



**REPORT (2021) OF THE COMMITTEE ON RULES OF ORIGIN
TO THE COUNCIL FOR TRADE IN GOODS**

1. This report summarises the work of the Committee on Rules of Origin (CRO) throughout 2021. Article 6.1 of the Agreement on Rules of Origin provides that

"The Committee shall review annually the implementation and operation of Parts II and III of this Agreement having regard to its objectives" and "inform the Council for Trade in Goods of developments during the period covered by such reviews."

2. The CRO held two formal meetings in 2021: on 20 May and on 14 October. The minutes of these meetings are contained in documents G/RO/M/76 and G/RO/M/77¹ respectively. Mr. Sulaiman SATARI (Afghanistan) was elected Chairperson of the CRO in July 2021 and Mrs Laura GAUER (Switzerland) was elected vice-Chairperson in September 2021. The work of the Committee continued to be structured around two broad issues: (1) non-preferential rules of origin; and (2) preferential rules of origin for LDCs.

3. On non-preferential rules of origin, the Committee did not hold specific discussions related to the Harmonization Work Programme (HWP), launched in 1995 in accordance with Article 9.2(a) of the Agreement on Rules of Origin. Members have expressed diverse visions regarding the implications that harmonized rules of origin could have for other trade policy instruments ("core policy issues"). Therefore, the negotiations have not seen much development since 2007.

4. Instead, Members have been focusing on improving their understanding and knowledge about national practices related to non-preferential rules of origin. In this regard, a proposal to "enhance transparency on non-preferential rules of origin" (G/RO/W/182/Rev.4) has been on the Committee's agenda for almost three years. In 2021, consultations were held between proponents of the draft decision and certain members. Despite progress, additional consultations need to be held on the proposal.

5. With respect to preferential rules of origin, the Committee continued its practice of reviewing the implementation of the Bali and the Nairobi Ministerial Decisions on preferential rules of origin for least developed countries (LDCs) (WT/L/917 and WT/L/917/Add.1).

6. In this context, preference-granting members presented the latest developments regarding their preferential rules of origin for LDCs. The representative of the United Kingdom recalled the successful launch of the General System of Preferences (GSP) and underlined the importance of further simplification of rules of origin. In this regard, members, specially LDC partners, were invited to share insights on how to make such improvements. The representative of the European Union gave updates on the implementation of the REX system.

7. The WTO secretariat presented note (G/RO/W/204) on "Utilization of Trade Preferences by Least Developed Countries: 2015-2019 Patterns and Trends".

8. Members heard a presentation by the UNCTAD regarding a new website and database on the utilization of GSP schemes (<https://gsp.unctad.org/home>).

9. Finally, on 19 May, members participated in a webinar on "What Drives the Utilization of Trade Preferences" organized by the Secretariat. The webinar was an opportunity to review the research conducted so far by the Secretariat on the utilization of trade preferences by LDCs. In addition, it was also an opportunity to learn more about research being conducted by other institutions on the

¹ To be issued.

linkages between rules of origin and the utilization of trade preferences. Finally, the workshop also offered Members an opportunity to learn from each other's experiences in monitoring the utilization of trade preferences and working with the private sector to train operators on origin requirements and promote a fuller utilization of trade preferences. The programme, presentations and video recording of an event can be accessed through the rules of origin page of the WTO website.
