



MINUTES OF THE COMMITTEE ON MARKET ACCESS 8 JUNE 2020

CHAIRPERSON: MR CHRISTOPHER O'TOOLE (CANADA)

The Committee adopted the agenda as reproduced in document WTO/AIR/MA/12/Rev.1, with the inclusion of the following items under Other Business: "Russian Federation – Import Restrictions on Refined Fuel Products – Statement by the European Union" and "Turkey – Increase of Applied Duty Rates – Statement by Switzerland". An annotated agenda was circulated in document JOB/MA/144.

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

1.1. The Chairperson recalled that a full version of the Secretariat's reports regarding the different transposition of Schedules had been made available in the back of the room and would be incorporated into the minutes of the meeting.¹

– HS2002 (WT/L/605 and WT/L/807)

1.2. The Secretariat (Mrs Alya Belkhodja) recalled that a revised written report had been issued as document JOB/MA/42/Rev.26, dated 11 September 2019. The status of the HS2002 transposition files after the multilateral review of 28 February 2020 was as follows: 116 files had been certified or were in the process of certification; one draft file had been completed and sent to the Member for its first review. Finally, 18 Members had not been affected by the transposition, as eight Members

¹ Document RD/MA/64.

had acceded to the WTO with a Schedule of concessions in HS2002, another eight Members in HS2007, and two Members in HS2012.

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

– **HS2007 (WT/L/673 and WT/L/830)**

1.4. The Secretariat (Mrs Alya Belkhodja) recalled that a revised written report had been issued as document JOB/MA/104/Rev.23, dated 12 May 2020. The status of the HS2007 transposition files after the multilateral review of 28 February 2020 was as follows: 110 files had been certified or were in the process of certification; one file had been released for multilateral review and had received comments from other Members; six draft files had been completed and sent to Members for their first review; 8 draft files remained to be prepared. Letters had been sent by the Chair of the Committee on Market Access on 4 May 2020 to remind the following Members that the Secretariat could provide assistance to finalize their files: the Dominican Republic, Iceland, Indonesia, Japan, Malaysia, Morocco, Paraguay, and Tunisia. Finally, 10 Members had not been affected by the transposition as eight Members had acceded to the WTO with a Schedule of concessions in HS2007, and two Members in HS2012.

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

– **HS2012 (WT/L/831)**

1.6. The Secretariat (Mrs Alya Belkhodja) recalled that a revised written report had been issued as document JOB/MA/129/Rev.9, dated 12 May 2020. The status of the HS2012 transposition files after the multilateral review of 28 February 2020 was as follows: 99 files had been certified or were in the process of certification; two files had been released for multilateral review and had received comments from other Members; two files had been released for multilateral review and would be examined at the next meeting; four draft files had been completed and sent to Members for their first review; and 26 draft files remained to be prepared. Finally, two Members had not been affected by the transposition as they had acceded to the WTO with a Schedule of concessions in HS2012.

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

– **HS2017 (WT/L/995)**

1.8. The Secretariat (Mrs Alya Belkhodja) reported that the first two groups of files had been released for multilateral review and announced in documents G/SECRET/HS17/1 and G/SECRET/HS17/2. A first report on the HS2017 transposition had been issued as document JOB/MA/143, dated 12 May 2020. The status of the HS2017 transposition files was as follows: 40 files had been released for multilateral review; 15 draft files had been completed and sent to Members for their first review; and 80 draft files remained to be prepared. Following the virtual informal meeting of the Committee on Market Access of 20 May 2020, where Members had requested not to consider an excessive number of files at the same time, it had been envisaged that the first group of 18 HS2017 files listed in G/SECRET/HS17/1 would be examined at the next HS multilateral review meeting. Finally, she mentioned that the overall status of the different transposition exercises had been reflected in slide 2 of the presentation.

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

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

2.1. The Chairperson welcomed Ms Gael Grooby, Deputy Director of the Tariff and Trade Affairs Directorate of the World Customs Organization (WCO), who had been invited to explain the HS amendment procedures, including the preparation of the correlation tables, and to present highlights of the upcoming HS2022 nomenclature. He also recalled that Ms Grooby had provided a document that had been made available in the back of the room.²

² Document RD/MA/67.

2.2. The representative of the WCO (Ms Gael Grooby) indicated that, besides the room document that had been mentioned by the Chairperson, which included a summary of the main highlights of the upcoming HS2022 changes, she had also prepared a presentation with background information about the main changes, why the changes had occurred, and what to look for with the implementation of HS2022. The starting point was the classification problem, which related to the challenge of trying to identify what goods had been traded across borders. In reality, nobody really knew. In 2018, there had been approximately \$18.5 trillion worth of goods that had been traded internationally, which had been comprised of millions of different types of goods. Hence tariff classification had been used to try to make sense of this complexity, and it required grouping commodities into different types, so there were fewer separate things to consider. But this had not been the only problem faced, as there were also challenges with the definition and selection of those types of commodities. The challenge of creating a definition included, for example, determining the meaning of the categories. A classification created categories, and the more clearly defined that they were, the easier was the classification. The HS covered all known and unknown physical goods in the world, but not all categories were visible. She gave the example of HS heading 85.09, "Electromechanical domestic appliances, with self-contained electric motors, other than vacuum cleaners of heading 85.08", and asked whether delegates understood which products were classified therein. She also noted that products such as food grinders and mixers and fruit or vegetable juice extractors were classified under specific categories, but everything else had been classified under "other appliances" or as "Parts". Therefore, creating categories to define a finite number of commodity groups required making choices, and these choices could be quite political because anything that had not been specifically named automatically became part of "the other". Visibility had been considered an important issue because whatever was named was seen, and what was seen was valued.

2.3. She explained that changes to the HS had usually been introduced either to enforce greater uniformity in the classification of products within the existing provisions, or to increase the level of visibility that had been given to certain products by creating new categories. In any classification system, achieving uniform classification relied on two principles. First, that everyone used the same categories, and second, that everyone used the same rules to resolve ambiguous classifications. This had been the reason why the Harmonized System had included General Interpretation Rules (GIRs). And, evidently, the categories of the HS were created by the provisions of the headings and subheadings. Every review cycle of the HS had included changes that had been considered necessary to enforce uniform classification, and there had been three different means by which to achieve this: (i) to change the interpretative rules themselves; (ii) to change the wording of the terms of the headings or subheadings; or (iii) to include changes in the wording of the legal Notes, although the GIRs had not thus far been changed. These were the tools available to introduce and explain any changes. For example, a new definition of oxygen function in relation to headings 29.11, 29.12, 29.14, and so on. There could also be changes to have a better definition of, for example, what a shirt blouse or what a blouse was. However, most of the changes introduced that had been of particular interest to the trading community were visibility changes. For example, in 2017, the HS had included a new heading for olive oil and its fractions, which had been achieved by creating two new categories for olive oil: "virgin" and "other". However, this did not give a lot of visibility to the trade in different types of virgin olive oil, which had been considered a major issue for the industry. For this reason, in HS2022, the category of "virgin" oil had been split with a view to introducing new subcategories: extra virgin olive oil, virgin olive oil, and other virgin olive oils. All the products classifiable in HS2022 subheadings 1509.20 to 1509.40 were, evidently, already contained in HS2017 subheading 1509.10. Thus, the new change in HS2022 had simply split one category to increase the visibility of some subcategories. She observed that the number of changes that would be introduced by HS2022 was huge, as it contained 351 sets of amendments. Previous amendments to the HS had been much smaller. Therefore, HS2022 was an amendment that would be quite fundamental. This had been why she had prepared the room documents, which explained some of the more significant changes. However, she would not try to provide a full overview, which would rather require a full day's workshop.

2.4. She noted that the technical work on HS2027 had already begun, including both pending discussions from the HS2022 cycle that had not been completed on time, as well as new proposed changes. It was expected that the HS2027 changes would be even larger and, unusually, could include also an amendment to the GIRs to resolve a lack of classification uniformity in certain areas. Discussions remained ongoing. The WCO had also been considering the possibility of undertaking a strategic review of the Harmonized System. At 31 years of age, the HS was not a young instrument. It had been based on the Brussels Tariff Nomenclature and, to a large extent, it had simply expanded

headings into subheadings. Much of the nomenclature had been developed in the 1950s and, even then, it had been developed based on previous tariff nomenclatures. Thus, there was a question of whether the HS remained the best solution available today, in particular bearing in mind that the demand from governments, industries, and all sectors, was now higher. At the same time, information flows and the global trading system were also more complex. For example, global value chains were producing a wider range of goods with shorter product cycles. Unfortunately, the pandemic had resulted in a delay to the consideration and technical discussion of these issues by Members. These discussions would resume as soon as possible.

2.5. The representative of Sri Lanka thanked the representative of the WCO for its presentation and indicated that she would raise two questions or comments. First she observed that the HS included several codes that belonged to the "other" categories, which in her view created confusion, in particular given that an important product had not been recognized in the HS through a specific HS code. As a result, a product that the HS considered to fall under the "other" had sometimes been very significant for Sri Lanka's trade. It could also happen in national classifications that went beyond 6-digits, and sometimes 8-digits or higher. Sri Lanka did not go beyond 8-digits, but some countries went as far as 12-digits. Her delegation had identified a particular issue, which related to investigations on anti-dumping, countervailing measures, or safeguard measures, where in many cases the products fell under the "other" category. Given that Sri Lanka was a small supplier, it would wish to seek shelter from some of these provisions to exempt the small suppliers. When we are comparing like products, it is sometimes important to analyse the HS codes, but sometimes the very vague "other" categories, and the national classification, actually define the exact commodity. And there were many occasions where the HS codes and the national classifications did not tally. Her delegation had identified this as a recurrent problem. Therefore, Sri Lanka supported efforts to create further classifications, particularly around those "other" categories. Second, she asked what had been the basis in the HS to identify the necessity to create a new commodity group, in order to separate them from "other", and then to attribute to them a specific HS code. She asked if this determination had been based on the value of world trade in that product because she had understood that creating a 6-digit subheading required proving that there existed at least USD 15 million of world trade in that particular product. She asked if there had been any change to this particular criterium and if a higher value threshold had been established.

2.6. The representative of the WCO recalled that the points raised by Sri Lanka were linked, precisely, to the issue of visibility that she had previously explained. Once a product in the "other" category had been identified at domestic level it could become visible at domestic level. But it would remain invisible for international comparisons, statistics, or the application of anti-dumping provisions, or even for trade negotiations, because there had been no uniformity established in the classification worldwide. At international level, it was not possible to create new categories simply because a national classification had been created. However, one of the main problems in creating new categories was the sheer size of the HS. Currently, the HS had approximately 5,000 subheadings, but there could literally be millions of categories and subcategories if Members really wished them to be still more detailed. Therefore, the scope of the provisions had been a limiting factor. Originally, the Brussels Tariff Nomenclature had only a 4-digit heading level, until the HS moved to 6-digit subheadings, precisely to give greater scope. And the HS had remained at 6-digits since it had been introduced 31 years ago. When creating a subcategory within each subcategory labelled "other", there was a possibility of generating nine splits. Thus, there could be a competition for choosing among those splits. And in terms of what actually received a code in the HS, at the moment there was considerable room to introduce many more splits. Value had indeed been a criterium, which somehow limited these proposals. Although it had not been the criteria on which categories had been chosen, it had been a limiting factor to avoid creating splits of very low value. However, this value criterium was easy to overcome. For example, the HS had adopted some low value splits that had been created to take account of the security of dual-use goods or for goods that had been restricted under various international conventions. Given this high degree of flexibility, the real question was how to decide. The first point that she wished to clarify was that the WCO Secretariat itself did not take this decision; rather, it was a decision that came directly from Contracting Parties to the HS. If a trade issue required its own classification, it would then be proposed at the WCO, through the Harmonized System Committee, by the customs administration of a given country. Once a proposal to have a split had been submitted, a number of questions would be raised, including whether the goods met the value threshold and could be identified at the border. For example, some years ago, there had been a proposal to create a new category to specifically identify organic sugar. This proposal had not gone through mainly because it had not been clear how customs officers could have determined, at the border, whether or not the sugar was organic. Two

other questions included whether there was an international standard and whether there was a way of testing. Another factor that often determined whether or not a proposal would succeed was who would be affected by any new category. For example, proposals on global issues had a higher chance of getting through the Harmonized System Committee (HSC). And it was a very narrow issue, acceptance would then depend on whether or not the HSC recognized that it was important to that particular Member and, therefore, whether it should be elevated at the international level. Another aspect to consider was that the splits and provisions that were defined by the HSC did not necessarily reflect trade realities; rather, they reflected the proposals that had been made. For example, although "complete meals" had been around for almost 30 or 40 years, and involved billions of dollars' worth of goods produced and traded, the HS did not yet have a classification for them. In another example, the HS would only be getting a specific classification for drones in 2022, which had been the cause of a regulatory problem because drones were currently considered as aircraft. Thus, to make the HS more useful for trade, it mattered that the proposals were relevant and important to the trade community. Although the proposals to amend the HS came from the customs administrations, it was typically a whole government initiative which had also involved the trade department, foreign affairs, etc. Thus, there was a need to talk and coordinate with the relevant customs administration so the proposal could be tabled.

2.7. The Chairperson noted that this exchange had underlined that there would be a lot of detail in these changes. In relation to the final section of the WCO paper, he proposed that the next Chairperson hold consultations on how to further study these amendments with a view to fully understanding their scope. These discussions could take place after the capacity-building workshop that was being organized by the WCO and the WTO Secretariat on the operation of the HS and HS2022 changes. Although the workshop had been delayed, the plan remained to hold it before end-July; the details would be confirmed in due course.

2.8. The representative of the WCO (Ms Gael Grooby) indicated that she had forgotten to add an important point relating to the correlation tables that were produced by the WCO. These guides, which were not legislative instruments, were simply intended to show how the classification of goods would move from their current into their new positions. The WCO was aware that the correlation tables were extremely valuable. She noted that there would be a delay producing the correlation tables for HS2022 because the pandemic had interrupted the meetings of the HSC. Moreover, the HSC had been obliged to postpone the majority of its March meetings. For this reason, they had only been able to deal with certain corrigenda items for HS2022. She apologized for the delay, noting that the situation had been beyond their control. It would be raised at the Committee as soon as possible.

2.9. The Committee took note of the WCO report and statements made.

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

3.1. The Chairperson recalled that there were four issues to discuss under this agenda item, namely: (i) the status of implementation of the IDB Decision; (ii) the status of IDB notification; (iii) the document with the list of Members' official websites; and (iv) the status of the CTS database.

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

3.2. The Chairperson informed the Committee that the statement by the Secretariat had been made available as a room document and would be included in the minutes.³

3.3. The Secretariat (Ms Adelina Mendoza) reported that, in addition to the steps that had been outlined at the previous Committee on Market Access (CMA) meeting, of 11 November 2019, the following additional actions had been undertaken. First, the provisional data for verification had been made available in MS Excel format and the download link had been included in the email notifying Members that the data had been processed and was ready to be verified/consulted. The MS Excel file had included the national nomenclature tariff line data for the applied tariffs, as well as some summary tables for the import data. Because of the file size, the download of formatted data for imports at the national tariff line level was optional. Second, the status of submissions to the IDB

³ Document RD/MA/64.

had been further revised to show notified applied internal taxes, as well as other duties and charges (ODCs) and additional elements submitted. For example, *ad valorem* equivalents of non-*ad valorem* tariffs (A), correlation tables (C), and other references (O), such as beneficiary list of PTAs and RTAs, and the exchange rate. Third, in February 2020, the IDB had sent an email with a "Call to Notify" to all delegations reminding them of the 30 March deadline to submit the applied tariffs for the year 2020. This was meant to address paragraph 19 of the new IDB decision which had excluded the IDB notification reminders from the CRN list. Hence, the email that had been sent was meant to replace the CRN reminder. A follow-up email containing a comprehensive list of all outstanding notifications (applied tariffs and imports), if any, had been sent to the concerned Members after the 30 March deadline. Fourth, the new data derestriction policy for tariff line imports had been implemented in the Tariff Analysis Online (TAO) facility for those Members that had not objected to the new conditions. Fifth, the applied internal taxes and ODCs that had been notified by Members at the tariff line level had been processed and disseminated in TAO. Sixth, the Secretariat had continued to reach out and had conducted meetings with a handful of delegations to explore the possibility of automatic submission of data, as had been set forth in paragraph 8 of the new IDB decision. A successful technical test had been undertaken with one delegation that had expressed interest on this new option. Based on these initial discussions, the Secretariat had drafted a sample memorandum of understanding (MOU) with sample provisions for a possible arrangement that could be adapted on a case-by-case basis. The draft had already been shared with interested delegations. The Secretariat had also been working on an additional draft based on the model of an exchange of letters. It was expected that these drafts would facilitate discussions with Members with the ultimate goal of facilitating data transmission and reducing the burden of submitting and processing notifications. The draft MOU could be shared with any interested delegation. Seventh, the Secretariat had continued exploring ways to enhance IDB data coverage and facilitate integration of the data in collaboration with Members. With respect to the provision in paragraph 6 of the IDB decision, which required Members to notify the data in spreadsheet or database formats (or other related formats that could easily be imported into these types), she noted that the Secretariat would stop downloading data from the framework sources (namely, websites publishing country data suitable for IDB notification) if such data was only available in PDF format. The delegations concerned would be contacted by the Secretariat and requested to provide the data in the appropriate format. She recalled that one of the issues that had been raised by Members last year during the feedback session was that the Secretariat should try to improve the user-friendliness of the different applications, and to group them whenever possible. In this regard, she reported that the Secretariat had been assessing how best to modify TAO to address these issues while also including new functionalities, such as additional analytical reports (including for bound tariffs), cross-country/year selection, and other features.

3.4. The representative of Canada thanked the Secretariat for the presentation and indicated that it had agreed on the automatic submission to the IDB of its applied tariff information, both for MFN and preferential tariffs, each year. He reported that Canada's 2020 tariffs had been accessed and uploaded in March by the Secretariat from the website of the Canada Border Services Agency, which was the government entity responsible for implementing its applied tariffs. Canada had not received any comment on the results that had been extracted by the Secretariat and, therefore, the provisional file had been approved. Canada encouraged other delegations to reach out to the Secretariat to explore whether or not this procedure could work for them too.

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

– **STATUS OF IDB NOTIFICATIONS (G/MA/IDB/2/REV.51)**

3.6. The Chairperson drew the Committee's attention to the Secretariat's report on tariffs and imports of Members, circulated in document G/MA/IDB/2/Rev.51. As with the previous item, the Secretariat's statement had been made available as a room document and would be included in the minutes.⁴

3.7. The Secretariat (Ms Adelina Mendoza) presented the status of notifications to the IDB, which had been circulated in document G/MA/IDB/2/Rev.51, which included information up to 20 April 2020. An electronic copy for all years from 1996 was also available for download from the website <https://IDBFileExchange.wto.org>. She recalled that, although the current notification requirements under the IDB were for Members to submit the 2020 applied tariff data (for which the

⁴ Document RD/MA/64.

deadline had been 30 March 2020) and the 2018 import data (for which the deadline had been 31 October 2019), this report had included a more recent cut-off date, 31 May 2020, in order to reflect the most up-to-date statistics. On the 2020 applied tariff data, the IDB had received 47 files with applied tariff data, which accounted for 35% of the 135 expected Members' notifications. Of those 47 files, 43 had been official submissions, while the remaining four had been collected by the Secretariat from approved "framework sources" (paragraphs 20 and 21 of the IDB Decision). As to the inclusion of other applied tariffs beyond the MFN rates, 32 submissions had included non-MFN duty schemes. With respect to the other voluntary elements in paragraph 2 of the IDB decisions, five notifications had included information on additional taxes and ODCs. Slide 4 of the presentation had included a chart to visualize the overall situation currently, as well as that of the previous four years. In terms of the completeness of the IDB notifications, 36 Members representing 27% of notifying Members, had provided complete data on their MFN applied tariffs. There were, however, 49 members (36% of the notifying Members), with six or more years of outstanding applied tariff data. This was shown in slide 5 of the presentation. On the 2018 import data, 59 notifications had been received as of 31 May 2020, which represented 44% of the 135 expected notifications. As a result, import data for the year 2017 was 64% complete. This was also shown in slide 4, alongside the same statistics for tariffs. In terms of the completeness of the import data for the period covering 1996 and 2018, 39 Members, or 29% of the notifying Members, had provided complete data. There were, however, 48 Members whose data was outstanding for six or more years, representing 36% of the membership. This could also be seen in slide 5 of the presentation. Overall, the IDB disseminated data consisted of 2,668 country periods of either applied tariffs with matched imports at the national tariff line level or applied tariffs only. The Secretariat estimated that IDB notifications were approximately 81% complete for data on MFN applied tariffs until 2020, and 76% complete for import data until the year 2018. In terms of the sources of IDB data, she explained that the tariff information was more complete and with a higher percentage of data coming from other sources compared to the import data, as could be seen in slide 4 of the presentation. This had been partly due to the fact that tariff data was more easily available from other sources, so the Secretariat could apply the "framework" provisions to source the data (paragraphs 20 and 21 of the IDB Decision). However, the IDB requirement on import data was quite detailed and there were very few sources from which such data could be obtained. Approximately 57% of the tariff data for the period 1996-2020 had been notified by Members, while 25% had been obtained through the framework provisions; the remaining 19% remained outstanding. For import data, the percentage of data submitted by Members had been higher, at 59%, and 16% of the data had been sourced from framework sources. The lack of alternative sources also explained why 24% of the expected import datasets remained outstanding. On the submission of the data elements required by the Transparency Mechanism for Preferential Trade Arrangements (PTA-TM), she recalled that these were part of the mandatory IDB elements that were provided for in paragraph 1(c) of the new IDB Decision in document G/MA/367. For 2020 tariffs, of the 23 Members (counting the EU-27 and the UK as one, as well as Switzerland and Liechtenstein as one) 15 had included the non-reciprocal GSP/LDC schemes as part of their tariff submissions, while eight Members had not yet submitted the applied tariff data. She also recalled that the Members concerned should also notify the preferential import data in a way that was disaggregated by duty scheme. In this regard, the Secretariat had received only 10 of the 23 expected notifications for the year 2018. Slide 6 of the presentation summarized the overall situation. She noted that while some PTA-Members were expected to submit MFN tariffs together with the relevant preferential tariffs and imports with the relevant breakdown by PTA-TM duty-scheme, some still submitted data without the additional datasets required by the PTA-TM. As stipulated in paragraph 5 of the new IDB decision, and in order to avoid the Secretariat having to process similar data multiple times, she informed the Committee that the Secretariat would wait for the complete PTA-TM datasets (tariffs or imports) before integrating the notifications into the database. She also observed that the following additional notifications had been received after the cut-off date of 30 April 2020 that had been used in the report (G/MA/IDB/2/Rev.51), up until 3 June 2020: Albania (2018 imports); Australia (2019 imports, with PTA-TM breakdown); Central African Republic (2015 MFN tariffs and 2009-2013, 2015-2019 imports); Jordan (2020 MFN tariffs); Macao, China (2019 imports); Malaysia (2020 MFN tariffs); Mexico (2019 imports and 2020 MFN tariffs); Morocco (2020 MFN, PTA-TM, and other preferential tariffs); New Zealand (2020 MFN, PTA-TM, and other preferential tariffs); Norway (2019 imports); Seychelles (2020 MFN); and Zimbabwe (2020 MFN tariffs and 2018-2019 imports). Since the previous meeting of the Market Access Committee, in November 2019, the Secretariat had participated in the following technical assistance activities concerning the IDB/CTS databases: Advance Trade Policy Course in English (Geneva) and Regional Trade Policy Course for French-speaking Africa in Abidjan, Côte d'Ivoire. She concluded by noting

that the electronic copy of the publication, "World Tariff Profiles 2020", was expected to be published on its regular release date, namely, by end-June 2020.

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

– **LIST OF MEMBERS' OFFICIAL WEBSITES WITH TARIFF INFORMATION AND IMPORT STATISTICS (G/MA/IDB/W/13/Rev.1)**

3.9. The Chairperson recalled that that the new IDB Decision required the Secretariat to prepare a list of Members' official websites containing tariff information and import statistics. An updated version of this document should already have been circulated in document G/MA/IDB/W/13/Rev.1; however, there had been a technical glitch, which the Secretariat had only noticed over the weekend. He apologized on behalf of the Secretariat and informed Members that the document would be circulated that day.

3.10. The Secretariat (Mr Simon Neumueller) recalled that the list of official websites contained in document G/MA/IDB/W/13/Rev.1 had been prepared pursuant to paragraph 16 of the new IDB Decision (G/MA/367). This revision had been based on consultations with Members at the beginning of the year, resulting in the update of links for 37 Members, and also the removal of several dead links. Since the document's circulation, three additional Members had contacted the Secretariat with updated information; subsequently, a new revision would be issued shortly. He encouraged Members to test their links and to inform the Secretariat of any addition or correction they wished to introduce. He concluded by noting that the Secretariat had been exploring alternative ways to disseminate this information, such as through different platforms.

3.11. The representative of Guatemala indicated that she would submit a change relating to Guatemala's statistics on imports so that the document could be updated.

3.12. The Committee took note of the Secretariat's report and of the statement made.

– **STATUS OF THE CTS DATABASE**

3.13. The Chairperson drew the Committee's attention to the Secretariat report on the status of the CTS database. The statement by the Secretariat had been made available as a room document and would be included in the minutes.⁵

3.14. The Secretariat (Mrs Alya Belkhodja) reported that the Secretariat had made CTS files available to all Members on the Tariff Analysis Online (<https://tao.wto.org/>). Out of the 135 CTS files, 97 had been made available in HS2012; 23 in HS2007; 13 in HS2002; and two remained in HS96. The complete CTS database had been made available to Members on a USB key which had been sent to Members in September 2019. The USB key included a more complete compilation of the original legal instruments, listed by Member. The full content of Release 16 of the CTS USB key could be downloaded from the IDB file exchange facility (<https://idbfileexchange.wto.org>) in directory WTO Documents/CTS. She also noted that all the legal instruments would also be made available through the new specialized website (<https://goods-schedules.wto.org>).

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

4 NOTIFICATIONS PURSUANT TO THE DECISION ON NOTIFICATION PROCEDURES FOR QUANTITATIVE RESTRICTIONS (G/L/59/REV.1)

4.1. The Chairperson recalled that the Committee would consider the quantitative restriction (QR) notifications of 22 Members. He observed that many of these new notifications had made reference to the COVID-19 pandemic. On behalf of the Committee, he thanked those Members that had provided information as soon as practicable. These timely actions had supported transparency and had informed Members about the changing conditions in an efficient way. He also thanked those Members that had submitted their first QR notification. This was an important foundation on which future notifications could be built.

⁵ Document RD/MA/64.

A. NOTIFICATIONS

– *Albania (G/MA/QR/N/ALB/1/Add.1)*

4.2. The Chairperson drew Members' attention to a new notification by Albania, which related to temporary measures necessary to combat the COVID-19 pandemic.

4.3. The representative of Albania noted that the temporary measure which had prohibited the export of medicines and medical equipment from Albania had been adopted by the Order of the Minister of Health and Social Protection, dated 8 March 2020. The Ministry of Health and Social Protection had taken this measure, which had covered a broad range of medical products, to effectively cope with the COVID-19 situation. This measure had sought to better tackle the prevention of the pandemic outbreak, to contain its further spread, and to guarantee the best possible treatment of cases concerning both the patients and the infected medical staff working in the health structures throughout the country. Although the state of emergency in the country had been successfully addressed, and based on the ongoing evaluation of the pandemic situation, and the fact that new cases were testing positive to COVID-19 on a daily basis, the competent authorities had considered that the pandemic risk in Albania was not yet over. Therefore, this restrictive measure would continue to be in force until the authorities decided otherwise. His delegation hoped that the situation would improve shortly, which would allow his country to remove this conditional export prohibition measure. Albania would notify the Secretariat as soon as this decision had been taken.

4.4. The Committee took note of this notification.

– *Australia (G/MA/QR/N/AUS/3/Add.1, G/MA/QR/N/AUS/3/Add.1/Corr.1, G/MA/QR/N/AUS/4)*

4.5. The Chairperson drew Members' attention to new notifications by Australia. The first, which had been circulated in document G/MA/QR/N/AUS/3/Add.1 and its corrigendum, related to temporary measures necessary to combat the COVID-19 pandemic. The second, which had been circulated in document G/MA/QR/N/AUS/4, was a new complete notification by Australia for the period 2018-2020.

4.6. The Committee took note of these notifications.

– *Bangladesh (G/MA/QR/N/BGD/1, G/MA/QR/N/BGD/1/Corr.1)*

4.7. The Chairperson drew Members' attention to a new notification by Bangladesh, which was its first notification, and which was related to temporary measures necessary to combat the COVID-19 pandemic.

4.8. The representative of Bangladesh recalled that his country had introduced temporary export restrictions on surgical masks and disinfectants on 12 March 2020, which had been notified in document G/MA/QR/N/BGD/1. He also noted that the measures had been withdrawn on 2 April 2020. Bangladesh had notified these measures because it believed in the multilateral trading system and the importance of transparency.

4.9. The Committee took note of this notification.

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

4.10. 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.

4.11. The representative of Switzerland thanked China for the information that had been provided in response to the questions that had been raised. While two of the three questions had been answered, there was still one minor issue that remained pending. After this, Switzerland would be ready to accept the notifications.

4.12. The representative of the United States reiterated her delegation's concerns, which had been expressed previously in the Committee on Market Access and many other WTO bodies, regarding the negative trade and environmental impact resulting from China's import ban, and accompanying measures, on certain recovered materials. The United States remained concerned with what appeared to be different requirements for foreign and domestic commodities. She asked whether China planned to apply the same bans and restrictive contaminant standards to both foreign and domestically-sourced materials. If that was not the case, China should explain why. Additionally, the United States observed that these policy measures appeared to be contrary to the pro-circular economy narrative that China had been promoting in the WTO and internationally. As the world's largest processor of scrap materials, these measures had hindered China's aspirations to transition to a more resource efficient, global circular economy by directly impacting global recycling networks. Furthermore, these restrictions were detrimental to the shared environment. As a result of China's measures, and the consequent additional pressure on the capacity in smaller, less developed economies, there was now a greater risk that an increased volume of scrap would go into landfills or other less desirable waste channels, and was becoming marine litter. The United States reiterated its request that China immediately halt the implementation of its ban and revise the import restricting measures in a manner that was consistent with existing international standards for trade in scrap materials, which provided a global framework for transparent and environmentally sound trade in recycled commodities.

4.13. The representative of China thanked Switzerland and the United States for the comments and questions that had been raised. Regarding the solid waste prohibition, she recalled that China had already responded on several occasions. In the interest of time, China referred Members to the statements that had been previously made in this Committee, the Committee on Import Licensing, and the Council for Trade in Goods. In brief, China's position was that solid waste was inherently polluting, which made it different from other normal goods. Every Member had the obligation to properly handle and dispose of its domestically-produced solid waste. China had suffered pollution from imported solid waste for decades, so it was imperative to implement measures to limit the negative effect of solid waste. Regarding the specific questions that had been raised by Switzerland, China had provided initial responses and would continue engaging with them.

4.14. The Committee took note of the statements made and agreed to revert to the notifications at its next meeting.

– *Colombia (G/MA/QR/N/COL/1)*

4.15. The Chairperson drew Members' attention to a new notification by Colombia, which was its first, and which related to temporary measures necessary to combat the COVID-19 pandemic.

4.16. The Committee took note of the notification.

– *Costa Rica (G/MA/QR/N/CRI/3/Add.1)*

4.17. The Chairperson drew Members' attention to a new notification by Costa Rica, which related to temporary measures necessary to combat the COVID-19 pandemic.

4.18. The Committee took note of the notification.

– *Egypt (G/MA/QR/N/EGY/1, G/MA/QR/N/EGY/1/Rev.1)*

4.19. The Chairperson drew Members' attention to a new notification by Egypt, which was its first notification, and which related to temporary measures necessary to combat the COVID-19 pandemic.

4.20. The Committee took note of the notification.

– *European Union (G/MA/QR/N/EU/4/Add.1, G/MA/QR/N/EU/4/Add.2)*

4.21. The Chairperson drew Members' attention to two new notifications by the European Union, which related to temporary measures necessary to combat the COVID-19 pandemic.

4.22. The representative of the European Union recalled that the two EU notifications on the agenda referred to a temporary export authorization scheme for personal protective equipment, which the EU had initially introduced on 15 March and revised on 24 April. This scheme was meant to protect public health and to ensure the adequate supply of such products in the European Union during the coronavirus crisis. The implementation of the authorization regime showed that it had struck the right balance between delivering on public health needs and securing trade flows. According to the information that had been submitted by EU member States, exporters had requested more than 1,300 authorizations based on the regulation which had entered into force on 26 April. Approximately 95% of all applications had been approved. In addition, based on member States' reports, more than 13 million protective masks, around 1 million protective garments, and more than 350,000 protective masks and visors had been exported from the EU since 26 April. As had been planned, this temporary measure ceased to apply on 26 May. The EU had kept its commitment to ensure that all export restrictive measures were proportionate, targeted, transparent (that is, notified to the WTO) and temporary. Finally, the EU had prepared a further *ad hoc* notification, which the EU would circulate very shortly, which contained temporary measures that had been taken by some EU member States, as well as the United Kingdom. Should there be comments or questions on these measures, her delegation would be ready to engage with Members outside the Committee meetings on a bilateral basis.

4.23. The representative of the United Kingdom welcomed the opportunity to discuss the QR notifications. As the European Union had just explained, the EU had submitted a notification with measures that had been taken by EU member States and the United Kingdom, including UK measures regulating the exports of medicines. These UK measures had been designed to prevent hoarding. The UK measures that had been covered within that notification had previously been highlighted by the United Kingdom, including in our response to the Director-General's request for information for the Trade Monitoring Report, as well as in the UK's regular contributions to the COVID-specific surveillance platform that was being hosted on the WTO webpage. The United Kingdom would continue to communicate further information on its COVID-related measures to the WTO and Members, both formally and informally, as appropriate.

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

– *Georgia (G/MA/QR/N/GEO/2, G/MA/QR/N/GEO/2/Add.1)*

4.25. The Chairperson drew Members' attention to two new notifications submitted by Georgia. The first was a complete notification for the periods 2016-2018 and 2018-2020, while the second related to temporary measures necessary to combat the COVID-19 pandemic.

4.26. The Committee took note of the notifications.

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

4.27. 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 Australia and the United States.

4.28. The representative of the United States noted that her delegation would like, once again, to express concern over the quantitative restrictions that, according to its understanding, India had been implementing on certain pulses. Although the US would address this issue separately under agenda item 18, her delegation remained concerned that India had not updated its QR notification to reflect these 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 them for a full year through March of 2021. The United States questioned how these measures could be considered to be "temporary". 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 observed that the agenda of the meeting included numerous temporary measures to combat COVID-19. The United States urged India to update its QR notification accordingly.

4.29. The representative of India thanked the delegation of the United States for its comments concerning India's QR notification on pulses. Since there was a separate agenda item on the same issue, and to avoid repetition, his delegation would respond under agenda item 18.

4.30. The Committee took note of the statements made and agreed to revert to the notifications at its next meeting.

– *Israel (G/MA/QR/N/ISR/1)*

4.31. The Chairperson drew Members' attention to a new notification by Israel, which was its first, and which related to temporary measures necessary to combat the COVID-19 pandemic.

4.32. The Committee took note of the notification.

– *Republic of Korea (G/MA/QR/N/KOR/2/Add.1)*

4.33. The Chairperson drew Members' attention to a new notification by the Republic of Korea, which related to temporary measures necessary to combat the COVID-19 pandemic.

4.34. The Committee took note of the notification.

– *Kyrgyz Republic (G/MA/QR/N/KGZ/1, G/MA/QR/N/KGZ/1/Add.1)*

4.35. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notification by the Kyrgyz Republic which had been circulated in document G/MA/QR/N/KGZ/1. Questions had been raised by the United States. Since then, the Kyrgyz Republic had submitted a notification which related to temporary measures necessary to combat the COVID-19 pandemic.

4.36. The Committee took note of the notifications.

– *Maldives (G/MA/QR/N/MDV/1)*

4.37. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notification by Maldives, which had been circulated in document G/MA/QR/N/MDV/1. Questions had been raised by Switzerland.

4.38. The representative of Switzerland indicated that her delegation had no additional questions and could agree to complete the examination of this notification.

4.39. The Committee took note of the notification.

- *Moldova, Republic of (G/MA/QR/N/MDA/1)*

4.40. The Chairperson drew Members' attention to two new notifications by the Republic of Moldova. The first was a complete notification covering all biennial periods from 2012 to 2020, and the second related to temporary measures necessary to combat the COVID-19 pandemic.

4.41. The Committee took note of the notifications.

- *Montenegro (G/MA/QR/N/MNE/1)*

4.42. The Chairperson drew Members' attention to a new notification by Montenegro for the biennial period 2018-2020.

4.43. The Committee took note of the notification.

- *North Macedonia (G/MA/QR/N/MKD/1)*

4.44. The Chairperson drew Members' attention to new notifications by North Macedonia, which related to temporary measures necessary to combat the COVID-19 pandemic.

4.45. The Committee took note of the notification.

- *Paraguay (G/MA/QR/N/PRY/1, G/MA/QR/N/PRY/1/Corr.1, G/MA/QR/N/PRY/1/Add.1)*

4.46. The Chairperson drew Members' attention to two new notifications by Paraguay, both of which related to temporary measures necessary to combat the COVID-19 pandemic.

4.47. The Committee took note of the notifications.

- *Singapore (G/MA/QR/SGP/4)*

4.48. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the notification by Singapore which had been circulated in document G/MA/QR/SGP/4. Questions had been raised by Switzerland.

4.49. The representative of Switzerland thanked Singapore for its clarifications, which had answered all its questions. Switzerland did not have additional questions and could agree to conclude the examination of Singapore's notification.

4.50. The Committee took note of the notification.

- *Thailand (G/MA/QR/N/THA/2, G/MA/QR/N/THA/2/Add.1, G/MA/QR/N/THA/2/Add.2, G/MA/QR/N/THA/2/Add.3)*

4.51. The Chairperson drew Members' attention to a new notification by 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. Since then, Thailand had submitted two new notifications which related to temporary measures necessary to combat the COVID-19 pandemic.

4.52. The representative of the European Union recalled that her delegation had previously noted that Thailand's notification did not include the import licensing requirements for feed wheat, which the EU considered to be non-automatic licensing requirements. Yet they had not been included in Thailand's notification. The EU had expressed concern over Thailand's import procedures for feed wheat numerous times in this Committee, the Committee on Import Licensing, and the Committee on Agriculture. The EU wished to remind Thailand that it had not provided written replies to the

questions that had been submitted by the EU in the Committee on Import Licensing in April 2017 and March 2018 (documents G/LIC/Q/THA/3 and G/LIC/Q/THA/4). The EU wished to reiterate its interest in understanding the basis of the measure, why a measure which had been announced to be temporary could be maintained for so long (over three years), and when it would cease to apply. Also, the EU remained concerned about the WTO compatibility of Thailand's import licensing regime for feed wheat. Further, given the market and policy developments affecting corn since last year, the EU understood that no economic reasons remained to keep the measure in place. The EU would also like to understand whether, pending the removal of the licensing regime, Thailand intended to notify it in accordance with Articles 1.4 and 5 of the Import Licensing Agreement, and to include them in its notification on quantitative restrictions. The EU acknowledged that a new price support programme for corn had been launched since 20 December 2019. Her delegation would like to seek an update on the implementation of the new price support programme and requested Thailand to notify it to the WTO Committee on Agriculture.

4.53. The representative of Thailand thanked the EU for its continued interest in Thailand's import licensing regime for feed wheat. She reiterated that this measure was temporary. Her authorities had been in consultations with the relevant stakeholders in Thailand, including farmers and industry, with a view to improving the supply chain of feed wheat and stabilizing the domestic prices. Thailand would review these measures, which would require an in-depth examination of the various sectors affected, as well as an analysis of its economic and social impact. Thailand looked forward to sharing more information in due course.

4.54. The Committee took note of the statements made and agreed to revert to the notifications at its next meeting.

– [Ukraine \(G/MA/QR/N/UKR/4/Add.2, G/MA/QR/N/UKR/4/Add.3, G/MA/QR/N/UKR/4/Add.4\)](#)

4.55. The Chairperson drew Members' attention to three new notifications by Ukraine, two of which related to temporary measures necessary to combat the COVID-19 pandemic.

4.56. The Committee took note of the notifications.

– [United States \(G/MA/QR/N/USA/2, G/MA/QR/N/USA/3, G/MA/QR/N/USA/4, G/MA/QR/N/USA/4/Add.1, G/MA/W/116, G/MA/W/127\)](#)

4.57. The Chairperson recalled that, at its previous meeting, the Committee had agreed to revert to the three notifications by 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. Since then, the United States had submitted a new notification, which related to temporary measures necessary to combat the COVID-19 pandemic.

4.58. The representative of China wished to reiterate China's concerns over quantitative restrictions on steel and aluminium which had been introduced by the United States. She recalled that, on 3 October 2018, the United States had submitted a complete QR notification, which had been circulated in document G/MA/QR/N/USA/4. Measures Nos. 17, 18, 19, and 20 of this notification had referred to "import quota on steel mill products from Korea", "import quota on steel mill products from Argentina", "import quota on steel mill products from Brazil" and "import quota on aluminum products from Argentina", which were based on the US Trade Expansion Act of 1962, Section 232 (19 U.S.C. 1862). China wished to ask the US for detailed information on these measures, including the specific quantities and requirements for these import quotas. China also wished to ask the US for additional clarifications with a view to understanding how these import quotas could address its so-called national security concerns. China believed that these import restrictive measures were inconsistent with Article XI "General Elimination of Quantitative Restrictions" and Article XXI "Security Exceptions" of the GATT.

4.59. The representative of the European Union recalled that her delegation had been expressing concerns over the US trade prohibitions on sturgeon products in this Committee since 2015. In the latest US notification (G/MA/QR/N/USA/4), these restrictions had been listed in measure Nos. 9 and 10. Her delegation had also submitted written questions to the US on two occasions. Given the limited explanations that had been received, it still remained unclear to the EU why the US had

considered: first, that wild and farmed sturgeons and their products were not separate categories; and, second, that captive-bred sturgeon and its products were considered to be detrimental to the survival of wild stocks. At past meetings of this Committee, the US had informed Members about an ongoing review that had been carried out by the US Fish and Wildlife Service on the listing of sturgeon species as endangered. The EU would appreciate an update of this review.

4.60. The representative of the United States thanked China for its interest on this issue. She referred China to the notification in G/MA/QR/N/USA/4/Add.1, which had included the links and references to the US Federal Register notices which had implemented the measures. The US also appreciated the EU's continued interest in the matter regarding sturgeon. She recalled that there were five foreign species of sturgeon which had been listed as endangered under the US Endangered Species Act (or ESA). The ESA applied to not only wild animals, but also those in captivity as well. When a species had been listed under our ESA, the listed entity included both captive animals and wild animals. The US had not made a finding under the ESA that farmed sturgeon products were considered to be detrimental to the survival of wild stocks. This was not a criterion under the ESA. There had been 10 additional species of sturgeon under review by the US Fish and Wildlife Service (the USFWS). In December of 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 referred delegates to 82 of the Federal Register 61230 of 27 December 2017. The final determination was currently under review by USFWS leadership. With respect 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 collecting and evaluating information and had not made a determination regarding the listing of these species. A listing determination would be made on the best scientific and commercial information available. More specifically, the Service was currently reviewing the Amur and Caspian sturgeon. The Caspian sturgeon review included Russian, Persian, ship, and stellate sturgeon. At any time during the Service's review, the EU was able to provide additional information to help the United States to make this determination. Once the status review had been completed, if the Service found that listing was warranted, the Service would then prepare a proposed rule. At that point, the public would be given 60 days to comment on the proposed listing. This would give the EU another opportunity to provide the Service with information. Her delegation would be happy to facilitate a discussion among the relevant authorities, as appropriate.

4.61. The Committee took note of the statements made and agreed to revert to the notifications at its next meeting.

4.62. The representative of Brazil took the floor to inform Members that her delegation had formally notified its 29 May adoption of QRs in the context of the COVID-19 pandemic. The notification had been circulated as document G/MA/QR/N/BRA/2/Add.1, and would be included on the agenda of the Committee's next meeting.

5 SITUATION OF SCHEDULES OF WTO MEMBERS (G/MA/W/23/REV.16)

5.1. The Chairperson drew the Committee's attention to document G/MA/W/23/Rev.16, entitled "Situation of Schedules of WTO Members". He noted that the statement⁶ and the presentation⁷ by the Secretariat for this agenda item had been circulated as room documents.

5.2. The Secretariat (Mr Roy Santana) reported on the procedures that had been undertaken to rectify or modify Members' Schedules of concessions, which had been summarized in the annual report that had been circulated in document G/MA/W/23/Rev.16. The presentation that he made had been updated to include the most recent figures. In this regard, he noted that Members were close to reaching the milestone of 600 notifications under the 1980 Procedures for Modification and Rectification of Schedules, which included a wide range of different changes. They included, for example, changes relating to unilateral liberalization efforts, rectifications of errors, and tariff concessions resulting from plurilateral Agreements modifying schedules of concessions, such as the ITA, the ITA Expansion, and the Agreement on Pharmaceuticals (Pharma). However, the majority of notifications, 399 to be exact, had been the result of different HS transposition procedures. More recently, as a result of the Nairobi Declaration eliminating agricultural export subsidies, Members

⁶ Document RD/MA/64.

⁷ Document RD/MA/66.

had also submitted notifications to eliminate or phase-out these entitlements from Part IV of their Schedules. Finally, these notifications had also included the certification of renegotiations under Article XXVIII of the GATT, which would be reported separately in the next agenda item. He referred delegates to slide 2 of the presentation. This report by the Secretariat sought to highlight the work that remained pending for each Member, including the procedures on which reservations remained pending or where the Member concerned had indicated that the procedures were subject to the completion of domestic procedures which had not been concluded after several years. Overall, of the 597 procedures thus far, 573 had been certified (that is, 96%) and a total of 19 procedures remained pending either because reservations had been raised (15 procedures) or Members had yet to notify the conclusion of their domestic procedures (4 procedures). He referred delegates to slide 3 of the presentation. He also noted that the Secretariat stood ready to assist Members if necessary. He reminded Members that the new Goods Schedules e-library had been made available to Members and could be accessed through the following link: goods-schedules.wto.org. He invited Members to explore it and to provide their feedback.

5.3. The Committee took note of the statement and the document.

6 REPORT BY THE SECRETARIAT ON THE STATUS OF RENEGOTIATIONS UNDER ARTICLE XXVIII OF THE GATT 1994

6.1. The Chairperson drew the Committee's attention to document G/MA/W/123/Rev.6 entitled "Factual report on the status of renegotiations under Article XXVIII of the GATT 1994". He reminded delegates that the statement⁸ and the presentation⁹ by the Secretariat for this agenda item had been circulated as room documents.

6.2. The Secretariat (Mrs Roberta Lascari) recalled that the "Factual Report on the Status of Renegotiations under Article XXVIII of the GATT 1994" (G/MA/W/123/Rev.6 and Corr.1) provided an overview of all the renegotiations undertaken by WTO Members pursuant to Article XXVIII of the GATT 1994. There had been a total of 48 renegotiation procedures, which were at different stages of the procedures. The overall status as of 4 March 2020 was as follows (see slide 4 of the presentation)¹⁰: there had been eight renegotiation procedures that had been withdrawn; one request to initiate a renegotiation pursuant to Article XXVIII:4 had not been approved; five negotiations had been concluded and the draft changes to the Schedule resulting from such negotiations had been submitted for certification under the 1980 Procedures; 24 renegotiations had been concluded and certified; and 10 renegotiations remained ongoing. She also provided additional details with respect to each of those categories. With respect to the eight requests to initiate a renegotiation that had been withdrawn, some of these related to procedures linked with the enlargements of the European Union. In these cases, a Member with an individual Schedule had begun a renegotiation process on its own, but then the overall Schedule had been withdrawn when that Member joined the European Union. In one case, the request for authorization to initiate a renegotiation under Article XXVIII:4 of the GATT 1994 had not been approved by the Council for Trade in Goods. In general, Article XXVIII renegotiations followed a two-step procedure from the initiation to their full completion. Under the first step, Article XXVIII renegotiations were undertaken and concluded once the renegotiating Member had circulated the bilateral Agreements with the Members holding rights in the negotiations (namely, Members holding Initial Negotiating Rights, principal suppliers, and Members with a substantial interest), as well as the final report describing the outcome of its renegotiation. The second step involved a submission by the renegotiating Member under the "1980 Procedures for the Modification and Rectification of Schedules", of its draft modifications to its Schedule. In the absence of objections within a three-month period from the date of circulation, this second step would be concluded with a certification of the changes by the Director-General. As of the date of this report, there were five procedures where Members had concluded their renegotiations, submitted the bilateral Agreements and the final report, and had begun the 1980 Procedures, which had not been concluded. Four of these procedures were on hold due to reservations from other Members, and one remained pending due to the completion of domestic procedures. Of the 48 renegotiations, 24 had been successfully concluded and the modifications had been certified through the 1980 Procedures. This meant that half of the renegotiations had been successfully concluded and both steps of the procedures had been completed. Finally, there were 10 renegotiations that had been launched, or the authorization to

⁸ Document RD/MA/64.

⁹ Document RD/MA/66.

¹⁰ Document RD/MA/66.

launch a renegotiation had been authorized, which remained ongoing because the negotiations with the Members holding rights had not been concluded yet or the Member had not taken any further action under the 1980 Procedures.

6.3. The Committee took note of the statement and document.

7 TRADE-RELATED MEASURES RELATING TO THE COVID-19 PANDEMIC

7.1 The Chairperson recalled that the Committee would examine two issues under this agenda item. First, the document that had been prepared by the Secretariat, which listed all notifications which had been submitted by Members to this Committee relating to COVID-19. Second, communications which had been submitted by Members with unilateral measures to facilitate trade during the pandemic.

7.1 LIST OF NOTIFICATIONS RELATING TO COVID-19 – REPORT BY THE SECRETARIAT (G/MA/W/157)

7.2 The Chairperson drew the Committee's attention to a report that had been prepared by the Secretariat and circulated in document G/MA/W/157, which listed the communications that had been submitted by Members referring to the COVID-19 pandemic and including QR notifications. He also invited the representative of the WCO, Ms Grooby, to say a few words about the room document that had been shared by the WCO on this issue, entitled "COVID-19 – work undertaken by the WCO Secretariat in the disaster response phase".¹¹

7.3 The representative of the World Customs Organization indicated that the WCO Secretariat had undertaken a great deal of work relating to COVID-19. This had included some extremely unusual measures for the WCO Secretariat, such as issuing a document with the indicative classification in the Harmonized System of goods essential to combat the pandemic. This was not a normal practice, and in fact, it had been the first time and probably a one-off situation. The purpose of the document was to facilitate the work of the customs administrations and not to take the place of advice on national measures. They had also made a considerable effort in trying to bring together the different practices of the different customs administrations. The WCO hoped that this information had been useful not only to customs administrations, but to the wider trade community and other government agencies. She asked Members to look at the information and to contact the WCO with suggestions of anything they could do to help further facilitate trade at this time.

7.4 The representative of China thanked the Secretariat for preparing the report, as well as the WCO expert for her presentation. Her delegation believed that the fight against a global crisis, such as the COVID-19 pandemic, required global cooperation and collaboration. China called on Members to avoid unnecessary trade restrictions, and to refrain from erecting trade barriers. In response to the COVID-19 pandemic, China had adopted a series of trade-facilitating measures, including on customs clearance, standards certification, and logistics. In the meantime, China had exported essential medical supplies to 200 countries and regions in order to support the global fight against the COVID-19 pandemic.

7.5 The representative of the European Union wished to make remarks of a general nature based on this informative report and on the notifications that had been received so far. First, with respect to Members' transparency efforts, her delegation knew, especially from business and in particular MSMEs, that information was critical to minimize disruptions. The EU thanked those Members which had provided notifications, especially as they were aware that, for some, this had taken place in a context of strong capacity constraints. A number of other Members had yet to contribute to this transparency effort. The EU was aware of various measures that it considered to constitute quantitative restrictions, but which had not yet been notified. She urged those Members to notify their measures promptly. Second, with respect to the duration of the emergency restrictive measures, the EU observed that, while many of the measures that had been notified did have an end date, others did not. To minimize their economic impact, restrictive measures should be reassessed regularly and last no longer than necessary. Third, a number of trade-facilitating measures had been adopted, often on a temporary basis. Thus, her delegation considered that it would be worth engaging in an assessment to see whether longer-terms lessons could be drawn.

¹¹ Document RD/MA/68.

Incidentally, as the Secretariat report had focused on those measures that had been notified to this She also wished to point out that the EU had also notified various trade-facilitating measures under the Trade Facilitation Agreement (TFA), on 9 April 2020, including the following: import duty and VAT relief on products needed to fight coronavirus; border management measures, including Green Lanes to ensure availability of essential goods and services; and facilitation of air cargo operations. In conclusion, the EU would continue to analyse the various notifications and information that had been gathered by them and the Secretariat. They would also welcome pursuing a conversation on COVID-related measures in future meetings of this Committee, in coordination with other bodies, and in particular the Council for Trade in Goods (CTG) and the Trade Policy Review Body (TPRB).

7.6 The representative of Australia noted that the WTO's transparency function had proven to be valuable throughout the COVID-19 pandemic. Some Members had introduced emergency measures in response to the COVID-19 pandemic. As had been affirmed in various recent statements, Australia believed that such measures had to be targeted, proportionate, transparent, and temporary. In addition, they should not create unnecessary disruptions to supply chains, and they should be consistent with WTO rules. It was important to honour commitments to roll back COVID-19-related measures, to ensure that temporary measures did not become permanent fixtures. Australia considered that the availability of information on production, trade, and stocks of products, could have helped to prevent Members from imposing export restrictions.

7.7 The representative of New Zealand stated that, in the interests of time, his statement would cover both agenda items 7(a) and 7(b). While the pandemic required robust and dynamic responses, trade-related measures should be implemented in a manner consistent with WTO rules. These measures should be necessary, targeted, proportionate, transparent, and temporary. They should not create unnecessary barriers to trade or disruption to global supply chains. Where these standards were not met, New Zealand continued to encourage Members to keep these measures under review. Since New Zealand was a strong believer in transparency and sharing information, it had communicated to the CMA the New Zealand/Singapore Declaration on Trade in Essential Goods for Combating the COVID-19 pandemic, which had been circulated in document G/MA/W/150. While there had been no requirement to notify in this way this sort of declaration and/or the elimination of MFN applied tariffs, New Zealand saw considerable value in transparency, including their collective policy responses. New Zealand stressed that the door remained open for all Members who sought to effect meaningful change to join them, and that his delegation would be happy to discuss this further with interested delegations.

7.8 The representative of Indonesia thanked the Chairperson of the Committee for the opportunity to discuss these quantitative restrictions. He recalled that the COVID-19 pandemic had caused global uncertainty, especially in terms of the economy and trade. His delegation recognized that the majority of WTO Members, Indonesia included, had put in place certain policies and measures in order to overcome the economic effect of this pandemic. These measures had been either facilitative or restrictive in the areas of TBT, SPS, and QRs. Indonesia recognized the importance of transparency in the implementation of measures related to COVID-19, in order to ensure that these measures served their purpose temporarily, and did not serve as a barrier to international trade. To this point, Indonesia commended Members that had already notified their regulations. In order to support transparency during COVID-19, the government of Indonesia had notified several measures related to COVID-19 in the areas of TBT and SPS. Indonesia had also reported several trade and trade-related measures to the current WTO trade monitoring report. The government of Indonesia was in the process of preparing the notification of an array of measures, including on quantitative restrictions and import licensing, in order to support the transparency mechanism under the WTO.

7.9 The representative of Japan expressed appreciation for the ongoing efforts by the Secretariat to monitor trade-related measures by Members, including the special Secretariat report of 23 April. While the number of notifications by Members had been growing, Japan called on Members to make timely notifications in line with the WTO rules and to provide information promptly in response to requests from the Secretariat. Any emergency measures designed to tackle COVID-19 should be targeted, proportionate, transparent, and temporary, and should be consistent with the WTO rules. Furthermore, as had been confirmed by the "Ministerial statement on COVID-19 and the Multilateral Trading System" which had been agreed to on 5 May by 42 Members, including Japan, Members had been requested to lift these measures as soon as possible. Japan considered that it was in the Committee's interest to have a mechanism to ensure transparency and to review whether the emergency measures had been lifted once they had been deemed no longer to be necessary. Japan

expected the Secretariat to continue to play a central role in monitoring and analysing trade-related measures.

7.10 The delegate of Singapore indicated that she would address agenda items 7(a) and 7(b) together. Singapore thanked the Secretariat for the compilation of trade-related measures and notifications which had been implemented to address the pandemic. Singapore supported the continuing work to track and discuss these measures. Singapore believed that trade-related measures implemented during COVID-19 should be transparent, temporary, proportionate, and targeted, and should be consistent with WTO rules. Like other delegations, Singapore believed that transparency and timely notifications were important to help importers and exporters cope with any disruptions to their supply chains. This exercise in transparency should continue in future WTO meetings, including in the Committee on Market Access, and could provide a foundation for discussions, such as this one. She also wished to highlight that, together with New Zealand, Singapore had issued a Declaration on Trade in Essential Goods for Combating the COVID-19 pandemic, where both countries had agreed to eliminate MFN applied tariffs on a range of products. They had also addressed import and export measures and other non-tariff barriers. This declaration had been conveyed in a communication to this Committee which had been circulated in document G/MA/W/151.

7.11 The representative of Switzerland thanked the Secretariat for having compiled this information in a report. Switzerland also attached a great deal of importance to transparency in these times of pandemic, where global value chains had been disrupted. Like other delegations, Switzerland believed that these measures should be targeted, proportionate, transparent, and temporary. In addition, they should not create unnecessary disruptions to supply chains, and should be consistent with WTO rules. Switzerland also supported the idea of continuing this transparency exercise in future meetings.

7.12 The Committee took note of the report by the Secretariat and of the statements made.

7.2 COMMUNICATIONS WITH UNILATERAL MEASURES BY MEMBERS

7.13 The Chairperson drew the Committee's attention to the communications with unilateral measures that had been submitted by Members and listed in the Airgram. He observed that most of these measures were trade liberalizing in nature. He thanked the Members that had informed the Committee of the introduction of these measures despite the fact that no such obligation to do so existed in the WTO Agreements. He would first provide an opportunity to make statements of a general nature and would then give Colombia the opportunity to explain its proposal to include a standing agenda item to monitor the COVID-19 communications and notifications within the mandate of this Committee.

7.14 The delegate of Canada drew Members' attention to the two notifications containing trade-facilitating measures that had been introduced to ensure the flow of vital medical supplies in response to the COVID-19 crisis. In the first notification, Canada had waived tariffs and sales taxes on all goods imported by or on behalf of public health agencies, hospitals and testing sites, and first response organizations (for example, police, fire, and local civil defence groups, including medical response teams), as well as seniors' residences, retirement homes, nursing homes, and shelters, until further notice. Canada's second notification informed Members that it had waived otherwise applicable customs duties on imports of specified medical supplies, including personal protective equipment (PPE), by all importers, in order to support efforts to combat the spread of COVID-19. Canada stated that it supported the work of the Committee, which had facilitated and highlighted the importance of transparency during this unprecedented crisis. For this reason, Canada suggested that this agenda item be maintained for the next formal meeting.

7.15 The representative of Paraguay thanked the delegations that had presented communications under this agenda item, as well as their notifications on quantitative restrictions. Paraguay had informed the Secretariat of the measures that it had taken in this context and, in particular, the introduction of a non-automatic export licensing scheme for medical protection equipment. As had been previously mentioned, these notifications had already been considered under agenda item 4. Paraguay recalled that any measure should be consistent with the rules of this Organization and called upon Members to give special consideration to goods in transit, particularly those shipped to landlocked countries. Her delegation had seen that a number of essential items to fight COVID-19,

including PPE and ventilators, had been seized before they arrived at their final destination. The manufacturing of these products, and ventilators in particular, was concentrated in a very small number of countries. Therefore, export restrictions imposed by these countries could be devastating to small countries, and landlocked countries in particular, which had neither the capacity nor the technology to build this type of product by themselves. Paraguay understood that, in these extraordinary circumstances, it may be necessary to introduce extraordinary measures. However, just as moderation had been asked from the exporters of agricultural products in order to ensure a stable flow of food, Paraguay requested the same from exporters of non-agricultural products, and in particular with respect to essential medical equipment and medicines for fighting this crisis. In closing, Paraguay supported Colombia's suggestion to have a standing item on the Committee's agenda to discuss such measures. In this regard, Paraguay called upon the Secretariat to prepare a brief report listing all of the topics and all of the measures which had been introduced and raised, including statistics. The document could be circulated ahead of every Committee meeting so as to facilitate the discussion and monitoring of these measures. Such a report would be of great benefit to small delegations.

7.16 The representative of Switzerland recalled that her delegation had indicated during the May informal meeting that the demand for medical goods during the COVID-19 pandemic had skyrocketed, in particular for some essential products such as hand sanitizers, masks, gloves, and protective garments or ventilators. In order to meet the demand for such goods, Switzerland had been obliged to rely upon imports. For this reason, Switzerland had decided temporarily to suspend its tariffs on these essential medical goods until 9 October. In taking this decision, the Swiss authorities had sought to facilitate the distribution of essential medical supplies to hospitals, care workers, and patients. This measure had reduced the costs and administrative burden related to importing the goods concerned as no proof of origin had been required to benefit from the duty-free tariffs. Switzerland also supported having a permanent agenda item concerning the transparency of these measures.

7.17 The delegate of Colombia thanked the Chairperson and Secretariat for its efforts to hold the meeting in virtual format. As had already been mentioned in the informal meeting of the Committee, Colombia had suggested to introduce a standing item onto the agenda to review all notifications, communications, and other documents that had been submitted by Members and the Secretariat in relation to the COVID-19 pandemic. The purpose of this proposal had been to compile, under a single agenda item, all the notifications on quantitative restrictions as well as the other communications with unilateral measures and Secretariat reports. This item would be included at future meetings of the Committee on Market Access to the extent that new notifications and other documents relating to the pandemic were still being presented. It would also be an opportunity for Members to present a clear and exhaustive overview of all the measures that were being implemented, as some Members had already done at this meeting. It would facilitate access to information and help Members in following-up and analysing the documents. Similarly, the aim of the proposal was to promote transparency, encourage Members to submit the relevant notifications, and promote cooperation, which was essential in facing this global crisis. This initiative was in line with other proposals that had been put forward to other committees and councils, in order to analyse the effects of the pandemic and complement the regular work of the committee. Colombia also supported the work by the Secretariat in drafting factual reports on the measures which had been taken in response to the pandemic including, among other things, information on the potential impact of trade flows and tariffs. Access to such factual information had been extremely useful when decisions were being taken back in Capital. In conclusion, Colombia thanked the Secretariat for the report, which had been circulated as document G/MA/W/157, which Colombia considered to be very useful, and asked that it be updated and broadened to include new measures as these were notified by Members. Finally, Colombia thanked the WCO for its presentation on the measures that had been taken by them in response to the pandemic.

7.18 The representative of the United States thanked Colombia for the presentation of their proposal. While the US agreed that this was an important issue, her delegation had general, horizontal concerns regarding adding standing items to the agenda. It was the US view that if a Member wanted to add an item to the agenda, that Member should seek to do so under the normal procedure. The US did not support creating a standing agenda item and did not support the proposal.

7.19 The Chairperson noted that there was no consensus to have a standing agenda item. The Chairperson proposed that the Committee ask the Secretariat to continue updating its document G/MA/W/157, as appropriate, and to circulate it to Members so that they maintained an

overview. The Chairperson also suggested that Members continue to consult on this idea but, at the same time, to understand that, as the delegate of the United States had said, Members should seek to add agenda items under the normal procedure in advance of formal meetings.

7.20 The Committee agreed to the proposal by the Chairperson and took note of the statements made.

8 TRADE IN PHARMACEUTICAL PRODUCTS: CONSOLIDATED LIST OF PRODUCTS COVERED BY THE SECTORAL PHARMA AGREEMENT (JOB/MA/142)

8.1 The Chairperson drew the Committee's attention to a note by the Secretariat entitled "Trade in Pharmaceutical Products: Consolidated List of Products Covered by the Sectoral Pharma Agreement", which had been circulated in document JOB/MA/142. He also noted that a room document was available with the presentation.¹²

8.2 The representative of the European Union indicated that, as the coordinator on the Pharma Agreement, her delegation would speak on behalf of all the participants which had concluded this Agreement back in 1994, including Canada; the European Union; Japan; Macao, China; Norway; Switzerland; and the United States. Although the current crisis had put the Agreement in the spotlight, the work which had led to the circulation of the consolidated list of products covered by the Pharmaceutical Agreement, as captured in document JOB/MA/142, had been under way well before that. The objective of the presentation had been to present the outcome of detailed technical efforts over several months which had come to fruition recently. The Pharmaceutical Agreement had undergone four reviews since its entry into force. The concessions that had been made under the initial Pharma Agreement and its subsequent Reviews could be consulted with the Secretariat. What the new report had done was to consolidate all concessions in one single document, thereby facilitating access to the information on the coverage of the Agreement. This consolidated list had been prepared by the Secretariat at the request of the participants to the Pharma Agreement. The European Union thanked the Secretariat for its tremendous work in this consolidation exercise and asked the Secretariat to make a presentation to explain how the note had been prepared.

8.3 The Secretariat (Mr Darlan Marti), explained that he would first provide an overview of the Pharmaceutical Agreement and then explain the contents of the new note by the Secretariat. Although this sectoral Agreement was probably not familiar to some delegations, it had been concluded in 1994 by Canada; the European Union; Japan; Macao, China; Norway; Switzerland; and the United States. It was a sectoral agreement, like the ITA, which meant that although the Agreement was plurilateral in nature, the concessions had been applied on an MFN basis and, therefore, extended to all other WTO Members. The original Agreement had been concluded in 1994, but it had been reviewed and expanded four times. As had been mentioned by the EU, the list of items covered by this Agreement had only been available for consultation with the Secretariat, which had not been a very practical way of accessing the list. A full consolidated list of items had never been prepared or circulated. Some time ago, participants had asked the Secretariat to prepare a single document compiling all items covered by the Pharma Agreement, which had resulted in the list in document JOB/MA/142. In terms of the documents that the Secretariat had compiled in this exercise, he noted that it had included the original 1994 Agreement, as well as the first, second, and third reviews, which had been adopted in 1996, 1998, 2007, and 2010, respectively. As mentioned previously, the concessions which were contained in these instruments had been incorporated in the WTO Schedules of concessions of the participating Members through the 1980 Procedures for Modification and Rectification of Schedules. In terms of the structure of the Pharma Agreement, the peculiarity of this sectoral Agreement was that it had liberalized trade by binding duties at zero on final pharmaceutical products, which had been identified using HS codes in chapter 30 of the Harmonized System nomenclature, but the Agreement had also liberalized the active ingredients and chemical components which were used for the production of those final pharmaceutical products. And these chemical components and active pharmaceutical ingredients could not be identified only by making use of HS codes because they had to be described at a much higher level of specificity than that used by the Harmonized System. Therefore, participants in 1994 used a variety of other nomenclatures in order to identify these products. These complementary nomenclatures included the "Chemical Abstract Service" (CAS) codes, which were used to identify chemical components and chemical formulas of some products. Other products were identified using the International Non-proprietary Names (INN), which were codes maintained by the World Health Organization and

¹² Document RD/MA/69.

used to identify pharmaceutical components and ingredients. Thus, it had been a combination of HS codes, description of the chemical formulas, CAS codes, and INN codes, which had allowed the participants of the Pharma Agreement to very specifically identify the products which needed to be liberalized. The note by the Secretariat had been designed to take account of these elements. In summary, some products had been defined using their HS codes, which were mostly in Chapter 30 but also included some Subheadings of Chapter 29, and the others had been defined using the chemical components and active ingredients that had been used in the production of pharmaceutical products. These had been divided into four annexes, depending on their nature and the designation used to identify them. Overall, and taking into account all the changes, the Pharma Agreement now covered approximately 10,000 items without including the HS codes. To arrive to this result, the products covered by the different instruments and reviews had been mechanically aggregated. This meant that, given the number of items, the nature of these products, and the way that they were defined, the initial list could contain duplications. Given all these issues, a note by the Secretariat had been prepared to serve as the basis of, and be corrected by, the participants to the Pharma Agreement. Therefore, he stressed that the note should not be considered to be an official list, but rather a work in progress. Nevertheless, the Secretariat believed that the list was already quite advanced and close to being fully accurate and finalized. They did not anticipate finding any major mistakes in the document.

8.4 The Secretariat then presented an overview of the note, including its four annexes. In Annex 1, a new "WTO ID code" had been added for each product in the first column, with a view to simplifying the identification of products in the communications. The second column contained the HS codes in the original nomenclature, as they had appeared in the original Pharma Agreement instruments. Finally, a third column was added to indicate the source of the concessions and the instrument from which they were taken; namely, the original Agreement from the Uruguay Round or from the first, second, third, or fourth Reviews. Depending on the annexes one could also see the codes that had been used to identify specific items. In the example shown in the presentation, one could see CAS codes, which were codes that were used to identify chemical codes, followed by the product's chemical name. Annex 2 had been structured in exactly the same manner and, although they did not have INNs, CAS codes, or HS codes, they did have the product's chemical formula. Exactly the same approach had been used in Annex 3, where column 4 showed the INNs, and column G showed the CAS codes, as well as the HS codes, so a variety of instruments were being used to designate the chemical products. Annex 4 listed other products of a similar structure. This is how the four annexes had been conceived in JOB/MA/142. These annexes had been reproduced in full electronic format which, as previously mentioned, listed the 10,000 products covered by the Pharma Agreement. The Secretariat stressed that the purpose of this document was not only to provide transparency about the product coverage in this sectoral plurilateral Agreement, but also to receive comments should Members find any duplications, or mistakes, or if they wished to update the nomenclature of any of item. The Secretariat stood ready to revise the document as many times as the participants deemed necessary. For WTO Members that had not participated in this initiative, the Secretariat would be happy to answer any question. The email addresses of Mr Darlan Marti and Mr Thomas Verbeet had been listed in the documents that had been circulated should any Member wish to provide comments or raise questions.

8.5 The representative of the European Union noted that the Pharmaceutical Agreement had been an important Agreement for the EU. Pharmaceutical products constituted a particularly large share of EU trade with the rest of the world. Approximately 9% of EU-27 exports were pharma products, namely finished products, whereas on the import side they accounted for approximately 5% of overall imports. At the time of the conclusion of the Agreement, the signatory parties of the Pharma Agreement covered over 90% of global trade in pharmaceutical products. However, to date, that participation had been reduced to 68% of global trade. The European Union had noted that, over time, and in a context where the size of global pharma trade had itself been augmented, it had seen the share of other Members increasing. For example, based on WTO statistics, China currently accounted for approximately 13% of global trade; India, 4%; and the Republic of Korea, 3%. The consolidation work which had been undertaken by the Secretariat had enhanced transparency about the coverage of the Agreement. Although some further work, such as the update of HS codes, remained pending, the current document had provided a solid basis to give further consideration to this Agreement. In the current pandemic, the disruption of global supply chains through a proliferation of export curbs and the existence of tariffs, had deprived many people of the access to necessary, and often life-saving, medications. The unilateral tariff suspension measures which had been taken by a number of countries had demonstrated that, in times of crisis, tariffs could impede access to affordable healthcare. Therefore, in light of the current situation, it had been worth looking

again at the Agreement at hand. It would also be worth rethinking the relevance of the tariff commitments that WTO Members had taken decades ago and to consider undertaking bound commitments as enshrined in the Pharma Agreement.

8.6 The representative of Chinese Taipei thanked the Secretariat for the detailed introduction and their hard work in consolidating the list of products covered by the Pharma Agreement. Together with the explanations from the participants, her delegation now had a clearer picture of the background and current situation. She was of the view that, under current circumstances, no one could deny the importance of facilitating trade of essential medical and medicine supplies. The increased flow of these products would not only help to cope with the health crisis, but it would also help to revitalize the economy. Certain sensitivities aside, Chinese Taipei saw positive implications for the further liberalization of certain sectors critical to human health. Chinese Taipei would engage with other Members in any efforts that would contribute to the multilateral trading system.

8.7 The representative of the United States thanked the Secretariat for its efforts to collect and consolidate the list of products covered by the Pharma Agreement and its subsequent reviews. The United States appreciated this effort and hoped that it would help other Members to better understand the products covered by this Agreement.

8.8 The Committee took note of the report by the Secretariat and of the statements made.

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

9.1. The Chairperson drew the Committee's attention to a communication from the Russian Federation entitled "Enhancing Transparency in Applied Tariffs", which had been circulated in document JOB/MA/138.

9.2. The representative of the Russian Federation recalled that, with a view to promoting a discussion on the possible ways of improving transparency in applied tariffs, and sharing Members' experiences in that area, Russia had organized a round table discussion that had taken place on 31 January 2020. The summary report of the Round Table Discussion had been circulated in document JOB/MA/145 and she wished to briefly report on the discussions. At the Round Table, it had been emphasized that timely and accurate information was essential for both importers and exporters. The availability of such information affected their decisions whether to continue trading or to look for alternative supply destinations. The following conclusions had been drawn from the discussions: (i) a substantial part of tariff changes entered into force on the date of publication of the respective decisions; (ii) a lack of predictability in tariff policy could impede the effective integration of medium and small enterprises (MSMEs) into global value chains (GVCs); and (iii) the availability of online databases and portals was essential for facilitating access to trade information. Taking into account the results of the discussions which had been held at the Round Table, the Russian Federation would continue to seek ways of improving transparency in applied tariffs, in order to prepare concrete proposals for MC12.

9.3. The representative of Australia expressed his support for giving consideration to how to improve the transparency of Members' applied tariff schedules. Unexpected increases in applied tariffs created uncertainty for exporters, as well as additional costs for importers, and could be a significant disincentive to trade. Australia wished to draw to the Committee's attention the work within the Committee on Agriculture to identify options on improving transparency in applied tariffs. In particular, document JOB/AG/185 outlined the results of consultations that had sought to gain a better understanding of the scope of potential problems resulting from changes to applied tariffs. The document outlined options on possible pathways forward. As it was a cross-cutting issue, involving both agricultural and non-agricultural trade, he encouraged Members to consider developing a workable and realistic approach to addressing this issue.

9.4. The representative of New Zealand thanked the Russian Federation for its efforts in this area. Given the challenges that businesses, and particularly MSMEs, were facing in the current difficult environment, transparency, including of applied tariffs, remained important. Therefore, the issue had to be discussed further, taking into account the challenges that Capitals were facing.

9.5. The representative of China thanked the Russian Federation for the work it had done on the topic. China believed that it was important to enhance transparency in applied tariffs. The increase of MFN applied rates, even if they did not exceed the Members' bound rates, had to be implemented in a transparent and predictable way, and with a sufficient transition period so as to avoid additional obstacles for businesses, in particular MSMEs. China understood applied tariffs in the proposal to refer to MFN applied rates and asked the Russian Federation to clarify whether other applied rates were also included within the proposal. China wished to engage in further discussions with other Members in order to find a balanced solution.

9.6. The representative of South Africa thanked the Russian Federation for its report on the Round Table that had taken place in January 2020. South Africa understood and appreciated the importance of transparency in applied tariffs. As the Russian Federation had pointed out in its paper, Members had committed in Article 1.1(b) of the Agreement on Trade Facilitation to promptly publish the applied rates of duties in a non-discriminatory manner, namely an accessible manner, in order to enable governments, traders, and other interested parties to become acquainted with them. South Africa considered that this was already the case and did not understand what gap the Russian Federation was trying to close with this particular proposal. In its own practice, South Africa was following a transparent process in which changes in applied tariffs were published on South Africa's Revenue Services website, which was accessible to everyone. He did not see what the value-added would be in undertaking further notification obligations, especially for those countries that had capacity constraints.

9.7. The representative of Guatemala agreed on the importance of transparency, but believed that the adequate forum for discussing the issue was the special negotiating forum. Delegates in the Committee on Market Access were not clear on whether the Committee had the mandate to discuss matters of transparency in tariffs. Moreover, Members were currently discussing a similar matter regarding agriculture in the context of the Committee on Agriculture in Special Session, and Guatemala preferred to keep the discussion of such matters within that context.

9.8. The representative of Canada observed that transparency in applied tariffs was an important issue for his country. Canada worked with Members in the context of the Committee on Agriculture, Special Session (CoASS), to deepen their understanding of current practices and issues in applied tariffs. One key issue that had arisen from the discussions was how to manage shipments *en route* when an applied tariff changed. In document JOB/AG/185, Members had developed a series of options that could enhance transparency, taking into account Members' different systems for changing tariffs. Canada looked forward to discussing these options in the CoASS and intended to circulate the paper in the Committee on Market Access in the near future to enable a discussion across agricultural and non-agricultural tariffs.

9.9. The representative of Singapore expressed her continued support for the aim of the proposal to improve the transparency of applied tariffs at the WTO. Singapore was happy to continue engaging in further discussions on the issue at the CMA.

9.10. The representative of India expressed his appreciation for the efforts which had been made by the Russian Federation in organizing the Round Table discussion. India considered that transparency was an important pillar of the WTO and all Members were committed to it. Despite best efforts, the level of compliance with the existing notification obligations was yet to reach the required satisfaction level. Therefore, at the present moment, India did not support an ever-growing list of obligations that sought to circumscribe Members' negotiated rights under the WTO Agreements. Having said so, India wished to reiterate earlier comments on the Russian Federation's discussion paper. First, it was important to understand how a consignment in transit was being treated by Members in case of changes in tariffs. In this regard, India looked forward to the document mentioned by Canada, containing a compilation of country practices, which had previously been circulated in the Committee on Agriculture. Second, India wished to know how Members dealt with the likelihood of manipulation or misuse of such facility, particularly in respect of high-sea sales for shipments in transit destined for other countries. With regard to the immediate notification of changes in the applied tariffs, India wished to inform Members that all such changes were in the public domain, could be obtained from the Central Board of Indirect Taxes and Customs (CBIC)'s website immediately after the imposition of the changes, and could also be seen in the Gazette notifications through the e-gazette system. India had notified to the WTO, including under the TFA, the websites from which such information could be obtained. Moreover, any changes in MFN tariffs were incorporated into the WTO Integrated Data Base (IDB). Such changes were also

reflected in the WTO Trade Monitoring Report on a regular basis. Any further notification obligations with respect to MFN applied tariff changes would create an additional burden to a number of developing country Members. Moreover, if the intention of the Russian Federation was to make available information to the business community immediately, in particular to MSMEs, India doubted the added value of such obligations, given that the gap between actual imposition of tariff changes and notifications to the WTO would normally be within five to seven days, so it would not meet the intention to immediately make available the information to traders.

9.11. The representative of Paraguay thanked the Russian Federation and reiterated her delegation's interest in the discussion.

9.12. The representative of the United States recognized that greater transparency in tariffs would benefit all traders. Therefore, the US was following the issue with interest and looked forward to future engagement on the issue.

9.13. The representative of the European Union indicated that her delegation was interested in all constructive initiatives to enhance transparency on trade measures. The EU was willing to further explore the issues highlighted by Russia with Members.

9.14. The representative of the Russian Federation highly appreciated the interest that had been expressed by Australia, Canada, China, the EU, Guatemala, India, New Zealand, Paraguay, Singapore, South Africa, and the US, and would try to answer some of the questions that had been raised. First, regarding the question raised by China as to whether the initiative covered only MFN tariffs or preferential tariffs as well, Russia responded that it only covered MFN applied rates, because preferential duty rates were subject to special arrangements between certain WTO Members and not the whole membership. Second, regarding the concern raised by South Africa, the Russian Federation noted that there were decisions that were being published on the same date of their entry into force. Since, for traders, it was difficult to track changes in applied tariffs, there was a value-added in providing more transparency regarding such tariff changes. Russia also appreciated the work that had been undertaken by Australia and Canada regarding the importance of enhancing transparency in applied tariffs. Third, regarding the statement that had been made by Guatemala, Russia had conducted work in parallel at the CMA and the Committee on Agriculture, as well as the CoASS. Her delegation believed that that work should continue in order to allow Members to cover all goods in the nomenclature rather than trying to address them on a separate path. Finally, regarding the questions that had been raised by India, the Russian Federation indicated that some replies could be found in the paper by Australia and Canada. Her delegation had taken note and would respond to India bilaterally on the question concerning the high-sea sales.

9.15. The Committee took note of the statements made.

10 ANGOLA – IMPORT RESTRICTING PRACTICES – STATEMENT BY THE RUSSIAN FEDERATION

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

10.2. The representative of the Russian Federation explained that Angola had introduced import restrictions on certain agricultural and industrial products, in accordance with Presidential Decree No. 23/19. Under Article 1 of the Decree, the measure had prioritized domestically manufactured products and promoted the consumption of goods made in Angola. In accordance with the provisions of the Decree, locally produced goods had to be given priority over foreign like products; only wholesalers and domestic producers had been authorized to import; importers had to confirm the non-availability of locally produced products on the internal market that they intended to import; import authorization included submission of contracts on the purchase of national products. In Russia's view, the measure at issue could not be justified under Articles III and XI of the GATT 1994. The Russian Federation urged Angola to bring these measures into conformity with the WTO Agreements and to lift the import bans on agricultural products. So far, Angola had failed to provide Russia with an explanation as to how the measures were consistent with WTO rules. She urged Angola to work bilaterally with her delegation.

10.3. The representative of the European Union noted that her delegation was supportive of Angola's intention to diversify its economy and to develop its domestic industry. However, the EU maintained its concern over Decree No. 23/19. The Decree 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. The EU urged Angola to review the relevant measures in order to ensure their compliance with WTO rules.

10.4. The representative of the United States wished to reiterate her country's concern over Angola's Presidential Decree No. 23/19, issued in January 2019. It was her delegation's understanding that the decree had aimed to restrict Angola's imports with the goal to increase domestic economic development. The US understood that the Decree had targeted 54 products, mainly agricultural goods, and could potentially target more in the future. Furthermore, it seemed to cover any imports that competed with goods produced in the Luanda-Bengo special economic zone. Since the implementation of the Decree, the US had received reports of confusion over how it was being enforced and of delays facing goods at the border. The US poultry and other agricultural exporters had been particularly concerned over delays that perishable goods faced amidst the uncertainty. The US was also concerned that those actions could do a great deal to discourage overseas companies from doing business in Angola and could compromise Angola's relationships with key trade partners. In fact, the US Embassy had heard from local companies that the lack of import licences had been negatively affecting Angolan businesses as they had faced supply shortages due to the import restrictions. She asked Angola to explain if it planned to revise the Decree, or how it planned to implement it in light of WTO rules, and what the potential impact on trade, investment, and businesses operating in Angola would be.

10.5. The Committee took note of the statements made.

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

11.1. The Chairperson recalled that this agenda item had been included at the request of the European Union, Japan, and Chinese Taipei.

11.2. The representative of Chinese Taipei recalled that this issue had been raised in different WTO meetings, including in this Committee, the ITA, and the CTG. Chinese Taipei's main concern was that China's HS2017 transposition amendment should not change the scope of its tariff concessions under the WTO. However, 10 tariff lines that were bound duty-free in China's WTO schedule, and which were covered by China's ITA-1 commitments, had been subject to duty rates since 2017. Chinese Taipei was of the view that this could not be justified by the claimed transposition methodology that China had used to create the new tariff rates of MCO products under HS heading 8542 in its HS2017 schedule. She noted that, since January 2020, the applied tariff rate of tariff line 8542.32.10 in China had been temporarily modified and reduced from 1.4% to zero, which was a positive step. Chinese Taipei urged China to do the same on the other MCO products at issue without delay.

11.3. The representative of the European Union expressed her delegation's continued concerns over China's duties on MCO semiconductors. The fact that several delegations had continued to raise the issue demonstrated that the information that had been provided so far by China had not alleviated their concerns. As the WTO Secretariat had pointed out last year in response to a communication by the Government/Authorities Meeting on Semiconductors (GAMS), tariff lines should normally have been broken down to a more detailed level, so that the draft HS2017 file fully reflected the same level of the concessions. Therefore, China could have created additional tariff lines in order to continue applying a zero duty on previously duty-free products, thereby maintaining the value of concessions and keeping the spirit of the ITA Expansion. This had not been the case. The WTO Secretariat had also pointed out that China should have consulted other Members in advance. The European Union regretted that the issue had remained unresolved and that China was still being requested to rectify this situation at its earliest convenience by modifying the classification or by eliminating the remaining duties.

11.4. The representative of Japan noted that, as this issue had continued to be raised on successive occasions, including at the previous meeting of the Committee on Market Access, the previously duty-free original level of concessions by China had been increased. Japan also shared the concerns

which had been expressed by other Members over this issue. His delegation was closely monitoring the situation regarding China's commitment to abolishing customs duties in July 2021 on all relevant items in line with the staging of the ITA Expansion.

11.5. The representative of the United States supported the statements and questions which had been raised by the EU, Japan, and Chinese Taipei, and reiterated her delegation's concern with regard to the change in China's applied duty rates for certain semiconductor products. The facts were simple. Certain semiconductor products had been duty-free for over a decade, but were now being charged import duties at the border. China's transposition for those products should have not resulted in changes to tariffs being imposed. The US remained concerned, in line with the General Council Decision on HS transpositions and the Guidance approved by this Committee, that the scope of China's concessions appeared to have changed substantially, and that the value of the concessions appeared to have been impaired.

11.6. The representative of China thanked the delegations of Chinese Taipei, the EU, Japan, and the United States for their interventions. As some of them had stated, this item had been included on the agenda of the Committee since September 2017. Since then, China had reiterated on many occasions that it had used a methodology that was consistent with the WTO rules. China had also clarified various technical questions bilaterally. China had always undertaken its tariff reduction commitments seriously and would implement the fifth tariff reduction of the ITA expansion the following month. The duty rates on MCO products would be further reduced to 0.6%, 0.7%, and 1.7%, respectively. All the duties on MCO products would be eliminated by next July, as had been scheduled. China expected that this item would then be removed from the agenda.

11.7. The Committee took note of the statements made.

12 EUROPEAN UNION - CARBON BORDER ADJUSTMENT MECHANISM (THE EUROPEAN GREEN DEAL OF DECEMBER 2019) - STATEMENT BY THE RUSSIAN FEDERATION

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

12.2. The representative of the Russian Federation recalled that, on 11 December 2019, the European Union had announced its new strategy, the "European Green Deal", with the aim of mitigating global climate change by means of imposing ambitious actions, including considerable carbon emission reductions. *Inter alia*, the European Commission intended to introduce a carbon border adjustment mechanism (CBAM) in respect of certain sectors with high carbon footprint, such as steel, cement, and chemicals. The European Commission had stated on a number of occasions that, regardless of the form of the mechanism, it would be in full conformity with the EU's international obligations, including WTO rules. However, she considered that, judging from the currently available information, the opposite could be concluded. All respective proposals, such as import carbon tax or additional import duties, appeared to be inconsistent with WTO rules. She affirmed that such measures must not create additional obstacles to trade and disrupt international trade. In the Inception Impact Assessment, which had been published on 4 March 2020, the EU had said that a "dialogue with third countries [would] take place through WTO channels and other channels". Therefore, the Russian Federation requested the EU to provide answers to its questions regarding: (i) the stage which the development of the draft legislative act was at; (ii) the design that the mechanism was expected to have; (iii) the legal justification of the new carbon customs duty or tax on imports in respect of Articles II or III of the GATT; and (iv) the sectors and products that were considered by the EU to be subject to that mechanism, and why. The Russian Federation expressed its concern over the inclusion of import carbon duty revenues into "[t]he EU budget powering the recovery plan for Europe" and the statements within the EU on improving the level playing field of some domestic industries, such as steel, under the pretext of mitigating consequences of climate change. Russia shared the ambitions of the EU and the other WTO Members for achieving climate neutrality with a view to accomplishing the sustainable development goals and industrial decarbonization. However, those goals should not impede international trade flows of goods. Russia encouraged the EU to engage in consultations with Members in order to assess the possible economic impact of the proposed measures, as well as their consistency with WTO rules.

12.3. The representative of the United States indicated that her country was monitoring the development of the proposed EU CBAM with interest. She looked forward to hearing further details

on this proposed mechanism, and continued to encourage the EU to fully consider the compatibility of any such measure with the applicable WTO rules in order to ensure an open trade system and that any such measure would not constitute a barrier to trade.

12.4. The representative of Paraguay recalled that her country had previously expressed an interest in this item within the Committee on Agriculture, which had been suspended following the COVID-19 pandemic. She took the opportunity to encourage the European Union to address the following concerns: (i) when the EU was planning to adopt the relevant legislation; (ii) how the EU was planning to ensure that the legislation was in conformity with its commitments under the WTO; (iii) whether the EU was planning on notifying the draft measure to the WTO, so as to ensure a reasonable period of time for comments from Members; (iv) whether the EU was planning to provide for an additional duty for products with greater carbon emissions; and (v) whether the EU was considering a carbon credit for products with a lower carbon footprint than those produced in the EU. Paraguay would appreciate receiving answers to these questions as soon as possible.

12.5. The representative of Uruguay observed that the announcement of the adoption of the CBAM by the EU, as part of the European Green Deal, had generated interest among many WTO Members, including Uruguay. He hoped to obtain further details regarding the mechanism, including its stage of development, the time of expected adoption of the measures, the design of the measures, and their sectoral and product coverage. Uruguay wished to remind the EU of the need to respect its WTO commitments at all times.

12.6. The representative of China took note of the EU's plans to introduce a CBAM and affirmed that China would follow the issue closely. She urged the EU to ensure its compliance with WTO rules and to act in a transparent manner.

12.7. The representative of the European Union expressed her appreciation for the interest of the Russian Federation and all the other Members that had taken the floor on this issue. She recalled that the EU had committed to climate neutrality by mid-century and the Commission had pledged to increase the EU's climate ambition for 2030. As long as the EU's trading partners did not take comparable climate action, there would be a risk of carbon leakage that the EU had to address. In the European Green Deal, the European Commission had announced that, should differences in levels of ambition worldwide persist as the EU increased its climate ambition, the Commission would propose a CBAM, for selected sectors, in order to reduce the risk of carbon leakage. The European Council of 12 December 2019 had endorsed the objective of achieving climate neutrality by 2050, which included "developing effective measures to tackle carbon leakage in a WTO compatible way". The Commission intended to make a proposal for a CBAM for selected sectors in 2021. Before that, the Commission would first carry out an impact assessment to support the preparation of the initiative, which would notably look at environmental, social, and financial impacts, economic efficiency, and legal feasibility, in particular with respect to WTO rules and EU trade agreements, as well as in terms of complementarity with the EU Emissions Trading Scheme. As part of the impact assessment, the Commission would actively consult citizens and stakeholders, encouraging them to give their views on the best option to enforce ambitious policies against climate change in an open economy, while addressing the risk of carbon leakage. The Commission was committed to transparency and the inputs for the consultations would be published on the Commission's central consultation page, once all consultation activities had been completed.

12.8. The Committee took note of the statements made.

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

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

13.2. The representative of the Russian Federation wished to reiterate her delegation's deep concerns regarding the European Union's negotiations under Article XXIV:6 of the GATT 1994 within the framework of its enlargement to include Croatia. The Russian Federation had repeatedly raised this issue bilaterally, as well as at the Committee on Market Access and the Council for Trade in Goods. The concerns had been transmitted to the European Union in writing and circulated among the WTO Members. She recalled that, through document G/SECRET/35/Add.4, the Russian

Federation had objected to the conclusion of these negotiations. She regretted that, to date, the EU had failed to enter into a constructive discussion with Russia on this issue. For this reason, Russia once again wished to note that these negotiations could not be considered to have been completed, and called upon the European Union to engage into compensatory adjustment negotiations with Russia.

13.3. The representative of the European Union reminded the Russian Federation of the explanations that had been provided at previous meetings. She also recalled that 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, through document G/SECRET/35/Add.2 and pursuant to paragraph 5 of the Guidelines on Procedures for Negotiations under Article XXVIII. 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. She was pleased to note that the European Union 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, the reasons for not having accepted the compensation claims of the Russian Federation in the context of the EU's last enlargement. For the record, the EU wished to point out that the indication of a WTO Member as principal supplier in a notification under Article XXIV:6/XXVIII of the GATT did not constitute an automatic recognition of a right for that WTO Member to obtain compensation. Some principal suppliers would make a claim, while others would not. The notifying Member would then enter into negotiations/consultations with those Members who had submitted a claim in conformity with the procedures and within the applicable deadlines under WTO rules, with a view to identifying if there was an entitlement for compensation.

13.4. The Committee took note of the statements made.

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

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

14.2. The representative of the Russian Federation reiterated her country's concern in respect of the EU approach to the tariff rate quotas (TRQ) negotiations in the context of BREXIT. She noted that the EU-28 approach to the apportionment of TRQs could neither be considered as WTO-consistent, nor provide the EU with the possibility to maintain a general level of reciprocal and mutually advantageous concessions. The Russian Federation took the view that the negotiations could not be concluded without a respective agreement on compensation with principal suppliers of the products concerned. For this reason, the Russian Federation urged the European Union to submit its compensatory proposal.

14.3. The representative of New Zealand indicated that his intervention would cover agenda items 14, 15, and 16. New Zealand expressed persisting concerns over the approach which had been taken by the EU and the UK to TRQs and referred Members to past statements made in the CMA on 9 October 2018, and 28 May and 11 November 2019; in the Committee on Agriculture, in February, June, and October 2019; and in the CTG, on 12 November 2018 and 11 April, 8 July, and 14 November 2019. In particular, his delegation wished to draw attention to document RD/CTG/5, which reflected a broad range of Members' views on the issue. New Zealand encouraged the EU to work creatively with Members to ensure the preservation of the full value of the commitments that it had made to WTO Members and urged the UK to engage with Members on its own recourse, in order to find a solution that preserved the value of its existing commitments in an appropriate manner, based on the UK's specific situation and the legitimate interests of its trading partners.

14.4. The representative of Uruguay reiterated the concerns which had been previously expressed on this issue and in other fora by Uruguay, including in document RD/CTG/5. Uruguay stressed the importance for the multilateral trading system of this issue being resolved based on substantive discussions with all interested parties and in accordance with WTO rules. Uruguay considered that the EU was not respecting the market access commitments and the TRQs it had previously negotiated, which prolonged the significant uncertainty as to how the future relationship between the UK and the EU would advance as of 1 January 2021. There was a real risk that the EU and the UK would exhaust a large part of each other's *erga omnes* TRQs, thereby leaving out other Members

who wished to make use of those TRQs. The close proximity and other factors such as existing commercial relations could lead to economic harm for third countries that were currently making use of those TRQs, or which could use them in the future. Uruguay recalled that, under GATT Article XXVIII, bilateral negotiations with other WTO Members had taken place in parallel to those between the UK and the EU, and emphasized the need to take into account the concerns which had been raised at the WTO.

14.5. The representative of Australia indicated that his intervention would cover both agenda items 14 and 15. Australia reiterated that it recognized the legal rights of both the EU and the UK to modify their existing Schedules under Article XXVIII of the GATT. However, his delegation could not accept the assertion by both the EU and UK that no compensation was required as there would be no loss in the value of the concessions. The proposed modifications to the EU and UK TRQs would lead to significant economic loss not only by removing flexibility in terms of where a product could be sent year-to-year, but also by rendering some TRQ allocations too small to be commercially viable. Australia believed that both the EU and UK had to proceed with compensatory adjustments that factored in the significant commercial losses and maintained a general level of reciprocal and mutually advantageous concessions. Australia had remained constructive during these discussions and did not seek significant market access gains. Rather, it wanted to ensure that the current quality and level of market access was maintained. Since Australia had submitted formal proposals for compensation for all of its country-specific TRQs recognized by the EU and the UK, the onus was now on them to respond formally to the proposals and to engage in negotiations to find product and Member-specific solutions. Otherwise, the entire process over the last few years of recognizing negotiating rights under Article XXVIII and engaging in regular bilateral meetings would appear to have been in vain. Australia stood ready to solve these issues before the end of the transition period.

14.6. The representative of China indicated that her intervention would apply to both agenda items 14 and 15. China's concerns and requests on this issue remained unchanged as her delegation could not accept the approach which had been taken by the EU and the UK to apportion the EU-28 TRQs, which China believed would impair WTO Members' interests. She encouraged the EU and the UK to continue to engage and take full consideration of all the comments and requests which had been raised by Members, both at WTO meetings and in bilateral consultations.

14.7. The representative of Canada indicated that his statement would cover agenda items 14 and 15. Canada wished to express continued and significant concerns over the UK and EU's approach to apportioning the EU-28's TRQs, which had been made clear to the UK and the EU through multilateral discussions in the Committee on Market Access, the Committee on Agriculture, and the Council for Trade in Goods. Canada had also expressed these concerns in bilateral discussions. While these concerns remained, he noted the EU and UK's willingness to discuss the issues. Canada looked forward to continuing discussions during their separate and distinct bilateral Article XXVIII negotiations.

14.8. The representative of Paraguay indicated that she would address agenda items 14 and 15 together. She wished to express her delegation's continued concern over the potential saturation of the *erga omnes* TRQs between the EU and the UK. There was a risk that the negotiations would not lead to an agreement and that the UK would have to extend those negotiations beyond December 2020. In the context of its trade policy review, and in response to questions that had been raised by Paraguay, the EU had said that it did not expect that the EU or the UK would use the *erga omnes* TRQs of each other. However, to date, this remained uncertain because it remained unclear whether the EU and the UK would reach a bilateral agreement. For this reason, Paraguay urged the EU and the UK to review their policies, in order to exclude each other from those *erga omnes* TRQs. Finally, Paraguay wished to recall that both the EU and the UK had said that they would ensure that Members would not be in a less favourable position on the market with respect to that which existed prior to apportionment. Her delegation invited the EU and the UK to honour this commitment.

14.9. The representative of India indicated that his intervention would cover agenda items 14, 15, and 16. He echoed the concerns which had been raised by Members. India had already expressed its concerns, both in writing and during the formal consultations with the EU and the UK delegations, over the approach they had taken in TRQ apportionment. India had explained how the proposed methodology, including the threshold years that had been taken into account for the apportionment of TRQs, was affecting Members' rights on those specific tariff lines. Those concerns still remained. India encouraged the EU and the UK to take into account the concerns which had been raised by

Members, including India, and to work creatively to ensure the preservation of the full value of the commitments which had been made to WTO Members. The UK's recent document relating to Rectifications and Modifications of Schedule XIX was still being examined by Capital. However, as a preliminary comment, and apart from concerns on the apportionment of the domestic support value for agricultural goods, India wanted to hear more from the UK delegation about the basis for the number of years chosen, as well as the source of the data for the exchange rate from Euro to Pound.

14.10. The representative of Indonesia requested the EU and the UK to comply with WTO rules in the context of these renegotiations. The EU and the UK, together with other partner countries, including Indonesia, had an interest in maintaining market access in goods and services that would be beneficial for all parties. Regarding the process of modification of the TRQs on agricultural and non-agricultural products, Indonesia wished for the EU and the UK to cooperate in order to accommodate the aspirations of all WTO Members, particularly developing countries, in the midst of the COVID-19 pandemic.

14.11. The representative of the United States indicated that her intervention applied to both agenda items 14 and 15. The US remained concerned that the approach which had been undertaken by the EU and the UK would lead to a loss of access for US goods into both markets. She referred Members to past statements in this and other Committees and noted that a more detailed statement on the issue would be made at the CTG later that week.

14.12. The representative of Mexico indicated that her statement would address agenda items 14 and 15. She shared the concerns which had been expressed by other Members, and wished to express a systemic concern with regard to the EU and UK's intention to modify the TRQs in their Schedules of concessions. As Mexico had previously indicated, there were inherent problems with the proposed methodology, which would result in a reduction and even elimination of market access opportunities in those markets. Mexico believed that any methodology should maintain the balance of rights and obligations that had been negotiated and agreed by Members. Therefore, Mexico urged the EU and the UK to continue engaging with the other Members and to bear in mind the systemic and trade concerns which had been expressed in order to find a mutually satisfactory outcome through procedures in line with WTO rules.

14.13. The representative of the European Union observed that negotiations under Article XXVIII remained ongoing with the partners which held rights under that provision. The next round had been planned for July 2020 and the EU welcomed WTO Members' engagement in the negotiations in good faith. The EU aimed to make progress with as many Members as possible at the following round. She reiterated that the apportionment of the WTO TRQs had been based on an "EU-UK joint approach", which dated back to October 2017 and ensured that the overall existing level of market access of other WTO Members was maintained. The "joint approach" and the ongoing EU-UK separate but complementary negotiations with WTO Members under Article XXVIII of the GATT were set to continue. There would be no change to the current EU WTO TRQ levels and management until the end of 2020. In particular, as agreed in the Withdrawal Agreement between the EU and the UK, EU law would continue to apply in and to the UK, including the common commercial policy and the common external tariff.

14.14. The Committee took note of the statements made.

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

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

15.2. The representative of the Russian Federation reiterated her country's significant concern over the UK's approach to the TRQ renegotiations and stressed the impossibility of concluding negotiations without an agreement on compensation to be provided by the UK. She also underlined the importance of establishing the UK's independent Schedule of tariff concessions in full compliance with WTO rules. The Russian Federation urged the UK to provide its compensatory proposal.

15.3. The representative of Uruguay thanked the UK for having launched the negotiations process under Article XXVIII with interested Members, and highlighted the importance that it be concluded

as a result of these negotiations and not unilaterally. Given the uncertainty about the form that the future commercial relationship between the EU and the UK would take, he emphasized the need to take into account in the negotiations the significant levels of trade existing between the EU and the UK for various products in the *erga omnes* TRQs. Uruguay considered that there was a real risk that these TRQs would be exhausted by such trade, thereby leaving out all other Members. In sum, Uruguay hoped that, as a result of the bilateral negotiations, market access commitments would be secured in a manner consistent with the reality of bilateral trade and the specific interests of the parties involved, would not detract from the current market access opportunities, and would fully comply with the provisions of the relevant multilateral rules.

15.4. The representative of the United Kingdom recalled that, on 1 February 2020, the UK had circulated document WT/GC/206, which had set out the main implications arising from its departure from the EU in the WTO. The UK had undertaken its transition in the WTO with the aim of maintaining the existing balance of rights and obligations with its trading partners, and had set out its Goods Schedule, circulated in document G/MA/TAR/RS/570, on that basis. The UK had engaged extensively with Members on that Schedule since it had been circulated and remained open to discussions to ensure that conditions remained no less favourable to trade after the end of the transition period agreed between the EU and the UK, which was due to end on 31 December 2020. She recognized that the UK was currently undergoing a process under Article XXVIII to seek agreement with relevant WTO Members on how to extract the UK's TRQ commitments from those of the EU-28. The last round of those negotiations had taken place in February 2020 in Geneva. The UK looked forward to continuing its engagements going forward and adapting those engagements as necessary to account for the logistical challenges presented by COVID-19.

15.5. The Committee took note of the statements made.

16 UNITED KINGDOM - RECTIFICATIONS AND MODIFICATIONS OF SCHEDULE XIX – STATEMENT BY THE RUSSIAN FEDERATION

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

16.2. The representative of the Russian Federation expressed concerns over the modification of the draft Schedule proposed by the UK in document G/MA/TAR/RS/570/Add.1. First, she recalled that the initial draft schedule of the UK, circulated on 24 July 2018, had been based on the draft EU Schedule provided for in document G/MA/TAR/RS/506. During the period 2018-2019, the EU had circulated certain amendments to its draft Schedule, and it had been unclear whether those amendments would be incorporated by the UK in its draft Schedule or not. Second, the actual calculations based on the methodology of apportionment of Aggregate Measurement of Support (AMS) were missing, taking into account that the EU's AMS commitments had not yet been reduced proportionally. Third, in Russia's view, currency conversion could not be considered as a change of a purely formal character and required further consideration and bilateral discussions. For the time being, the Russian Federation objected to the proposed rectification and modification of the UK's Schedule.

16.3. The representative of Uruguay recalled that the original draft Schedule XIX, presented by the UK in July 2018 under the 1980 Procedures, had been contested by several Members. This had resulted in the launch of negotiations under Article XXVIII of the GATT with respect to the TRQ concessions in the draft Schedule, which were currently under way. The additional amendments that had recently been proposed by the UK in document G/MA/TAR/RS/570/Add.1 added an additional layer of complexity to that process. Uruguay would continue to study these proposed amendments and would comment on them in due course. However, Uruguay's objections to the original draft would remain in force until an agreement was reached on the concessions and commitments that should appear in Schedule XIX. Uruguay would continue to constructively engage with the United Kingdom with a view to reaching an independent Schedule of concessions that was formally established in the WTO.

16.4. The representative of Paraguay noted that the most recent submission by the UK was still being studied by her Capital. Her delegation understood that this rectification sought to convert into Pounds Sterling the concessions that had been denominated in Euros, which appeared to be a rational change. However, such a change could potentially have an impact on the value of the TRQs,

on the Meursing tables, and on the AMS calculation that had been proposed by the UK. She further noted in this respect that the EU had yet to propose a corresponding reduction to its AMS and that discussions under Article XXVIII remained ongoing. The fact that there were so many objections to the initial proposal added an additional layer of complexity as the procedures had not yet been certified. Paraguay stood ready to engage in constructive discussions with the UK with a view to reaching a compromise.

16.5. The representative of Australia noted with interest that the UK had recently decided to submit a further rectification of its draft WTO Goods Schedule in order to convert all references to Euros into Pound Sterling. While Australia was still analysing the latest proposed rectification and the impact it would have on the UK's tariff bindings and domestic support entitlements, it was still concerned that the issues raised by Australia and other Members with the UK's initial rectification had still not been addressed. In addition to concerns relating to TRQs, which had been discussed under the prior agenda items, Australia considered that the UK's draft Goods Schedule, circulated on 24 July 2018, contained substantive changes to the UK's current WTO concessions, including the UK's AMS commitments, and Special Safeguard (SSG) entitlements. Australia did not believe that the UK should have automatic rights to AMS without scrutiny from the Membership. Nor should it be able to simply "copy and paste" SSG rights from the EU's WTO Goods Schedule, which had a distinct history and basis from the Uruguay Round and could result in the perverse outcome of providing the UK SSG rights for products that the UK did not produce. Australia did not believe that the UK's proposed changes met the requirement in paragraph 2 of the "1980 Decision" that any changes "do not alter the scope of a concession" and must be "of a purely formal character". Australia stood ready for constructive discussions with the UK to help resolve these matters.

16.6. The representative of China noted that the UK had circulated an amendment to its draft Schedule recently and that her Capital was carefully analysing the UK approach to redenominate all currency components and the relevant procedure. China looked forward to further discussions with the UK.

16.7. The representative of the United States indicated that it had received the proposal by the United Kingdom to convert all the references to Euros in their Schedule into Pounds Sterling. The technical experts in Washington DC were reviewing the proposal and would contact the UK in due course. As had previously been explained, the main goal of the US was to ensure that this conversion was fair and did not result in a loss of market access into the UK market.

16.8. The representative of the United Kingdom began by recalling that the UK had circulated for certification its Goods Schedule, contained in document G/MA/TAR/RS/570, in July 2018. The UK had circulated that document under the rectification procedure, which had been used because the UK's Schedule replicated the concessions and commitments applicable to the United Kingdom, and avoided potential disruption to trade. More recently, the UK had announced the "UK Global Tariff" on 19 May 2020. This was the applied MFN tariff regime that the UK would apply from 1 January 2021, following the Transition Period that had been in place since the UK's departure from the European Union on 31 January 2020. For the duration of the Transition Period, the UK would continue to apply the EU's Common External Tariff. As the UK Global Tariff was a bespoke tariff, tailored to the UK's economy, it had been expressed in the UK's national currency. As a consequence of that change, and to ensure stability and transparency between the UK's bound and applied Schedules, the UK had circulated document G/MA/TAR/RS/570/Add.1, which sought to rectify its bound Goods Schedule to redenominate all currency components in Part I and Part IV of Section I of the Schedule, from Euros into Pound Sterling. That had brought the UK into line with most other WTO Members, who denominated their Schedules in their own currency. The exchange rate at which the Schedule had been redenominated was 1 Euro=0.83687 GBP, which represented the average of the daily exchange rates between 2015 and 2019. In choosing the exchange rate, the UK had looked at relevant precedent and used a methodology that avoided speculation on the "natural" exchange rate, avoided the inherent volatility of day-to-day exchange rate fluctuations, and reflected recent economic conditions, thereby ensuring the scope of the concessions and commitments offered for application to the UK were not altered. Thus, as set out in the formal documentation which had been circulated, all currency components in Part I and Part IV, Section I of the Schedule had been redenominated, including the UK's AMS limit. All other aspects of draft Schedule XIX remained unchanged as a result of that technical rectification. On the AMS, she could not comment on the EU's ongoing processes, but recalled that it had been clear in the joint UK-EU letter of 11 October 2017 that the final bound commitment level for domestic agricultural support would be apportioned between the EU and the UK. This had also been restated in the explanatory note to the

UK's Goods Schedule in document G/MA/TAR/RS/570 and was a clear commitment. She also reminded Members that the explanatory note contained details on how the AMS apportionment had been calculated. Finally, the UK welcomed the positive responses that had been received from Members and stakeholders, in particular on the simplifications and tariff reductions included in the UK Global Tariff. The United Kingdom looked forward to continuing to engage with WTO Members on its transition.

16.9. The Committee took note of the statements made.

17 INDIA - CUSTOMS DUTIES ON TELECOMMUNICATION AND OTHER PRODUCTS – STATEMENTS BY CHINA AND CHINESE TAIPEI (G/MA/W/120, G/MA/W/128)

17.1. The Chairperson noted that this agenda item had been included at the request of China and Chinese Taipei.

17.2. The representative of China regretted having to raise again this issue. China remained concerned over India's customs duties on telecommunication products, in particular with regard to mobile phones and their components. India had increased customs duties on these products several times, with applied rates in excess of its bound rates, which did not comply with WTO rules. China again urged India to withdraw its customs duties on the relevant products, and to abide by its WTO commitments. She also noted that India had been increasing customs duties on many other products, including edible vegetable oils, fruit juices, car engines, toys, and organic chemicals. India had also adjusted technical trade measures on toys and other products. China had both systemic and commercial concerns regarding these measures and urged India to enhance the transparency and predictability of its measures, and to introduce a sufficient transition period in order to avoid unnecessary trade restrictions.

17.3. The representative of Chinese Taipei reiterated the concerns over India's imposition of tariffs on at least 32 ICT products since 2014, which surpassed India's duty-free bound commitments in the WTO. Chinese Taipei had requested and held bilateral consultations with the government of India pursuant to the procedure in the Dispute Settlement Understanding and had subsequently notified to the Dispute Settlement Body (DSB) its request for an establishment of a panel in dispute DS588. Therefore, Chinese Taipei would not have further comments on this issue in the Committee.

17.4. The representative of Japan echoed the concerns that had been raised by other Members over India's imposition of tariffs on ICT products. On 19 March 2020, Japan had requested the establishment of a panel in dispute DS584. Nevertheless, Japan had requested that India withdraw the measure as soon as possible.

17.5. The representative of Thailand expressed its ongoing commercial and systemic concerns over India's re-imposition of customs duties on a number of ICT products. Thailand joined other delegations in requesting India to abide by its WTO commitments and noted that it would continue to monitor this matter closely.

17.6. The representative of Singapore echoed the concerns which had been raised by previous speakers, and reiterated Singapore's interest in this matter for commercial and systemic reasons.

17.7. The representative of the United States supported the statements that had been made by others with regard to India's continued imposition of duties – of up to 20%– on imported ICT products, including on commercially significant products from the United States. The US had given India many opportunities over many years, both bilaterally and in relevant WTO Committees, to address its actions, in light of its WTO tariff commitments. Unfortunately, tariff increases had continued. She noted with interest that the EU, Japan, and Chinese Taipei had taken the next steps to request the formation of panel. Once again, the US called on India to provide duty-free access for the ICT products for which India had a WTO commitment. Her delegation would continue raising the issue in the relevant Committees until it had been addressed.

17.8. The representative of Canada supported the statements that had been made by others on this issue. As had been mentioned in previous interventions in this Committee, the CTG and the ITA Committee over the past several years, Canada viewed the continued application of tariffs above

India's bound rate on a broad range of ICT products to be inconsistent with India's WTO commitments.

17.9. The representative of India thanked the delegations of Canada, China, Japan, Thailand, Singapore, Chinese Taipei, and the United States, for their continued interest in India's customs duty regime on certain telecommunication and other products. On the issue of customs duties imposed on certain products, which some Members had alleged were ITA-1 products, India had made statements earlier in various Committees, including this Committee and the ITA, as well as the CTG. India's position remained the same. However, India wished to reiterate that it had been fully abiding by its obligations and commitments under the ITA-1, as contained in WTO document WT/Let/181, and had not intended to make commitments beyond the scope of the ITA-1. India had also stated in its earlier interventions on this issue that Members had the right to revisit any errors or mistakes which had been committed in assigning bound tariffs while transposing their HS Schedules and to place the necessary rectification request before the Committee concerned. Accordingly, India had filed its rectification request for the purpose of correcting certain errors in its HS2007 Schedule, which had been in accordance with "the Procedures for modification and rectification of Schedules of tariff concessions" contained in the Decision of 26 March 1980 under the category "Other Rectifications". India urged Members to go through its rectification request and, in case a Member had any other views on the technical aspects of the products concerned, as well as their classification, India would be happy to discuss such views with the Member concerned. As to the increase in tariffs on products other than ICT products, which had been mentioned by China, India considered that increases in tariffs were within the bound tariffs committed by India.

17.10. The Committee took note of the statements made.

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

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

18.2. The representative of Canada observed that, as the largest supplier of pulses to India, Canada had been 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 had been a high-quality and reliable supplier. Canada was disappointed that India had continued to use QRs on the import of dried peas and other pulses – a situation that had been going on for more than two years. It had been difficult for Canada to see how India could still be claiming these measures to be temporary. On 28 March 2020, the Government of India had extended certain requirements and established new, more stringent requirements, which had been designed to further limit the importation of dried peas in the fiscal year 2020-21. These restrictions had included: (i) a requirement that all shipments of dried peas enter via the port of Kolkata; (ii) a minimum import price for dried peas set at around six times the price which imported dried peas had traditionally been traded at; and (iii) a quantitative restriction allocation of zero metric tonnes for the imports of yellow dried peas, which implicitly banned all imports of yellow peas in India. Canada had previously expressed its views on the WTO-consistency of India's QRs and remained concerned by India's continued trend to establish even more stringent import restrictive measures. At the last meeting of the Committee on Market Access, India had claimed Article XI:2(c)(ii) and Article XX(a) and (b) of the GATT as the legal justifications for its quantitative restrictions on dried peas. Canada would be very interested in hearing more about the compliance of India's import ban for yellow peas and the minimum import price for dried peas with these provisions. Canada also requested that India clearly indicate how its import ban and minimum import price policy for yellow peas were compliant with Article 4 of the Agreement on Agriculture. The elimination of import bans and quantitative restrictions was a fundamental principle in both the GATT and the WTO. Canada reiterated its call for India to immediately and expeditiously review its trade restrictive measures put in place on pulses and to consider alternative, WTO-consistent policy options that promoted a predictable and transparent import regime for pulses.

18.3. The representative of Australia noted that his country's long-held concerns with India's restrictive measures on pulses imports were well known to Members, particularly India's quantitative restrictions on a variety of pulses. These concerns were held not just by Australia, but by other Members too, including a number of developing Members. Australia had been disappointed by India's

recent continuation of its QRs on pulses for the 2020-21 fiscal year with further restrictions which had been placed on peas. The previous 150,000 tonne quantitative restriction on peas had now been divided, with 75,000 tonnes allocated for green peas and 75,000 tonnes for other peas, and an effective import ban on yellow peas. India had characterized these QRs as being "temporary" measures, which had been difficult to accept, given they had been in place for nearly three years for some varieties. Australia had continued to review the previous explanation provided by India for the WTO basis for the quantitative restrictions during the meeting held in November 2019. That explanation had generated more questions and concerns with respect to these measures. India had claimed that the quantitative restrictions on pulses were permitted under Article XI(2)(c)(ii) of the GATT, which excluded from the general prohibition of QRs those import restrictions imposed on agricultural products to remove a temporary surplus of the like domestic product, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level. Australia noted that Members could not maintain quantitative import restrictions on agricultural products that satisfied the requirements of Article XI:2(c) of the GATT 1994 without violating Article 4.2 of the Agreement on Agriculture. India had also indicated that its quantitative restrictions, even if otherwise inconsistent with their obligations, could nevertheless be justified under GATT Article XX(a), namely, being necessary to protect public morals, and Article XX(b), namely, as necessary to protect human, animal or plant life or health. Australia had posed a series of questions at the last meeting in November and had subsequently provided them to India in writing. Australia had still not received a response. In this regard, Australia requested India to provide a detailed explanation of how India's quantitative restrictions satisfied the requirements of GATT Article XI:2(c)(ii) and Article XX(a) and (b), which Australia did not believe were appropriate or legally available in respect of India's import restrictions on pulses. Australia once again requested India to provide prompt and fulsome responses bilaterally, and table those responses in the next meeting of the relevant WTO Committee; or otherwise to remove the measures immediately.

18.4. The representative of the European Union observed that, since the quantitative import restrictions had been in place for about three years, the EU would expect India to be in a position to provide clearer explanations about how its policies conformed to WTO rules. Members had repeatedly been told that the measure was temporary. However, the European Union considered that a measure that had been in place for three years was not a temporary measure. The EU urged India to quickly eliminate this trade-distorting measures.

18.5. The representative of the Russian Federation wished to express its concern regarding India's policy on the importation of yellow peas. In addition to the quota for the 2019-2020 year, on 1 January 2020 India had introduced a minimum import price requirement for yellow and green peas. From that date, ports of entry for yellow and green peas had also been limited to only one seaport – Kolkata. In April 2020, India had introduced a new quota of 150,000 MT on peas for the 2020-2021 fiscal year. This new quota for peas had been divided into three sub-quotas, with allowed import volumes specified for each type of peas as follows: green peas – 75,000 MT, and other peas – 75,000 MT. For yellow peas, an import quota volume of zero had been established, which had given the impression that the importation of yellow peas had been totally prohibited up until the end of March 2021. The Russian Federation asked India to clarify the terms for the importation of yellow peas under the new quota for the 2020-2021 fiscal year. Russia noted that, over the last two years, and due to the measures that had been applied by India, imports of yellow peas had decreased significantly and the newly introduced restrictive measures had narrowed "the window for import" of yellow peas to an even greater degree. Russia maintained its concern regarding the inconsistency of India's measures in respect of yellow peas imports with WTO rules. Her delegation considered that the imposition of a minimum import price requirement, import quotas, import prohibition, and restriction on the port of entry violated both Article XI:1 of the GATT and Article 4 of the Agreement on Agriculture. The Russian Federation requested India to explain the reasons for the introduction of the new restrictions for products the importation of which had already been restricted, and to bring these measures into conformity with WTO rules.

18.6. The representative of the United States recalled that, as had been previously stated in this and other WTO Committee meetings, the US remained concerned by India's use of domestic support policies, multiple increases in tariff rates, and the application of import restrictions for pulses, including pigeon peas, mung beans, black gram lentils, and peas. Despite India having stated several times that its restrictions on pulses had been intended to be temporary, in April, the Indian Ministry of Commerce and Industry had issued Trade Notice No. 05/2020-21, which had extended import restrictions on pulses for the Indian fiscal year through 31 March 2021. Therefore, the United States

reiterated its previous requests for information on how the measures reflected India's WTO commitments, and when and how the measures would be brought to an end.

18.7. The representative of India thanked the delegations of Australia, Canada, the European Union, the Russian Federation, and the United States for expressing their views on these measures. Some of these issues had also been raised in the meetings of the Committee on Agriculture, the Committee on Import Licensing, the Committee on Market Access, and the CTG. Although his delegation would not repeat what it had previously stated, his delegation did wish to reiterate that the decision on the imposition of a quota had been based on the domestic demand and supply situation of pulses in India. Hence, the extension or removal of these QRs from time to time had been aimed at alleviating the distress caused to small and marginal farmers by the influx of cheap imported pulses, and the consequent impact on their food and livelihood security. The government had been regularly reviewing these measures based on the market situation of pulses owing to which the quota of pulses had been increased from time to time. On the quota allocation, India wished to inform Members that: (i) concerning peas, in the financial year 2019-20, an import quota of 0.15 million MTs had been allowed, whereas in the financial year 2020-21, a total of 0.7 million MTs had been allowed; and (ii) concerning other pulses such as urad, in each of the financial years 2019-20 and 2020-21, an import quota of 0.4 million MTs had been allowed. With respect to Members' questions on the relevant WTO provisions under which India had imposed these temporary measures, India had previously replied 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 the protection of public morals and human, animal or plant life or health in India, as recognized under Article XX(a) and (b) of the GATT 1994. At the meeting, Members had raised additional questions with respect to the legal basis that had been raised by India. India would look into the issues and discuss them with interested Members in due course. India would also communicate to Capital the additional issues raised at the meeting, including the legal basis for MIP.

18.8. The Committee took note of the statements made.

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

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

19.2. The representative of the United States noted that it had been brought to their attention that Indonesia had been applying tariffs on certain 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 reported that a 10% duty had been being levied for certain products in this tariff category. The US had also raised this issue in the ITA Committee. Her delegation requested Indonesia to provide an explanation of the matter, and how Indonesia intended to resolve it, as soon as possible.

19.3. The representative of the European Union noted that, in past meetings, Indonesia had mentioned that it had been consulting internally. The EU continued monitoring this issue and would welcome an update.

19.4. The representative of Japan echoed the concerns that had been raised by other Members over Indonesia's imposition of tariffs on certain telecommunication products. While Japan recognized that the issue was still under investigation by the relevant authority in Indonesia, and in order to scrutinize the facts, Japan requested Indonesia to provide information on this matter.

19.5. The representative of Indonesia thanked the European Union, Japan, and the United States for their concern regarding the customs duties on certain telecommunication products. Indonesia was committed to comply with and respect its agreements. At the same time, Indonesia observed that telecommunication products were highly dynamic products in terms of their HS transposition. The ITA had been first signed in 1996 and the product list in each annex defined based on HS96. However, since then, there had been many changes due to the transposition process. Therefore, certain products may have been affected by the splitting and merging process during the transposition. Indonesia reiterated that it would try to fulfil its commitments in the WTO and would continue conducting internal coordination to resolve this problem.

19.6. The representative of the United States wished to underscore that, as had been reflected in General Council Decisions and in the Secretariat's guidance to the Committee on Market Access, HS transpositions must not modify the scope of concessions.

19.7. The Committee took note of the statements made.

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

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

20.2. The representative of the Russian Federation observed 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. 329, the responsible authority determined the volumes of the corresponding quotas each year and imports outside of these quotas were prohibited. The Russian Federation had raised the issue of using quotas at several WTO Committee meetings and, as a result, in late 2019, Mongolia had issued a recommendation not to establish a quota on imports of bottled water, liquid milk, and wheat flour for 2020. In light of this, the Russian Federation asked Mongolia to clarify the temporary application of the recommendation, which covered only 2020, and wondered whether the quantitative restrictions were expected to be eliminated also in the future. The fact that Mongolia was still planning to determine quota volumes for imports of agricultural products, including wheat flour and milk, was not in line with WTO rules. Thus, Mongolia's quota regime continued to be inconsistent with its obligations under the WTO Agreements and, in particular, Article XI of the GATT 1994 and Article 4.2 of the Agreement on Agriculture, as well as Mongolia's accession commitments under paragraph 20 of the Working Party Report. The Russian Federation called upon Mongolia to undertake promptly all the necessary further steps to bring its legislation and measures into compliance with the relevant WTO provisions. The Russian Federation would continue monitoring the issue closely.

20.3. The representative of Mongolia thanked the Russian Federation for its continued interest in Mongolia's trade policy on agricultural products. Mongolia reiterated its position that liquid milk and wheat flour were strategic food products in accordance with Mongolia's food law. With regard to the quotas, Mongolia had already informed the Russian Federation of the recommendation of the National Food Security Council of 29 November 2019 not to impose quotas on the imports of these products in 2020. She confirmed no quotas were being imposed on these products following the recommendation.

20.4. The Committee took note of the statements made.

21 NEPAL'S IMPORT BAN ON ENERGY DRINKS – STATEMENT BY THAILAND

21.1. The Chairperson noted that this agenda item had been included at the request of Thailand.

21.2. The representative of Thailand noted that her government had been informed about the Nepali Government's Order of 17 June 2019, which had imposed an import ban on caffeinated energy drinks, flavoured synthetic drinks, and other similar drinks. Since the regulation had entered into force, Thailand's private sector had been unable to export energy drinks to Nepal. Companies had been severely affected because their products had already been produced with models and labels designed for the Nepali market only, and hence they could not sell such products in other countries. Furthermore, Thailand had been concerned that Nepal had not submitted complete notifications related to those measures to the WTO. In this regard, Thailand requested further information from Nepal regarding these measures, as followed: (i) the objective that had been pursued by Nepal by banning the importation of energy drinks and how it complied with its WTO commitments; and (ii) whether Nepal's import ban had been based on any scientific evidence concerning the effects of energy drinks. Thailand stood ready to engage with Nepal with a view to solving the issue amicably in the near future.

21.3. The representative of Nepal began by noting that Nepal had joined the WTO in 2004 and had become the first acceding LDC Member and the 147th Member of the WTO. Despite being an LDC Member, Nepal's level of commitments at the WTO had been mostly similar to some developed

Members and its situation could be the same as that of other Members joining the WTO through an accession process. For instance, Nepal's binding coverage was 99.4%, simple average bound tariffs were 26.3%, and the simple average MFN applied rate was around 12%. Since Nepal had joined the WTO, it had been doing its best to honour its obligations. It had taken several policy measures to fulfil commitments made during the accession and had been expediting its market-friendly policy reforms through various initiatives. All domestic legal and other measures had been in compliance with WTO rules. WTO membership was simply the starting point of the process to integrate Nepal into the global economy in a meaningful way. Nepal understood that the journey to the WTO meant a balance between rights and obligations and was fully committed to it. While assessing the trade performance of the country since joining the WTO in 2004, Nepal had not benefitted from the membership as expected, particularly in export performance; it had rather faced a huge import surge. The export-import ratio of trade in goods had reached to 1:15.3 in 2017-2018 from 1:2.5 in 2004-2005. The world's merchandise exports had increased from about USD 9 trillion in 2004 to about USD 19 trillion in 2018, but Nepal's exports had mostly remained stagnant, with just a nominal growth from USD 730.5 million in 2004 to USD 783.5 million in 2018. However, Nepal's merchandise imports had significantly increased, from USD 1.85 billion in 2004 to USD 12.9 billion in 2018. The situation of mostly stagnant exports but a skyrocketing import surge had resulted in a huge trade gap and had posed severe challenges to the entire economic development process of the country. In view of this difficult situation, the Government of Nepal had assessed the causes of such trade imbalance and had taken import and export regulation measures accordingly, while ensuring that its trade regulations were applied on an MFN basis to all WTO Members and in accordance with WTO rules. Nepal had taken this temporary measure because of the country's unique situation as an LDC and a landlocked developing country (LLDC) facing various constraints and challenges regarding its export performance. The regulation had not only focused on trade restrictions on a few products; it had also aimed at trade facilitation. Furthermore, it had included provisions to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The objective of this measure had not been to restrict trade but to regulate and facilitate Nepal's international trade and safeguard the country from the severe challenge of trade imbalance, threatening the balance of payments, which had been caused by these developments. In the context of the COVID-19 pandemic and its impact, the Government of Nepal had been in consultations with relevant agencies in Capital regarding the potential health implications of energy drinks and some other non-essential products which were being imported on a large scale in recent years. The measure was temporary and would be reviewed periodically and revised based on the new findings. Nepal had sent an official note and a notification to the WTO Secretariat on 21 January 2020 in this regard. Upon receipt of Thailand's concerns, Nepal had requested to resolve the issue through bilateral consultations. In this regard, a bilateral meeting had been held in Kathmandu and the matter had been discussed at length. The discussions would continue, and the matter could be settled once the COVID-19 outbreak had been normalized. However, Thailand had raised this concern at the CMA meeting without taking into account these bilateral discussions and the current challenging situation relating to the COVID-19 pandemic. With regard to Thailand's statement that their products had already been produced with models and labels designed specifically for the Nepali market only, Nepal asked what had been the reasons for this, what had been the quality standards of those products, and why such products could not be sold on Thailand's domestic market. Nepal underlined that there was a need for a study on whether those products were in line with the quality standards set. Nepal had conveyed all concerns raised by Thailand to the Ministries concerned (Ministry of Industry, Commerce and Supplies, and Ministry of Foreign Affairs) in Kathmandu. Finally, Nepal requested all WTO Members, including Thailand, to positively consider the unique situation of Nepal as an LDC and LLDC Member facing a huge trade gap with an export-import ratio of 1:15.2, meaning that imports were more than 15 times greater than exports, and facing several constraints and challenges in international trade.

21.4. The representative of the United States supported Thailand's concern over Nepal's ban on the import of certain energy drinks. In January 2020, the United States had requested Nepal to notify the measure through the WTO TBT Enquiry Point, but had not yet received a response. She urged Nepal to notify the measure to the TBT Committee and to suspend the measure until WTO Members had had an opportunity to review and comment upon it.

21.5. The representative of Nepal responded that he would communicate the concern by the US delegation to Capital and would revert back with a response as soon as it was available.

21.6. The Committee took note of the statements made.

22 KINGDOM OF SAUDI ARABIA, KINGDOM OF BAHRAIN, THE UNITED ARAB EMIRATES, OMAN AND QATAR – SELECTIVE TAX ON CERTAIN IMPORTED PRODUCTS – STATEMENTS BY THE EUROPEAN UNION, SWITZERLAND, AND THE UNITED STATES

22.1. The Chairperson recalled that this item had been included on the agenda at the request of the delegations of the European Union, Switzerland, and the United States.

22.2. The representative of Switzerland noted that the situation had not evolved much since the Committee's last meeting, despite several contacts with Members of the Gulf Cooperation Council (GCC). For this reason, Switzerland wished to refer delegates to its previous statements on this matter. Since it was hard to find information, and with a view to better understanding the situation, her delegation would like to raise some additional questions. First, 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 not alleviated Switzerland's concerns, as it had maintained the discrimination between energy drinks, on the one hand, and carbonated soft drinks and other sweetened beverages, on the other. At the meeting of the Council for Trade in Goods that had taken place in November 2019, the Kingdom of Bahrain had indicated that "as a second phase, the GCC was currently studying replacing the *ad valorem* tax on sweetened beverages with a specific tax". Thus, Switzerland remained keen to be updated on the state of play regarding the change of tax structure. Second, she noted that Switzerland's request for a harmonization of the tax rate at 50% for all sweetened beverages had remained unanswered. Such a harmonization would constitute a first step towards eliminating the discrimination and remained a pending issue. Third, Switzerland wished to know if there had been any development as concerned the different rates applied to sports drinks. Once again, Switzerland urged the GCC countries to apply, without delay, the same excise duty rate to all sports drinks irrespective of the brand names or origin and to eliminate any discrimination. Fourth, turning to the Digital Tax Stamp (DTS), her delegation had welcomed the postponement of the stamp's implementation in Saudi Arabia. However, Switzerland would be grateful if Saudi Arabia could indicate if and when it intended to implement the DTS. Switzerland continued to strongly oppose the introduction of the DTS on energy drinks and carbonated soft drinks and called upon the Saudi authorities to reach out to the industry and examine more efficient and non-discriminatory alternatives. Fifth, her delegation strongly encouraged the GCC members to engage with the private sector in order to modify the selective tax, so that the tax was applied in a transparent and non-discriminatory manner and, at the same time, met the legitimate health policy objectives. Finally, as each GCC member would implement the selective tax at its own pace and, as there had been differences of interpretation, Switzerland would be most grateful if each GCC country could answer these questions individually, as the GCC Secretariat had only been able to provide general answers. Her delegation would welcome finding a mutually satisfactory solution as soon as possible.

22.3. The representative of the European Union indicated that her delegation maintained serious concerns in relation to the GCC "Treaty on Excise Tax" of December 2016. These concerns had been voiced in the Council for Trade in Goods, the Market Access Committee, and in bilateral contacts with the GCC countries. Her delegation welcomed the expansion of the tax base to include other sweetened beverages by the Kingdom of Saudi Arabia and the United Arab Emirates with a view not to discriminate against soft drinks containing sugar. However, the EU remained concerned that the GCC countries had not decreased the tax for energy drinks from 100% to 50% in order not to discriminate between energy drinks and other sugary drinks. The EU did acknowledge the recent positive steps that had been taken by the GCC countries to revise the excise tax, switching from an *ad valorem* tax to a specific tax based on content, which was in line with international best practices linking the amount of tax to a product's actual sugar content. However, as the implementation of this tax might vary between GCC jurisdictions, the EU strongly encouraged the GCC to engage with private industry stakeholders on the process for revising the tax, as well as to provide immediate relief for industry until the revision had taken effect, by exempting all zero sugar beverages from the tax and harmonizing the tax rate at 50% for energy drinks and all other categories of sugar-sweetened beverages subject to the tax. Her delegation also wished to acknowledge recent positive steps that had been taken by Saudi Arabia to suspend requirements for a DTS on beverages. The EU welcomed its commitment to work with private industry stakeholders to address the concerns which had been raised regarding such a system, including the discriminatory effect on carbonated soft drinks, malt beverages, and energy and sports drinks. Her delegation looked forward to confirmation that less trade restrictive, less costly, and more effective measures would be used to ensure proper payment of the relevant taxes. Finally, she wished to recall that, with the exception of the Kingdom of Saudi Arabia and the UAE, her delegation was still waiting for written replies from

the GCC countries to letters which had been sent by the EU Trade Commissioner to their ministers in the Spring of 2019.

22.4. The representative of the United States noted that her delegation's concerns remained as had been stated in previous meetings of this Committee and the CTG. Unfortunately, those concerns had yet to be addressed. She asked when her delegation could expect to receive responses that would address these concerns and when the information that had been requested would be provided.

22.5. The representative of Japan indicated that, despite the expressions of concern which had been expressed by several Members, this issue had yet to be resolved. His delegation continued to have concerns, especially in the context of the UAE, where a high tax rate was being imposed on some Japanese carbonated soft drinks due to their classification as energy drinks, which was based not only on the drinks' ingredients, but also on the marketing and merchandizing methods that had been used. In terms of the sugar tax, his delegation recognized that, since December 2019, some GCC countries had introduced a 50% tax on all drinks containing sugar or sweeteners. In a context where there were different theories on the relationship between various sweeteners and health, Japan requested to receive information on the reasons for deciding this tax rate. Last but not least, his delegation expected that the excise tax would be implemented in a transparent and persuasive manner, and be based on objective grounds.

22.6. The representative of the Kingdom of Bahrain noted that he was taking the floor as the focal point for the GCC Excise Tax issue at the WTO. The GCC thanked the delegations that had taken the floor for their interest in this matter. The GCC wished to refer Members to the previous statements under this agenda item which had been made at the CTG, and reiterated that the GCC was still in the process of reviewing the legislation, which would take into account the comments that had been received from delegations. The GCC would endeavour to keep its trading partners updated on any developments regarding this legislation, and remained open to engage when needed.

22.7. The Committee took note of the statements made.

23 OTHER BUSINESS

23.1 Russian Federation – Import Restrictions on Refined Fuel Products – Statement by the European Union

23.1. The Chairperson recalled that this issue had been included under other business at the request of the European Union.

23.2. The representative of the European Union indicated that, on 22 May 2020, Russia had very recently adopted Government Decision No. 732, according to which Russia had temporarily banned imports of certain refined oil products. The provisions of this Government decision had affected the exports of several EU member states to Russia, including those with investments in the oil industry in Russia itself. The EU would like to enquire about the rationale for this measure. Her delegation wanted Russia to explain how it considered that the measure complied with WTO rules, notably with Article XI of the GATT. Since Russia was a major exporter of oil and oil products, the EU asked Russia to clarify the reasoning behind this decision. As Russia had not yet notified the measure to the WTO, the European Union asked Russia to indicate when it intended to notify this decision. Considering that this issue had been raised under other business, her delegation recognized that the Russian delegation might not be in a position to respond at the meeting. However, the EU would welcome Russia's follow-up bilaterally after this meeting.

23.3. The representative of the Russian Federation thanked the European Union for their interest in Russia's policy and wished to inform the EU that the measure was temporary, as it would expire on 1 October 2020.

23.4. The Committee took note of the statements made.

23.2 Turkey - Increase of Applied Duty Rates- Statement by Switzerland

23.5. The Chairperson recalled that this issue had been included under other business at the request of Switzerland.

23.6. The representative of Switzerland noted that it had recently been brought to the attention of her delegation that Turkey had significantly increased its applied rates on around 4,000 tariff lines. The increases had been announced in three presidential decisions, namely, Presidential Decision No. 2424 of 17 April 2020, Decision No. 2430 of 20 April 2020, and Decision No. 2524 of 11 May 2020. Switzerland wished to seek clarifications regarding these increases in applied rates, especially given that they were quite significant. Her delegation asked Turkey to explain, for example, the criteria that had been used to determine the tariff lines that had been affected by the increase; whether all the tariff rates, including MFN and preferential duties, would be affected by the increase; whether Turkey would notify these changes to the WTO; for how long these increased rates would apply; and how Turkey would ensure that these increased tariffs remained within the framework of its WTO commitments, as set out in its Schedule of concessions. Switzerland looked forward to continuing this dialogue to clarify the situation and to come to a better understanding of the impact of Turkey's measure. Considering that this issue had been raised under other business, Switzerland recognized that Turkey might not be in a position to respond at the meeting.

23.7. The representative of Chinese Taipei echoed Switzerland's statement. Her delegation had systemic concerns over Turkey's increases in applied tariffs, even if they appeared to be within its bound rates. Chinese Taipei hoped that Turkey would provide more detailed information.

23.8. The representative of the Russian Federation shared the concerns which had been expressed by Switzerland. Her delegation knew that Turkey had applied additional duties on a wide range of products and that this measure had covered more than 3,000 tariff lines. Since the customs authorities of Turkey had collected the additional duties separately from the remaining import duties established in Turkey's custom tariffs, it appeared that they fell within the concept of "other duties and charges" within the meaning of the second sentence of Article II:1(b) of the GATT 1994. The Russian Federation considered that the imposition of these other duties and charges (ODCs) was inconsistent with Turkey's WTO tariff commitments. The Russian Federation urged Turkey to abolish these additional duties and to bring the measure into conformity with its WTO commitments.

23.9. The representative of Turkey thanked Switzerland, Chinese Taipei, and the Russian Federation, for their interest in this subject. Turkey's commitments in its Schedule of concessions, Schedule XXXVII, included bound rates which set the upper limits on the tariffs that could be imposed on the relevant products. In line with its Schedule of concessions, and in accordance with its commitments enshrined in Article II of the GATT, all the tariff rates that were being applied by Turkey were within the limits of Turkey's bound rates at the WTO. The new customs tariffs, which had been introduced considering the global market conditions, had also taken into account the scope of Turkey's obligations stemming from Articles II and XXIV of the GATT. Accordingly, preferential tariff regimes had been maintained. Turkey would also like to recall that, during the COVID-19 outbreak, Turkey had not only increased some customs tariffs, but it had also lowered or eliminated several others in certain products. While doing so, Turkey had published all the new customs duties in the Official Gazette. Moreover, necessary provisional arrangements had been made to avert any negative impact on ongoing transactions. Furthermore, Turkey had notified its applied tariff rates annually to the Integrated Database and had regularly updated that data through diverse channels, such as the information shared with the Trade Policy Review Division, and trade remedy notifications or notifications foreseen by the TFA. Turkey's recent TFA transparency notification, which had included new information sources related to customs, had already been submitted to the WTO and would soon be released. She also noted that Turkey had been in close contact with the Market Access Committee to keep its website with tariff information updated at all times. In fact, the last update of the links for Turkey's websites with tariff rates had been sent to the Secretariat on 28 April 2020.

23.10. The Committee took note of the statements made.

23.3 Dates of the next meetings

23.11. The Chairperson asked the Committee to take note of the following arrangements. The next HS Multilateral Review session would take place on 10 July 2020, which would include a review of the first batch of HS2017 files listed in document G/SECRET/HS17/1. A second HS Multilateral Review session had been provisionally scheduled for 7 October 2020, and would include the second batch of H2017 files listed in document G/SECRET/HS17/2. The next formal meeting of the Committee had been provisionally scheduled for 8 October 2020. Given the current situation, the

specific arrangements for holding these meetings would be communicated closer to the date of each meeting.

23.12. The meeting was adjourned.
