



**MINUTES OF THE COMMITTEE ON MARKET ACCESS
11 NOVEMBER 2019**

CHAIRPERSON: MR FERNANDO ESCOBAR PACHECO (BOLIVIA)

The Committee adopted the agenda as reproduced in document WTO/AIR/MA/11, with the inclusion of the following item under Other Business: "Kingdom of Saudi Arabia – Digital Stamp Tax – Statement by Switzerland". An annotated agenda was circulated in document JOB/MA/141 and JOB/MA/141/Corr.1.

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1 ELECTION OF VICE-CHAIRPERSON

1.1. The Chairperson recalled that Rule 12 of the Rules of Procedure of this Committee allowed it to elect a Vice-Chairperson, and that the long-standing practice had been to elect a Vice-Chairperson during the autumn meeting. Based on his consultation, the Chairperson proposed to elect Mr Christopher O'Toole (Canada) as Vice-Chairperson of the Committee by acclamation.

1.2. The Committee so agreed.

2 INTRODUCTION OF HARMONIZED SYSTEM CHANGES TO SCHEDULES OF CONCESSIONS – STATUS REPORT

2.1. The Chairperson indicated that a full version of the Secretariat's report regarding the different transposition of Schedules had been made available in the back of the room.¹

– HS1996 (L/6905 and WT/L/756)

2.2. The Secretariat (Mrs Alya Belkhodja) reported that one file remained pending in HS96, namely that of the Bolivarian Republic of Venezuela; this file was under review under a separate procedure, based on GATT document L/6905.

2.3. The Committee took note of the Secretariat's report.

– HS2002 (WT/L/605 and WT/L/807)

2.4. The Secretariat (Mrs Alya Belkhodja) reported that 116 schedules of concessions had been transposed and had either been certified or were in the process of certification. One schedule remained pending, from the Bolivarian Republic of Venezuela.

2.5. The Committee took note of the Secretariat's report.

– HS2007 (WT/L/673 and WT/L/830)

2.6. The Secretariat (Mrs Alya Belkhodja) reported that 110 schedules of concessions had been transposed and had either been certified or were in the process of certification. The Secretariat noted that only 15 schedules remained pending and that it had been in contact with four of those Members to finalize their files, namely: Argentina; the Dominican Republic; Indonesia; and Paraguay. Comments were still pending with regard to Thailand's file.

2.7. The Committee took note of the Secretariat's report.

– HS2012 (WT/L/831)

2.8. The Secretariat (Mrs Alya Belkhodja) reported that 97 schedules of concessions had been transposed and had either been certified or were in the process of certification. The Secretariat noted that 36 schedules remained pending and that it had been in contact with three of those Members to finalize their files, namely: Ecuador; Mexico; and Norway. Comments were still pending with regard to the files of Armenia and India, whereas the files of Bangladesh and Hong Kong, China would be reviewed at the Committee's next meeting, on 25 February 2020.

2.9. The Committee took note of the Secretariat's report.

– HS2017 (WT/L/995)

2.10. The Secretariat (Mrs Alya Belkhodja) recalled that the Committee had agreed on the "Notes on Methodology" for HS2017 at its meeting of 10 April 2019 (document G/MA/366). The Secretariat reported that it had completed the technical work on the computer programmes needed for the automatic transposition, the implementation of simplification cases, and the verification of

¹ Document RD/MA/57.

inconsistencies. Templates in Excel and Access had been prepared and technical notes in the WTO's three official languages had been drafted. The Secretariat reported that the first batch of 20 files was under preparation and that they would be sent to Members by end-November. The Secretariat expected to send a second batch of files to Members before the end of 2019.

2.11. The Committee took note of the Secretariat's report.

3 EXTENSION OF THE HS-RELATED WAIVERS

3.1. The Chairperson recalled that the General Council had agreed to extend the relevant waivers for the introduction of the Harmonized System (HS) changes into WTO Schedules of concessions for a number of Members on the basis of a "collective decision". The most recent waivers were: HS2002 (WT/L/1048); HS2007 (WT/L/1049); HS2012 (WT/L/1050); and HS2017 (WT/L/1051 and WT/L/1051/Add.1). He noted that these waivers would expire on 31 December 2019 and that the Members concerned had yet to complete their relevant transposition procedures. Therefore, the Chairperson proposed that the Committee extend all of these collective waivers until 31 December 2020. He proposed to the Committee to forward the draft collective waiver decisions granting such an extension, as contained in documents G/C/W/768, G/C/W/769, G/C/W/770, and G/C/W/771, to the General Council, through the Council for Trade in Goods (CTG), for appropriate action.

3.2. The Committee so agreed.

4 THE HARMONIZED SYSTEM AND THE WORK OF THE WORLD TRADE ORGANIZATION

4.1. The Chairperson recalled that, at its last meeting, the Committee took note of the Secretariat's report entitled "The Harmonized System and the work of the World Trade Organization", which had been circulated in document G/MA/W/142 and its corrigenda. At the same meeting, South Africa and Canada had requested to include the issue in the agenda of the next meeting. He also informed the Committee that the WTO Secretariat had been invited by the World Customs Organization (WCO) to participate in a Conference, which had taken place in Brussels on 23 September 2019.

4.2. The Secretariat (Mr Roy Santana) reported that, in September 2019, the Secretariat had been invited by the WCO to participate in a meeting of the HS Committee to make a presentation similar to the one that had been delivered at the WCO Conference that had taken place earlier that year. He recalled that the presentation had revolved around the work of the WTO and the impact of each HS amendment on the WTO and, more specifically, on the work of the Market Access Committee. The content of the presentation was similar to that set out in document G/MA/W/142. He informed Members that discussions on this topic would continue at the next meeting of the WCO Harmonized System Committee. The main question being analysed by the HS Committee was whether or not a strategic review of the organization of the current HS System was required. In this respect, the next amendment would not consist of traditional HS amendments, but rather a more substantive change in the way that the HS was organized and updated. A second point to report was that, in June 2019, the WCO Council had adopted a Recommendation that listed all the recommended amendments to the HS nomenclature that would enter into force on 1 January 2022. This Recommendation had been undertaken pursuant to Article 16 of the HS Convention, which implied that HS Contracting Parties had six months from the date of the Recommendation to notify the WCO Secretariat of any objection to the recommended amendment. The Secretariat had been in contact with the WCO and it had been informed that the transition to HS2022 would entail a substantive set of amendments, including both the recognition of new commodity categories that were currently classified under different headings or subheadings, and other changes that sought to legally clarify certain matters. There were 351 sets of amendments in total. In terms of new classes of goods, these included: edible insects and their products; novel tobacco products, nicotine products, and their substitutes; hydrofluorocarbons (HFCs), including their mixtures and other substances, covered by the Kigali Amendment to the Montreal Protocol (here he reminded Members that references to these products could be found in the QR notifications, as they concerned substances that depleted the ozone layer); flat panel display modules; and dual-use items relating to radioactive materials, toxins, and industrial robots; among others. He further reported that the WCO was considering the introduction of new definitions for the following: electronic waste; machines for additive manufacturing, also known as 3D printers; Light Emitting Diode (LED) modules; Unmanned Aerial Vehicles (UAV), also known as drones; cultural objects, including works of art and antiquities; and many more. In terms of the clarifications, he

reported that these changes had not been intended to modify the current classification of a product, but simply to make the correct classification clearer. For HS2022, these amendments would include a clarification of what was meant by the provisional preservation for travel of some vegetables, fruits, and nuts; with regard to electric vehicles; and finally, as concerned smartphones, a new Note was expected to clarify that smartphones were to be classified as telephones. He emphasized that this was but a simple list and that the actual changes would be more detailed and extensive than those that he had just mentioned. He concluded by noting that the WCO Secretariat had been invited to attend that day's meeting, although unfortunately this had not proven possible on this occasion. Nevertheless, the WCO Secretariat hoped to attend the Committee's first meeting in 2020 with the intention to provide the Committee with additional examples and explanations.

4.3. The delegation of the Russian Federation expressed support for the Secretariat's proposal to strengthen cooperation with the WCO's HS Committee. In her delegation's view, document G/MA/W/142 provided an insightful analysis of the negotiating practices relating to the preparation of Member's' Goods Schedules. The Russian Federation noted that, based on that document, 26 WTO Members were not currently contracting parties to the HS Convention. In this context, the Russian Federation requested to receive more information about the methodology followed by UNCTAD, UNSD, and the WTO, in the harmonization process used to generate HS-based trade statistics by product, origin, and destination. The Russian Federation suggested that the Committee continue its discussion of this topic and that the HS Committee be invited to participate in the Committee's meetings, as required. She also proposed to organize a workshop, with HS Committee participation, by the Market Access Committee's next meeting; this would provide an opportunity for the HS Committee to elaborate further on the various challenges and practices relating to transposition, particularly for the benefit of Capital-based experts working on the transposition of schedules.

4.4. The delegation of Switzerland observed that, at each amendment, the HS changes affected approximately 10% of the total number of subheadings. Members were only obliged to notify and transpose the HS changes, which were subsequently certified. In consequence, Members had the original schedule, and all subsequent changes; however, they did not have a comprehensive overview of the current status of their commitments. Their only possibility was to check the CTS, although only the schedule's paper version was legally binding. In order to improve transparency and predictability, Switzerland suggested that Members consider the option of certifying entire schedules once a Member's HS2017 transposition exercise had been completed. In Switzerland's view, this would allow Members to see their updated schedule, with latest available nomenclature, in its entirety.

4.5. The delegation of the United States found it useful for the WCO and its delegates to better understand how the HS underpinned the goods market access commitments that WTO Members had undertaken, and how changes to the HS, including more frequent amendments to it, could impact upon Members' implementation of their market access commitments. The US believed that ensuring that all bound schedules were up to date ensured transparency and ultimately promoted trade between economies. The US considered that the lag between Members' more current applied schedules and the updating of bound schedules could lead to significant concerns, as evidenced by some of the issues on the Committee's agenda. The US recognized and appreciated the work that the Secretariat performed to ensure that the transposition of Members' schedules was accurate, transparent, and efficient. For this reason, the US would not want WCO changes to the HS to strain the Secretariat and its resources. The US urged the Secretariat to strengthen its collaboration with the WCO on this issue and to keep Members apprised of such activities.

4.6. The delegation of Canada recognized the importance of the HS to many aspects of WTO-related work, including serving as a basis for tariff negotiations, and the accurate collection of trade and tariff data. Canada also recognized the vast amount of work that was required every time that the HS was amended. Therefore, Canada supported a continued collaboration, working together on exhaustive correlation tables and HS2022 amendments, between the HS Committee and the WTO Secretariat. Given the amendments that had been described, he thought that it would also be useful for the WCO Secretariat to attend the Committee's meetings and to provide an overview of upcoming changes.

4.7. The delegation of the European Union expressed appreciation for the Secretariat's work in ensuring that Members' schedules were transposed into new HS classifications accurately and transparently. The EU supported the Secretariat in its encouragement to WCO to produce even more

exhaustive correlation tables than at present in order to obtain guidance that was as clear as possible.

4.8. The Chairperson recalled that, as in the case of previous HS amendments, the Committee should develop a new procedure for the introduction of HS2022 changes in Members' Schedules. Therefore, he proposed that the Committee instruct the Secretariat to prepare a draft decision, based on the Decision for the HS2017 transposition (document WT/L/995), to be discussed next year. Furthermore, given Members' interest in better understanding the changes resulting from the HS2022 amendment, he suggested inviting the WCO Secretariat to make a presentation on this subject at the Committee's next formal meeting.

4.9. The Committee took note of the Secretariat's report and of the statements made.

5 OPERATION OF THE INTEGRATED DATABASE (IDB) AND THE CONSOLIDATED TARIFF SCHEDULES (CTS) DATABASE

5.1. The Chairperson recalled that, at its previous meeting, the Committee had adopted a new version of the IDB Decision, which had been circulated in document G/MA/367.

– STATUS OF IMPLEMENTATION OF THE 2019 IDB DECISION (G/MA/367)

5.2. The Chairperson informed the Committee that the Secretariat had been working to implement the various changes that had resulted from the new IDB Decision. In particular, he drew Members' attention to the status of authorized users under the dissemination policy (Annex 4 of the Decision). Given the changes in the dissemination policy, the previous Chairperson had written to the different organizations on the list, as well as to the International Grain Council (accepted during that same meeting), to inform them of the changes in the policy and to ask if they were acceptable to them. To date, in addition to the International Grain Council, the changes had been accepted by the following organizations: the Food and Agriculture Organization (FAO); the United Nations Conference on Trade and Development (UNCTAD); and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). However, the other organizations had not yet responded or, if they had done so, they had not indicated that they accepted the new terms of the dissemination policy. Therefore, he would write to these organizations to remind them of this issue and to ask them to confirm their acceptance of the changes. He would report back to Members on this issue at the Committee's next formal meeting.

5.3. The Secretariat (Ms Adelina Mendoza) reported that it had been working on a revision of the template used to record the status of IDB submissions following the requirements of the new IDB Decision. The main changes included dropping the column on bound duties, which was no longer required under the new Decision; shortening the period for provisional data from 60 to 30 days; and synchronization of the deadline for import notifications, which used to be different for PTA and non-PTA Members, and which had now been set at 31 October. In addition, she reported that an online survey had been conducted in the three WTO official languages. The Secretariat had also begun to recompose tariff data for those Members that had notified imports for which tariffs were not available. The delegations concerned had been informed of this and the new tariff data was expected to be disseminated once the IT-related processes had been completed. In this regard, the Secretariat had already engaged a consultant to work on these processes. The Secretariat had also begun to reach out to those delegations that had expressed an interest in exploring the automatic notification of data, especially those where tariff data was already available on their public websites.

5.4. The delegation of Canada thanked the status report from the Secretariat, which allowed Members to keep abreast of the latest developments concerning implementation of the new IDB decision. He emphasized that two of the main strengths of this decision were the additional voluntary information that could be submitted, including the ability of the Secretariat to utilize the information that Members were voluntarily providing to it as part of their IDB data notifications, as well as the possibility for Members voluntarily to enter into agreements with the Secretariat to provide the relevant data automatically. In Canada's view, this would help to facilitate and simplify the work to be carried out both in Capitals and in Geneva in terms of getting the necessary information into the database. More importantly, access to additional information and the ability relatively easily to update such information would be of particular benefit to micro, small, and medium-sized enterprises (MSMEs), since transparency was especially important to them. In

addition, information provided by Members to the Secretariat through the IDB was also being utilized by other organisations, such as UNCTAD and the ITC, to create and to provide information useful to MSMEs. Canada informed the Committee that it had brought the updated IDB Decision to the attention of the Informal Working Group on MSMEs with the purpose of examining ways in which the group could use this decision to improve access to information and transparency for MSMEs within their respective jurisdictions.

5.5. The Committee took note of the Secretariat's report and of the statements made.

– **LIST OF MEMBERS' OFFICIAL WEBSITES WITH TARIFF INFORMATION AND IMPORT STATISTICS (G/MA/IDB/W/13)**

5.6. The Chairperson recalled that the new IDB Decision required the Secretariat to prepare a list of Members' official websites containing tariff information and import statistics. To this end, a draft document had been emailed to delegations on 31 July 2019 indicating a deadline for comments. He thanked those Members that had updated their information, these updates had already been incorporated into document G/MA/IDB/W/13. The Chairperson believed that this document was of particular importance because it afforded Members and trade operators an opportunity directly to access the official pages where this information could be found. At the same time, he encouraged Members to review their corresponding links and to contact the Secretariat if they were incorrect.

5.7. The delegate of the European Union thanked the Secretariat for preparing the document and suggested that, once the document had been stabilized, it could also be made available on the WTO website to facilitate access to its information.

5.8. The Secretariat (Mr Roy Santana) replied that the list of websites was already available on Documents Online, although it could also be published on other WTO websites dealing with tariffs or import information if Members so wished. He encouraged Members to check the information contained in the document and to confirm that the websites indicated there were correct. The Secretariat had noticed that such websites frequently changed. For example, by the time that the document had been produced and circulated there were already three or four links that were not working. Therefore, he asked Members to inform the Secretariat of any change as soon as possible in order to keep the list up to date.

5.9. The Committee took note of the Secretariat's report and of the statements made.

– **STATUS OF IDB NOTIFICATIONS (G/MA/IDB/2/REV.50)**

5.10. The Chairperson drew Members' attention to the Secretariat's report on tariffs and imports of Members, circulated in document G/MA/IDB/2/Rev.50 and G/MA/IDB/2/Rev.50/Corr.1.

5.11. The Secretariat (Ms Adelina Mendoza) presented the status of notifications to the IDB. In particular, she noted that IDB notifications on MFN applied tariffs were 82% complete for the period 1996-2019, meaning that 18% of tariff notifications remained outstanding, corresponding to 531 country-year files; of these, 69% of the data available had come from notifications from Members, whereas 31% had been collected by the Secretariat from other approved sources. With regard to imports, 76% of the data was complete for the period 1996-2017, whereas 24% remained outstanding, corresponding to 654 country-year datasets. In addition, she noted that 78% of import data had been notified by Members, whereas 22% had been gathered by the Secretariat from "framework sources". In terms of complete notifications, 40 Members had submitted their complete notifications on tariffs, and 24 Members on imports. However, the Secretariat commented that 42 Members had still not notified their tariff data dating back over at least six years; similarly, 51 Members had not yet notified their import data dating back over at least six years. Finally, the Secretariat drew Members' attention to the notifications of 23 Members (counting the EU-28 as one) under the PTA Transparency Mechanism, which had become an integral part of the new IDB Decision. At the same time, she acknowledged that, of those 23 Members, seven had not yet notified their 2019 applied tariffs, and 15 had not yet notified their import data, either at the aggregate level or under the PTA-TM, requiring a breakdown by duty scheme.

5.12. The Committee took note of the Secretariat's report.

– **FEEDBACK ON THE WTO'S PUBLICATIONS AND ONLINE TOOLS TO DISSEMINATE TARIFF AND IMPORT DATA (G/MA/W/144)**

5.13. The Chairperson drew Members' attention to paragraph 15 of the new IDB Decision, which required the Secretariat to meet regularly with Members to seek their feedback on the WTO's publications and online tools to disseminate tariff and import data. In this context, he reminded Members that the Secretariat had organized a first feedback session on 17 July 2019, the results of which had been summarized and circulated in document G/MA/W/144. It was his view that Members had recognized the importance of the Secretariat's work to collect and process this information, particularly in respect of tariffs. At the same time, Members were experiencing difficulty over the fragmented character of the information being presented across several online tools, some of which could also be more user-friendly. In addition to the July session, the Chairperson recalled that the Secretariat had launched an online survey to allow users in Capitals to give their feedback on different aspects of the publications and tools. In this regard, he requested the Secretariat to report on the survey results and to inform Members of the preliminary plans in place to take that feedback into account.

5.14. The Secretariat (Ms Adelina Mendoza) informed Members that the survey for Capital-based officials had been launched at the beginning of August 2019 and had been made available in the WTO's three official languages. The same survey, with separate links, had also been published on the WTO website with a view to receiving feedback from public users. The survey consisted of 20 questions divided into four parts, as followed: part 1 focused on the general information about the respondent; part 2 addressed user needs in relation to tariff and import data; part 3 concerned the degree of user-satisfaction with regard to the current WTO tools and publications on tariffs and imports; finally, part 4 allowed users to provide additional feedback or suggestions. The survey had taken into account replies received until 31 October 2019, although it remained open. The questionnaire had information on residence which was used as an indicator of Member. Overall, the response rate of the official survey had been very low, at 15%. Of 164 WTO Members, not counting the European Union, only 25 delegations had participated in the survey, against 138 that had not responded. In addition, there had been a total of 54 individual respondents, which amounted to only a very modest sample size. In terms of national breakdown, the highest number of respondents had been based in Canada; Canada was followed by Switzerland, although the number for Switzerland had also included delegates who had indicated that they lived in Switzerland; Thailand; the United States; and Hong Kong, China. There had also been two respondents, respectively, from Argentina, Australia, the Dominican Republic, Japan, Norway, and Mexico, as well as from one official each for 16 different delegations. The list of respondents by nationality was annexed to the Secretariat's report. In terms of language breakdown, 41 respondents had replied to the questionnaire in English, 10 in Spanish, and three in French. Respondents had included the following: 42 Capital-based delegates dealing with WTO issues; nine Geneva-based delegates; eight Capital-based officials not dealing directly with WTO issues; and the remainder were from the public domain (for example, other international organizations and academia, including students). She reported that, overall, respondents had expressed their satisfaction with the WTO's online tools. More specifically, 85% of the respondents had indicated that they felt satisfied with the tools on tariffs, and 80% had indicated that they felt satisfied with the WTO's tools for imports. The "Tariff Analysis Online" (TAO) application appeared to be the most frequently used tool for generating reports on tariff lines and duties, and tariff and trade profiles, which published both IDB and CTS data. In terms of functionalities, the respondents had indicated that they had found the following to be the most useful: the applied tariff reports; database queries using different selection criteria; and the option to download data. She informed Members that additional information was provided in the report and that the Secretariat would welcome additional feedback, comments, or suggestions, on how to improve or redesign the dissemination tools.

5.15. The representative of the Russian Federation thanked the Secretariat for initiating the work on updating the Decision on Modalities and Operation of the Integrated Database, and congratulated Members on their consensus to modernize this Decision within six months. Russia highlighted that this was a landmark achievement in the work of the Committee and encouraged Members to continue in this direction. Russia believed that the feedback session on the WTO publication and online tools had shown the importance of the smooth operation of the IDB. Russia believed that maintaining the WTO tools as a primary source of information was essential to tackling difficulties in its operation and to improving its user-friendliness. Russia acknowledged the Secretariat's role in taking steps to advance with this task based on Members' comments. Russia also highlighted that Members were the providers of the information for these tools and, at the same time, its principal users. She pointed

to paragraph 8 of the new IDB decision, which read as followed: "Members may voluntarily enter into an agreement with the Secretariat for the automatic transmission of data". In this regard, Russia believed that there must exist modern ways for Members to fulfil their notification obligations on tariff and data submission. She recalled that, in October 2019, at the meeting of the Informal Working Group on MSMEs, the Secretariat had given a presentation on the IDB Decision; in that presentation, the Secretariat had described, among other things, the new modalities for the automatic submission of data between databases. The Russian Federation requested the Secretariat to elaborate further on the idea to automate the process of data transmission and to share best practices. Furthermore, according to paragraph 15 of the IDB Decision, Russia believed that it was important to establish close cooperation between interested WTO Members and the Secretariat through the establishment of a "task force" on databases. In her delegation's view, this task force should meet to exchange positive experiences of, and challenges when using WTO data tools; in addition, it should pilot new WTO tools and their prototypes before their official launch, and revise information relating to the work of the Committee that had been published on the WTO's official website. The Russian Federation believed that the approach taken by the Secretariat to modernize databases within the framework of the Market Access Committee should be continued in joint cooperation with those WTO Members interested in setting up an open-ended task force.

5.16. The delegate of Canada thanked the Secretariat for outlining its preliminary plans for updating the WTO's publications and online tools. Canada believed that it was important for Members to have access to the vast amount of information that was available through these WTO publications and online tools. Canada was supportive of the work being done to make this information more readily accessible and more user-friendly.

5.17. The delegate of the United States thanked the Secretariat for its updates and for its work on modernizing and streamlining the WTO's data tools. She noted that colleagues in Washington used the WTO's online tools daily, and that they had appreciated this opportunity to provide feedback and suggestions on how to improve them. The United States welcomed the plans to update the publications and tools and hoped that there would be additional opportunities to test any updated tools and to provide additional feedback.

5.18. The delegate of Australia joined others in thanking the Secretariat for looking at the review and modernization of these tools. With regard to the survey, Australia noted that the level of response had indeed been low, and that it remained unclear as to whether or not the survey had closed. He was surprised that there had been a high rating on the question of the tools being satisfactory since, in his view, these tools were complex. He said that he personally preferred to look at TPR reports for statistical data and relevant tariffs rather than using the WTO's online tools. In conclusion, he asked the Secretariat to clarify whether or not the survey was closed, and commended it for its ongoing review of these tools.

5.19. The Secretariat (Ms Adelina Mendoza) expressed disappointment over the low response rate. She explained that only the official links had been published initially; the public links had been opened during the WTO Public Forum in the hope of attracting more responses. The Secretariat could differentiate between the official responses and those received from the general public and, based on the feedback, it did seem that users were satisfied and had found these tools useful. At the same time, she recognized that there had also been many respondents who had indicated that they had found the tools to be cumbersome and difficult to use. For this reason, the Secretariat encouraged Members to provide their open feedback on what could be done to improve these online tools. She informed Members that the links to the survey were still active and encouraged them to participate and to provide their specific feedback.

5.20. The Committee took note of the Secretariat's report and of the statements made.

– **STATUS OF THE CTS DATABASE**

5.21. The Chairperson drew Members' attention to the Secretariat report on the status of the CTS database, which had been made available to Members at the back of the room, as well as a new website that was being developed by the Secretariat to give access to all the legal instruments that together formed Members' Goods Schedules.

5.22. The Secretariat (Ms Maria Alvarez de Cozar) introduced Members to the main features of the new Goods Schedule E-library, which was currently in development phase. On the home page, the information had been organized around four core themes that addressed the main questions relating to schedules and their changes, namely: (i) what a WTO Schedule was; (ii) why WTO Schedules changed; (iii) how WTO Schedules were identified; and (iv) how WTO Schedules changed. She explained that on the page, "how do schedules change", for example, Members could find the procedures that they needed to follow for the rectification and modification of schedules. They could also access there the latest ongoing procedures and related information (including document symbol, the initiating Member, type of change, status of procedures, and so on). For the procedures that had not yet been completed, the documents containing the proposed changes could not be accessed and downloaded directly from the website. In this case, Members were redirected to the WTO Documents Online, where they could then be accessed. Likewise, the website provided information on the latest certified changes to Schedules, where Members could directly access the documents pertaining to each certification procedure, and also search them by several criteria (for example, by Member, type of change, certification file, date, and so on). She reminded Members that, once draft changes had been certified, the certification documents were no longer restricted and could be accessed and downloaded directly, including their attachments, in one of the WTO's three official languages, from the WTO's website. She noted that the website also featured a "Member profile" page and presented Australia's page as an example. The information contained in Australia's profile page included Australia's Schedule number, the number of WTO procedures undertaken, and the breakdown of those procedures by category (including different HS transpositions and other categories). Information was also shown regarding the status of procedures undertaken by the Member: for example, in the case of Australia, out of the nine procedures undertaken, seven had been completed and certified, and two were ongoing because of reservations. She emphasized again that, as in the case of Australia's two ongoing procedures, the files were not publicly available; therefore, they could only be accessed by Members via Documents Online. However, on each Member's profile page, users could also access relevant pre-WTO procedures, search using different filters, and also download all public documents and supporting Excel files in one click. She also presented to Members the "resources" area, where the main documents and links were organized and stored. She highlighted that these links were already available through other channels; however, they had now been compiled into one single page, and organized by subject. For example, on the same page, Members now had access to trade and tariff databases, the World Tariff Profiles, frequently consulted Secretariat reports (such as the document on the "Situation of WTO Members' Schedules" or the "Status of Renegotiations under GATT Article XXVIII", documents relating to legal provisions and procedures, and documents relating to each transposition exercise (grouped together with their respective Secretariat notes on methodology, explanation of changes, and the Decision of the introduction of each of the HS and correlation tables). In terms of next steps, she informed Members that the Secretariat would continue to work towards finalizing the website in the hope to launch it officially in the following few months.

5.23. The delegate of New Zealand noted that this website included links to tariff and import data and asked the Secretariat if it had considered creating a single access portal or a cross-reference covering the wealth of information available. By way of illustration, he referred to a presentation, delivered at the previous meeting of the Rules of Origin Committee, on the website www.findrulesoforigin.org. As a small delegation, New Zealand emphasized that the proliferation of separate websites could make it difficult to understand what information was available and how best to access it.

5.24. The delegate of the Russian Federation expressed appreciation for the presentation of this new tool, which looked useful and could be further applied. As previously stated, Russia requested time to pilot new prototypes or updated systems before their official launch. The Russian Federation therefore sought clarification from the Secretariat as to whether or not the Goods Schedules E-library would also make available the Schedule's headnotes, if any. She also drew the Secretariat's attention to the WTO webpage, "Current Situation of Schedules of WTO Members", which had not been updated since April 2017. Russia believed that the development of the E-library should not replace the work required on the updating of information relating to the work of the Market Access Committee, which was published on the WTO's main website.

5.25. The delegate of Australia thanked the Secretariat for its work on transparency and for modernizing its way of reaching out to Members.

5.26. The delegate of Canada believed that the website appeared to provide very good background and contextual information, gathered together in one spot, which would be of great assistance to all delegations following the Committee, as well as to others outside of the Organization, in understanding what specific matters had been discussed at which meetings. He expressed Canada's appreciation to the Secretariat for its ongoing work on the website and would provide Canada's additional comments as appropriate.

5.27. The Secretariat (Mr Roy Santana) recognized that, as mentioned by New Zealand and the Russian Federation, the fragmentation of WTO websites caused difficulty to Members, especially smaller delegations. This point had also been made at the feedback session in July. The Secretariat had taken note of this concern and, in an effort to improve the situation, it planned in the medium-term to create a single website with a list of all existing WTO websites or online tools so that it would become easier for Members to find them. Regarding the Russian Federation's comment concerning the "current situation of schedules" section of the WTO webpage, he explained that it was administered by the External Relations Division and was based on a paper document that was issued annually for the Committee's consideration (document G/MA/W/23 and its revisions). Since this document was updated only annually, the website, too, was likewise updated only annually. He informed Members that the Goods Schedules E-library would shortly replace that section and would be updated promptly on the basis of new documents and certifications. In addition, the "current situation of schedules" section of the WTO webpage would be decommissioned and replaced by a link to the new Goods Schedules E-library. The approach would be similar to that taken for trade facilitation. In addition, he assured Members that, once the different prototypes were ready, they would be announced to Members and Members would then have a period of time in which to comment on them. The Secretariat would try to take into account as many of the comments from Members as possible prior to their public launch. He confirmed that there was no plan to launch this website before Members had first received an opportunity to see and comment on it.

5.28. The Committee took note of the Secretariat's report and of the statements made.

– **PRESENTATION BY THE INTERNATIONAL GRAINS COUNCIL**

5.29. The Chairperson reminded Members that, at its previous formal meeting, the Committee had agreed to grant access to the IDB and CTS databases to the International Grains Council (IGC). He also recalled that the delegation of Sri Lanka had indicated that it would be useful to invite the IGC to make a presentation on its use of this data. Following consultations with Members at the Committee's informal meeting of 17 July 2019, the Secretariat had invited the IGC to make a presentation.

5.30. The International Grains Council (IGC) presented its method for calculating the total cost of trade in grains.² Regarding the use of tariff data, the IGC aimed at incorporating data on tariffs for five commodities in seven exporting countries and 36 importing countries in order for its Members to be able to calculate live the cost of trade on a particular date. In this regard, the IGC recognized that the TAO could be a valuable source of standardized and formal information on tariffs, which could then be pulled out and updated on a regular basis. Data on tariffs and tariff rate quotas, together with prices, was provided to IGC Members for their information only; the IGC did not perform any calculation of tariffs. And when the IGC began to incorporate tariffs, they encountered a number of challenges, including keeping tariff information up to date. The IGC recognized that there could be delays in the submission of the tariff data of certain Members, and that time elapsed between the submission and the dissemination of data via the online databases. In the IGC's view, one way to address this issue was to have access to information from national sources; in this regard, it acknowledged that the Secretariat had prepared a list of Members' national websites with tariffs and import statistics. However, the IGC pointed to the fact that sometimes this information was available only in the national language or in different formats, and that it was sometimes difficult to process. Therefore, the IGC considered that it would be ideal to have such information incorporated into the TAO database and informed the Committee that the IGC would encourage its Members to feed this information into the TAO on a regular basis. In addition, the IGC believed that the automatic transmission of data, as for example through the use of application programming interfaces (APIs), would significantly streamline the process of accessing data and updating information. In terms of next steps, the IGC planned to develop a mechanism for regularly pulling data from the TAO, subject to the approval of an extended access to the database, to incorporate

² Document RD/MA/56.

updated tariff data in their cost of trade methodology; the IGC looked forward to working with the WTO in this regard.

5.31. The delegate of Sri Lanka thanked the IGC for its presentation but asked them to clarify if IGC Members consisted only of exporters, or importers, too, and also if the information collected by the IGC was shared with other parties. She noted that Sri Lanka imported wheat grain and that fluctuations in the market price had drastic consequences on the country's food bill; indirectly, they represented a concern, too, to Sri Lanka's food security. Sri Lanka asked if the IGC, if given permission by the Committee to access the IDB data, could share its reports and outputs with WTO Members, as well as their experience with regard to the different tariff classifications of wheat beyond the 6-digit level arising from its grading. She recognized that certain countries may create tariff structures beyond the 6-digit level, based on the technical content of a product, this giving different tariffs, although Sri Lanka did not differentiate in this way and might apply the same duty on high-value and low-value items alike, such as in the case of wheat.

5.32. The Chairperson recalled that the Committee had already agreed to give access to the IGC to the data from the IDB and the CTS databases.

5.33. The International Grains Council (IGC) replied that it was an intergovernmental platform consisting only of countries. At the beginning, the IGC Members were mainly exporting countries; but today they were made up of a balanced representation between importers and exporters. If Sri Lanka was interested in the activities and information provided under the Grain Convention, the IGC could assist them in acceding to the Convention. With regard to access to databases, the IGC explained that having sensitive access information on a daily basis for physical markets was why IGC Members were requested to limit such information to IGC Members only. Therefore, if WTO Members wished to have access to daily information on market analysis and monitoring, they should consider joining the Grain Trade Convention. The remaining data and information was shared by IGC with the WTO and other organizations. Regarding tariff classification, the IGC explained that if a country did not distinguish among different varieties, the IGC would apply the same tariff to calculate the price of the various kinds of wheat; however, for countries that were more advanced in their tariff classification based on the wheat's quality, and that used a national breakdown up to 8-, 10- or even 11-digit tariff codes, as did, for example, the European Union, which distinguished between high-quality and medium-quality wheat, with specific characteristics, the IGC had then to ensure that they applied the correct tariff to the price that they reported. All this was generally decided on a case-by-case basis according to market destination, looking at both tariffs and non-tariff measures in the importing market, including customs value.

5.34. The Committee took note of the presentation and of the statements made.

6 NOTIFICATIONS PURSUANT TO THE DECISION ON NOTIFICATION PROCEDURES FOR QUANTITATIVE RESTRICTIONS (G/L/59/REV.1, JOB/MA/101/REV.1)

6.1. The Chairperson recalled that the two issues under this agenda item were as followed: (i) examination of notifications received; and (ii) the Secretariat's introduction of its report concerning the factual information contained in these notifications.

A. NOTIFICATIONS

– *Afghanistan (G/MA/QR/N/AFG/2)*

6.2. The Chairperson drew Members' attention to a new notification from Afghanistan for the periods 2016-2018 and 2018-2020.

6.3. The Committee took note of this notification.

– *Brazil (G/MA/QR/N/BRA/2)*

6.4. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notifications by Brazil that had been circulated in documents G/MA/QR/N/BRA/1 and G/MA/QR/N/BRA/2. Questions had been asked by the United States and Switzerland.

6.5. The representative of the United States thanked Brazil for their recent Capital-based bilateral engagement to address their questions. Her delegation had found those conversations to be helpful and informative, and the United States looked forward to a continued dialogue in this regard. The United States had no further questions on Brazil's notifications at this time.

6.6. The representative of Brazil thanked the United States. He confirmed that Brazil's Capital-based officers had been in contact with the United States to examine this topic. He also thanked the Secretariat for its support.

6.7. The Committee took note of this notification and of the statements made.

– *China (G/MA/QR/N/CHN/4/Rev.1, G/MA/QR/N/CHN/5/Rev.1)*

6.8. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notifications by China that had been circulated in documents G/MA/QR/N/CHN/4/Rev.1 and G/MA/QR/N/CHN/5/Rev.1. Questions had been raised by Switzerland and the United States.

6.9. The representative of the United States wished, as a preliminary matter, to raise an issue concerning China's quantitative restriction on certain recyclable materials. In this regard, her delegation underscored that recyclable materials were saleable commodities and not trash. In her delegation's view, it was not accurate to classify these materials as "solid waste" and to subject them to a framework that had been designed for waste. The United States maintained significant concerns over the broad scope of China's import bans, and with the contaminant standards that it had set pertaining to recyclable materials. The United States was also concerned that China did not apply the same bans and restrictive contaminant standards to products sourced domestically. Unfortunately, China had yet to provide sufficient technical information. As her delegation had done previously, across several forums, the United States again asked China to provide technical information supporting the adoption of these measures. Her delegation was also interested to know if China had plans to apply the same bans and restrictive contaminant standards to domestically sourced recyclable materials and, if not, why not. Finally, the United States reiterated its request that China halt the implementation of the existing and planned measures and to consider less trade-restrictive alternatives instead.

6.10. The representative of Switzerland indicated that her delegation had just been informed that China had received feedback from Capital, which she would be glad to discuss with them.

6.11. The representative of China thanked the United States and Switzerland for their comments. Regarding the solid waste prohibition, China had already made comments on several previous occasions. China believed that solid waste was inherently polluting, which made it different from other normal goods. According to the Basel Convention and other internationally accepted principles, every country had the obligation properly to handle and to dispose of its domestically-produced solid waste. Since China had suffered pollution derived from imported solid waste for decades, it was imperative to implement measures to limit the negative effect from such solid waste. With regard to the technical information that had been requested by the United States, she recalled that China had notified the TBT Committee of the pollution control standards applied to imports of solid waste that could be used as raw materials, including waste motors, waste and scrap of iron, steel, paper or cardboard, and so on. Regarding the specific questions that Switzerland had raised at the Committee's previous meeting, she believed that China's notifications complied with the requirements of the QR notification. Nevertheless, her delegation would consider Switzerland's suggestion for its future QR notifications. She concluded by noting that China's QR notifications made reference to its Questionnaire on Import Licensing Procedures, in which Members could find the relevant information regarding China's restricting measures concerning ozone-depleting substances.

6.12. The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

– *Hong Kong, China (G/MA/QR/N/HKG/4)*

6.13. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notification by Hong Kong, China that had been circulated in document G/MA/QR/N/HKG/4. Questions had been raised by Switzerland.

6.14. The representative of Switzerland thanked the delegation of Hong Kong, China for having provided its answers and noted that her delegation had no additional questions.

6.15. The representative of Hong Kong, China recalled that, at the Committee's previous meeting, Switzerland had raised a question regarding Hong Kong, China's notification in document G/MA/QR/N/HKG/4. Specifically, Switzerland had asked for clarification of the difference between "non-automatic licences" and "permits" mentioned in certain of the measures. The answer that had previously been provided bilaterally to Switzerland was that Hong Kong, China had prohibited or restricted the importation and exportation of certain items mainly for reasons of public health, animal health, safety, security, and environmental protection, or to comply with obligations under international conventions. The types and terminology of the restrictions that had been adopted (for example, "permit" versus "non-automatic licence") had been devised by the relevant government agencies having regard, for example, to the types and terminology of the restrictions being specified in the corresponding international conventions, the related domestic control regime, and the local legislation or administrative procedures. While "permits" and "non-automatic licences" may be similar in nature and operation, such that clear-cut differences between the two could not generally be provided, he asked Members to refer in particular to the last column in the notification, which contained information on the administration of individual restrictions.

6.16. The Committee took note of the notification and of the statements made.

– *India (G/MA/QR/N/IND/2, G/MA/QR/N/IND/2/Add.1)*

6.17. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notifications by India that had been circulated in documents G/MA/QR/N/IND/2, and G/MA/QR/N/IND/2/Add.1. Questions had been raised by the United States.

6.18. The representative of the United States expressed concern over the quantitative restrictions that had been implemented by India on certain pulses. Although she would also address the issue later, under a separate agenda item, the United States remained concerned that India had not updated its QR notification to reflect those restrictions. India had previously informed the Committee that its restrictions on pulses were temporary. However, some of the restrictions had been in place since August 2017, and India had recently extended the restrictions for a full year, through March of 2020. Her delegation questioned how these measures could be considered to be "temporary". Indeed, the 2012 Decision on Notification Procedures for Quantitative Restrictions did not differentiate between temporary and permanent restrictions. Rather, Members were required to report "complete notifications of all quantitative restrictions in force". She urged India to update its QR notification accordingly.

6.19. The representative of Australia joined the United States in raising their concern and noted that he would deliver a statement on this issue later in the meeting.

6.20. The representative of India thanked the United States and Australia for their remarks and noted that he would be responding to this issue under the separate agenda item.

6.21. The Committee took note of statements made and agreed to revert to this notification at its next meeting.

– *Republic of Korea (G/MA/QR/N/KOR/2)*

6.22. The Chairperson drew Members' attention to a new notification from the Republic of Korea for the period 2018-2020, which had been circulated in document G/MA/QR/N/KOR/2.

6.23. The Committee took note of this notification.

– *Kyrgyz Republic (G/MA/QR/N/KGZ/1)*

6.24. The Chairperson thanked the Kyrgyz Republic for presenting its first QR notification, covering the period 2018-2020, which had been circulated in document G/MA/QR/N/KGZ/1.

6.25. The representative of the United States thanked the Kyrgyz Republic for having submitted its first QR notification, which indicated that they were still working on a notification with additional measures. Her delegation wondered whether this meant that the notification was incomplete or whether the Kyrgyz Republic was going to introduce new measures that would be notified at a later date. The United States wished to know when this new notification would be submitted and whether it would list all of the quantitative restrictions in force in the Kyrgyz Republic.

6.26. The representative of the Kyrgyz Republic thanked the United States for its questions. He informed the Committee that, as had been prescribed in Government Decree No. 323, this measure had been implemented with a duration of six months. On the questions, he requested to receive them in writing, and indicated that his delegation would work bilaterally with the United States.

6.27. The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

– *Maldives (G/MA/QR/N/MDV/1)*

6.28. The Chairperson thanked Maldives for presenting its first QR notification, which covered the periods 2014-2016, 2016-2018, and 2018-2020.

6.29. The representative of Switzerland thanked Maldives for its notification and noted that item 11 related to an import prohibition on all medicines without a valid medical prescription, which appeared to include live-saving medicines, such as vaccines and antibiotics. Switzerland requested Maldives to explain the reason behind such a prohibition, given that a medical prescription did not guarantee the quality of a medicine.

6.30. The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

– *New Zealand (G/MA/QR/N/NZL/4)*

6.31. The Chairperson drew Members' attention to a new notification from New Zealand for the period 2018-2020.

6.32. The Committee took note of this notification.

– *Russian Federation (G/MA/QR/N/RUS/2, G/MA/QR/N/RUS/3, G/MA/QR/N/RUS/3/Corr.1, G/MA/QR/N/RUS/4, G/MA/W/119)*

6.33. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notifications by the Russian Federation for the periods 2014-2016, 2016-2018, and 2018-2020. The European Union had submitted written questions, which had been circulated in document G/MA/W/119.

6.34. The representative of the European Union recalled that, during previous meetings of this Committee, the EU had reiterated its concerns over two measures contained in the Russian Federation's notifications, which related to the export prohibition on hides and skins (numbered 28 in the most recent notification) and the export restriction on birch logs (numbered 30). She requested the Russian Federation to confirm that the two measures had effectively lapsed. In this regard, she recalled that the export prohibition on hides and skins had first been introduced in August 2014, for a period of six months, and that it had been repeatedly renewed for periods of

six months, the latest of which had expired on 1 September 2019. The European Union sought confirmation that no further extension of the measure had been planned. With regard to the export restriction on birch logs, which had lapsed on 30 June 2019, the European Union requested Russia to confirm that the measure would not be reinstated. Subject to such confirmations by Russia, her delegation would consider the exchange on these measures to be closed.

6.35. The representative of the Russian Federation thanked the European Union for its interest in Russia's QR legislation, and confirmed that the export prohibition on hides and skin, as well as the export restriction on birch logs, had indeed expired and not been further extended. In consequence, the Russian Federation requested that the review of its notifications be considered as completed.

6.36. The Committee took note of these notifications and of the statements made.

– *Singapore (G/MA/QR/SGP/4)*

6.37. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notification by Singapore for the period 2018-2020. Questions had been raised by Switzerland.

6.38. The representative of Switzerland recalled that her delegation had offered suggestions to Singapore with a view to clearly specifying some of the measures that it had notified. Since Singapore had not submitted an updated notification, she wished to know if Singapore would comment on Switzerland's suggestions.

6.39. The representative of Singapore thanked Switzerland for its comments and apologized for not having been able to contact them prior to this meeting. Switzerland's suggestions had concerned the structure of certain of the notified measures, including QRs 19 and 22-25, which had included a general description of the items and then a statement to the effect that these could affect certain tariff lines under the relevant chapter. Singapore had been looking at the possibility of including an "ex" before the chapter codes, but also other options; for this reason, she would be happy to discuss this issue bilaterally with a view to clarifying future submissions.

6.40. The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

– *Thailand (G/MA/QR/N/THA/2, G/MA/QR/N/THA/2/Add.1)*

6.41. The Chairperson drew Members' attention to a new notification from Thailand, covering the periods 2014-2016, 2016-2018, and 2018-2020. At the Committee's previous meeting, questions had been asked by the European Union.

6.42. The representative of the European Union recalled that, at the Committee's previous meeting, her delegation had noted that Thailand's notification had not included the import licensing requirements for feed wheat. The EU considered that these were non-automatic licensing requirements; in consequence, they should have been included in Thailand's notification. The EU had expressed its concerns over Thailand's feed wheat import procedures in the Committee on Import Licensing and the Committee on Agriculture on numerous previous occasions. Furthermore, the EU reminded Thailand that its written replies to the EU's questions, which had been submitted to the Committee on Import Licensing in April 2017 and March 2018, also remained pending (documents G/LIC/Q/THA/3 and G/LIC/Q/THA/4). The EU reiterated its interest in understanding what the basis had been for introducing a measure, initially announced as a temporary measure, that had been maintained now for almost three years, and likewise in knowing when the measure would cease to apply. The EU was also concerned about the WTO compatibility of Thailand's import license regime for feed wheat. Furthermore, given the recent market and policy developments relating to corn, the EU considered that, to its understanding, there were no economic reasons to keep the measure in place. The EU wished also to understand if, pending the removal of the licensing regime, Thailand intended to notify the measure in accordance with Articles 1.4 and 5 of the Import Licensing Agreement, and to include them in its notification on quantitative restrictions.

6.43. The representative of Thailand thanked the European Union for its continued interest in Thailand's import licensing regime for feed wheat. The EU had provided Thailand with a set of written

questions in relation to this matter, which were currently being consulted internally. Thailand would provide its responses to the EU in due course.

6.44. The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

– *Turkey (G/MA/QR/N/TUR/2)*

6.45. The Chairperson drew Members' attention to a new notification from Turkey, covering the period 2018-2020.

6.46. The Committee took note of this notification.

– *United States (G/MA/QR/N/USA/2, G/MA/QR/N/USA/3, G/MA/QR/N/USA/4, G/MA/W/116, G/MA/W/127)*

6.47. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to three notifications from the United States, covering the periods 2014-2016, 2016-2018, and 2018-2020. The European Union had circulated questions to the United States in documents G/MA/W/116 and G/MA/W/127.

6.48. The representative of the European Union recalled that her delegation had been expressing its concerns over US trade prohibitions on sturgeon products in this Committee since 2015. In the latest US notification (G/MA/QR/N/USA/4), the restrictions had been listed in measures 9 and 10. The EU had also submitted written questions to the US on two occasions. But given the limited explanations that the EU had received, it remained unclear to the EU why the US considered, first, that wild and farmed sturgeon and their products were not separate categories, and second, that trade in captive-bred sturgeon and its products was considered detrimental to the survival of wild stocks. She observed that such a position went beyond the requirements of the CITES Convention. In addition, during past meetings of this Committee, the US had informed Members about an ongoing review that was being carried out by the US Fish and Wildlife Service on the listing of sturgeon species under the Endangered Species Act. The European Union asked for an update on this review.

6.49. The representative of China reiterated her delegation's concern over the US import restricting measures on steel and aluminium under Section 232. China again requested the US to clarify how these measures could address its so-called National Security concerns. Furthermore, China believed that these import restricting measures were inconsistent with Article XI and Article XXI of the GATT.

6.50. The representative of Brazil shared the concerns that had been expressed by several Members over the problem of overcapacity in the world's steel production. Brazil once again expressed its understanding that trade restrictive measures were not the appropriate way to deal with this problem; rather, it should be dealt with through multilateral coordination, such as in the G20 global forum on steel overcapacity or the OECD Steel Committee. In this context, Brazil once again requested the United States to review its QRs on Brazilian steel with a view to restoring normal trading conditions between them.

6.51. The representative of the United States appreciated the continued interest shown by the European Union on the matter of sturgeon. As delegations were aware, there were five foreign species of sturgeon that had been listed as "endangered" under the US Endangered Species Act (ESA). The ESA applied not only to wild animals but also to those in captivity; and when a species was listed under the ESA, the listed entity included both captive and wild animals. She recalled that the US had not made a finding under the ESA that farmed sturgeon products were considered detrimental to the survival of wild stocks. In fact, this was not a criterion under the ESA. She also noted that there were 10 additional species of sturgeon under review by the US Fish and Wildlife Service (USFWS). In December 2017, the USFWS had published a preliminary determination that one of those species, the Yangtze River sturgeon, was presently in danger of extinction and should be considered endangered under the Endangered Species Act. She asked Members to see 82 Federal Register 61230 of 27 December 2017 for more information. The final determination was currently under review by USFWS leadership. With regard to the current status of the nine other species under review, the USFWS was conducting a 12-month status review on the petition to list those species of

sturgeon under the Endangered Species Act. The Service was still collecting and evaluating information and had not made a determination regarding the listing of those species. A listing determination would be made on the best scientific and commercial information available. At any time during the Service's review, the EU would be able to provide additional information to help in making this determination. Once the status review had been completed, and if the Service found that a listing was warranted, it would prepare a proposed rule. At that point, the public would be given 60 days to comment. This would give the EU another opportunity to provide the Service with information, and her delegation would be happy to facilitate a discussion among the relevant authorities, as appropriate. Regarding the comments on the notification of the Section 232 quotas, she had taken note of the comments and questions that had been raised by China and Brazil regarding their WTO consistency. She recalled that the US had invoked Article XXI(b) of the GATT and that the actions were therefore fully WTO-consistent. Regarding questions relating to the operation of Section 232 quotas, she referred Members to the proclamation that had been issued by the President under Section 232, and to the quota implementation information that had been published on the website of the US Customs and Border Protection.

6.52. The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

– *Uruguay (G/MA/QR/N/URY/3)*

6.53. The Chairperson drew Members' attention to a new notification from Uruguay, covering the period 2018-2020.

6.54. The Committee took note of this notification.

B. REPORT FROM THE SECRETARIAT (G/MA/QR/8)

6.55. The Secretariat drew Members' attention to document G/MA/QR/8 and its corrigendum, entitled "Status of Notifications under the Decision on Notification Procedures for Quantitative Restrictions (G/L/59/Rev.1)". In this document, the Secretariat had summarized the status of notifications as of 1 November 2019. He noted that the Decision on Notification Procedures for Quantitative Restrictions provided that "Members shall make complete notifications of all quantitative restrictions in force by 30 September 2012 and at two-yearly intervals thereafter". The format of the document had been slightly changed to include all Members and not only those that had notified. He observed that compliance remained low. In fact, since 2012, only 49 Members had submitted a notification, and 115 Members had never done so. With a view to identifying possible ways to improve this situation, the Secretariat had conducted a pilot regional workshop in Vienna for the Central Asia and Eastern Europe region, which had focused not only on the technical aspects, but also on soft skills and other organizational aspects to assist those responsible for preparing the notification. Of the eight WTO Members that had participated, two had already submitted a notification for the meeting, and three others were currently discussing their draft notifications with the Secretariat. Given these positive results, the Secretariat hoped to organize at least two additional workshops for other regions in 2020. He concluded by reminding Members that the Secretariat was available to assist any Member needing technical assistance to prepare or review its notification.

6.56. The representative of Switzerland thanked the Secretariat for its report on the status of notifications and noted that, in her opinion, this was a challenging notification to prepare because of the national coordination required, being able to find the relevant HS codes for the relevant products, dealing with International Conventions that did not include tariff codes, and so on. She recalled that Switzerland had proposed at the Committee's previous meeting to change the title of the QR Decision to something less misleading. For this reason, Switzerland thought that the title could be changed to "notification on prohibitions and other restrictions covered by Article XI of the GATT".

6.57. The Chairperson indicated that informal consultations would be organized to discuss Switzerland's proposal.

6.58. The Secretariat (Mrs Roberta Lascari) presented the prototype of the new Quantitative Restrictions Database (QR Database). As had been mentioned by the Chairperson in his introduction, the Secretariat had undertaken a number of activities and initiatives that had sought to assist Members to improve their levels of compliance with this notification requirement. In the Secretariat's

view, the new QR database was an additional tool that could be used to enhance access to information about these notifications. She recalled that the 2012 QR Decision had provided for the creation of a publicly accessible database and explained that the new prototype was meant to replace an older version, which, although still accessible via a link on the WTO's website, had not been much used, unfortunately. The link to the new QR database would likewise be accessible from the WTO's official website. She also confirmed that Members would have the opportunity to test the new database and to provide their comments and feedback on it before it was made public. To this end, the Secretariat would send the link of the new QR database to Members as soon as possible. Turning to the functionalities of the new QR website, she explained that the new homepage had been designed to provide more information, including a generic introduction to main concepts and an overview of the summary data and information contained in the notifications. The data and information that was shown on the website was not new to Members; indeed, it was very similar in character to the factual report on QR notifications that was periodically reviewed by the Committee. The most important difference was that the website would be updated every time a new notification was received, meaning that Members would always have access to the most recent data. She explained that, in the "Notifications" section, Members would be able to find information about, and have access to, the latest notifications received. At present, the data remained incomplete because it only took into account the latest notification for each Member as received by the Secretariat by May 2019. Members would also have access to an overview of all of the notifications that had been received, including the number of notifications by year and for each of the biennial periods provided for in the Decision. There existed also the possibility to search information according to different criteria, including by Member, type of notification, biennial period, or by specific date. The system made it possible to export and download information either in PDF or Excel formats. The section "About QRs" was intended to be more informative; it contained explanations, references to the legal provisions, and links with additional information on QRs. The new QR website also featured a "Member Profile" page for each WTO Member. While presenting Switzerland's profile, she explained that the page would direct the user to the current biennial period, which could be seen in the tab at the top of the page. In the case of no notification being available for the current biennial period, the system would not return any data and a green check in the biennial period tab would show the biennial periods for which data was available. Once the right biennial period had been selected, the page would provide an overview of the data contained for that period, including summary charts with such information as the most notified measures, the WTO justifications used, the products most affected, if the Member was implementing restrictions because of international conventions, and so on. It was also possible to access and to download the actual notification document. While this information was based on the content of the notification as submitted by a Member, the user could also select the button "additional information" to access a different view of the QR-related information, in particular for those cases where the Secretariat had been required to complete or harmonize the information notified according to the requirements of the 2012 Decision. The "Explore" section allowed users to make a more detailed search according to different criteria, including, for example, by measure, justification, product category, or international commitments outside the WTO framework. An "advanced search" feature would also be made available at a later stage. In the section "How to notify", the Secretariat would include all relevant documents and resources that Members needed when preparing a QR notification. Finally, the section "Resources" compiled on a single page all information relating to QRs that was currently spread across different websites and documents. The intention was to provide to users a single entry-point for all relevant information, including templates, reports, background papers, and so on, that Members required in order to prepare a notification. She concluded the presentation by recalling that a link would be sent to Members to afford them the opportunity to comment and provide feedback on the new QR database before its official launch.

6.59. The representative of the European Union thanked the Secretariat for the updated prototype, which she thought would be extremely useful. She asked the Secretariat whether it could provide a more precise indication of the time-frame during which this work was to be completed.

6.60. The Secretariat (Mrs Roberta Lascari) replied that, in principle, it would be ready by the end of the year; however, it would really depend on the amount of time required to include the missing data, plus additional time for the Secretariat's internal testing phase, which it hoped to have concluded by the end of the year.

6.61. The Committee took note of the Secretariat's report and of the statements made.

7 ENHANCING TRANSPARENCY IN APPLIED TARIFFS – COMMUNICATION BY THE RUSSIAN FEDERATION (JOB/MA/138)

7.1. The Chairperson recalled that this issue had been included on the agenda at the request of the Russian Federation.

7.2. The representative of the Russian Federation recalled that, in March 2019, her delegation had submitted a communication on enhancing transparency in applied tariffs (JOB/MA/138 and JOB/AG/154). This initiative sought to address two issues. First, the communication explained the existing legal gap between the transparency procedures that prevailed at the national and WTO levels in respect of applied tariffs. Second, the uncertainty with regard to the time between the publication at national level and the entry into force of decisions that increased tariffs. She noted that Article X of the GATT did not require any precise minimum time-limit for the entry into force of an adopted decision after its publication, although the absence of a clear time-frame might result in additional losses for exporters. The Russian Federation strongly believed that this issue should be addressed at the multilateral level. The current WTO rules were limited to the annual submission of applied tariff rates as of 1 January of each calendar year, but they did not require Members to submit information regarding applied tariff rate changes throughout the year. With a view to addressing this issue, the Russian Federation had submitted a communication (RD/MA/45) which underlined the existing "water" between Members' Schedules of concessions and their applied tariffs. In this communication, the Russian Federation had explained that the possibility to change tariffs without notice during the calendar year might create additional obstacles for traders and, in particular, for micro, small and medium-sized enterprises (MSMEs). In order to resolve both of these issues, and to find a balanced solution, the Russian Federation had submitted a communication that was comprised of all of the questions that had been raised by Members in meetings of the Committee on Agriculture in Special Session and the Committee on Market Access, as well as during bilateral meetings. Her delegation believed that it was essential to discuss collectively, in an open and transparent manner, all of the issues that had been raised with a view to ensuring predictable market access conditions. Russia was keen to hear Members' views on the approach that it had proposed and stood ready to adjust its approach accordingly in order to promote further work in this area. She believed that a discussion on enhancing transparency in applied tariffs would help to develop a balanced solution for the whole WTO Membership; it would also connect businesses directly to the work of the WTO. The Russian Federation encouraged Members to provide comments in writing when addressing the list of questions that had been circulated in document RD/MA/52. Finally, her delegation was planning a round table to discuss this issue.

7.3. The representative of Australia noted that his delegation supported further work to consider how to improve the transparency of *ad hoc* changes to applied tariffs. Australia agreed that requiring the advance notification of *ad hoc* changes to applied tariffs would create a more favourable and stable trading environment; it was particularly important for shipments "en route". He recalled that the Cairns Group had previously called for ongoing discussions in this area with a view to improving certainty for traders; Russia's paper was a valuable first step in this regard. In terms of next steps, Australia proposed that Members share information on how they treat shipments en route when tariffs had increased mid-shipment, and what was the time-period that Members would consider reasonable for traders to be made aware of tariff changes. Australia had been working with the Russian Federation and other Members on a questionnaire to answer some of these questions and they would welcome Members' responses. He concluded by noting that Members should consider improved transparency and new disciplines regarding shipments en route as potential outcomes, among others, for MC12.

7.4. The representative of Paraguay thanked the Russian Federation for its proposal and reiterated its readiness to collaborate in these efforts, which had the potential to substantially reduce the unpredictability faced by exporters caused by modifications in applied tariffs.

7.5. The representative of New Zealand also thanked the Russian Federation for the work that they had done on this topic. His delegation agreed that greater transparency on changes in applied tariffs would be of benefit to businesses, MSMEs in particular, and other stakeholders. His delegation looked forward to participating in further discussions on this topic.

7.6. The representative of Singapore indicated that her delegation continued to support the aim of this proposal, as well as the broader aim of improving transparency in tariffs. Singapore would continue to engage in any follow-up discussions on this issue.

7.7. The representative of Chinese Taipei thanked the Russian Federation for its efforts to enhance transparency in applied tariff information. His delegation was interested in joining the round-table discussion to share practical experiences with other Members. However, his delegation was concerned by the proposal to notify each applied tariff change to the Secretariat. In his delegation's view, it would also be necessary to take into account the possible burden imposed on Members, as well as the benefits for traders, including the frequent time-lag in receiving notifications.

7.8. The representative of the European Union expressed the EU's interest in all constructive initiatives to enhance transparency on trade measures. The EU acknowledged that there could be uncertainty for traders deriving from the existence of "water" between Members' applied and bound tariffs. Such uncertainty would be exacerbated if tariff changes took place suddenly. And it was possible that additional transparency on applied tariffs might indeed alleviate some of this uncertainty. As had been indicated at the last meeting of this Committee, as well as in the Committee on Agriculture in Special Session, the European Union was interested in exploring the issues that had been highlighted by the Russian Federation.

7.9. The representative of Guatemala noted that her delegation was ready to improve transparency and the functioning of the multilateral trading system with regard to existing commitments. She thanked the Russian Federation for its proposal and the dialogue that had been launched on the issue. Her delegation's preliminary analysis was that the proposal could result in new commitments. For these reasons, her Capital would continue to review this topic, including the implications of assuming new commitments in this area. Guatemala stood ready to continue discussing the issue.

7.10. The representative of Colombia thanked the Russian Federation for the information, including the room document that summarized the comments and questions that had been received to date. Her delegation would review it in detail. Colombia shared the view that the difference between applied and bound tariffs could lead to uncertainty; for this reason, Colombia considered that making additional information available on this topic could be beneficial for MSMEs. For her delegation, it would also be interesting to know the comments that had been received in the various Committees where the proposal had been discussed, and if the Russian Federation had information on the Committee or body where the proposal would be discussed in greater detail. Her delegation would continue to follow this issue closely and stood ready to participate in the round table.

7.11. The representative of Switzerland noted that her delegation shared the goal expressed in the communication of enhancing transparency. For trade operators it was essential to know what tariff would have to be paid when the goods arrived at the border. The gap between bound and applied tariffs posed a real challenge in this regard. It was also true that there was no requirement to notify changes in the applied tariffs throughout the year, although Switzerland did notify them to the Trade Monitoring Mechanism. Moreover, it would appear that the current obligation to notify MFN applied tariffs was something that was not necessarily obvious for some Members. However, comparing them was the only way in which one could know whether a tariff had changed from one year to another. Switzerland remained open to continue discussing Russia's ideas in this regard. In the same spirit, she considered that it would be appropriate to discuss ways to improve the level of Members' compliance with the yearly notification of the MFN applied duties.

7.12. The representative of Canada noted that, where tariffs had indeed changed, Canada supported the public policy that would include an "in-transit" provision that would take into account goods that had already been shipped prior to the change in tariff to avoid surprises on the part of traders at customs. He supported the proposal by Australia to have a discussion on different practices in this area, and the comment by Colombia concerning where this issue should be discussed. He asked the Chairperson to consult with his counterpart in the Committee on Agriculture to explore whether there was a way of coordinating and working together; if not, it would be difficult to make progress because different delegates participated in different discussions and would have to rely upon written reports from colleagues— perhaps not the best way of making progress.

7.13. The representative of Thailand looked forward to engaging in the discussion in order to address the existing gaps in transparency with regard to applied tariffs.

7.14. The representative of China noted that her delegation considered that the discussion on enhancing transparency should take into account Members' capacity. While her Capital was still reviewing the proposal, she reiterated her delegation's interest in this issue.

7.15. The representative of Mexico noted that her delegation was in favour of transparency and of finding ways to improve Members' compliance with their notification obligations. For this reason, her delegation considered it relevant to continue discussing how best to address this proposal and, as others had said, how to improve compliance with notification obligations. She also expressed her delegation's interest in participating in the proposed round table and in knowing in which forum the Russian Federation would be raising this issue.

7.16. The representative of India thanked the Russian Federation for its proposal and noted that India stood ready to participate in the discussions in case they moved further. India wanted it to be understood that, in the case of changes in tariffs, there were already websites in the public domain where the information was made available, which were separate from the annual notifications and the Trade Monitoring Report. In its bilateral meetings, India had informed Russia that India made this information available through the CBIC website, which was updated every day and immediately after the imposition of changes had taken place. This website had been notified to the Trade Facilitation Agreement. Any Member interested in looking at the changes could access this website and the relevant information. His delegation wondered what the added value of the proposal would be given the time gap between the actual imposition of the increased duties and the notification to the WTO. On the issue of consignments in transit, his delegation wished to understand how Members dealt with situations where there had been manipulation or misuse by traders, and how they dealt with the situation of high sea sales for shipments in transit destined for other countries. In other words, as soon as traders knew that the tariff would be increased, could there be arrangements where a product that was initially shipped to a third country could then be sold on the high seas and the consignment sent to the country that had increased the duty. He asked other delegations to explain how they addressed such situations. His delegation stood ready to continue discussions in any format.

7.17. The representative of Hong Kong, China noted that his delegation was interested in this issue and would continue to monitor it closely.

7.18. The representative of the Russian Federation thanked all the delegations that had taken the floor to make comments and ask questions. Regarding a number of the questions, including that on high sea sales, she requested that delegations provide them in writing so that they could be added to the list of questions. On the issue of coordination between the Committee on Agriculture in Special Session and the Committee on Market Access, the Russian Federation would consult with the Secretariat on how best to involve delegates from both committees in the round table.

7.19. The Committee took note of the statements made.

8 ANGOLA – IMPORT RESTRICTING PRACTICES – STATEMENT BY THE UNITED STATES

8.1. The Chairperson recalled that this agenda item had been included at the request of the United States.

8.2. The representative of the United States expressed concern over Angola's Presidential Decree No. 23/19, which had been issued on 14 January 2019. Her delegation understood that this decree was aimed at restricting Angola's imports with the goal to increase domestic economic development. They also understood that this decree had targeted 54 products, mainly agricultural goods, and that it could potentially target more in the future, and that it also covered any imports that competed with goods produced in the Luanda-Bengo special economic zone. Since the implementation of the decree, the US had heard reports of confusion over how the decree was being enforced, and of delays facing goods at the border. US agricultural exporters had been particularly concerned over delays that perishable goods had faced amidst all this uncertainty. The United States requested Angola to explain this decree in light of Angola's WTO commitments, including with respect to national treatment and quantitative restrictions. Her delegation was also concerned that these actions could do a great deal to discourage overseas companies from doing business in Angola and might compromise Angola's relationships with key trading partners. She asked Angola to explain if it planned to revise the decree, or how it planned to implement the decree, in light of WTO rules, and the potential impact on trade and investment. She urged the Angolan government to request technical assistance, if necessary, from the WTO Secretariat in notifying any trade measures that had been taken under Decree No. 23/19 to the appropriate WTO Committee. Finally, the United States urged the Angolan government to continue to work with the US Embassy in Luanda in

developing good regulatory practices and technical standards cooperation. Such work would help the Angolan government to develop policies and regulations that took into account stakeholder concerns and addressed strategic policy goals, while avoiding disruptive trade policies.

8.3. The representative of the European Union recalled that the EU was supportive of Angola's intention to diversify its economy and to develop its domestic industry. However, the EU shared the concerns that had been expressed by the United States. Decree No. 23/19 seemed to protect domestic industries in a manner that was incompatible with WTO rules and that could be highly detrimental to foreign investments in Angola. She urged Angola to review the relevant measures in order to ensure their compliance with WTO rules.

8.4. The representative of the Russian Federation expressed deep concern over Angola's trade restricting practices regarding a wide range of products, including pork meat, wheat flour, and poultry meat. Angola's Presidential Decree No. 23/19 had prioritized domestic products over imported products and had imposed a quantitative restriction on imports. Her delegation sought clarification as to whether or not Angola had applied preshipment inspection under the aforementioned Decree. She encouraged Angola to actively engage bilaterally with the Russian Federation, because Angola had failed to provide an explanation as to how these measures were consistent with WTO rules. She asked Angola to justify these measures in relation to Articles III and XI of the GATT, and urged Angola to bring its measures into conformity with the WTO Agreement and to lift its import ban on agricultural products.

8.5. The representative of Canada recalled that, at the Committee's July 2019 meeting, her delegation had encouraged Angola to comply with its WTO notification requirements and to notify this Decree, as well as any measures taken under this Decree, to the appropriate WTO Committees. Canada had also sought to clarify the scope of the measure, and the HS codes of the agricultural products it covered. To support the predictability of agricultural trade, Canada encouraged Angola to provide additional information on when and how this Decree would be enforced.

8.6. The Committee took note of the statements made.

9 CHINA - CUSTOMS DUTIES ON CERTAIN INTEGRATED CIRCUITS – STATEMENT BY THE EUROPEAN UNION AND CHINESE TAIPEI

9.1. The Chairperson recalled that this agenda item had been included on the agenda at the request of the European Union and Chinese Taipei. He recalled that Canada would also like to be considered as a co-sponsor of this item.

9.2. The representative of the European Union recalled that this issue had been on the Committee's agenda for a long time. She thanked China for having shared an overview of its tariffs on MCOs (multi-component integrated circuits) following the transposition. However, the fact that several delegations had continued to raise this issue demonstrated that the information that had been provided thus far had not alleviated their concerns. As the WTO Secretariat had pointed out earlier this year in response to a letter from the Chairperson of the 19th Meeting of the GAMS (Government/Authorities Meeting on Semiconductors), Members had agreed on a set of procedures to transpose their Goods Schedules into HS2017. These procedures provided that, in case the original concessions of HS2012 tariff lines were different, the new concession elements of the new HS2017 tariff lines should reflect this, and tariff lines should normally be broken down to a more detailed level so that the draft HS2017 file fully reflected the same level of concessions. Therefore, her delegation considered that China could have created additional national tariff lines to continue to apply a zero duty on these products, which previously had been duty-free, thereby maintaining the value of its concessions and respecting the spirit of the ITA Expansion. However, this had not been the case. From the WTO Secretariat's letter, her delegation had also understood that China should have consulted on its approach with other Members in advance. Despite the elements that had been provided to the GAMS, the European Union regretted that China had not agreed to take steps on this matter at the recent GAMS meeting of October 2019. The EU continued to encourage China to rectify this situation at its earliest convenience, either by modifying the classification, or by immediately eliminating the remaining duties.

9.3. The representative of Chinese Taipei recalled that this issue had been raised at different meetings of this Committee, as well as at meetings of the ITA Committee and the Council for Trade

in Goods. Although China had explained that the tariffs would progressively diminish over five years, the same concern was still being raised by their semiconductor industry. Her delegation reiterated that, based on the WTO Procedure for the Introduction of HS2017 changes to Schedules of Concessions using the Consolidated Tariff Schedules (CTS) database, "the scope of the concessions and other commitments shall remain unchanged when a Member was preparing the HS2017 transposition". In her delegation's view, China had not provided a valid justification for choosing the method of applying an arithmetic average to previous rates of duty. As a result, ten tariff lines, which had been covered by China's ITA-1 commitments, and which had been bound at duty-free levels in China's WTO schedule, had now been made subject to duty rates. Considering the principle of tariff rate neutrality and non-violation of a Member's ITA obligations, Chinese Taipei again urged China immediately to eliminate its tariffs on MCO products, which were effectively duty-free.

9.4. The representative of the United States supported the statements and questions that had been raised by the EU and Chinese Taipei. She reiterated her delegation's concern over the change in China's applied duty rates for certain semiconductor products. The United States had previously raised the issue in this Committee, as well as in the ITA Committee and the Council for Trade in Goods. She considered that the facts were simple. Certain semiconductor products that had been duty-free for over a decade were now being charged import duties at the border. China's transposition for these products should have resulted in changes to the tariffs that were being imposed. Her delegation remained concerned, in line with the General Council Decision on HS transpositions and the Guidance that had been approved by this Committee, that the scope of China's concessions appeared to have changed substantially, and that the value of the concessions had been impaired.

9.5. The representative of Japan recalled that her delegation held a significant interest in this issue. Japan held a different view to that of China concerning the classification of intelligent power modules (IGBT-IPM). For example, Japan understood that some IGBT-IPMs should be classified under HS subheading 8542.39 as goods that were currently subject to duty-free treatment. However, China had treated some of these IGBT-IPM as products that did not have the properties of Multi-Component Semiconductors, and had classified them under HS subheading 8504.40. Products under this subheading had been subject to a 5% tariff. Japan wished to continue discussing this classification matter with China at an expert level. Japan was also closely monitoring China's commitment to abolish customs duties in July 2021 on all relevant items in line with the staging of the ITA Expansion.

9.6. The representative of China thanked the EU, Chinese Taipei, the United States, and Japan, for their interventions. She recalled that China had already responded on this issue on many occasions. Her delegation had also conducted several bilateral consultations with interested Members in order to clarify certain technical questions. While she did not want to repeat all of China's previous statements, she briefly reiterated China's position. In the transposition of MCO products, China had used the methodology that had been suggested by the WTO documents, which was fully consistent with WTO rules on HS2017 transposition. China had always undertaken its tariff reduction commitments seriously. Since 1 July 2019, China had implemented the 4th tariff reduction on ITA Expansion products. The duty rates on MCO products had been further reduced to 1.3%, 1.4%, and 3.3%, respectively. China would continue to undertake seriously its commitment and all duties on MCO products would be eliminated by July 2021, as scheduled. She noted that, regarding the proposal to break down tariff lines with new tariff lines that had been suggested by the EU delegation, and as had been explained by China in their bilateral consultations, in practice, it was difficult to distinguish between these MCO products. Her delegation would clarify bilaterally the technical question on IGBT-IPM that had been raised by Japan.

9.7. The Committee took note of the statements made.

10 CROATIA – REGULATION OF IMPORT AND SALE OF CERTAIN OIL PRODUCTS – STATEMENT BY THE RUSSIAN FEDERATION

10.1. The Chairperson recalled that this agenda item had been included on the agenda at the request of the delegation of the Russian Federation.

10.2. The representative of the Russian Federation thanked the European Union for facilitating the process of bringing this measure into conformity with WTO rules. At the same time, the Russian Federation requested the European Union to confirm that no alternative measures would be imposed in the future that would restrict market access for oil products originating in third countries, including Russia. In addition, her delegation asked the EU to inform Russia of whether or not the respective Decree of the Government of Croatia had entered into force, and to confirm that all the restrictions had been eliminated in practice.

10.3. The representative of the European Union thanked the Russian Federation for its continued interest in Croatia's regulation on the import and sale of certain oil products. On 3 October 2019, the Government of Croatia had adopted a legal measure repealing the regulation in question. This measure had been published and had entered into force. The EU had subsequently communicated this development to the Russian Federation. The EU trusted that, with this step, the issue could be considered closed.

10.4. The Committee took note of the statements made.

11 ENLARGEMENT OF THE EUROPEAN UNION TO INCLUDE CROATIA – NEGOTIATIONS UNDER ARTICLE XXIV:6 OF THE GATT 1994 – STATEMENT BY THE RUSSIAN FEDERATION

11.1. The Chairperson noted that this agenda item had been included at the request of the Russian Federation.

11.2. The representative of the Russian Federation reiterated her delegation's deep concern over the European Union's negotiations under Article XXIV:6 of the GATT 1994 in the framework of its enlargement to include Croatia. Her delegation had repeatedly raised this issue bilaterally and at the Committee on Market Access and the Council for Trade in Goods. Russia's concerns had been transmitted to the European Union in writing and circulated to WTO Members. The Russian Federation could not agree with the EU's position that "the indication of a WTO Member as principal supplier in a GATT Articles XXIV:6 and XXVIII notification was not an automatic recognition of a right for that WTO Member to obtain compensation". First, the Procedures for Negotiations under Article XXVIII of the GATT did not oblige Members to indicate principal suppliers in their notifications based on import data. Second, Russia had never challenged the data that had been provided in the EU's notification. In other words, Russia had agreed with its negotiating rights, which had been determined by the EU in the respective notification. Third, the procedures provided for the possibility of simultaneous transmission of import data and a proposal for compensatory adjustment. This might be possible only in cases where the Member itself determined the negotiating rights of the other Members based on its import data. With regard to the EU's position concerning the conclusion of negotiations, her delegation recalled that the Russian Federation had objected to the conclusion of these negotiations, in document G/SECRET/35/Add.4. The Russian Federation emphasized that it could not consider the negotiations to have been completed and called upon the EU to engage in compensatory adjustment negotiations with Russia.

11.3. The representative of the European Union recalled the explanations that had been provided at previous meetings. The EU had informed WTO Members about the conclusion and outcome of the negotiations following Croatia's accession to the EU on 26 July 2018 in document G/SECRET/35/Add.2. The outcome of the Article XXIV:6 process would be faithfully reflected in the EU-28 Schedule CLXXV, which was currently in the process of certification. The EU delegation was pleased to note that, as of the meeting date, they had been able to clarify and accommodate the comments and questions of all Members except one. The EU had extensively and repeatedly explained, orally and in writing, its reasons for not having accepted the compensation claims of the Russian Federation in the context of the EU's most recent enlargement. The position of the European Union had remained unchanged.

11.4. The Committee took note of the statements made.

12 EUROPEAN UNION – RENEGOTIATION OF TARIFF RATE QUOTAS UNDER ARTICLE XXVIII OF THE GATT 1994 – STATEMENT BY THE RUSSIAN FEDERATION

12.1. The Chairperson noted that this agenda item had been included on the agenda at the request of the Russian Federation.

12.2. The representative of the Russian Federation reiterated her delegation's concern over the approach that had been taken by the European Union with regard to the TRQ negotiations in the context of Brexit. Her delegation considered that the approach of apportioning the EU-28 TRQs could not be considered to be WTO-consistent and nor could it be considered that the EU had maintained a general level of reciprocal and mutually advantageous concessions. Russia maintained the position that these negotiations could not be concluded without a respective agreement on compensation with the principal suppliers of the products concerned. Thus, the Russian Federation urged the EU to submit its compensatory proposal.

12.3. The representative of Australia thanked the Russian Federation for having included this important item on the agenda and noted that his statement also covered the next agenda item. He reiterated the significant concerns of his delegation over the continued uncertainty of the future UK-EU trading relationship post-Brexit. To date, there had been three extensions to the UK's withdrawal date. The repeated process of extension and delay had caused significant commercial disruptions for Australian businesses which held licenses to export agricultural products under existing EU WTO tariff-rate quotas (TRQs). With uncertainty around quota allocations in the event of a no-deal Brexit on 31 October 2019, many Australian businesses had ceased exports of commercially valuable beef and sheep meat in the lead up to Christmas. These same exporters had also had to make this difficult commercial decision in the lead up to 29 March, 30 June, 31 October 2019, and now 31 January 2020. In addition, the EU and the UK had proposed two differing and conflicting methodologies for apportioning current EU-28 TRQs midway through a quota year.

12.4. The representative of the United States noted that her intervention also applied to both issues that had been raised by the Russian Federation on the EU and UK Article XXVIII TRQ negotiations. She recalled that, as had been noted by the US delegation in the CTG and other Committees, the United States supported the efforts by the United Kingdom to separate its WTO rights and obligations from those of the European Union. However, the United States rejected the current EU-UK approach to TRQs as it was prejudicial to their WTO rights and trade interests. The approach that had been chosen by the EU and the UK would reduce market access opportunities for US exporters into both markets. Indeed, for certain TRQ products, the proposed split would result in no in-quota access to either the UK or the EU-27. For other products, the proposed split would likely result in reduced access to the EU only, as the UK's draft applied schedule, in the event of a no-deal Brexit, indicated that it would not apply TRQs for many of the products. Furthermore, the proposals had failed to address how bilateral EU-UK trade would be treated once the UK was no longer part of the European Union. Currently, such bilateral trade was not subject to TRQs, but the US wondered what would happen once Brexit had been concluded. Currently, other WTO Members had been afforded the opportunity to export the full TRQ quantity into either the UK or the EU-27. However, if the UK and the EU-27 would be subject to the same TRQs that other Members faced, then other Members would quickly be crowded out and faced a loss of access to both markets. For example, she observed that their analysis had shown that the volume of wine the UK imported from the EU-27 was more than 9,000 times greater than the proposed TRQ for that wine. In light of such odds, it was difficult to imagine how the United States would not lose access to the UK market under the current proposals as a result of EU-27 exports of wine to the UK. Her delegation considered this to be unjustifiable and clearly an unacceptable outcome for other WTO Members. Like other Members, the United States remained ready to engage with the EU and UK in productive negotiations that ensured that their trade interests were maintained.

12.5. The representative of New Zealand observed that, like others, his intervention would cover both this agenda item and the next. New Zealand joined other Members in reiterating its concerns over the proposals that had been made by the European Union and the United Kingdom to reduce their WTO tariff rate quota commitments in light of Brexit. As had been pointed out on previous occasions, the current proposals would not preserve the existing bound market access opportunities for other WTO Members. He observed that, unfortunately, the term "apportionment" that had been used to describe this approach was not as unassuming as it sounded, because it failed to convey the reality of the loss of significant existing market access opportunities that these EU and UK proposals entailed. These included: (i) the complete elimination of existing quota access for 60 out of the 142 quotas at issue into the EU (five quotas) and UK (55 quotas); (ii) large-scale reductions in the levels of access for many more of these quotas; (iii) the loss of flexibility for exporters and markets to respond to fluctuations in demand, which was likely to be even more important given current uncertainties in the trading environment; and (iv) the risk of wholesale "crowding out" of other WTO Member access to the MFN tariff rate quotas as a result of the high level of bilateral EU-UK trade

in these products. WTO rules made it very clear that any Member seeking to make changes to its bound commitments needed to propose solutions that ensured that other WTO Members were not left worse off. This was the responsibility of the Member proposing the changes and it could not be sub-contracted out to another WTO Member. He considered that, unfortunately, the separate EU and UK proposals did not deliver on the "no worse off" principle, which gave rise to an important systemic issue. The "no worse off" principle was at the heart of the preservation of the balance of benefits that WTO Members had worked to negotiate over long years, and which had been given effect through "binding commitments". He observed that the further extension of the Brexit timetable, which had recently been agreed by the EU and the UK, offered additional time to find a solution to this unprecedented situation, namely, one that was acceptable to affected WTO Members and that upheld the vitally important "no worse off" principle. For this reason, New Zealand urged the EU and the UK to redouble their efforts to this end and to bring to the table new proposals that would address the concerns that had been consistently raised by New Zealand and other WTO Members.

12.6. The representative of China observed that her intervention would also apply to both agenda items. China shared the concerns that had been expressed by other Members. While China was willing to work with the EU to modify the TRQs in its Schedule, and with the UK to establish its own TRQs, China could not accept the approach that had been adopted to apportion the current EU-28 TRQs, which her delegation believed would lead to a significant loss of market access opportunity and flexibility in the future EU and UK markets. While she did not wish to repeat what her delegation had expressed at previous meetings of this Committee and the CTG, China's views, concerns, and requests, had remained unchanged.

12.7. The representative of Uruguay reiterated the concerns that had been expressed in document RD/CTG/5, which had been raised in this Committee and other *fora*, and, in particular, the importance of resolving this issue on the basis of negotiations among interested parties. He recalled that confidentiality should be preserved and that it was necessary to find a solution that did not involve the unilateral establishment of TRQs, which would be contrary to Article XXVIII of GATT. He also noted that it was important to conclude the negotiations, and in particular with regard to the *erga omnes* TRQs which already had high levels of trade between the UK and other EU members for the products concerned. Uruguay considered that there was a real risk that the proposed TRQs and their conditions would be affected by that bilateral trade, which would leave out the other Members that were currently using that quota or that could use it in the future, thereby undermining their market access opportunities. Uruguay considered that both the negotiations and the results to be reached should be in accordance with WTO rules, and respect the market commitments that had been undertaken and the balance of concessions that had been reached in the Uruguay Round, with a view to maintaining and strengthening the multilateral trading system.

12.8. The representative of Japan indicated that her intervention also covered both agenda items. Japan shared the concerns that had been expressed by other Members on this issue. Japan emphasized the importance of finalizing the draft EU and UK schedule soon after Brexit in order to ensure legal stability under the WTO Agreement. Her delegation also believed that it would be important to have a high level of transparency in future processes relating to this issue.

12.9. The representative of Canada indicated that he would also address both agenda items under the same statement. He recalled that Canada and other WTO Members continued to have significant concerns with the approach that had been taken by the EU and the UK in preparation for the UK's withdrawal from the European Union, which consisted essentially of reducing the volumes available under its tariff rate quotas in its WTO commitments. This approach deviated from the original intent of tariff rate quotas, which was to provide WTO Members with a minimum access to markets of export interest, and neglected the fact that the higher out-of-quota tariffs associated with TRQs were predicated on minimum access levels. In the view of his delegation, it also failed to consider that the final bound volumes were the result of negotiations that had sought to establish a balance of concessions between WTO Members. By apportioning its TRQ volumes, not only was the EU reducing the quality and level of access provided to Members to a top market, but it was also ignoring the imbalance that it created between the EU's market access concessions and the concessions that had been made by WTO Members which, for some reason, were expected to remain the same. This was especially true if the UK would also have access to these same TRQs, like other WTO Members, and if the EU had access to the UK's apportioned volumes. In this situation, WTO Members would be "crowded out" of smaller TRQs by EU-UK trade, given the favourable position that the EU and the UK enjoyed. In addition to these conceptual incongruities, Canada considered that the EU's approach

also resulted in pragmatic issues that would have commercial implications. This included cases where the apportionment resulted in tariff rate quota volumes that were not commercially viable, either in the EU or the UK, or where the volumes were too low to provide the flexibility necessary for exporters and importers to adapt to the evolution of demand and supply conditions in the EU and UK markets. With regard to these low-volume TRQs, Canada was of the view that the UK had to ensure minimum access levels for all of their scheduled TRQs, as had been done by every WTO Member with TRQs in the Uruguay Round, to maintain the balance of concessions and to ensure that the high out-of-quota tariffs in its schedule were attached to an appropriate volume, as was currently the case with all WTO Members with TRQs. By taking minimal portions of the EU-28's TRQs, the UK's proposed volumes had significantly altered the current balance of concessions between the UK and the EU, on the one side, and WTO Members, on the other. This was in addition to the very apparent uncertainty with regard to the future EU-UK relationship, which still remained to be defined, and which made it almost impossible to assess the relative value of the EU's market access concessions. Canada was also concerned about the EU's adoption of certain implementing regulations (2019/216, of 30 January 2019; and 2019/386, of 11 March 2019), which would apply the reduced volumes as of the day of the UK's withdrawal, which would put Members in front of a "fait accompli", without having completed the necessary negotiations, and with little flexibility for adjustments thereafter. Canada encouraged the EU and the UK to reflect on these concerns and to continue their engagement with Members.

12.10. The representative of Mexico noted that he would also deal with both agenda items. Mexico shared the concerns that had been expressed by previous delegations and reiterated its systemic concern over the EU and the UK's intention to change the TRQs in their schedule of concessions to reflect the UK's departure from the EU. His delegation considered that there were problems in the process adopted to separate out the TRQs and it may, as a result, lead to the reduction and even elimination of a number of market access opportunities. In Mexico's view, any methodology adopted must retain the balance between rights and obligations undertaken by all Members. Currently, Members had no clarity as to the future bilateral obligations of the EU or UK in the WTO, or vice versa, which increased its systemic concern. For example, if both Members retained the possibility of accessing the *erga omnes* TRQs in each other's markets, then the other Members would be at risk of seeing their own market access opportunities further reduced, which was clearly a matter of concern. For this reason, Mexico had encouraged the EU and the UK to continue their discussions with WTO Members and to take into account their trade and systemic concerns with a view to finding a mutually satisfactory solution through rules-based WTO procedures.

12.11. The representative of Paraguay noted that, since other delegations had addressed both agenda items at the same time, she would do the same. She wished to register her delegation's concern over the apportionment of the *erga omnes* TRQs and, in particular, over the lack of market access that might result from this proposal, in addition to the loss of flexibility that the break-up itself would generate. Paraguay considered that the lack of clarity on the future EU-UK trade relationship generated a problem because of the eventual saturation of the TRQ volumes in the bilateral trade between the EU and the UK, resulting from the fact that neither party had specified that the volume provided for in those TRQs would exclude the trade between them. For this reason, Paraguay urged the UK and the EU to take the necessary steps to avoid damaging their trade partners in the event of a no-deal Brexit, and recalled that both the UK and the EU had assured Members that their separation would not lead to a loss of market access by third parties, and that there would be no collateral damage. Paraguay hoped that they would meet this promise.

12.12. The representative of India noted that his intervention would also cover both agenda items. India echoed the concerns that had been raised by other Members. His delegation had already conveyed its concern over this issue to the EU and the UK, both in writing and during bilateral consultations. India was concerned about the proposed methodology and data that had been used by the EU and the UK for the apportionment of the TRQs, and how that apportionment would affect Members' rights on specific tariff lines. Moreover, he recalled that the nature of the future trade relationship between the EU 27 and the UK remained unknown, leading to uncertainty over the resulting market access conditions. His delegation expected that the EU and UK would provide reasonable opportunities to all WTO Members, including India, to exercise their rights under the WTO Agreement, taking into account the concerns that had been raised. He looked forward to fruitful negotiations with the EU and the UK in this regard.

12.13. The representative of the European Union appreciated the well-known concerns that had been expressed by Russia and other WTO Members about the ongoing uncertainty surrounding the

UK leaving the EU. WTO Members would understand that traders throughout the European Union, including in the United Kingdom, were also affected by and concerned about this uncertainty, which of course was not a reason not to try to do justice to the concerns of other WTO Members. This was why the EU and the UK had jointly engaged with other WTO Members as early as October 2017 on the envisaged approach to the apportionment of the WTO commitments that took the form of TRQs. As had been stated on many occasions, the key principle was to maintain the existing levels of market access to the EU-27 and UK. The European Council had endorsed the revised Withdrawal Agreement agreed with the UK government on 17 October 2019 in order to provide for an orderly withdrawal. Subsequently, the period that had been provided for in Article 50(3) of the Treaty on European Union had been extended by the European Council Decision (EU) 2019/1810 until 31 January 2020. The EU had been very clear that an orderly withdrawal of the UK was the preferred option. Nevertheless, in order to reduce the inevitable commercial uncertainties for operators, the EU had also published detailed information on the consequences and implications for TRQ apportionment and management in the case of a no-deal Brexit. The Commission would continue to manage the apportioned EU-27 TRQs in the same way as it had already been doing. Negotiations under Article XXVIII of the GATT were currently ongoing with those partners holding rights under that provision. The last round had taken place in September 2019, in Geneva. The EU was a supporter of the rules-based multilateral trading system. It had followed all of the relevant WTO procedures when launching its Article XXVIII negotiations and would continue to follow those multilateral procedures. The EU delegation had engaged with the relevant WTO partners on a regular basis and would continue to do, so in good faith, as part of these procedures. The EU maintained that it was willing to continue negotiations in an open and fair manner under Article XXVIII regardless of the eventual scenario for the UK's withdrawal.

12.14. The Committee took note of the statements made.

13 UNITED KINGDOM – RENEGOTIATION OF TARIFF RATE QUOTAS UNDER ARTICLE XXVIII OF THE GATT 1994 – STATEMENT BY THE RUSSIAN FEDERATION

13.1. The Chairperson noted that this agenda item had been included on the agenda at the request of the Russian Federation. He also recalled that several delegations had already referred to this issue under the previous agenda item.

13.2. The representative of the Russian Federation noted that her delegation continued to have significant concerns over the UK's approach to its TRQs renegotiations. Her delegation reiterated that the negotiations could not be concluded without an agreement on compensation that had to be provided by the UK. Russia also emphasized the importance of establishing an independent Schedule of concessions for the UK in full compliance with WTO rules. The Russian Federation urged the UK to provide its compensatory proposal.

13.3. The representative of Uruguay thanked the United Kingdom for having launched with interested Members the negotiation process under the procedures under Article XXVIII of GATT. He highlighted the importance of resolving the issue based on negotiations, and not unilaterally. He also reiterated the need to take into account in the negotiations the significant levels of trade that already existed in the erga omnes TRQs between the UK and the other EU member States, and the real risk that the proposed conditions would leave out other Members. Uruguay hoped that, as a result of the bilateral and confidential negotiations, it would be possible to arrive at market access commitments that would both accord with the existing market conditions and fit the needs of Members. The UK should also avoid contradicting existing market access opportunities and fully comply with the relevant rules of the multilateral trading system.

13.4. The representative of the European Union recalled that her delegation could not respond to comments and questions on the proposed UK Goods Schedule, which the UK would apply when the EU Schedule stopped applying to it, as set out in document G/MA/TAR/RS/570. She invited interested Members to engage with the UK bilaterally on these issues.

13.5. The Committee took note of the statements made.

14 INDIA – QUANTITATIVE RESTRICTIONS ON IMPORTS OF CERTAIN PULSES – STATEMENT BY AUSTRALIA, CANADA, THE EUROPEAN UNION, RUSSIAN FEDERATION, AND THE UNITED STATES

14.1. The Chairperson noted that this agenda item had been included on the agenda at the request of Australia, Canada, the European Union, the Russian Federation, and the United States.

14.2. The representative of Australia recalled his delegation's long-held concerns over India's restrictive measures on the importation of pulses, which were well known to Members, and in particular India's quantitative restrictions (QRs). These concerns were held not just by Australia, but also by other Members, including a number of developing Members. Australia had raised these concerns with India in bilateral and plurilateral meetings, including at the highest level. As Members were aware, his delegation had explained these concerns in every relevant Committee in Geneva over the past two years. Regardless of these efforts, India had failed to respond to Australia's concerns, most importantly by explaining the WTO basis for maintaining these QRs. He recalled that the onus was on those WTO Members utilizing a general exception to provide that information. As the world's largest consumer of pulses, India's imports of pulses had a direct impact on the global pulses market. They directly impacted the planting decisions of farmers and the sustainability of global pulses production, which could have a serious negative impact on farmers around the world. Australia was increasingly concerned that, at any moment, India could remove or modify the series of import restricting measures on pulses to shore-up supply if and when its domestic production and stocks of pulses decreased. His delegation was concerned that such actions by India would put unnecessary strain on global pulses producers as they attempted quickly to supply India with the pulses that it needed and, by doing so, potentially divert pulses from other markets, leading to shortages elsewhere. Notwithstanding these serious concerns about the QRs and India's characterization of them as "temporary" measures (measures that had been in place for over two years for some varieties), Australia was also concerned with India's administration of these QRs. For example, on 3 July 2019, India had announced that it would increase the QR volume on pigeon peas, from 200,000 to 400,000 tonnes. While Australia had welcomed that increase, his delegation was concerned that India had administered that additional tonnage in a trade-distorting manner, whereby importers had just nine days to apply for allotments of this additional tonnage, and those allotments had to be received at Indian ports by 31 October 2019 at the latest. On two occasions, as per Trade Notices 32 and 35 of 2019-2020, India had announced that it had received representations from its pulses importers to extend that 31 October date, but had rejected doing so. Furthermore, in Trade Notice 35, India had threatened to debar importers from being allocated allotments in future quota periods in case they were assigned an allotment within the additional 200,000 tonnes, but then failed to import their allotment by 31 October. His delegation considered that, the fact that representations had been made, and that India had rejected those representations, and that India had threatened to prevent those importers from engaging in the market in the future, was seriously concerning; indeed, it had further damaged confidence in India's trade regime, and would further destabilize the global pulses industry, in particular with regard to those cases where pulses may already have been en route to India. Australia remained seriously concerned that India was using its QRs as an ongoing means flexibly to manage imports, which would be inconsistent with its WTO obligations, and likewise that the QRs were not a "temporary measure". This was evident by the 3 July 2019 announcement to increase the QR on pigeon peas, which had appeared to respond to lower domestic production estimates. Australia also noted that India had confirmed on multiple occasions that it would provide answers to Members' questions on these matters in "the relevant Committee", and that, pursuant to the Decision on Notification Procedures for Quantitative Restrictions (G/L/59/Rev.1), this was the relevant Committee. Therefore, Australia again requested India to answer the following questions. First what the WTO basis was for the application of these QRs. In this regard, Australia recalled that the burden had been on India to provide an explanation at the time that the measures had been introduced, and not two years later. Otherwise, India should remove the QRs immediately. And, second, to explain how these measures were "temporary", noting that these QRs had now been in place for more than two years for certain varieties.

14.3. The representative of Canada noted that, as the largest supplier of pulses to India, Canada had been the Member most negatively affected by India's measures to limit the import of pulses. Pulses were an important source of protein for many Indian consumers and Canada was a high quality and reliable supplier. Canada was disappointed that India had continued to use quantitative restrictions on the importation of dried peas and other pulses. His delegation had previously expressed its views on the WTO-consistency of these measures. India had now appeared to be using

arbitrary administrative rules as a means of further reducing predictable access to the Indian market for pulses. In September 2019, the Government of India had suddenly announced that shipments of pulses subject to the quantitative restrictions must arrive at an Indian port by 31 October 2019, thereby shortening the time-frame for the import of dry peas to five months. The Government of Canada was disappointed that India was still finding more creative ways to restrict the pulses trade. And India's restrictions on the importation of pulses was an ongoing concern. Canada and other pulse exporters had met regularly with India, including as recently as 30 October 2019, to discuss this issue. During the 92nd meeting of the Committee on Agriculture, which had taken place on 30-31 October 2019, and in response to Canada's questions, India had indicated that answers would be forthcoming in the Committee on Market Access. In this regard, Canada noted that India's QR notifications (G/MA/QR/N/2 and G/MA/AR/N/IND/2/Add.1) did not provide information on the quantitative restrictions on dry peas. He recalled that the elimination of quantitative restrictions was a fundamental principle in both the GATT and the WTO and asked India to specify what it believed the legal basis for this measure to be under the GATT or the WTO. To conclude, Canada reiterated its call on India immediately and expeditiously to review the trade restrictive measures that had been put in place on pulses, and instead to consider alternative, WTO-consistent, policy options that promoted a predictable and transparent import regime for pulses.

14.4. The representative of the European Union noted that her delegation was reverting to this issue with a certain impatience and called upon India to answer the questions that had been addressed to it about its policies on pulses. Together with other Members, the EU had asked India various questions on its import restrictions on pulses in this Committee as well as in other fora. However, India had so far only replied that it would provide its answers in another Committee. In the meeting of the "Friends of the Pulses" that had taken place ahead of the last Regular Committee on Agriculture, in October 2019, India had promised participants that it would provide substantive answers to the four questions that it had been asked by Australia, Canada, the Russian Federation, and the United States, during the Committee's meeting. However, in the CoA meeting itself, India had again just stated, disappointingly, that it would provide its answers in the Market Access Committee. For this reason, the European Union looked forward to the substantive replies that India was going to provide at the current meeting.

14.5. The representative of the United States indicated that her delegation remained concerned about India's use of domestic support policies, multiple increases in tariff rates, and the application of quantitative import restrictions for pulses, including pigeon peas, mung beans, black gram lentils, and peas. In addition to raising the issue in the CMA and the Council for Trade in Goods, the United States had repeatedly raised this issue in the Committee on Agriculture since India began implementing trade-distorting policies for various pulses in 2017. However, India had not responded to US requests for an explanation of how these measures complied with India's WTO commitments. She recalled that India had stated that it would offer such an explanation in the appropriate Committee, but without indicating which Committee that was. In addition, India had indicated on numerous occasions that the quantitative restrictions were intended to be temporary measures, although they had now been in place for two years. Therefore, the United States reiterated its previous requests for information on how the measures complied with India's WTO commitments, and when and how the measures would be brought to an end.

14.6. The representative of the Russian Federation recalled that, after a ban had been introduced on the import of yellow peas, in March 2019, India had issued a notification establishing a new quota of 150,000 MT for the period from 1 April 2019 until 31 March 2020. However, after seven months of quota administration, India had completely prohibited the importation of pulses into its territory. And, according to India's Trade Notice No. 32/2019-2020, "imports should be effected until 31 October 2019". Russia noted that, as a result of India's measures, imports of yellow peas had decreased significantly over the last two years. At the same time, her delegation considered that the explanations that had been provided by India at other WTO Committee meetings regarding the legal basis for these measures had been unpersuasive. This was the reason why the Russian Federation had requested India to provide a proper justification for its quantitative restrictions and prohibitions on the importation of yellow peas. For greater clarity, her delegation also urged India to submit its explanation in a notification pursuant to the "Decision on Notification Procedures for Quantitative Restrictions". The Russian Federation considered that the general elimination of quantitative restrictions was one of the core disciplines of the GATT and WTO legal systems. For this reason, it requested India to bring these measures into conformity with the WTO's rules.

14.7. The representative of India thanked the delegations of Australia, Canada, the European Union, the United States, and the Russian Federation, for expressing their views on this matter. He recalled that the issues that had been raised at this meeting had also been raised in the recent past in meetings of the Committee on Import Licensing, the Committee on Market Access, and at the previous meeting of the CTG. For the sake of a better utilization of the time available for this Committee meeting, his delegation would refrain from repeating what had previously been stated. In brief, India informed Members that it was the largest producer and consumer of pulses, and that its decision to impose a quota had been based on the domestic demand and supply situation of pulses in India. He recalled that the measure was aimed at alleviating the distress that had been caused to small and marginal farmers by the influx of cheap imported pulses, and the consequent impact on their food and livelihood security. He emphasized that these measures were temporary and that decisions on the extension or removal of these QRs were based on the domestic demand and supply situation. India was constantly reviewing these measures. In the statements that India had made at earlier meetings, it had informed Members about the change in its wholesale price index (WPI) on pulses, and had clearly brought out the facts reflecting the state of affairs. On the issue of additional quotas for imports of peas during the financial year 2018-2019, his delegation informed Members that, despite the quota under the QR, substantial imports had been allowed on account of Court orders. Furthermore, in the present financial year, fresh quotas had been announced and the relevant procedure had also been laid down by the Directorate General of Foreign Trade. The government had been regularly reviewing the market situation of pulses, owing to which the quota of pulses had been increased from time to time. Certain additional issues had been raised by Members at the most recent meeting of the Committee on Agriculture, where India had responded to the queries on these measures. On the specific WTO provisions under which India had imposed these temporary measures, he stated that the QRs on pulses were necessary for the enforcement of governmental measures to remove any surplus of pulses, as permitted under Article XI:2(c)(ii) of the GATT 1994, and for the protection of public morals and human, animal or plant life or health in India, as recognized under Articles XX(a) and (b) of the GATT 1994. Finally, he stated that India would address any further query on this issue in the appropriate Committee and stood ready to continue discussions bilaterally.

14.8. The Committee took note of the statements made.

15 INDIA - CUSTOMS DUTIES ON TELECOMMUNICATION AND OTHER PRODUCTS – STATEMENTS BY CHINA AND THE UNITED STATES (G/MA/W/120, G/MA/W/128)

15.1. The Chairperson noted that this agenda item had been included on the agenda at the request of China and the United States. The Chairperson also recalled that certain Members had submitted questions to India in document G/MA/W/120, to which India had replied in document G/MA/W/128.

15.2. The representative of the United States regretted that her delegation and other Members had yet again to raise concerns over India's imposition of duties – of up to 20% – on imported information and communication technology products, which included commercially significant products from the United States. Her delegation had given India many opportunities, both bilaterally and in the relevant WTO Committees, to address its actions in light of India's WTO tariff commitments. Unfortunately, the tariff increases had continued. She indicated that it had been even more frustrating that a representative from India had not been present at the most recent ITA Committee meeting to discuss this important agenda item or to respond to the important ongoing concerns of many Members. The United States noted with interest the request for consultations that had been filed recently by Chinese Taipei, in addition to the requests for consultations that had been filed by the EU and Japan earlier in the year. Her delegation regretted that India had denied US requests to join both of these consultations, despite the substantial US trade interest. She called upon India to provide duty-free access for the ICT and telecommunications equipment products for which India had a WTO commitment to do so. The United States would continue to raise this issue in the relevant WTO Committees until such time.

15.3. The representative of China reiterated his delegation's concern over India's customs duties on telecommunications and other products, in particular mobile phones and their components. China believed that these products fell within the scope of the ITA-1, and therefore that India's applied rates had exceeded its bound rates in the WTO, thus failing to comply with the ITA-1 and Article II of the GATT. For this reason, China once again urged India immediately to eliminate its customs duties on the relevant products and to abide by its WTO bound rates. He noted that certain Members

had requested consultations with India under the WTO dispute settlement mechanism. China would continue to monitor this issue closely.

15.4. The representative of Canada noted that her delegation viewed India's continued application of tariffs above its bound rates on a broad range of ICT products to be inconsistent with India's WTO commitments, and to run contrary to the objectives of multilateral tariff liberalization. Canada remained deeply concerned in this regard; moreover, it did not believe that India had addressed the concerns that had been raised by numerous WTO Members in this Committee, the ITA Committee, and at the Council for Trade in Goods. She recalled that Canada, like other Members, had submitted an objection letter in response to India's notification of its Rectification and Modification of its Schedule of Concessions in order to unbind its commitments on a range of ICT products. She recalled that India had claimed that this notification intended to fix errors in the transposition from HS2002 to HS2007. However, she would like to recall that the 1980 Procedures were to be used only when the proposed changes did not alter the scope of a concession. Since Canada had no evidence to substantiate India's claim that errors had been made in the transposition from HS2002 to HS2007, it could only conclude that India's proposed rectification did, in fact, alter the scope of India's tariff concessions pursuant to the ITA Agreement. Beyond these systemic concerns, Canada continued to have commercial concerns with regard to India's application of tariffs on ICT products. India's actions had annually impacted \$52.7 million of Indian imports from Canada between 2016 and 2018. In this context, Canada also regretted that India had rejected Canada's request to join the separate consultations requests that had been made by the EU and Japan, and most recently by Chinese Taipei. Canada requested to schedule a bilateral meeting with India in order to further discuss its concerns over India's application of tariffs above its bound commitments.

15.5. The representative of Singapore shared the concerns that had been expressed by other Members. Her delegation urged India to align its applied tariff rates on the ICT products concerned with its commitments under the ITA-1. She concluded by noting that Singapore would continue to monitor this issue very closely.

15.6. The representative of New Zealand echoed the concerns that had been raised by other Members over India's imposition of tariffs on ICT products in excess of its WTO bound commitments. He also registered New Zealand's systemic interest in this issue.

15.7. The representative of Thailand reiterated her delegation's ongoing commercial and systemic concerns over India's reimposition of customs duties on an increasing number of ICT products. Thailand joined other delegations in requesting India to abide by its WTO commitments. Thailand would continue to monitor this matter closely.

15.8. The representative of Chinese Taipei noted that her delegation remained concerned over India's increased tariffs on at least 32 ICT products since 2014. Her delegation had requested consultations with the Government of India, in DS588, pursuant to the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). Without further comment, Chinese Taipei requested India to abide by its WTO commitments and to restore the original zero tariff rates.

15.9. The representative of Australia expressed his delegation's interest in this matter.

15.10. The representative of Norway recalled the interest that his delegation attached to this issue and that it would continue to further monitor it.

15.11. The representative of Switzerland added her voice to the concerns that had been expressed by previous delegations and urged India to comply with its WTO commitments. Her delegation would also continue to monitor the issue closely.

15.12. The representative of India thanked the delegations of the United States, China, Canada, Singapore, New Zealand, Thailand, Chinese Taipei, Australia, Norway, and Switzerland, for their continued interest in India's customs duty regime on certain telecommunication products. On the issue of customs duties imposed on certain products, which were being alleged as ITA-1 products by certain Members, India had previously made statements in various Committees, including this Committee, the ITA Committee, and the CTG. For the sake of saving time, India would not repeat those earlier statements. However, India reiterated that it was fully aware of its obligations and commitments under the ITA-1, and that it had been abiding by the same. India had signed the ITA-1

in the year 1997 and had presented its Schedule of concessions, which had been certified in document WT/Let/181. India did not intend to commit itself to anything beyond the scope of its ITA-1 commitments, as inscribed in that document. In its previous interventions, India had also stated that Members had the right to revisit any error or mistake that had been committed in assigning bound tariffs while transposing their HS schedule, and to place the necessary rectification request before the Committee concerned. Accordingly, India had filed a rectification request for the purpose of correcting certain errors in its HS2007 Schedule, in accordance with "the Procedures for Modification and Rectification of Schedules of Tariff Concessions" (1980 Procedures), as contained in the Decision of 26 March 1980 under the category "other rectifications". India urged Members to go through its rectification request and, if a Member had any other views on the technical aspects of these products and their classification, India would be happy to discuss these with the Member concerned.

15.13. The Committee took note of the statements made.

16 INDONESIA – CUSTOMS DUTIES ON TELECOMMUNICATION PRODUCTS – STATEMENT BY THE UNITED STATES

16.1. The Chairperson noted that this item had been included on the agenda at the request of the United States.

16.2. The representative of the United States noted that it had come to the attention of her delegation that Indonesia was applying tariffs at the border on a category of ICT products that appeared to be in excess of its bound tariff rates. By way of example, Indonesia had a duty-free tariff commitment for all products that were classified under tariff subheading 8517.62. However, US and Indonesian traders had reported that a 10% duty was being levied for certain products in this tariff category. The United States had also raised this issue at a recent meeting of the ITA Committee. Her delegation would appreciate receiving an explanation of this matter and of how Indonesia intended to resolve it, as soon as possible. Her delegation wished also to underscore that, if this issue related to HS transposition that HS transposition must not modify the scope of the concessions in question, as had been reflected in the General Council Decisions and underscored in the Secretariat's guidance to this Committee.

16.3. The representative of the European Union thanked the United States for drawing their attention to this issue. As had been mentioned previously, she considered that this issue deserved close consideration, especially in light of Indonesia's commitment to provide duty-free access for the tariff lines under the heading 8517.62. Following the exchanges that had taken place recently in the ITA Committee, her delegation looked forward to receiving an update from Indonesia. The EU would continue to monitor this matter closely.

16.4. The representative of Indonesia thanked the US and the EU for their statements. With regard to the concern that had been raised on duties imposed on certain telecommunications products, it was Indonesia's intention to review the situation and to respect its WTO commitments and obligations, in particular those taken under the ITA. As had been mentioned in the bilateral meeting and at the most recent meeting of the ITA Committee, there was an ongoing internal investigation that was being carried out by the relevant authority in Indonesia. From initial observation, the discrepancy between bound and applied rates for the products in question appeared to be the result of the HS transposition, which had merged two different HS codes. Indonesia was open to receiving inputs and to engaging in further discussion with the US and other Members in this regard.

16.5. The Committee took note of the statements made.

17 MONGOLIA – QUANTITATIVE RESTRICTIONS AND PROHIBITIONS ON IMPORTATIONS OF CERTAIN AGRICULTURAL PRODUCTS - STATEMENT BY THE RUSSIAN FEDERATION

17.1. The Chairperson noted that this item had been included on the agenda at the request of the Russian Federation.

17.2. The representative of the Russian Federation recalled that, in 2013, Mongolia had established a quota regime for the importation of certain agricultural products, including wheat flour, wheat, milk, drinking water, and beef. According to Government Resolution No. 77 of 2 March 2013, the

responsible authority had to determine the volumes of the corresponding quotas for each year. To import outside of these quotas was prohibited. The Russian Federation had raised this issue at several WTO Committee meetings and, as a result, in August 2019 Mongolia had adopted Government Resolution No. 329, which had replaced Resolution No. 77, and had set out basic criteria to determine quota volumes. She noted that, in light of this policy, the Ministry of Food, Agriculture and Light Industry of Mongolia had established an import prohibition on wheat flour in late 2016. In 2018, although there had been a decision to open a quota for wheat flour, Mongolia had not allocated the quota volume among the importers. In January 2019, the Ministry of Food, Agriculture and Light Industry of Mongolia had issued a decree that should have opened the import of certain amounts of agricultural products, including wheat flour and liquid milk. However, the decision on the allocation of quota volume among the importers of wheat flour for the 2019 quota year had only been adopted in late April 2019. She noted, too, that the quota volume for import of liquid milk had never been allocated among the importers for the 2019 quota year and that, as a result, it had become impossible to export liquid milk into the territory of Mongolia in 2019. The Russian Federation had observed that Mongolia's imports of wheat flour and liquid milk had dropped significantly as a result of these measures, and basically to zero in 2018 and 2019. The Russian Federation was of the view that quantitative restrictions, including import prohibitions, were not a trade policy instrument that could be applied by WTO Members without proper justification. Her delegation was of the view that Mongolia's measures were inconsistent with its obligations under the WTO Agreements and, in particular, Article XI of the GATT 1994, Article 4.2 of the Agreement on Agriculture, and Mongolia's accession commitments under paragraph 20 of its Working Party Report. She also noted that, at the most recent meeting of the Agriculture Committee, Mongolia had stated that it had begun the internal procedures necessary to abolish the quota regime. The Russian Federation welcomed this step and expected Mongolia promptly to take all further necessary steps to bring its legislation and measures into compliance with the relevant WTO provisions. She concluded by noting that Russia would continue to carefully monitor the evolution of Mongolia's quota policy.

17.3. The representative of Mongolia thanked the Russian Federation for its questions on Mongolia's import policy on certain agricultural products. Mongolia referred Russia to the replies that Mongolia had given at the most recent meeting of the Committee on Agriculture, on 30 October 2019.

17.4. The Committee took note of the statements made.

18 RUSSIAN FEDERATION – QUANTITATIVE RESTRICTIONS ON EXPORTS OF SCRAP AND WASTE OF FERROUS METALS – STATEMENT BY THE EUROPEAN UNION

18.1. The Chairperson noted that this item had been included on the agenda at the request of the European Union.

18.2. The representative of the European Union reiterated her delegation's concerns over the Russian Federation's recurrent practice of applying export-restricting measures. The long-standing export prohibition on hides and skins and the export restriction on birch logs had not been further extended, which had been a welcome development. However, her delegation regretted to note that Russia had recently adopted a new export quantitative restriction on scrap and waste of ferrous metals. This new export quota had been put in place by Government Decree No. 1134 of 31 August 2019, to be applied from 1 September 2019 until 31 December 2019. The EU asked Russia to provide detailed explanations to the following questions regarding this restriction. First, the measure was said to address existing regional imbalances at national level. However, the statistics that had been provided in the explanatory note of the draft legislation showed deficits of scrap in certain Russian regions, but surpluses in others. Moreover, the mentioned surpluses were greater than the mentioned deficits and, therefore, there did not seem to be a shortage at the level of the Russian Federation. In case a measure was necessary, it should relate to Russia's internal market rather than being a measure to restrict exports. The European Union requested Russia to explain why it had adopted a measure restricting exports in order to solve an internal problem. Second, the quota that had been set by the Russian authorities amounted to 70-75% of the average historical volumes. Her delegation asked Russia to explain why the quota had been set at that level. Third, she observed that the export restriction in the form of a quota and export licencing seemed to be incompatible with WTO commitments under Article XI:1 of the GATT. Therefore, the EU would welcome an explanation from Russia as to how it justified the measure. Finally, the measure had been introduced as a temporary measure that would apply from 1 September 2019 for four months. The EU sought Russia's confirmation that the measure would not be further extended. To conclude, her delegation regretted that Russia had adopted an additional measure that deviated from the

prohibition of quantitative restrictions set out in Article XI of the GATT. Finally, the EU asked when Russia intended to notify this new measure to the WTO.

18.3. The representative of the Russian Federation thanked the European Union for raising this issue. The Russian delegation confirmed that the measure was temporary, that it would expire on 1 January 2020, and that it was not expected that the measure would be prolonged.

18.4. The Committee took note of the statements made.

19 DRAFT REPORT (2019) OF THE COMMITTEE TO THE COUNCIL FOR TRADE IN GOODS (G/MA/SPEC/59)

19.1. The Chairperson noted that the Committee was required annually to submit a report on its activities to the Council for Trade in Goods. The Chairperson noted that the Secretariat had circulated a draft report covering the activities of the Committee during the review period and that it would update the report in light of the comments made at the current meeting.

19.2. The Committee adopted the draft report and instructed the Secretariat to update it prior to its submission to the CTG.

20 OTHER BUSINESS

20.1 Kingdom of Saudi Arabia – Digital Stamp Tax – Statement by Switzerland

20.1. The Chairperson recalled that this item had been included on the agenda at the request of Switzerland.

20.2. The representative of Switzerland thanked the delegations of Oman and the Kingdom of Bahrain for the useful exchanges on the selective tax that had taken place earlier that day. Switzerland had taken the floor because the new measure, which was a new requirement in the form of a digital tax stamp, to prove that the selective tax had been paid, would come into force next year. According to their information, the stamp would have to be affixed on each can and bottle of energy drinks and carbonated soft drinks as of May 2020. According to the excise tax guidelines – tax stamps of the General Authority of Zakat and Tax – the declared purpose of the tax was "to combat smuggling and protect consumers against the risks of consuming goods that have not entered the market through legitimate channels". She observed that, although the smuggling problem did exist for tobacco products, this was not the case for beverages. In addition, requiring a tax stamp as a proof that the selective tax had been paid was not a guarantee that the beverage had complied with the health prescriptions in place. Switzerland considered that there were other and more efficient means to control the quality of a product. If her delegation's understanding of the guidelines was correct, Switzerland saw several problems with the digital tax stamp requirement. First, it would only apply to a limited category of beverages, namely to energy drinks and carbonated soft drinks only. And it would not apply to other sweetened beverages, which would also be subject to the selective tax as of 1 December 2019. Second, the stamp would be applied on imported products as of May 2020 and on domestic products as of August 2020. Switzerland considered these measures to be discriminatory and in breach of the national treatment principle set out in Article III of the GATT. In addition, the requirement of a digital tax stamp on beverages would increase costs and was another unnecessary burden to the industry. Her delegation considered that there were better alternatives to combat hypothetical smuggling. For example, market inspections could be increased and heavy fines introduced for infractions, which would create an adequate deterrent without the additional costs for the industry. Thus, Switzerland strongly opposed the introduction of the tax stamp on energy drinks and carbonated soft drinks as of May 2020, and called upon the Saudi Arabian authorities to consult with industry and to have recourse to more appropriate alternatives that were less burdensome for the industry, and non-discriminatory, but which nevertheless addressed the Kingdom's concerns. In addition, Switzerland remained concerned over the selective tax on energy drinks and carbonated soft drinks that was currently being levied by the Kingdom of Saudi Arabia, the Kingdom of Bahrain, and the United Arab Emirates, due to its severe discriminatory effects on energy drinks, and because its high rates were not based on scientific evidence. She recalled that the inclusion of the relevant stakeholders in the elaboration of the different regulations in the area of beverages had not happened, despite numerous requests for more transparency. Switzerland also wished to underline that the product coverage of the selective

tax in each GCC member was not identical, which created additional difficulties for traders. As had already been indicated, the expansion of the tax base to include other sweetened beverages as of 1 December 2019 by the Kingdom of Saudi Arabia and the United Arab Emirates had been a positive first step, but had still not alleviated Switzerland's concerns because the tax continued to discriminate between energy drinks, on one hand, and carbonated soft drinks and other sweetened beverages, on the other, without any scientific justification. Therefore, her delegation urged GCC members to harmonize and to apply without delay the same rate on all sugar containing beverages; this would mean that the selective tax on energy drinks, carbonated soft drinks, and other sugar-sweetened beverages, would be taxed identically, and that diet, light, and no sugar containing beverages would be exempted from the tax, which did not make sense from a health perspective. On the discrimination against sports drinks, Switzerland stated that, unfortunately the issue remained outstanding. For this reason, Switzerland urged the GCC countries to apply, without delay, the same excise duty rate to all sports drinks irrespective of brand name or origin, as levying different rates on different brands of like products was in breach of the WTO's most-favoured-nation principle. She strongly encouraged GCC members to engage with private industry in order to modify the selective tax, to ensure that it was applied in a transparent and non-discriminatory manner while still meeting the desired health policy objectives. Switzerland requested these Members to inform them directly, and on a regular basis, of any future modifications to the selective tax and other related regulations. Finally, she recalled that, on 27 September 2018, Switzerland had submitted follow-up technical questions to the Kingdom of Saudi Arabia, the Kingdom of Bahrain, and the United Arab Emirates, regarding certain details of the selective tax on energy drinks and carbonated soft drinks; she noted that these technical questions had not yet been answered. Her delegation looked forward to continuing these exchanges in order to reach a mutually satisfactory solution to this issue.

20.3. The representative of the United States noted that her delegation shared Switzerland's concerns and was also monitoring this issue. She looked forward to receiving more information from the Kingdom of Saudi Arabia, including on how it considered this measure to be consistent with its national treatment and other WTO obligations.

20.4. The representative of the Kingdom of Saudi Arabia thanked Switzerland and the United States for their interventions concerning the Digital Stamp tax and selective tax. He requested them to provide their comments in writing so that these could be conveyed to experts in Capital for their review and consideration.

20.5. The representative of the Russian Federation intervened to remark upon the organization of meetings. She observed that the CMA and CTG meetings had been organized for the same week. And she requested the Secretariat to try to avoid holding the meetings of these two bodies in the same week.

20.6. The representative of Paraguay supported the Russian Federation in this regard, and requested, in addition, that the Secretariat try to avoid overlapping meetings, as in the case of the upcoming meeting of the TBT Committee, which had also been scheduled to take place at the same time as the CTG.

20.7. The Committee took note of the statements made.

20.2 Dates of the next meetings

20.8. The Committee took note that the next HS Multilateral Review Session would take place on 25 February 2020 and that the Committee's next formal meeting had been scheduled for 2 April 2020.
