FYROM confirmed that the excise tax regime would be amended prior to accession to equalize the tax rates on wines and like beverages. ~~His Government was preparing an amendment to the Law on Excise Taxes.~~ **In a session held on 27 August 2002, his Government had accepted amendments to the Law on Excise Taxes (Article 36, paragraphs 4 and 5) equalizing the excise tax on other sparkling and non-sparkling drinks at a rate of 0 Denar per litre (Excerpt No. 23-4505/1 forming an integral part of the Draft Amendments to the Law on Excise (wine) of 27 August 2002).** The amendment**s** would be presented to Parliament as soon as Parliament would reconvene after the general elections in September 2002, and FYROM would not accept the WTO Agreement until after this legislation had been enacted and implemented.~~]~~

Page 32, paragraph 121 – add text as follows:

121. The presentative of FYROM replied that FYROM had always intended to comply with the respective WTO requirements in relation to antidumping, countervailing or safeguard measures, and current legislation expressly required such compliance. FYROM was currently drafting new legislation which, in his view, would be fully consistent with the Agreement on the Implementation of Article VI of the GATT 1994, the Agreement on Safeguards and the Agreement on Subsidies and Countervailing Measures. **This legislation had been enacted on 20 June 2002. Some members of the Working Party indicated that, based on their review of the legislation, further work would be necessary for it to be meeting the requirements of the WTO Agreements. They encouraged FYROM's efforts to develop WTO-consistent laws in the areas of safeguards, antidumping and countervailing duties, and offered their assistance in this regard.**

Pages 37 and 38, after paragraph 142 new text should be added as follows:

142*bis*. The representative of FYROM confirmed that the new legislation, circulated in draft and final text to the Working Party in documents WT/ACC/807/22 and WT/ACC/807/24/Add.3, updated FYROM's standardization regime and promoted fuller harmonization with WTO requirements. In particular, the Law on Standardization and the Law on Prescribing Technical Requirements for Products and Conformity Assessment provided for, *inter alia*, conformity assessment procedures that reflected options for achieving confidence in the technical competence of bodies located in the territory of other WTO Members to perform conformity assessment and for having their results accepted in ways other than through agreements with conformity assessment bodies in other countries. The new laws also established the acceptance

and non-discriminatory consideration of applications for accreditation from conformity assessment bodies located in other WTO Members and the acceptance of conformity assessment results from qualifying bodies, as provided for in Article 6 of the Agreement on Technical Barriers to Trade.

143. The representative of FYROM said that FYROM intended to adhere to the Agreement on Technical Barriers to Trade from the date of accession without recourse to a transitional period. He added that **the mandatory quality requirements in the Law on Quality Control of Agriculture and Food Products in the Foreign Trade Circulation (Official Gazette Nos. 5/98 and 13/99) for the products listed in the Decision No. 23-2619/1 on Determining Agricultural and Food Products and Their Processings That Are Subject to Quality Control in the Foreign Trade (Official Gazette No. 53/98), had been eliminated in accordance with Article 62 of the Law on Safety of Foodstuffs and Products and Materials Coming into Contact with Foodstuffs (Official Gazette No. 54/02) of 4 July 2002. He also stated that Article 27 of the new Law on Standardization declares all previously mandatory standards to be voluntary. Henceforth, as provided for by WTO rules, all of FYROM's standards will be considered to be voluntary unless reviewed and confirmed as technical regulations as provided for in the new legislation enacted in July 2002.** FYROM would seek technical assistance to ensure the smooth implementation of its new TBT legislation.

Page 38, paragraph 147 – insert new text as follows:

147. FYROM applied the same sanitary and phytosanitary measures to imported and domestically produced goods. For sanitary measures, the procedure included inspection at the border upon request of the importer, involving checking of the documentation, packaging and labeling related to food safety, organoleptic examination on site, and sampling for testing and control by authorized laboratories. National regulations applied also to hygienic practices. Risk assessment methods were not prescribed by law. Veterinary approval for importation of live animals, animal products, raw materials and offal from slaughtered animals was based on the Animal Health Code (OIE) and the Codex Alimentarius. Export certificates for live animals, products, raw materials and offal from slaughtered animals were based on certificates of compliance of EU countries. Certificates for products imported from non-EU countries were subject to bilateral agreements and conventions providing detailed provisions on the information to be included in such certificates. Agricultural and forest plants and products could only be imported through designated border crossings. Visual inspection was carried out by authorized experts, and samples might be taken to determine the presence of quarantine pests. Imported plants or plant products containing quarantine pests would be

returned or destroyed in agreement with the importer. FYROM did not accept automatically the pest list of the European and Mediterranean Plant Protection Organization, and had issued national A and B lists of quarantine pests and a list of two hundred pests which were commercially important (Official Gazette No. 9/96). Certified seeds and seedling material were subject to phytosanitary examinations during the vegetation period by institutions authorized by the Minister for Agriculture, Forestry and Water Economy, and by laboratories testing to confirm that seeds or planting materials were free of pests. He confirmed that FYROM does not require additional certification or sanitary registration for products which have been certified as safe for human use and consumption by recognized foreign or international bodies. **The Law on Veterinary Health (Official Gazette No. 28/98) regulated the issue of veterinary certification. Article 43 of the Law stipulated that all shipments containing products of animal origin should be accompanied by an international veterinary certificate issued by the veterinary service of the exporting country. The certificate should contain information determined by the Minister of Agriculture in compliance with OIE guidelines, in general providing information on the origin of the goods, their identity, destination, the registration number of the transportation vehicle, and the health conditions of the shipment. The Law on Food Safety (Official Gazette No. 54/02) was generally silent on certification, but its Article 27 stipulated that every shipment of imported food should be examined at designated border crossings. Officials from the Ministry of Health had confirmed that - although not required - international certificates were taken into consideration during the examination. He added that detailed procedures for border control would be developed by regulation. The regulations would be prepared within one year from the date of entry into force of the Law on Food Safety pursuant to its Article 61, paragraph 1, and would comply with the requirements of the SPS Agreement, in particular its Annex C.**

Page 43, paragraph 163 – replace as follows:

163. The representative of FYROM replied that Parliament had repealed paragraph 1 of Article 25, as well as paragraph 1(2) of Article 3, of the Law on Free Economic Zones on 23 January 2002. Article 1 of the Law Amending the Law on Free Economic Zones had repealed the general export performance requirement provided in Article 3, paragraph 1, item 2 of the Law on Free Economic Zones, and Article 7 of the Law Amending the Law on Free Economic Zones had repealed Article 25, paragraph 1, item 1 of the Law which provided for specific percentages that users of the zone would need to_export in order to use the benefits of locating in the zone. The amendments had been published in the Official Gazette No. 6/02. He considered the amendment sufficient to ensure compliance with the provisions of the Agreement on Subsidies and Countervailing Measures. Article 3, paragraph 3 of the Law on Free Economic Zones had been retained, but should be seen as a

recommendation, rather than an obligation, to use domestic products. The provision had no binding character and the availability of benefits was not contingent on it. Articles 15, 16 and 26 of the Law referred to the conditions spelled out in Articles 3 and 25, and as the latter had been amended, the aforementioned Articles were now in compliance with WTO requirements. In order to ensure that these changes were fully transparent and understood, ~~[further amendments of the Law on Free Economic Zones would be implemented prior to accession to eliminate any provision that appears to require or recommend use of local content or export performance in the production process by firms locating in the zones.][a Decision would be promulgated prior to accession that clarifies that nothing in the Law on Free Economic Zones can be interpreted to require use of local products or export performance in order to establish in the free economic zones.]~~ **and to confirm that the Law on Free Economic Zones is fully consistent with Article 3.1(b) of the WTO Agreement on Subsidies and Countervailing Measures, the Minister of Economy, who administers the Law on Free Economic Zones, had issued an Interpretation of Article 3, paragraph 3 of the Law on 4 September 2002 confirming that the recommendation language in Article 3 is not mandatory, is not a condition for any tax benefits or exemptions, and did not contain any mechanisms to require or enforce the use of local content or export performance by firms locating in the zones.**

Page 54, paragraph 210 – replace as follows:

210. The representative of FYROM said that his Government will comply fully with all WTO rules. As a result of unanticipated political events the necessary legislation had not been enacted as foreseen in June 2002, but this would be done as soon as possible. He confirmed that FYROM shall enact all necessary amendments to the Law on Copyright and Related Rights by 31 January 2003. The amendments will comply with the TRIPS Agreement and all other relevant conventions in the area of intellectual property ratified by FYROM. The amendments will take due account of the requirements and commentaries made by WTO Members with regard to the compliance of FYROM's legislation with the TRIPS Agreement. In particular, this Law will include the provisions dealing with the following issues; (i) national treatment and protection of foreign authors and holders of related rights; (ii) limitations on economic rights; (iii) protection for pre-existing works, sound recordings and performances; (iv) duration of protection for works; (v) duration of protection for performances, phonograms and broadcasts; (vi) rights of film and scenic producers; and (vii) enforcement. In the interim, his Government ~~would pass a decision~~ **had adopted a Government Conclusion on TRIPS Compliance on 20 August 2002** recognizing compliance with the requirements contained in the TRIPS Agreement by virtue of FYROM's existing participation as a Member of the Berne Convention and of other conventions on copyright and related rights. In the same ~~Decision~~ **Conclusion**, his Government would ensure the implementation and enforcement of all

such requirements. He noted that international conventions and agreements ratified by FYROM had the power of Law. He confirmed that all provisions would be in full compliance with both the letter and the spirit of the TRIPS Agreement. In this regard, comments by WTO Members had been extremely useful and would be included in the final version of the intellectual property rights legislation in FYROM. The Working Party took note of these commitments.