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### **Committee on Rules of Origin**

### **MINUTES OF THE MEETING OF 7 APRIL 2022**

VICE-CHAIRPERSON: MS LAURA GAUER (SWITZERLAND)

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The Committee on Rules of Origin (hereafter "the Committee", or "CRO")  $\underline{adopted}$  the agenda (WTO/AIR/RO/15). Delegations attended the meeting either in person or remotely via the "Interprefy" platform.

## 1 PREFERENTIAL RULES OF ORIGIN FOR LEAST DEVELOPED COUNTRIES (WT/L/917 AND WT/L/917/ADD.1)

# 1.1 Review of Recent Developments in Relation to Preferential Rules of Origin for Least Developed Countries (LDCs): Report by Preference-Granting Members Wishing to Share Any Developments

- 1.1. The <u>Vice-Chairperson</u> reminded delegations that the Bali and the Nairobi Ministerial Decisions had instructed the Committee to monitor preference-granting Members' efforts to implement both Decisions. In this regard, she invited preference-granting Members to take the floor to report on any recent developments in this area.
- 1.2. The representative of the <u>European Union</u> reported that improvements had been made to the Rules of Origin Self-Assessment (ROSA) tool, an integral part of the European Union's "Access2Markets portal". He reported that a warning had been added to the portal informing users about sanctions in place as a response to the Russian Federation's invasion of Ukraine. As the Russian aggression in Ukraine was still ongoing, the EU sanctions had been stepped up, with further import and export bans, and restrictions on Russian banks and maritime vessels. These sanctions aimed at restoring peace and the international legal order of which the WTO was an integral part.
- 1.3. The representative of <u>Canada</u> condemned the Russian Federation's unjustified and unprovoked invasion of Ukraine. She said that the attacks were causing widespread humanitarian consequences and the senseless death of innocent people. This was not an attack on Ukraine only, but also on international law, including the United Nations (UN) Charter, democracy, freedom, and human rights.
- 1.4. The representative of <u>Switzerland</u> condemned the Russian Federation's military aggression against Ukraine as a flagrant violation of international law, including the prohibition on the use of force, and a violation of the principle of the territorial integrity of states. He called on Russia to respect its international obligations, withdraw its troops, and de-escalate. Moreover, he called on all actors to respect international law, including international humanitarian law.
- 1.5. The representative of the <u>United States</u> reiterated strong US support for Ukraine and called upon the Russian Federation immediately to cease its use of force against Ukraine, and refrain from any further unlawful threat or use of force against any UN Member State.
- 1.6. The representative of <u>Japan</u> condemned the Russian Federation's aggression in the strongest terms, as it clearly infringed Ukraine's sovereignty and territorial integrity, constituted a serious violation of international law, and was a grave breach of the UN Charter. He strongly urged Russia to cease its attack and withdraw its forces back to Russian territory. He stated that Japan stood in solidarity with Ukraine and its people, together with the international community.
- 1.7. The representative of the <u>Republic of Korea</u> strongly condemned the Russian Federation's armed invasion of Ukraine, it being a violation of the principles of the UN Charter, and called on Russia to respect Ukraine' sovereignty, territorial integrity, and political independence. He reaffirmed Korea's commitment to a rules-based global trade order under the WTO and expressed concern over the serious impact of Russia's actions on the humanitarian situation in Ukraine, on global supply chains, and on food security. He called on Russia to suspend all military action in Ukraine.
- 1.8. The representative of the <u>Russian Federation</u> explained that global security concerns and UN Charter compliance did not fall under the Committee's mandate and went far beyond the agenda. He called on the Vice-Chairperson to moderate the discussion, accordingly, including by disallowing interventions from delegations that neglected this basic consideration. In addition, he requested that statements not corresponding to the Committee's mandate be excluded from the meeting's minutes. He urged delegates to exercise self-restraint in this regard.
- 1.9. The representative of <u>Australia</u> echoed the concerns of others in relation to the Russian Federation's unjustifed invasion of Ukraine, which Australia considered to be a breach of international law, the UN Charter, and the sovereignty and territorial integrity of a neighbouring state. Australia

<sup>&</sup>lt;sup>1</sup> https://trade.ec.europa.eu/access-to-markets/en/content/presenting-rosa

strongly supported Ukraine in opposing Russia's hostilities and called on Russia to withdraw its forces from the Ukrainian territory and to seek a diplomatic solution. Russia's war in Ukraine was exacting a catastrophic humanitarian toll and Australia supported collective action by the international community to impose costs and increase leverage on Russia and those in Russia who bore responsibility.

- 1.10. The representative of New Zealand stated that her government could not deny the impact of the Russian Federation's invasion both on Ukraine and on multilateral trade, which was relevant to the WTO's Committees. Therefore, New Zealand stood with the international community in condemning Russia's unjustified and illegal attack on Ukraine. Moreover, New Zealand was alarmed at the human rights abuses inside Ukraine, the worsening humanitarian crisis, and the targeting of humanitarian corridors, densely populated areas, and civilian infrastructure. Indeed, she was deeply saddened to see reports of mounting casualties and widespread damage. New Zealand was united alongside the international community in support of Ukraine's sovereignty and territorial integrity and, in this sense, had been applying tough sanctions on Russia as a means of crippling Russia's ability to continue waging war on Ukraine and harming its civilians, at the same time noting that there was no victor in an unjustified and unprovoked aggression. Finally, New Zealand noted that it had been assisting international humanitarian efforts as the scale of the civilian impact of Russia's aggression became apparent.
- 1.11. The representative of <u>Chinese Taipei</u> joined other Members in raising serious concerns about the war, which had led to a large number of civilian losses, including women and children. A timely end to the war was also important to allow the WTO to move forward and prepare the upcoming Ministerial Conference in a smooth and successful manner. He condemned the unjustified military attacks and called on them to be immediately stopped.
- 1.12. The representative of <u>Albania</u> strongly condemned the Russian Federation's aggression against Ukraine, which was a blatant breach of international law and the UN Charter, upon whose principles the international rules-based system had been built. In contrast, Albania supported the sovereignty and territorial integrity of Ukraine within its internationally recognized borders, including its territorial waters. Furthermore, Albania stood in full solidarity with Ukraine and remained concerned by the exponentially deteriorating humanitarian situation there.
- 1.13. The representative of <u>Georgia</u> condemned, in the strongest possible terms, the Russian Federation's unprovoked, unjustified, and premeditated military aggression against Ukraine, leading to death, destruction, and humanitarian disaster. Russia's attacks on Ukraine's civilian infrastructure were a flagrant violation of the key principles of the UN Charter. Georgia called upon the Russian Federation immediately to cease, without any preconditions, its military aggression against Ukraine, and to withdraw its military forces from a sovereign and democratic state. He reiterated Georgia's unwavering support for Ukraine's independent sovereignty and territorial integrity within its internationally recognized borders.
- 1.14. The Committee took note of the statements made.

## 1.2 Status of Notifications of Preferential Rules of Origin for LDCs and Preferential Import Data (G/RO/W/163/Rev.10) – Report by the Secretariat

- 1.15. The <u>Secretariat</u> (Mr Darlan F. Martí) reported that most preference-granting Members had already notified their preferential rules of origin used for LDCs, except for Armenia, Iceland, and Morocco. In this respect, there had been no change since the update that had been given in 2021. In addition, since it had already been a few years since most notifications had been received, he invited preference-granting Members to verify that the information that they had submitted, particularly internet links, were correct and up to date.
- 1.16. In relation to preferential tariffs and import statistics, he emphasized the importance of having complete datasets so that the Secretariat could monitor the utilization of preferences. In this regard, he reported that a comprehensive notification had been submitted by India (2015-2020), which had already been incorporated into the WTO Integrated Database (IDB). The Secretariat had also received notifications from China (2010-2020), Iceland (2013-2020), and Turkey (2010-2020). These recent notifications were still being verified prior to their integration into the IDB. In addition, notifications from the Russian Federation and the United Kingdom were also being analysed by the

Secretariat. Finally, the Secretariat noted that some Members had not yet provided information regarding their preferential imports from LDCs (namely, Armenia; Kazakhstan; the Kyrgyz Republic; Montenegro; Morocco; New Zealand; and Tajikistan).

- 1.17. The representative of the <u>United Kingdom</u> mentioned that this agenda item concerned a shared priority to support the rules-based international trading system. He stated that the Russian Federation's invasion of Ukraine could not be ignored when considering the rules-based international order. The UK and its international partners stood united in condemning the Russian government's reprehensible actions, which were an egregious violation of international rules and norms. As a Permanent Member of the UN Security Council, Russia had a particular responsibility to uphold international peace and security. Instead, Russia was violating the borders of another country and its actions were causing widespread suffering. Moreover, he stated that the Russian government had shown that it had never been serious about engaging in diplomacy and that it had deliberately worked to mislead the world, in order to mask its carefully planned aggression. As the UN Secretary-General had said, such unilateral measures conflicted directly with the UN Charter: the use of force by one country against another was the repudiation of the principles that every country had committed to uphold. He called on Russia to urgently de-escalate and withdraw its troops from Ukrainian territory. He also mentioned that the United Kingdom had submitted preferential import data for 2020 and tariff data for 2022.
- 1.18. The representative of <u>New Zealand</u> thanked the Secretariat for the report and confirmed that New Zealand's information systems did not yet allow for the collection of data concerning the utilization of preferences by LDCs. However, her government was exploring possible solutions to notify the necessary information to the Secretariat.
- 1.19. The representative of <u>India</u> thanked the Secretariat for reflecting its notification made in 2021 in its revised report.
- 1.20. The representative of <u>Australia</u> commended the delegations of China, Iceland, India, and Turkey for having submitted comprehensive notifications. In addition, he noted that Australia's import data had been submitted in late March and would be reflected in future reports.
- 1.21. The <u>Vice-Chairperson</u> requested delegations that had not yet submitted all the necessary information to prepare their notifications as soon as possible and, if necessary, to seek the assistance of the Secretariat to do so.
- 1.22. The Committee took note of the report and statements made.
- 1.3 Examination of Existing Origin-Related Documentary Requirements (Paragraph 1.8 of the Bali Decision and Paragraph 3.1 of the Nairobi Decision) Submission by the LDC Group (G/RO/W/211)
- 1.23. The representative of <u>Senegal</u> presented the paper on behalf of the LDC Group.<sup>2</sup> He recalled that more than six years had passed from the adoption of the Nairobi Ministerial Decision and noted that good progress had been made in relation to transparency and preference utilization. However, implementation of the substantive paragraphs of the Decision could be accelerated and would benefit from a more constructive and proactive dialogue in the Committee. In this regard, the LDC Group urged preference-granting Members to step up their engagement in the CRO to share best practices and lessons learned. The LDC Group had been bringing to the attention of the CRO information about national practices that could be considered best practices, as well as other practices that did not meet the objectives of the Ministerial Decision and which, as a result, could be improved upon. The goal was to enable fuller utilization of the Duty-Free Quota-Free (DFQF) schemes and to contribute to the attainment of the Sustainable Development Goals (SDGs). In this regard, Target 17.12 required that preferential rules of origin applicable to imports from LDCs be transparent, simple, and contribute to facilitating market access. He explained that document G/RO/W/211 assessed existing practices in relation to self-certification of origin in light of these objectives. In addition, the note reviewed the availability of flexibilities for small consignments. Finally, as highlighted in the note, some preference-granting Members already accepted self-certification as a proof of origin (Canada; the EU; Norway; Switzerland; and the US), while

<sup>&</sup>lt;sup>2</sup> The presentation was circulated in document RD/RO/98.

others did so only partly (Japan), or not at all (Chile; China; India; the Republic of Korea; the Russian Federation; Chinese Taipei; and Thailand).

- 1.24. The representative of <u>Canada</u> pointed out that Canada's preferential rules of origin for LDCs fully met the commitments set out in the Bali and Nairobi Ministerial decisions and that Canada had implemented a trade-facilitative approach to documentary requirements: it allowed for the self-certification of exporters (without prior exporter registration) and did not require proof of non-manipulation. Certificates of origin were only required for certain goods (namely, textiles and apparel) and, under special circumstances, the bill of lading could also be required by customs authorities.
- 1.25. The representative of <u>New Zealand</u> said that New Zealand did not rely on certificates of origin to substantiate claims of preference; nevertheless, in certain cases supporting commercial documents could be required to verify compliance. The Generalized System of Preferences (GSP) and respective rules of origin had been under review over the past few years to align them with best practices and recent approaches adopted in New Zealand's Free Trade Agreements (FTAs). The major changes would relate to the origin criteria, which would be based on a liberal interpretation of the Change in Tariff Classification (CTC) criterion, as well as an alternative to the Regional Value Content (RVC) criterion.
- 1.26. The representative of <u>Chinese Taipei</u> referred to Article 11 of the "Regulations Governing the Determination of Country of Origin of Imported Goods" and acknowledged that Chinese Taipei accepted certificates issued or certified not only by the LDC authorities, but also by their authorized agencies. At that time, Chinese Taipei did not implement a self-certification regime and expressed its readiness to provide further clarification to LDCs if requested to do so. He mentioned that Chinese Taipei's practices in this regard were fully compatible with the language of the Ministerial Decisions.
- 1.27. The representative of <u>Australia</u> noted that Australia's practice had not been covered in the paper, and noted that, under the Australian Systems of Tariff Preferences (ASTP), the main documentary requirement was a declaration of origin (self-certification), whereas certificates of origin were accepted as an alternative. In addition, a GSP Form A was equally acceptable (but not required). The main requirement was the exporter's declaration and a normal commercial invoice. There was no prescribed format for the declaration, but a set of minimum information was prescribed: the name of the person signing the certificate or declaration, their position, and the company or entity they represented. The relevant requirements were available on the website of the Australian Border Force.<sup>3</sup>
- 1.28. The representative of the <u>European Union</u> thanked the LDC Group for its contribution to the discussion, as well as for its presentation and note.
- 1.29. The representative of <u>China</u> said that the LDC paper did not accurately reflect China's practices and noted that the language of the Ministerial Decisions was not mandatory. In 2017, China had issued "Measures of the Customs of the People's Republic of China for the Administration of the Origin of Imported Goods under Special Preferential Tariff Treatment to the Least Developed Countries" (Order No. 231 of the General Administration of Customs). Article 17 of the Order stipulated that if the consignee or its agent had obtained an advance ruling of origin made by the Customs of China, the consignee had the possibility to use a self-declaration of origin. The validity period of the advance ruling was three years, and within that period, the consignee or its agent could issue unlimited self-declarations for the same kind of goods. In addition, the signature and seal of the certifying authorities were not required. Regarding small consignments, he referred to Article 20 of the same Order, and clarified that goods with a dutiable value below RMB 6,000 were exempted from the obligation to present a certificate of origin or self-declaration. Finally, he indicated that his delegation would be ready to work with the LDC Group to revise the paper so that it correctly reflected China's legislation.
- 1.30. The representative of <u>Senegal</u>, on behalf of the LDC Group, thanked the Members for their comments and statements. He requested a copy of Chinese Taipei's regulations and expressed the LDC Group's readiness to work with China to further improve the document.

<sup>&</sup>lt;sup>3</sup> <a href="https://www.abf.gov.au/">https://www.abf.gov.au/</a>.

- 1.31. In conclusion, the <u>Vice-Chairperson</u> encouraged all preference-granting Members to review their requirements relating to proof of origin and to consider simplifying them, whenever possible, bearing in mind the objectives of the Ministerial Decisions. Moreover, she encouraged LDCs and preference-granting Members to meet together to clarify any requirements that seemed unclear.
- 1.32. The Committee took note of the presentation and statements made.

# 1.4 Stocktaking of Implementation of the Bali and Nairobi Ministerial Decisions on Preferential Rules of Origin for LDCs (Paragraph for the Ministerial Conference) – Report by the Vice-Chairperson

- 1.33. The <u>Vice-Chairperson</u> reminded Members that, in October 2021, the LDC Group had proposed a paragraph taking stock of the implementation of the Bali and Nairobi Ministerial Decisions (G/RO/W/210). The paragraph, once endorsed by the Committee, would be sent to the General Council so that it could be reflected in the outcome document of the 12<sup>th</sup> Ministerial Conference. After discussions in the Committee and a series of consultations, the proposed paragraph had been revised, and its most recent version had been circulated in a communication from the Vice-Chairperson dated 23 November 2021. One Member had expressed its reservations over the revised paragraph and, as a result, the paragraph had not been endorsed. With this background in mind, the Vice-Chairperson wished to hear Members' views about the status of the paragraph in question, and possible next steps.
- 1.34. The representative of <u>Tanzania</u>, on behalf of the LDCs, thanked all Members for their engagement in the discussions. He said that the paragraph in question had been drafted with a view to reinvigorating the work of the Committee towards a full implementation of the Nairobi Decision. He confirmed that the LDC Group still wished to maintain the paragraph for the 12<sup>th</sup> Ministerial Conference. He also expressed the LDC Group's willingness to continue consultations with any Member that still had concerns regarding the text.
- 1.35. The representative of <u>India</u> reiterated that India was committed to providing effective market access to LDCs and remained committed to the Hong Kong and Bali Ministerial Decisions. India had introduced its Duty-Free Tariff Preference (DFTP) Scheme for LDCs in 2008, and as of November 2021, 35 LDCs could benefit from the scheme, with Sierra Leone being the latest addition. The DFTP scheme provided duty-free market access on 94.2% of tariff lines, and preferential access on an additional 3.2% of tariff lines. Only 309 tariff lines (2.6%) were on the exclusion list. In addition, India was the fourth biggest export destination for LDCs and remained committed to supporting LDCs in their integration into the global trading system. He also stated that the rate of utilization of India's preferences was adequate and confirmed that India was willing to look into any specific rule of origin with which an LDC Member found it difficult to comply.
- 1.36. The representative of the <u>European Union</u> noted that the EU continued to support the text, including in its latest version.
- 1.37. The <u>Vice-Chairperson</u> proposed to circulate the paragraph one more time to give delegations a few additional days to consult and confirm that there were no pending comments. If no objections were received within the prescribed time-period, the text would be considered to have been endorsed and become a decision by the Committee. In case of any objections or comments during the prescribed period, she would inform delegations in writing and instruct the LDC Group to continue with its consultations.
- 1.38. The Committee <u>agreed</u> to proceed accordingly.

# 2 NOTIFICATIONS UNDER ARTICLE 5 AND UNDER PARAGRAPH 4 OF ANNEX II OF THE AGREEMENT ON RULES OF ORIGIN (G/RO/N/228-G/RO/N/238 AND G/RO/N/232/REV.1)

2.1. The <u>Vice-Chairperson</u> drew Members' attention to the latest notifications received by the Secretariat: G/RO/N/228-G/RO/N/238, and G/RO/N/232/Rev.1. Considering these notifications, she noted that 22 Members had not yet submitted a notification under Article 5 of the Agreement, 53 Members had notified the Secretariat that they applied non-preferential rules of origin, and 62 Members had informed the Secretariat that they did not apply such rules.

2.2. The Committee <u>took note</u> of this report.

## 3 ACTIVITIES OF THE WCO TECHNICAL COMMITTEE ON RULES OF ORIGIN (TCRO) IN 2021 - REPORT BY A REPRESENTATIVE OF THE WCO

- 3.1. The <u>Chairperson</u> recalled that the WTO Agreement on Rules of Origin had established two distinct committees: the Committee on Rules of Origin at the WTO, and a Technical Committee on Rules of Origin (TCRO) at the World Customs Organization (WCO). Given their complementary nature, it was customary to promote an exchange of information concerning the work of each Committee. To this end, she invited Mr Demba Seck, a Technical Officer in charge of origin matters at the WCO Secretariat, to report on the activities of the TCRO in 2021.
- 3.2. The representative of the <u>World Customs Organization (Mr Demba Seck)</u> explained that the TCRO and the Secretariat of the WCO had been working on non-preferential rules of origin, preferential rules of origin, and technical assistance.
- 3.3. Regarding non-preferential rules of origin, the TCRO had held its 40<sup>th</sup> Session virtually, in two phases, in January and February 2022. The meeting had been chaired by Ms Nan Ding (China). The TCRO had adopted the 23<sup>rd</sup> Periodic Report and the 23<sup>rd</sup> Annual Review on technical aspects and implementation of the WTO Agreement on Rules of Origin for 2021. The Review had once again been brief since the Agreement on Rules of Origin had not yet been fully implemented in practice and no specific questions had been referred to the TCRO.
- 3.4. On preferential rules of origin, he noted that the Revenue Package Phase IV Action Plan had been completed in 2021 and consisted of initiatives intended to ensure an effective and efficient collection of revenue by customs administrations. The lack of harmonization of practices remained a major challenge for all stakeholders. For this reason, the WCO had been promoting procedural harmonization through the implementation of various sets of guidelines (such as Guidelines on Origin Certification; Guidelines on Origin Verification; Guidelines on Advance Rulings; Guidelines on Customs Infrastructure for Classification, Origin and Valuation; and a Practical Guide to the Nairobi Ministerial Decision on Rules of Origin for LDCs). These guidelines were intended to help simplify and streamline procedures linked to rules of origin.
- 3.5. In addition, the WCO Guide for Technical Update of Preferential Rules of Origin had been updated with a new Annex, in two parts, Annex IV–A (Table correlating HS 2017–HS 2022) and Annex IV–B (Impact of HS 2022 Amendments on Rules of Origin (Origin Criteria)).
- 3.6. Regarding technical assistance, the WCO representative reported that the WCO Secretariat had carried out a number of activities on the harmonization of non-preferential rules of origin as well as on preferential rules of origin. The WCO highlighted two recent programmes in relation to the African Continental Free Trade Area (AfCFTA): the WCO-European Union Programme on the "Implementation and Application of Rules of Origin to Enhance African Trade"; and the WCO/JICA Master Trainer Programme intended to provide increased AfCFTA Rules of Origin implementation capabilities to African Members.
- 3.7. The representative of <u>Ukraine</u> thanked the WCO for its comprehensive report and recalled that Ukraine had been a fully-fledged member of the WCO since 1992. She recognized the importance of the WCO's work, and its efforts to address challenges relating to the Russian aggression against Ukraine. On 9 March, the WCO Secretary-General, Dr Kunio Mikuriya, had issued a statement announcing that the WCO was monitoring the situation in Ukraine with special attention given to the war's implications for customs administrations. On 1 April, Ukraine had circulated a communication to all customs administrations of WCO members indicating that the full-scale war launched by Russia, with the involvement of Belarus, had caused unprecedented damage to Ukraine's economy and customs service. As a result of the active hostilities, customs operations had been suspended in Chernihiv, Sumy, Kharkiv, Mykolaiv, Kherson, and the Donetsk and Luhansk oblasts. She thanked the international community for its prompt response and measures taken to preserve peace and border integrity, and to prevent a humanitarian crisis and the illicit trafficking of Ukrainian cultural property. She once again called upon WCO members to implement the necessary WCO instruments and tools that would allow for the efficient and expeditious delivery of humanitarian supplies to the Ukrainian population. She also underlined the importance of the joint communication from the International Narcotics Control Board and the WCO calling for the adoption of the simplified control

measures for medicines containing internationally controlled substances. Ukraine was utterly convinced that Russia and Belarus should not have access to the international systems of cooperation and that their membership should be suspended from all international fora, including the WCO customs enforcement network, until the sovereignty and territorial integrity of Ukraine had been restored.

- 3.8. The representative of Senegal thanked Mr Seck for the quality of his report.
- 3.9. The Committee took note of the report and statements made.

### 4 WEBINAR ON "WHAT DRIVES THE UTILIZATION OF TRADE PREFERENCES?" – ANNOUNCEMENT BY THE VICE-CHAIRPERSON

- 4.1. The <u>Vice-Chairperson</u> drew Members' attention to a second webinar on "What Drives the Utilization of Trade Preferences", taking place immediately after that day's CRO meeting. This would be a follow-up webinar to the event that had taken place in May 2021. She invited delegations to attend this event and to share information about it with their colleagues in capitals.<sup>4</sup>
- 4.2. She explained that the Secretariat had been organizing information sessions under an "Educational Exercise" since 2015, at the request of Members. The goal of these sessions was to share national experiences and to better understand the impact that existing rules of origin were having on international trade. Such sessions complemented the work of the Committee and benefited from the expertise of Members, the Secretariat, and outside speakers. She invited Members to share their views about the usefulness of such events and future topics and speakers.
- 4.3. The representative of <u>Australia</u> commended the Secretariat for organizing such events and stated that these were highly relevant to the Organization. He mentioned that the data on preference utilization represented a "health check" on the accessibility of Regional Trade Agreements (RTAs) to businesses. Hence, Australia fully supported the continuation of work in this area and on other topics of interest to the CRO.
- 4.4. The representative of the <u>United Kingdom</u> mentioned that the CRO had a high value as a forum where Members could share knowledge on a complex area of trade policy. The ability to learn from other Members and experts from across the globe was extremely helpful. The UK had found the information sessions to be informative and supported their continuation.
- 4.5. The representative of <u>Indonesia</u> appreciated the Secretariat's efforts in organizing the webinar. He said that, in Indonesia, internal research had been conducted to study preference utilization rates and identify issues influencing the utilization of trade preferences. The main issues affecting utilization rates included lack of awareness, complex procedures to obtain certificates, and overlapping rules of origin of competing schemes. A public service agency, namely the "FTA Centre" had been established in 2018 to address those issues. Indonesia was looking forward to the upcoming webinar, especially in respect of lessons learned from other Members' experiences, which would contribute to improving knowledge of preference utilization in Indonesia.
- 4.6. The representative of <u>Switzerland</u> had found the information sessions to be relevant and comprehensive, and encouraged the Secretariat to continue organizing them. He also proposed the organization of a session on the background to the work of the Committee.
- 4.7. The representative of <u>Uruguay</u> thanked the Secretariat for organizing the previous year's session, as it had contributed to a better understanding of the impact of rules of origin on international trade. Uruguay supported such events and thought they strengthened the work of the Committee.
- 4.8. The representative of <u>Japan</u> thanked the Secretariat for organizing the previous year's webinar, as well as for the other information sessions held since 2015. Japan found such events to be very beneficial. To further understand the factors influencing the utilization of trade preferences, he

 $<sup>^4</sup>$  The programme, presentations and a video recording of the  $\underline{2021}$  and the  $\underline{2022}$  webinars are available in the "events" section of the Rules of Origin page of the WTO website.

proposed that the Secretariat also organize an information session to consider the possible effects of domestic tax exemption regimes on preference utilization.

- 4.9. The representative of <u>Chinese Taipei</u> thanked the Secretariat for organizing the second Webinar on "What Drives the Utilization of Trade Preferences". As trade agreements continued to expand in number, origin requirements became more and more complex. He thought that the webinar would be helpful not only for policymakers, but also for the private sector, and he supported the idea of future information sessions.
- 4.10. The representative of the <u>United States</u> was looking forward to the webinar and encouraged the Secretariat to consult with Members about topics for future sessions with a view to identifying those topics of greatest mutual interest.
- 4.11. The representative of <u>Chile</u> congratulated the Secretariat for its organization of what promised to be a very interesting webinar and strongly supported the continuation of such activities.
- 4.12. The representative of the <u>European Union</u> said that the EU would also be delighted to be involved in discussions about topics for future events.
- 4.13. In conclusion, the <u>Vice-Chairperson</u> encouraged the Secretariat, in consultation with the Committee's chairperson and with input from delegations, to continue organizing similar events in the future.
- 4.14. The Committee took note of the statements made and agreed to proceed accordingly.

#### **5 ELECTION OF CHAIRPERSON**

- 5.1. The <u>Vice-Chairperson</u> explained that the Committee's rules of procedures envisaged the election of the Committee's new chairperson at the close of the Committee's first meeting of each year. However, consultations were still ongoing on a slate of names of candidates interested in taking up the chairpersonships of the subsidiary bodies of the Council for Trade in Goods. Therefore, she proposed to inform all delegations by email once a nominee had been recommended to chair the CRO. If no objections to the proposed name were received within a prescribed time-frame, the new Chairperson would be deemed to have been elected by acclamation by the Committee as of that date.
- 5.2. The Committee <u>agreed</u> to proceed accordingly.

#### **6 DATE OF THE COMMITTEE'S NEXT MEETING**

- 6.1. The Vice-Chairperson noted that the CRO's next meeting would take place on 13 October 2022.
- 6.2. The Committee took note of this date.

### **7 OTHER BUSINESS**

7.1. No items were raised under "Other Business".