



**REPORT (2019) OF THE COMMITTEE ON RULES OF ORIGIN TO THE GENERAL COUNCIL
ON PREFERENTIAL RULES OF ORIGIN FOR LEAST DEVELOPED COUNTRIES**

1. This report is being submitted by the Committee on Rules of Origin (CRO) to the General Council in accordance with the requirements of Paragraph 1.10 of the Ministerial Decision of 7 December 2013 (WT/L/917, the "Bali Ministerial Decision") and of Paragraph 4.4 of the Ministerial Decision of 15 December 2015 (WT/L/917/Add.1, the "Nairobi Ministerial Decision") on Preferential Rules of Origin for Least Developed Countries (LDCs). Under these provisions, the Committee on Rules of Origin (CRO) "shall annually review the developments in preferential rules of origin applicable to imports from LDCs" and report to the General Council.

2. The CRO discussed several matters related to preferential rules of origin for LDCs in its two meetings held in 2019 (on 15-16 May and on 17-18 October). The minutes of these meetings are contained in documents G/RO/M/72 and [G/RO/M/73] respectively. As required by the 2013 and 2015 Ministerial Decisions, Members conducted a review of recent developments at the Committee's formal meeting of 17 and 18 October 2019. The following are some of the recent developments Members took note of:

- On transparency, the Committee now has excellent coverage and detailed information about preferential rules of origin and origin requirements for LDCs. Practically all preference-granting Members have submitted a notification to the Committee using the agreed notification template (G/RO/84). The Secretariat had been asked to reach out to those Members with notification gaps and report back to the Committee. As a result, the Secretariat reported as follows:
 - o Since the last review in 2018, new notifications had been submitted by the Kyrgyz Republic; Montenegro; Tajikistan; and Turkey.
 - o As a result, all WTO Members who grant non-reciprocal trade preferences to LDCs (a "preferential trade arrangement" or PTA) have now submitted detailed information concerning their preferential rules of origin to the Committee. Information was missing only for the PTAs of Armenia and Iceland.
 - o The delegation of Iceland informed the Committee that new legislation concerning non-reciprocal preferences for LDCs was currently being prepared. A notification describing the new requirements would be submitted as soon as the legislation would be finalized and adopted.
 - o In addition, revised notifications had been submitted by Australia and the Russian Federation.
- Progress with respect to preferential tariff and import data had been slower and notification gaps remained for several preference-granting Members. No statistics or only partial statistics were available for the PTAs of Armenia; China; Iceland; India; Kazakhstan; Kyrgyz Republic; Montenegro; New Zealand; Russian Federation; and Turkey. The Secretariat had reached out to these delegations and was working closely with some to bridge those statistical gaps. Document G/RO/W/163/Rev.6 contains a detailed report about the latest status of information available with the Secretariat.
- To facilitate access to origin-related requirements, the Secretariat informed Members about a collaboration with the International Trade Centre (ITC) and the World Customs Organization (WCO) for the development of the online "Origin Facilitator" (<https://findrulesoforigin.org>). The tool allows users to consult and compare origin requirements, at the tariff-line level (origin criteria, origin certification and other related elements). Because preferential rules of origin entail compliance with dozens of variables, finding a user-friendly way of navigating these

requirements is a key aspect of facilitating trade. The Facilitator was publicly available at no cost. It offered a useful tool for government officials in order to identify and compare market access opportunities. In that sense, it is an initiative aimed at facilitating exports from LDCs.

- Members also heard updates from some preference-granting Members about ongoing efforts to examine current origin practices in light of the Ministerial Decisions. In particular, Members heard an update about the implementation of the self-certification system for registered exporters (Registered Exporter system, REX) being implemented by the European Union; Norway; Turkey; and Switzerland.
- In addition to transparency, Members have also discussed substantive aspects of preference-granting Members' practices related to origin. The Committee continued its detailed examination of rules of origin based on the change-of-tariff-classification criterion (Paragraphs 1.2 and 1.4 of Nairobi Decision). In that context, bilateral meetings between the LDC Group and some preference-granting Members were also held in 2019.
- Finally, Members have also continued their examination of the utilization of non-reciprocal preferences by LDCs. The Secretariat had prepared two notes: the first examining the utilization of preferences for agricultural products (G/RO/W/185) and the second examining the linkages between preference utilization and direct consignment requirements (G/RO/W/187). In addition, the LDC Group also presented a detailed analysis of preference utilization rates for the PTAs of Switzerland and of China.

3. In concluding the annual review, the Chairperson thanked Members for their constructive engagement and proposed that the Committee continue its technical and focused discussion about the implementation of the Ministerial Decisions in order to pursue monitoring the progress made in facilitating trade for LDCs.
