## WORLD TRADE

RESTRICTED

**G/C/M/38** 19 April 1999

### **ORGANIZATION**

(99-1533)

**Council for Trade in Goods** 

#### MINUTES OF THE MEETING

Held in the Centre William Rappard on 25 and 30 March 1999

Chairperson: Ambassador R. Saborío Soto

The meeting was convened by WTO/AIR/1043 and the proposed agenda contained in document G/C/W/144 was adopted.

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The meeting was suspended on 25 March 1999 and items 6 and 7 were considered by the Council at its resumed meeting on 30 March 1999.

# I. HARMONIZATION WORK PROGRAMME PROVIDED FOR IN PART IV OF THE AGREEMENT ON RULES OF ORIGIN; PROGRESS REPORT OF THE COMMITTEE ON RULES OF ORIGIN (G/RO/33)

- 1.1 In presenting the report, the Chairman of the Committee, Mr R. Wells, noted that one of the objectives of the Agreement on Rules of Origin was to harmonize non-preferential rules of origin. The Harmonization Work Programme, which was launched in July 1995, was scheduled for completion, pursuant to Article 9.2(a) of the Agreement, within three years of its initiation, i.e. by July 1998. However, while the Committee on Rules of Origin and the Technical Committee on Rules of Origin made substantial progress during this three-year period, the work, due to the complexity of issues, had not been completed as scheduled.
- 1.2 While recognizing that the Committee was mandated to complete the Harmonization Work Programme within three years of its initiation and the importance of concluding its Work Programme forthwith so as to provide more certainty in the conduct of world trade and to ensure that rules of origin did not themselves create restrictive, distorting or disruptive effects on international trade, the Council for Trade in Goods and the General Council, in July 1998, approved the recommendations of

the Committee that: (i) it, in cooperation with the Technical Committee, should continue the work identified in Articles 9.2(c) and 9.3 of the Agreement; (ii) Members commit themselves to make their best endeavours to complete the Harmonization Work Programme by November 1999; (iii) the Technical Committee should submit the final result of its work to the Committee by the end of May 1999; and (iv) the Committee should report to the Council for Trade in Goods on the progress of work in February, June and October 1999.

- 1.3 Since its meeting in July 1998, the Committee had held three formal meetings, in October and November 1998 and February 1999, and endorsed about 270 Basket 1 Decisions, i.e. the product-specific rules of origin on which consensus had been reached by the Technical Committee. The Committee confirmed that these basket 1 items should not be reopened at the level of the Committee, keeping in mind however that, in accordance with Article 9.3(b) of the Agreement, the Committee would finally consider the results of the Harmonization Work Programme in terms of their overall coherence. The total number of product-specific rules submitted by the Technical Committee and endorsed by the Committee since the start of the Harmonization Work Programme amounted now to about 1750 at the level of HS subheadings (the total number of HS subheadings is 5113).
- 1.4 Following the future work programme agreed in July 1998, the Technical Committee discussed the overall architecture of the harmonized rules of origin at its two sessions in October and December 1998. Measurable progress had been made, particularly in respect of the general rules. Nevertheless, the Technical Committee was unable to complete the work, as scheduled. The next progress report would be made in June 1999.
- 1.5 The representative of <u>India</u> expressed concern about the lack of progress being made on some of the issues and took the view that there would be a lack of credibility if the deadline of November 1999 was allowed to slip.
- 1.6 The Council took note of the report and of the statement.

# II. STATUS OF NOTIFICATIONS UNDER THE PROVISIONS OF THE AGREEMENT IN ANNEX 1 A OF THE WTO AGREEMENT (G/L/223/REV.2)

- 2.1 The <u>Chairman</u> stated that as indicated in the cover page to document G/L/223/Rev.1, the Council had adopted, at its meeting of 15 October 1996, a recommendation by the Working Group on Notification Obligations and Procedures to maintain on an ongoing basis the comprehensive listing of notification obligations under the provisions of Agreements in Annex 1A of the WTO Agreement and the compliance therewith. It was also agreed to update and circulate this listing semi-annually. The fifth update was contained in document G/L/223/Rev.2 and included all notifications made up to and on 31 December 1998.
- 2.2 The Council took note of the information provided in document G/L/223/Rev.2

#### III. REPORT OF THE WORKING PARTY ON PRESHIPMENT INSPECTION (G/L/300)

3.1 In presenting the report, the Chairman noted that the Working Party on Preshipment Inspection was established by the General Council at its meeting of 7, 8 and 13 November 1996, "to conduct the review provided for under Article 6 of the Agreement on Preshipment Inspection and to report to the General Council through the Council for Trade in Goods in December 1997". The Working Party had presented its report (G/L/214) to the General Council at its meeting in December 1997. The General Council had adopted the report, thereby agreeing, based on the recommendations made by the Working Party, that the life of the Working Party be extended until the end of 1998.

- 3.2 During 1998, the exchange of views had focused on seven issues contained in the 1997 report as well as on the relationship between PSI and trade facilitation and technical assistance. The Working Party submitted its report to the General Council (G/L/273), through the CTG, in December 1998, which recommended that its life be extended until 31 March 1999 in order to conclude its work. The work had been concluded and the final report of the Working Party containing its further recommendations was contained in document G/L/300. In conclusion, the Chairman proposed that the Council take note of the report and forward the report to the General Council for adoption.
- 3.3 It was so <u>agreed</u>.

#### IV. FREE TRADE AGREEMENTS

- A. Free Trade Agreement between Croatia and Slovenia (WT/REG55/N/1 and WT/REG55/1)
- 4.1 The <u>Chairman</u> drew attention to the notification from Slovenia circulated in document WT/REG55/N/1. The text of the Agreement had been circulated in document WT/REG55/1.
- 4.2 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:

"to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between Croatia and Slovenia and to submit a report to the Council for Trade in Goods".

- 4.3 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.
- 4.4 The Council so <u>agreed</u>.
- B. Free Trade Agreement between Estonia and the Faroe Islands (Government of Denmark) (WT/REG64/N/1 and WT/REG64/1)
- 4.5 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG64/N/1. The text of the Agreement had been circulated in document WT/REG64/1.
- 4.6 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:

"to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between Estonia and the Faroe Islands and to submit a report to the Council for Trade in Goods".

4.7 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.

- 4.8 The Council so <u>agreed</u>.
- C. Free Trade Agreement between Israel and Poland (WT/REG65/N/1 and WT/REG65/1)
- 4.9 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG65/N/1. The text of the Agreement had been circulated in document WT/REG65/1. The Council <u>took note</u> of the statement of the representative of <u>Poland</u> that the Agreement was awaiting its entry into force and could therefore not yet be subject to examination.
- D. Free trade Agreement between Israel and Slovenia (WT/REG66/N/1 and WT/REG66/1)
- 4.10 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG66/N/1. The text of the Agreement had been circulated in document WT/REG66/1.
- 4.11 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:
  - "to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between Israel and Slovenia and to submit a report to the Council for Trade in Goods".
- 4.12 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.
- 4.13 The Council so <u>agreed</u>.
- E. Free trade Agreement between Turkey and the Czech Republic (WT/REG67/N/1 and WT/REG67/1)
- 4.14 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG67/N/1. The text of the Agreement had been circulated in document WT/REG67/1.
- 4.15 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:
  - "to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between Turkey and the Czech Republic and to submit a report to the Council for Trade in Goods".
- 4.16 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.
- 4.17 The Council so <u>agreed</u>.

- F. FREE TRADE AGREEMENT BETWEEN TURKEY AND THE SLOVAK REPUBLIC (WT/REG68/N/1 AND WT/REG68/1)
- 4.18 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG68/N/1. The text of the Agreement had been circulated in document WT/REG68/1.
- 4.19 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:

"to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between Turkey and the Slovak Republic and to submit a report to the Council for Trade in Goods".

- 4.20 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.
- 4.21 The Council so <u>agreed</u>.
- G. Free trade Agreement between Turkey and Estonia (WT/REG70/N/1 and WT/REG70/1)
- 4.22 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG70/N/1. The text of the Agreement had been circulated in document WT/REG70/1.
- 4.23 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:

"to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between Turkey and Estonia and to submit a report to the Council for Trade in Goods".

- 4.24 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.
- 4.25 The Council so <u>agreed</u>.
- H. Euro-Mediterranean Agreement between the European Communities and Tunisia (WT/REG69/N/1 and WT/REG69/1)
- 4.26 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG69/N/1. The text of the Agreement had been circulated in document WT/REG69/1.
- 4.27 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:

"to examine, in light of the relevant provisions of the GATT 1994, the Free Trade Agreement between the European Communities and Tunisia and to submit a report to the Council for Trade in Goods".

- 4.28 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas.
- 4.29 The Council so <u>agreed</u>.
- I. CENTRAL EUROPEAN FREE TRADE AGREEMENT ACCESSION OF THE REPUBLIC OF BULGARIA (WT/REG11/N/5 AND WT/REG11/10)
- 4.30 The <u>Chairman</u> drew attention to the notification from the parties circulated in document WT/REG11/N/5. The text of the Agreement had been circulated in document WT/REG11/10.
- 4.31 The <u>Chairman</u> proposed that the Committee on Regional Trade Agreements carry out the examination of the Agreement in accordance with the following terms of reference:

"to examine, in light of the relevant provisions of the GATT 1994, the Agreement on Accession of the Republic of Bulgaria to the Central European Free Trade Agreement and to submit a report to the Council for Trade in Goods".

- 4.32 It was understood that the understanding read out by the Chairman of the Council for Trade in Goods under item 7 of the Agenda of the meeting of the Council on 20 February 1995, as contained in document WT/REG3/1, would apply *mutatis mutandis* to the examination. It was also understood that, during the examination, due account would be taken of the intrinsic differences between customs unions and free-trade areas. For practical reasons the examination of this Agreement would be carried out jointly with the examination of the Central European Free Trade Agreement itself, which was currently underway in the Committee on Regional Trade Agreements.
- 4.33 The Council so <u>agreed</u>.

#### V. MARKET ACCESS MATTERS

- A. COMMITTEE ON MARKET ACCESS
  - Periodic Report of the Committee (G/MA/61)
- On behalf of Mr. Lundby, Chairman of the Committee on Market Access, the Chairman introduced the periodic report of the Committee, contained in document G/MA/61. He said that in accordance with the agreed procedures of the Committee on Market Access regarding the transmission of factual data related to requests for extension of waivers, a draft report to this Council had been circulated in document G/MA/SPEC/10 and was examined by the Market Access Committee at its meeting of 11 March 1999. The report was revised taking into account the discussions that took place at that meeting and issued as document G/MA/61. The report summarized the activities of the Committee since its last report to the Council, made in October of last year and reflected in Annexes I and II the reasons why certain Members whose waivers expired on 30 April 1999 had requested a further extension of their waivers or had requested to be covered by a waiver. This was mainly to conclude ongoing consultations or to finalize the preparation of the required documentation. To date, out of the 41 Members under waivers (37 in relation to HS96 changes and four with regard to the transposition or renegotiation of their schedules), only the submissions of five Members had been finalized. Eight Members had yet to submit the required documentation and the remaining Members had to finalize pending issues. In this connection, the Chairman encouraged all the delegations concerned to pursue their efforts in order to settle any outstanding issues.

- 5.2 The report also provided a summary of the activities carried out in the context of the modalities and operation of the Integrated Data Base (IDB) and indicated that as of 3 March 1999, fifty-two Members and three acceding countries had provided IDB submissions. Information had also been given on the status of processing of IDB submissions, the status of software development and the technical assistance activities that had been carried out thus far by the Secretariat. The report also reflected the open-ended consultations held by the Chairman of the Market Access Committee on the matter of submission to and dissemination of the IDB. Additionally, the report summarized the information given by the Secretariat on the status of the Loose-Leaf Schedule Project concerning the creation of a consolidated tariff schedules database.
- 5.3 The Council <u>took note</u> of the report.
- B. HARMONIZED SYSTEM REQUESTS FOR EXTENSIONS OF WAIVERS
- 5.4 The <u>Chairman</u> drew attention to the communications from Bangladesh, Nicaragua and Sri Lanka, containing requests for extension of waivers which were going to expire on 30 April 1999. These requests for waiver extensions had been made in the context of the transposition of these Members' schedules into the Harmonized System, and in accordance with paragraph 1 of the Understanding in respect of Waivers of Obligations under the General Agreement on Tariffs and Trade 1994.
- 5.5 These requests for waivers were before the Council for Trade in Goods for its consideration pursuant to Article IX of the WTO Agreement. Draft decisions had been circulated to assist the Council in its consideration of these requests.
- (a) Bangladesh (G/L/298, G/C/W/142)
- 5.6 The <u>Chairman</u> stated that the request for a waiver extension from Bangladesh had been circulated in document G/L/298 and a draft decision in document G/C/W/142.
- 5.7 The Council <u>approved</u> the extension of the waiver granted to Bangladesh until 31 October 1999, and <u>recommended</u> that the draft decision be forwarded to the General Council for adoption.
- (b) Nicaragua (G/L/297, G/C/W/141)
- 5.8 The <u>Chairman</u> stated that the request for a waiver extension from Nicaragua had been circulated in document G/L/297 and a draft decision in document G/C/W/141).
- 5.9 The representative of Nicaragua, in clarifying paragraph 5 of G/C/W/141, said that it should read as follows: "Noting that one Member has lifted its reservation and that consultations are in progress with the other Member which has reserved its right to enter into negotiations in accordance with Article XXVIII". The representative of Canada said that since Canada was the other Member in question, his delegation wanted to indicate its full support for the proposed amendment. It was also his hope and intention to find a solution before the end of April so that the extension would not be required.
- 5.10 The Council <u>approved</u> the extension of the waiver granted to Nicaragua until 31 October 1999, and <u>recommended</u> that the amended draft decision to be contained in G/C/W/141/Rev.1 be forwarded to the General Council for adoption.

- (c) Sri Lanka (G/L/296, G/C/W/140)
- 5.11 The <u>Chairman</u> stated that the request for a waiver extension from Sri Lanka had been circulated in document G/L/296 and a draft decision in document G/C/W/140.
- 5.12 The Council <u>approved</u> the extension of the waiver granted to Sri Lanka until 31 October 1999, and <u>recommended</u> that the draft decision be forwarded to the General Council for adoption.
- C. ZAMBIA RENEGOTIATION OF SCHEDULE XXVIII
  - Request for an extension of the waiver (G/L/295, G/C/W/139)
- 5.13 The <u>Chairman</u> drew attention to the request by Zambia circulated in document G/L/295 for an extension of a waiver granted to it in connection with the renegotiation of its schedule, and to a draft decision in document G/C/W/139).
- 5.14 The Council <u>approved</u> the extension of the waiver granted to Zambia until 31 October 1999, and <u>recommended</u> that the draft decision be forwarded to the General Council for adoption.
- D. DECISION ON THE INTRODUCTION OF HARMONIZED SYSTEM CHANGES INTO WTO SCHEDULES OF TARIFF CONCESSIONS ON 1 JANUARY 1996
  - Extension of the Time-Limit (G/MA/W/19/Rev.1)
- 5.15 The <u>Chairman</u> recalled that the General Council had adopted successive decisions, thereby suspending the application of the provisions of Article II of GATT 1994 until 30 April 1999 for the purpose of enabling Members to implement the 1996 recommended amendments to the Harmonized System nomenclature. He drew the Council's attention to the draft decision, contained in document G/MA/W/19/Rev.1 which now proposed to extend this time-limit until 31 October 1999. The annex to this draft decision listed Members who had requested an extension of their waivers. The purpose was to give Members more time to proceed with consultations or possible Article XXVIII negotiations.
- 5.16 The representative of <u>Canada</u> stated that on 22 March 1999 Canada had submitted a communication to the WTO setting out five technical changes to their original HS 96 modifications. As a result, one Member was lifting its reservation against Canada's HS 96 modifications, thus making it possible to delete Canada from the annex in terms of countries seeking an extension.
- 5.17 The representative of <u>Japan</u> noted that for some time only a few Members had completed the process for modifications and rectifications to schedules in view of introducing HS96 changes. Now, however, ten Members had finished the whole process and several more Members were only waiting for completion of procedures for the issuing of certifications. Japan welcomed this significant progress and wanted to encourage other Members to actively conduct consultations in order to make this waiver extension the last.
- 5.18 The Council took note of the statements, <u>approved</u> the extension of the waiver until 31 October 1999, and <u>recommended</u> that the draft decision, with the amendment proposed by Canada, be transmitted to the General Council for adoption.

#### VI. APPOINTMENT OF OFFICERS FOR SUBSIDIARY BODIES OF THE COUNCIL

6.1 The <u>Chairman</u> stated that the "Guidelines for the Appointment of Officers to WTO bodies" contained in document WT/L/31 and approved by the General Council on 31 January 1995, provided that the Chairperson of the Council for Trade in Goods would conduct consultations on the appointment of the chairpersons of bodies to Group 6(A) which comprised the subsidiary bodies of the Council for Trade in Goods. Accordingly, he had conducted consultations and had a slate of names to recommend to the Council as Chairpersons of the following bodies.:

Committee on Agriculture H.E. Mr. Nestor Osorio

(Colombia)

Committee on Anti-Dumping Practices Mr. Milan Hovorka

(Czech Republic)

Committee on Customs Valuation Mr. Edward Brown

(United Kingdom)

Committee on Import Licensing Ms. Marie Gosset

(Côte d'Ivoire)

Committee on Rules of Origin Mr. Sandy Moroz

(Canada)

Committee on Market Access Mr. Pedro da Costa e Silva

(Brazil)

Committee on Safeguards Mr. Hamish McCormick

(Australia)

Committee on Sanitary and Phytosanitary Mr. Attie Swart

Measures

(South Africa)

Committee on Subsidies and Mr. Jan Söderberg

Countervailing Measures (Sweden)

Committee on Technical Barriers to Trade Mr. Mohan Kumar

(India)

Committee on Trade Related Investment Measures Mr. Leo Palma

(Philippines)

Working Party on State Trading Enterprises Mr. Bernard T. Kutten

(The Netherlands)

6.2 The Council so agreed.

6.3 The <u>Chairman</u> pointed out that while all the other subsidiary bodies of the Council had provisions in the respective agreement or in their rules of procedure requiring them to elect chairpersons, the Working Parties did not have any procedural rules and did not have provisions on election of chairpersons. As a result, in the case of the Working Party on State Trading Enterprises, he proposed that the Council <u>appoint</u> the nominated Chairperson.

- 6.4 The Council so <u>agreed</u> and <u>appointed</u> Mr. Kutten as Chairman of the Working Party on State Trading Enterprises.
- 6.5 The <u>Chairman</u> stated furthermore that he had not addressed the question of Vice-Chairpersons. It was his understanding that it would be for the subsidiary bodies to decide if they needed a Vice-Chairperson in cases where the option existed under the respective Agreement and/or rules of procedure, and for the respective Chairperson to hold the necessary consultations. He proposed to proceed on that understanding.
- 6.6 The Council took note of the statement and agreed to proceed on that understanding.

#### VII. ELECTION OF CHAIRPERSON OF THE COUNCIL FOR TRADE IN GOODS

- 7.1 The <u>Chairman</u> stated that the Chairman of the General Council had carried out informal consultations on a slate of names for appointment as chairpersons to the different WTO standing bodies in accordance with the established Guidelines for Appointment of Officers. These proposed nominations were approved by the General Council at its meeting on 16 February 1999.
- 7.2 On the basis of the understandings reached, he proposed that the Council elect H.E. Ambassador R. Farrell (New Zealand) as Chairman of the Council by acclamation.
- 7.3 The Council unanimously <u>elected</u> Ambassador Farrell Chairman for the Council for Trade in Goods for 1999.

#### VIII. OTHER BUSINESS

- 8.1 The representative of <u>Chile</u> declared that as a contribution to the transparency of the WTO, Chile wished to inform Members that through Law No. 19.589 it had provided for the unilateral deepening of its trade liberalization that was not subject to bindings under the WTO by uniformly and progressively reducing the general and single tariff rate between 1999 and 2003. The general tariff rate, which was 11 per cent *ad valorem*, was being modified according to the following timetable: as from 1 January 1999, 10 per cent *ad valorem*; as from 1 January 2000, 9 per cent *ad valorem*; as from 1 January 2001, 8 per cent *ad valorem*; as from 1 January 2003, 6 per cent *ad valorem*.
- 8.2 The further opening up that this Law represented was consistent with the long-term trade liberalization policy of the Government of Chile, the priority of which was to promote sustained and shared growth through the proper allocation of resources. This tariff reduction would increase the country's competitiveness, deepen the process of international economic integration and enable Chile to safeguard its basic economic and fiscal balances as an efficient means of boosting development. The decrease in financial resources that this initiative implied would be entirely compensated in order to maintain the level of tax revenue: the tariff, which was an indirect tax, would be offset by an increase in other indirect taxes. In addition to promoting the country's competitiveness in all of its productive sectors, this initiative would achieve an important objective of the WTO: increasing market access through the substantial reduction of an important barrier to trade, the customs tariff."
- 8.3 The representative of <u>Hungary</u> noted that since the last meeting of the CTG Hungary had concluded free trade agreements with the Republics of Estonia and Lithuania which would be officially notified to the CTG after the ratification procedures had been terminated.
- 8.4 The representative of <u>Turkey</u> informed the Council that Turkey had concluded a free trade agreement with Bulgaria, in conformity with the provisions of Article XXIV of GATT 1994, which came into effect on 1 January 1999. An appropriate notification would be made.

- 8.5 The <u>Chairman</u> drew the Council's attention to the meeting of 10-11 March 1999 of the Committee on Sanitary and Phytosanitary Measures at which it adopted a report on its review of the operation and implementation of the Agreement on the Application of Sanitary and Phytosanitary Measures as provided for in Article 12.7 of the SPS Agreement. The report was contained in document G/SPS/12 of 11 March 1999. The report recognized the important contribution that the SPS Agreement had made to facilitating international trade but concerns regarding the implementation of some provisions were identified and recommendations made to address these difficulties. In particular, the Committee agreed on new recommended notification procedures which are contained in the annex to the report.
- 8.6 He then drew the Council's attention the draft decision on a waiver for preferential tariff treatment for least-developed countries contained in document G/C/W/135 dated 9 February 1999. Such a waiver request needed to be transmitted to the Council for Trade in Goods for consideration. The matter had come to the Chairman's attention after the agenda for this meeting had closed but, as it could be considered a significant contribution by the WTO to improving market access for least-developed countries, he proposed that the CTG should agree to recommend to the General Council for adoption the draft decision as soon as possible. He therefore suggested that the CTG hold a special meeting for this purpose before the next meeting of the General Council which was scheduled for 14 April 1999.
- 8.7 After the special meeting, the next meeting of the Council was scheduled to take place on Friday, 2 July 1999. The agenda would close by close-of-business on Friday, 18 June 1999.