

REPORT (2006) OF THE COUNCIL FOR TRADE IN GOODS

In accordance with the "Procedures for an Annual Overview of WTO Activities and for Reporting under the WTO" (WT/L/105), the Council for Trade in Goods is to report each year to the General Council on the activities in the Council as well as in the subsidiary bodies. The reports are to be "factual in nature, containing an indication of actions and decisions taken, with cross references to reports of subordinate bodies and could follow the model of the GATT 1947 Council reports to the CONTRACTING PARTIES".

Since the CTG 2005 annual report (G/L/763) was issued, the Council for Trade in Goods has met four times in formal session on the following dates: 10 March 2006 (minutes contained in document G/C/M/83 and Corr.1); 9 May 2006 (G/C/M/84 and Corr.1); 12 July 2006 (G/C/M/85); and 20 November 2006 (G/C/M/86¹).

The subject matters which were raised and/or acted upon in the Council are as follows:

1. Election of Chairperson
2. Appointment of officers
3. Matters of the Committee on Market Access
4. Waivers under Article IX of the WTO Agreement
5. EC enlargement
6. Review of the operation of the Agreement on Trade-Related Investment Measures under Article 9
7. Regional trade agreements
8. Issues related to trade in textiles
9. Certain Colombian customs measures applied to imports of Panama and other WTO Members
10. European Communities Regulation EC 1558/2005 regarding the administration of the quota for corn and sorghum from Spain and corn from Portugal
11. Notifications
12. Transitional Review under Paragraph 18 of the Protocol on the Accession of the People's Republic of China
13. Consideration of annual reports of subsidiary bodies

1. Election of Chairperson for the Council for Trade in Goods

At its meeting of 10 March the Council elected H.E. Ambassador Yonov Frederick Agah (Nigeria) as its Chairman for 2006.

¹ To be issued.

2. Appointment of Officers for the subsidiary bodies of the Council

At its meeting of 10 March, the Council took note of the consensus on the following persons nominated for election as Chairpersons of its subsidiary bodies:

Customs Valuation	Diana REAICH (New Zealand)
Agriculture	Christian HÄBERLI (Switzerland)
Sanitary and Phytosanitary Measures	Juan Antonio DORANTES SANCHEZ (Mexico)
Anti-Dumping Practices	Victoria CAMPEANU (Romania)
Subsidies and Countervailing Measures	Keiya IIDA (Japan)
Safeguards	Seung-ho KIM (Korea)
Import Licensing	Evelio ALVARADO ROMERO (Guatemala)
Rules of Origin	Vera THORSTENSEN (Brazil)
Market Access	Mohammad SAEED (Pakistan)
Technical Barriers to Trade	Margers KRAMS (Latvia)
TRIMs	Alexis MASSOT (France)
State Trading Enterprises	Benjamin KATJIPUKA (Namibia)
Committee of Participants on the Expansion of Trade in Information Technology Products (ITA Committee)	Martin POSPISIL (Czech Republic)

At the same meeting, the Council agreed to proceed on the understanding that as concerns Vice-Chairpersons, 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.

3. Matters of the Committee on Market Access

At its meetings on 9 May and 20 November the Council took note of the periodic reports (in documents G/MA/191 and G/MA/193) of the Committee on Market Access. Also, at the 20 November meeting, the Committee considered a draft procedure for the introduction of the Harmonized System 2007 changes to schedules of concessions using the Consolidated Tariff Schedules (CTS) database (G/C/W/565). It agreed on the procedure outlined therein and recommended that the draft procedure be forwarded to the General Council for adoption.

4. Waivers under Article IX of the WTO Agreement

- (a) Introduction of Harmonized System 1996 changes into WTO Schedules of tariff concessions Requests for extensions of waiver (Argentina – G/C/W/547; Panama – G/C/W/546)

At its meeting on 9 May, the Council considered requests from Argentina and Panama for extensions of waivers in connection with the introduction of HS96 changes to their Schedules of concessions. The Council approved the waiver requests and recommended that the draft decisions contained in the cited G/C/W/- documents be forwarded to the General Council for adoption.

- (b) Introduction of Harmonized System 2002 changes into WTO Schedules of tariff concessions – Requests for a waiver (G/C/W/564)

At its meeting on 20 November, the Council considered a collective request for a waiver in connection with the introduction of HS2002 changes to the Schedules of concessions. The Council

approved the waiver request and recommended that the draft decision contained in G/C/W/564 be forwarded to the General Council for adoption.

- (c) Introduction of Harmonized System 2007 changes into WTO Schedules of tariff concessions
– Requests for a waiver (G/C/W/566)

At its meeting on 20 November, the Council considered a collective request for a waiver in connection with the introduction of HS 2007 changes to the Schedules of concessions. The Council approved the waiver request and recommended that the draft decision contained in G/C/W/566 be forwarded to the General Council for adoption.

- (d) United States – Request for waiver for the African Growth and Opportunity Act, the Caribbean Basin Economic Recovery Act, as amended and the ANDEAN Trade Promotion Act, as amended (G/C/W/508 and Add.1; G/C/W/509 and Add.1; G/C/W/510 and Add.1; G/C/W/541; G/C/W/542; G/C/W/543)

At its meetings on 10 March, the United States circulated for consideration draft waiver decisions for the three programmes. The Council continued its consideration of these requests and their accompanying draft decisions at its meetings on 10 March, 9 May and 20 November.

- (e) Senegal – Request for an extension of the waiver for continued use of minimum values for customs valuation purposes (G/C/W/523; G/C/W/524; G/C/W/551)

At its meeting on 10 March the Council considered a request from Senegal for an extension of its existing waiver allowing the use of minimum values for customs valuation purposes. At its meeting on 9 May, the Council approved the waiver request and recommended that the draft decision contained in G/C/W/551 be forwarded to the General Council for adoption.

- (f) European Communities – Request for an extension of Article XIII waiver for the tariff rate quota for bananas of ACP origin (G/C/W/529)

At its meetings on 10 March, 9 May and 12 July, the Council took note of the statements made agreed to revert to this matter at its next meeting. At its meeting on 20 November, the Council agreed that the Chairman would report on his own responsibility to the General Council on the discussions surrounding this request, and would request that the General Council agree to allow it to continue to discuss the matter and to report back to the General Council once this was completed.

- (g) European Communities – Request for a waiver for the application of the European Union Autonomous Preferential Treatment to the countries of the Western Balkans (G/C/W/552; G/C/W/556)

At its meeting on 9 May, the Council considered a request from the European Communities for a waiver for the above programme. At its meeting on 12 July, the Council approved the waiver request and recommended that the draft decision contained in G/C/W/556 be forwarded to the General Council for adoption.

- (h) Canada - Request for an extension of the waiver for the CARIBBEAN Initiative (G/C/W/555; G/C/W/558)

At its meeting on 12 July, the Council considered a request from Canada for an extension of its existing waiver for the above programme. At its meeting on 20 November, the Council approved the waiver request and recommended that the draft decision contained in G/C/W/558 be forwarded to the General Council for adoption.

- (i) United States – Request for an extension of the waiver for the Kimberley Process Certification Scheme for Rough Diamonds (G/C/W/559/Rev.1)

At its meeting on 12 July, the Council took note of a statement from the United States that it intended to raise this matter at the Council's next meeting. At its meeting on 20 November, the Council considered the draft decision contained in G/C/W/559/Rev.1. It approved the waiver request and recommended that the draft decision be forwarded to the General Council for adoption.

- (j) Cuba – Request for an extension of the waiver concerning GATT Article XV:6 (G/C/W/562)

At its meeting on 20 November, the Council considered a request from Cuba for an extension of its existing waiver concerning GATT Article XV:6. It approved the waiver request and recommended that the draft decision be forwarded to the General Council for adoption.

5. EC enlargement

At its meeting on 10 March, the Council heard a statement from Colombia on its concerns with the EC enlargement. At its meeting on 12 July, the Council agreed on the extension of the deadline set out in the communication from the EC (G/L/695/Add.3). The Council also agreed that, in referring to the statement by the Chair of the General Council on 29 June 2005 (document WT/GC/M/96), the Council did not need to refer the matter to the General Council for adoption.

6. Review of the operation of the Agreement on Trade-Related Investment Measures under Article 9

- (a) Review of the operation of the TRIMs Agreement under Article 9

At its meetings on 10 March, 9 May, 12 July, and 20 November, the Council took note of the statements made regarding, *inter alia*, the submissions by Brazil and India in documents G/C/W/428 and JOB(04)/93. The Chairman reported that his consultations had proved inconclusive, and the Council agreed to revert to the matter at a future meeting.

- (b) Pakistan's request for extension of the transition period under the TRIMs Agreement

At its meeting on 10 March, the Council took note of Pakistan's statement that it wished to formally withdraw its request.

7. Regional Trade Agreements

At its meetings on 10 March, 9 May, 12 July, and 20 November, the Council adopted the terms of reference under which the CRTA should examine the following Agreements:

- A. Free Trade Agreement Between Mexico and Nicaragua
- B. Closer Economic Partnership Agreement Between Thailand and New Zealand
- C. Free Trade Agreement Between the United States and Morocco
- D. Free Trade Agreement Between Turkey and Morocco
- E. Free Trade Agreement Between The Republic of Korea and Singapore

- F. Dominican Republic – Central America – United States Free Trade Agreement
- G. Free Trade Agreement Between El Salvador and Mexico
- H. Free Trade Agreement Between Honduras and Mexico
- I. Free Trade Agreement Between Guatemala and Mexico
- J. Free Trade Agreement Between Jordan and Singapore
- K. Economic Partnership Agreement Between Japan and Malaysia
- L. Free Trade Agreement Between the EFTA States and The Republic of Korea
- M. Free Trade Agreement Between Costa Rica and Mexico
- N. Free Trade Agreement Between the United States and The Kingdom of Bahrain
- O. Enlargement of the European Union
- P. Association Agreement Between the European Communities and Algeria

8. Issues Related to Trade in Textiles

At its meeting on 10 March, the Council continued its discussion of the proposal contained in document G/C/W/522. The Council agreed that the Chair would further consult on this matter. At the meeting of 9 May, the Chairman reported on his informal consultations. The Council continued its discussions on the basis of the previous proposal as well as on a new proposal contained in document G/C/W/549. At the 12 July and 20 November meetings, the Council continued its discussion on the basis of the proposals in the two documents.

9. Certain Colombian customs measures applied to imports of Panama and other WTO Members

At its meeting on 9 May, the Council took note of the concerns and questions circulated by Panama in document G/C/W/548 as well as statements by several other Members concerned by these measures. It agreed to revert to this matter at its next meeting. At its meeting on 12 July, the Council took note of the responses received from Colombia in document G/C/W/554, as well as statements from several Members. It agreed to revert to this matter at its next meeting. At its meeting on 20 November, the Council took note of the statements from Members on the matter.

10. European Communities Regulation EC 1558/2005 regarding the administration of the quota for corn and sorghum from Spain and corn from Portugal

At its meeting on 12 July, the Council took note of a statement from a Member seeking replies to questions it had posed to the EC on this matter.

11. Notifications

Status of notifications under the provisions of the Agreements in Annex IA of the WTO Agreement

At its meeting on 10 March, the Council took note of the latest revision of the status of notifications contained in document G/L/223/Rev.13.

12. Transitional Review under paragraph 18 of the Protocol on the Accession of the People's Republic of China

At its meeting on 20 November, the Council took note of the reports of the CTG subsidiary bodies which had carried out their reviews, and carried out the CTG-specific review with respect to the information requirements stipulated in Annex 1A of the Protocol of Accession. The Council agreed to send the report (G/L/807), together with the reports of the subsidiary bodies, to the General Council.

13. Consideration of annual reports of subsidiary bodies of the CTG

At its meeting on 20 November, the Council took note of the annual reports of its subsidiary bodies.
