

WORLD TRADE ORGANIZATION

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Committee on Technical Barriers to Trade

MINUTES OF THE MEETING HELD ON 27 MARCH 1998

Chairman: Mr. T. H.M.Tong (Hong Kong, China)

1. The Committee on Technical Barriers to Trade held its twelfth meeting on 27 March 1998.
2. The following agenda, contained in WTO/AIR/799 was adopted:

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II. Third Annual Review of the Implementation and Operation of the TBT Agreement under Article 15.3	2
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I. REQUEST FOR OBSERVER STATUS IN THE COMMITTEE BY THE OFFICE INTERNATIONAL DE LA VIGNE ET DU VIN (OIV)

3. The Chairman recalled the Committee's discussions (G/TBT/M/8 and 10) on the request for observer status by the Office International de La Vigne et du Vin (OIV). He informed the Committee of a recent communication received from the OIV, containing information on the organization and its activity (G/TBT/W/62).

4. The representative of the United States welcomed the information provided by the OIV. However, her delegation could not join the consensus on granting observer status to the OIV at the moment.

5. The representative of the European Communities reiterated her delegation's support for the observer status of the OIV. She said that the OIV had been recognized to be the only international intergovernmental organization competent to prepare international standards in the area of wine. She questioned the reason why the request by the OIV could not be granted.

6. The Committee took note of the statements made. The Chairman invited interested Members to continue informal consultations on the request, taking into account the information provided by the OIV.

II. THIRD ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE TBT AGREEMENT UNDER ARTICLE 15.3

7. The Chairman drew attention to the Secretariat's background document G/TBT/6 for the Third Annual Review of the Implementation and Operation of the Agreement.

8. The representative of India noted that in 1997, Members allowed an average of 46.3 days for comments on draft regulations. He expressed concern about the short comment period provided, and that it was a difficult situation for developing countries where domestic procedures took longer. He said that India provided 90 days for comments, and urged other Members to provide at least 60 days as recommended by the Committee.

9. The representative of Canada noted the concerns expressed by India. He recalled the Committee's recommendation that a Member might proceed to implement a proposed measure after 45 days, if no comments or requests for extension of the time limit had been received from other Members within that time. He proposed to derestrict the document containing the Annual Review immediately, so that interested parties, whether national, sub-national or non-governmental, could be aware of the operational aspect of the Agreement.

10. The representatives of Mexico and India thought that derestriction of documents was a horizontal issue, and that the Committee should follow the general guidelines of the General Council to derestrict documents at the appropriate time.

11. The representatives of Australia and New Zealand noted that the document provided factual information and that it would be useful to make it publicly available. A Committee could make decisions to derestrict documents, if it so wished. The representative of Australia informed the Committee that the information contained in document G/TBT/ENQ/10, concerning the Australian enquiry point, needed to be updated.

12. The Committee took note of the statements made. The Chairperson said that further consultations would be needed for the Committee to take a decision on the Canadian proposal to derestrict document G/TBT/6 immediately.

III. THIRD ANNUAL REVIEW OF THE CODE OF GOOD PRACTICE FOR THE PREPARATION, ADOPTION AND APPLICATION OF STANDARDS IN ANNEX 3 OF THE AGREEMENT

13. The Chairman drew attention to the third edition of the WTO TBT Standards Code Directory prepared by the ISO/IEC Information Centre which contained the information received according to paragraphs C and J of the Code of Good Practice. He also drew attention to document G/TBT/CS/2/Rev.4 containing a list all standardizing bodies that had accepted the Code of Good Practice since 1 January 1995. Up until 11 February 1998, 92 standardizing bodies from 69 Members had accepted the Code and notified their work programmes on standardization. During the year 1997, an additional 28 standardizing bodies from 26 Members had accepted the Code of Good Practice (G/TBT/CS/1/Add.2).

14. The representative of the European Communities requested the United States to provide a list of the 200 US standardizing bodies that the American National Standards Institute (ANSI) had accepted the Code of Good Practice.

15. The representative of the United States said that the information would be provided.

16. The representative of Japan informed the Committee that two additional Japanese non-governmental standardizing bodies had notified their acceptance of the Code this year. They were the Consumer Product Safety Association (G/TBT/CS/N/94) and the Japan Iron and Steel Federation.

17. The Committee took note of the statements made.

IV. PROGRAMME OF WORK ARISING FROM THE FIRST TRIENNIAL REVIEW OF THE OPERATION AND IMPLEMENTATION OF THE TBT AGREEMENT UNDER ARTICLE 15.4

18. The Chairman recalled that the Committee had completed its First Triennial Review of the Operation and Implementation of the Agreement under Article 15.4 in November 1998. Nine elements were considered under the Review (G/TBT/5). The overall view was that the operation of the Agreement during the first three years of its existence revealed the capacity and potential of the Agreement to advance the objectives of GATT 1994, by ensuring that technical regulations, standards and procedures for assessment of conformity did not create unnecessary obstacles to international trade. The Committee noted, however, that certain difficulties or problems existed in a number of areas regarding the operation and implementation of the Agreement. Accordingly, the Committee adopted a number of decisions, recommendations and arrangements aimed at better operation and implementation of the Agreement. They include actions involving information exchange among Members, further study, reviews or discussions in the Committee, documents and lists to be prepared by the Secretariat, and also communication with other international organizations.

19. The Chairman drew attention to paragraphs 9 and 12(d) of G/TBT/5, and stated that the Secretariat had been requested to prepare two lists on the basis of information provided by Members: (a) one on the Members whose local government bodies, directly below the central government level, are authorized to adopt technical regulations or conformity assessment procedures; and (b) another on standardizing bodies. He drew attention to a communication G/TBT/SPEC/6 which had been

circulated to invite Members to provide any relevant information to enable the compilation of the lists.

20. In respect to information exchange and national experience sharing among Members, he drew attention to the submissions from Colombia on "Environmental Labels and Market Access: Case Study on the Colombian Flower-Growing Industry" (WT/CTE/W/76-G/TBT/W/60), from Canada on "Forests: A National Experience" (WT/CTE/W/81-G/TBT/W/61), and from the United States on "Conformity Assessment Procedures: Supplier's Declaration of Conformity" (G/TBT/W/63) and on "Transparency in International Standards Development" (G/TBT/W/64).

21. The representative of Colombia drew attention to WT/CTE/W/76-G/TBT/W/60 that had also been submitted to the Committee on Trade and Environment, and said that it was intended as a follow-up to the First Triennial Review. He noted that Colombia was the world's second biggest exporter of flowers after Holland with a share of approximately 10 per cent the world market. He said that environmental protection was a priority for floriculturists in Colombia, and this had led to the initiative of the FLORVERDE programme based on sustainable management scheme. Despite the efforts to improve environmental protection, the Colombian flower-growing industry had encountered difficulties with its exports because of environmental measures in some countries. Trade restrictions had resulted from certain recognized private organizations waging campaigns to discredit Colombian flowers. These restrictions were not the result of objective and representative studies from the industry.

22. He indicated that these pressure groups had proposed eco-labelling schemes that could not be accepted by the Colombian exporters for the following reasons: (a) the schemes were costly; (b) the approach used was coercive (i.e., when the Colombian private sector refused to accept the proposed labels the campaigns against its flowers were intensified); (c) the schemes were discriminatory (i.e., they were directed only at certain countries); (d) their compliance was subject to verification by foreign experts; and (e) the checklists were unclear and often arbitrary. He added that the proliferation of eco-labelling schemes by different organizations and different countries was making it impossible for producers to comply with the various requirements they contain.

23. In the light of the Colombian experience, it was important for the Committee to have a clear position on the proliferation of private environmental labels which did not have any common standards or monitoring mechanism, that they did not create market distortions and thereby confuse consumers. It was necessary to guarantee transparency in the conception and application of eco-labels to ensure that they were non-discriminatory, and that the parties concerned could participate in their development (i.e., designing the programmes), choosing the product coverage, selecting the criteria on which they were based on, and working out any audit procedures. He emphasized the importance for bodies preparing voluntary eco-labelling schemes to apply the Code of Good Practice for the Preparation, Adoption and Application of Standards (Annex 3 of the Agreement). He thought that eco-labels should take into account the environmental and eco-system variables specific to each country. In this respect, the WTO should examine the issue of mutual recognition and equivalence with respect to eco-labelling, because the application of these concepts could solve some of the problems faced by different sectors.

24. The representative of Ecuador welcomed the Colombian paper and shared the concerns expressed. He said that flower exports was important for his country, and faced the same trade problems as described by Colombia. Eco-labelling schemes had adverse trade effects, and in particular, if they were imposed in a discriminatory way. He supported the view that bodies preparing voluntary eco-labelling schemes should comply with the rules as set down in the Code of Good Practice. He thought that the Committee should provide disciplines to the bodies preparing eco-labelling schemes, so that the trade problems faced by products subjected to such schemes could be solved.

25. The representative of Brazil welcomed the Colombian paper and shared the concerns expressed. He thought that it was necessary to have position in the Committee in order to prevent the proliferation of such schemes and their adverse trade effects on all sectors. He supported the suggestion of applying the Code of Good Practice to bodies preparing voluntary eco-labelling schemes.

26. The representative of Canada recalled that the Canadian paper "Forestry - A National Experience" (WT/CTE/W/81-G/TBT/W/61) had been presented to the Committee on Trade and Environment (CTE) on 19 March (WT/CTE/M/17). He said that the paper was not a national position paper but was prepared in order to share national experiences under the work programme of the Triennial Review. The paper would contribute to future discussions on standards and labelling in the Committee. He noted that it presented Canada's experience in the forest products sectors, given that government, industry and other members of civil society had faced challenges in integrating trade and environment policy concerns. It did not reach definitive conclusions due to the fact that the Canadian experience with the instruments listed in the paper was still at a preliminary stage. However, he was of the view that the issues raised were of serious and real impact.

27. The paper outlined the Canadian experience with five voluntary instruments: ISO 14001 environmental management systems standards; the Canadian Standards Association (CSA) Forest Certification System Standards (CAN/CSA-Z808/9); the Forest Stewardship Council (FSC) product certification system; the Environmental Profile Data Sheet (EPDS) Type III or report card environment label; and the Environmental Choice Type I eco-label. He noted that ISO 14001 had been developed through the international standards development process. In the forestry sector, it could be applied to the resource management phase, the production phase or both. It was based upon compliance with the local regulatory framework and continual improvement. A bridging document to facilitate implementation and use of ISO 14001 by forest organizations had been developed.

28. The CSA Forest Certification System Standard had been developed through a national, multi-stakeholder standards development process. It only applied to the resource management phase. It used the same basic structure and approach as the management systems approach of ISO 14001, but was also a performance standard in certain key aspects. These were with reference to national criteria and indicators of sustainable forest management and the specific requirements for public consultation and input. As in the case of ISO 14001, the labelling of products was not permitted.

29. The Forest Stewardship Council (FSC) had been developed by a variety of non-governmental organizations, buyers of wood products and certifiers. It took more of a performance systems than a management systems approach. Pending the development of regional standards, and in contrast to normal certification processes, certifiers interpreted the general principles and criteria rather than certifying that specific standards had been adhered to. In contrast to the management systems approach of ISO 14001 and CSA-Z808/9, the FSC labelled products from well-managed forests. Its market force was largely derived from the formation of buyers groups that required FSC or equivalent certification. He thought that it raised some similar issues to the Colombian experience.

30. The Environmental Profile Data Sheet (EPDS) provided detailed information to sophisticated customers regarding the environmental attributes of pulp and paper products. It was a voluntary, standardized, and third party reporting form similar to the approach of nutritional labelling. The EPDS allowed customers to compare suppliers with respect to the environmental attributes they judged most important. Customers, not third parties, determined which criteria were important. He thought that such an approach was more attractive to industry as it was not prescriptive, but rather left decisions to customers.

31. He noted that Environmental Choice was the familiar Type I eco-label that had been discussed extensively in both the CTE and the TBT Committee. In contrast to report card

environmental labels such as the EPDS, Environmental Choice and other similar programmes ranked products within each criteria, set thresholds, or applied weighting, in order to arrive at a judgement regarding whether they were environmentally preferable. The labelling criteria work programme was published semi-annually and draft criteria were subject to a 60 day comment period. He said that in contrast to most other eco-labelling programmes, Environmental Choice considered using equivalent test data for the test methods specified in its product guidelines. Environmental Choice followed the procedural and substantive provisions of the Code of Good Practice, and had been notified under G/TBT/Notif.96.190 of 4 July 1996. He welcomed the notifications of other eco-labelling schemes, including those from Japan and New Zealand, notifying their acceptance of the Code of Good Practice (G/TBT/CS/N/73 and 86).

32. He said that details of the approaches were contained in the Canadian paper and its annexes. The variety of the approaches, and preliminary policy considerations contained in paragraphs 43-54, should contribute to a more in depth discussion of the trade policy aspects of these approaches at an appropriate time. He welcomed the Colombian paper on national sectorial experience, and thought that the Colombian experience in cut flowers raised similar issues as the Canadian experience in forest products sector. He invited contributions by other Members in order to facilitate broad based comparison and discussion of the current or potential trade impact of the various standards and labelling approaches outlined in the Canadian and other papers.

33. The representative of the European Communities questioned if the Colombian and the Canadian papers would be taken up at the TBT Committee meetings since they had been distributed as both CTE and TBT documents. She noted that several delegations had suggested the acceptance of the Code of Good Practice by bodies responsible for eco-labelling schemes, and requested information about the bodies that had already accepted the Code.

34. The Chairman recalled that both the Colombian and Canadian papers had been taken up at the last CTE meeting. He thought that since the contributions were also made to the TBT Committee in the context of information exchange under the work programme of the Triennial Review, the Committee would be in a position to revert to the papers at its future meetings.

35. The representative of Canada noted that both the Canadian Government Environmental Choice Programme, and the private industry developed Environmental Profile Data Sheet Programme, were delivered by a private company. Canada had notified the Environmental Choice Programme and was holding discussions with the private company on how a private company could accept the Code of Good Practice (Annex 3 of the Agreement) developed by an international organization. Both his authorities and the private company did not see any problem with the acceptance. However, there were some procedural issues that would need to be dealt with.

36. The representative of the United States welcomed the Canadian and Colombian papers and said that they would provide a useful basis for further discussions. She recalled that the Committee had exchanged detailed views during the Triennial Review and had agreed that it would be useful to further exchange information on national experiences. She drew attention to the US paper on Conformity Assessment Procedures, and said that it provided factual background on how the supplier's declaration of conformity was used in the United States. She recalled that during the discussions of the Triennial Review, the supplier's declaration of conformity was recognized to be a trade friendly form of conformity assessment. She noted that in her country, this approach was used to provide an assurance of conformity to voluntary standards as well as to mandatory regulations (e.g., on motor vehicles and motor vehicle equipment). She invited other Members to study the US paper, and to exchange views and experiences on how this approach was used in their countries.

37. Referring to the US paper on Transparency in International Standards Development, she thought that it might require more reflection in the Committee, since it included a specific proposal

and provided the US view on the subject. She said that the paper concerned international standards and the problems that might be associated with standards that would call for international bodies to provide transparency on their activities and opportunities for participation. She noted that under the Agreement, government and non-governmental bodies are obliged to conduct their standard related activities in a transparent manner. However, no such rules were provided for international bodies. She said that while Article 9 acknowledged Members' responsibilities to ensure that international systems for conformity assessment comply with the relevant provisions of the agreement (i.e., Articles 5 and 6), the Agreement did not contain a corresponding statement of Members' responsibility with respect to participation in international bodies developing standards. She thought that it would be useful for the Committee to consider principles that could be used to guide international bodies developing standards. She suggested that, if supported by Members, her delegation would offer, or would work with other interested delegations, to develop a draft of such principles.

38. The representative of Pakistan welcomed the US papers, in particular the one on Transparency in International Standards Development which also addressed the question of participation of WTO Members in international bodies preparing standards. He thought that the proposed US draft text on the principles to be used by international bodies should receive further consideration to form a better appreciation of the US proposals.

39. The representative of India welcomed the contributions from Colombia, Canada and the United States. Referring to the Colombian and Canadian paper, he recalled that they had been presented in the CTE, and the responses to the papers had showed the importance and significance of the issues highlighted, in particular, when WTO Members were engaged in a process of broadening and deepening the understanding of the use of environmental and other non-trade measures on market access. He shared the concerns expressed by Brazil regarding the impact of such measures on market access for products of interest to developing countries. He drew attention to paragraph 11 of document G/TBT/5 which stated that such measures had a potential adverse impact on trade. He said that since the matter was presently being examined in the CTE, his delegation looked forward to receiving input from the CTE on what further work needed to be done in the context of the TBT Agreement. He reiterated his delegation's position was that eco-label was not covered by the TBT Agreement.

40. The representative of Mexico welcomed the contributions from Colombia, Canada and the United States, and said that she would have a more detailed response at future meetings. She took note of the concepts of mutual recognition and equivalence in the area of voluntary labelling as suggested in the Colombian paper. She noted that both the Colombian and Canadian papers showed the importance of ensuring the application of the Code of Good Practice to voluntary standards. She reiterated her delegation's position concerning the acceptance and effective implementation of the Code. Referring to the US paper on Transparency in International Standards Development, she said that her delegation was interested in exploring the relevant principles for international bodies which developed standards.

41. The representative of Thailand welcomed the US papers, in particular the one on transparency. She supported the approach suggested by the United States on providing principles or guides for international bodies that developed standards. The principles need to address the procedures for reaching consensus within those bodies.

42. The representative of Australia welcomed the Colombian, Canadian and US papers. She indicated her delegation's interest in the US paper relating to international standards. She agreed that the participation by developing countries in the work of international standardizing bodies was an area of concern, and thought that it might be as much a matter of transparency as that of the technical content of the resulting standards. She noted that international standardizing bodies had limited

funding to assist the participation of developing countries. She suggested that it might be useful for the Committee to request international bodies to advise on the number of technical meetings that were held in regions with a large number of developing countries (e.g., Central Africa, Indian Sub-continent, South East Asia, South and Central America), and compare the figure with the total number of meetings held by these bodies. The outcome might encourage international standardizing bodies to hold meetings in regions which would facilitate fuller participation of developing countries. She thought that Members could encourage their national standardizing bodies to identify international standards which might have a trade impact on products of special interest to them, so that when participating in the development of such international standards, the trade implications of such standards would be better understood by all parties. This might allow international standardizing bodies to use the available funding to support developing countries to participate in standards developments where there were trade implications rather than in areas where there was little evidence of trade effects.

43. She invited other Members to bring specific examples to the Committee where trade had been affected as a result of international standards, either because of the absence or outdated content of international standards, or where the dominant position of a national or regional standard might act as a technical barrier to trade. She suggested that the information could be forwarded to the relevant international bodies for comment.

44. The representative of Japan welcomed the contributions from Colombia, Canada and the United States, and said that the papers would facilitate discussion resulting from the Triennial Review process. He supported further work by the United States on transparency in international standards development, and indicated his delegation's interest in contributing in this regard.

45. The representative of New Zealand recalled that his delegation had commented on the Colombian and Canadian papers at the last CTE meeting. He thought that the approach of equivalency which had been highlighted in the Triennial Review could be utilized in some of the eco-labelling programmes outlined in the two papers. He thought that further national experience and information exchange in the area could be useful. He welcomed the US papers and said that the one on conformity assessment procedures provided useful illustration on how a supplier's declaration could facilitate trade. Regarding the paper on transparency in international standards, he shared the view of Pakistan that further contributions from the United States on principles and procedures for international bodies that developed standards could assist future discussions in the Committee.

46. The Chairman invited Members to exchange views on how the Committee might organize its work programme arising from the First Triennial Review.

47. The representative of Mexico thought that the Triennial Review constituted progress regarding the understanding of the Agreement, and hoped that it would serve to ensure the implementation of the Agreement. She said that the result of the Review would lead to a substantive programme of work for the Committee to be carried out in the course of 1998 and the following two years. She noted that the work had been clearly defined in the document G/TBT/5. She welcomed the progress of work at the present meeting to follow up some of the elements which had been identified under the Review. She thought that the exchange of information and national experiences was the appropriate approach at this stage. It would provide a better understanding of the actual substance of the issues.

48. The representative of the European Communities thought that the Committee should take the opportunity of the present meeting to determine methods to organize the work programme before undertaken detailed discussions on the issues. It would avoid a situation where work on substance only be taken at the end of the year. She thought that it was important that the Committee would address on issues which appeared as a priority for its next meeting, and work would be organized

accordingly. She said that the Committee should begin by identifying the priority issues. Members would be informed in good time of the items on the agenda of subsequent meetings so that they could prepare themselves permanently, particularly on the technical issues. Besides the points reflected in the two US papers, the European Communities' concerns were the measures aimed at improving the implementation of the Agreement and increasing transparency. She suggested that the two items should be kept on the agenda of the Committee meeting as from the next meeting. These elements were contained in Sections A, B and C of document G/TBT/5 - Implementation and Administration of the Agreement by Members under Article 15.2; Acceptance, Implementation and Operation of the Code of Good Practice; and Operation and Implementation of Notification Procedures, including those under Article 10.7.

49. She said that regarding work on international harmonization, there were two elements: international standards related to products, and dialogues between the Committee and international standardizing bodies. She drew attention to paragraphs 13, 22(c) and 32 (b) of document G/TBT/5 which reflected the need for dialogue concerning the relationship between different standardizing bodies at different levels; preparation of international standards; and special problems which might arise for developing countries. She thought that these dialogues should be launched rapidly.

50. Relating to international standards, she suggested that Members should give thoughts to the EC paper prepared for the Triennial Review, and establish an inventory of international standards developed by certain international standardizing bodies. This could go hand in hand with the work being done in other international bodies. In respect to international guides on conformity assessment procedures, she noted that several documents had been provided during the Triennial Review, and at this stage, it was important to issue a new document. She thought the Review process reflected a lack of understanding in the area. Concerns had been raised about the work of the Committee and the Technical Working Group to arrive at an agreement among Members on the application of certain international guides. She thought that it might be easier to reach consensus in this area than in other areas of the programme of work. A decision recommending certain international guides on conformity assessment procedures would allow a coherent application of the Agreement and increase mutual trust which was an essential goal of the Agreement. She said that it was a priority of her delegation, and it would serve as a basis for discussions on conformity assessment procedures and mutual recognition agreements. She thought that since the issue involved technical work, the Committee would need to draw on the competence of special experts in the area. She suggested that work should be organized in such a way that the appropriate technical assistance would be provided.

51. The representative of Canada noted that the Triennial Review had provided for a greater understanding of the Agreement and an identification of issues of interest to Members. It established the context for discussions in the Committee over the next few years, and called for a national experience sharing approach to the issues identified. He thought that the initial phase of the work programme involved the preparation by Members of their national experience in the issues of particular interest to them. He noted that Canada had made its initial contribution with respect to its forestry national experience paper. He indicated that his delegation would submit a paper on the Canadian approach to equivalency in technical regulations drawing on a number of TBT notifications. He welcomed the papers presented by Colombia and the United States. He invited other Members to prepare similar papers, drawing from national experiences, as a mean to provide the Committee with information based on practical experiences for future discussions. He stated that all items on the continuing work programme should be considered equally important at this point of time. He thought that a structured approach should be followed when a sufficient number of national experience submission to allow sound and in-depth discussions.

52. The representative of Japan shared the view expressed by Canada that the Committee could consider how to organize discussions only after receiving a number of submissions from Members. He indicated his delegation's intention to contribute in this regard.

53. The representative of Pakistan supported the Canadian proposal for the Committee to wait until more papers were submitted by delegations. He thought that it would be counterproductive if the Committee started immediately to prioritize issues without really knowing how individual delegations were going to pursue the areas of their own preference. He agreed that based on the inputs received, the Committee would eventually need to organize its work to facilitate more structured discussions.

54. The representative of the Philippines, speaking on behalf of the ASEAN countries, shared the views expressed by Pakistan. He agreed that the Committee should not place priority in specific areas at this stage, but approach the work programme in a balanced fashion.

55. The representative of New Zealand shared the view expressed by Canada, Japan and Pakistan that more time would be needed for an exchange of views on papers submitted before a more structured work programme was to be adopted. He thought that at this point, Members should be encouraged to submit papers on the issues highlighted in the Triennial Review in order to ensure in-depth discussions. He agreed that the Committee should focus on substantive discussions, and thought that setting priorities without knowing the substance of the issues could take the Committee into long procedural discussions.

56. The representative of India supported the view that all elements of the Triennial Review would be put on the agenda of future meetings, and that the Chairman would hold informal consultations on the organization of the work programme. He could not agree to set priorities to certain elements at this early stage, and said that after receiving national papers or input from Members, the Committee might wish to focus on certain areas.

57. He drew attention to paragraph 7(b) of document G/TBT/5, and invited Members to exchange information on the arrangements they had in place to achieve an effective implementation and administration of the provisions of the Agreement. In this regard, he proposed to include the following information: (a) whether test laboratories in developing countries where substantive export takes place are accredited; (b) whether test methods used by developing country Members are accepted, even if they are different from the advanced methods available in developed countries; (c) number and types of assistance provided to developing countries while preparing technical regulations, standards and conformity assessment procedures which may create obstacles to the expansion and diversification of exports from developing countries; and (d) any technical assistance provided which has resulted in the increase or diversification of exports from developing countries. He thought that this kind of information would help Members to respond and to further develop the Committee's work.

58. He suggested activating the work under paragraph 13 to seek information from international standardizing bodies regarding their procedures to ensure cooperation with their national members. He thought that the Committee could use the information to implement the work under Section D, in particular, paragraph 22, of G/TBT/5.

59. The representative of the United States urged Members to take a flexible approach to their work. She agreed that discussions should be continued on all items of the Triennial Review. She said that her delegation was not interested only in the elements that were included in the US papers (G/TBT/W/63 and 64). She thought that the elements discussed under the Triennial Review were complex, and more time would be needed in order to reach a common understanding on a number of provisions of the Agreement and how best to implement the Agreement domestically and internationally.

60. She welcomed the approach of information exchange as indicated in paragraph 7(b) and other sections of G/TBT/5. She encouraged other Members to provide information, including those relating to technical regulations, good regulatory practices, and regulatory reform. She noted that a number of

governments had undertaken economic reform programmes as a result of the financial crisis and as part of the reform packages that had been agreed with the international financial institutions. The reform involved changes in regulatory structures, procedures related to standards and the operation of the TBT Agreement. These changes while positive, might not be under the notification requirements of the Agreement. She thought that information on these positive reform practices could be beneficial for other Members, and that the Committee could take stock of these actions. She supported the proposal made by India that the Chairman would hold informal consultations with Members to seek a more structured work programme.

61. The representative of Colombia supported the approach presented by Canada. He thought it was important that the discussions of the Committee be directed to practical substantive matters. He recalled that this was the intention of the Colombian paper on flowers. He invited other Members to submit papers concerning national experiences which would serve as a basis for future discussions.

62. The representative of Mexico supported the flexible, equitable and free information exchange approaches. She thought that national experience exchange, as contributed by Colombia, Canada and the United States, provided substantive information and a better understanding of the issues. She noted that there were two types of information: (a) the provision of factual information is under paragraph 7 of G/TBT/5; and (b) information concerning substantive cases of circumstances which would serve as a basis for discussions. She thought that national experiences could be presented in the form of written submissions or orally at meetings.

63. The representative of Switzerland welcomed the contributions from Colombia, Canada and the United States, and indicated that a paper would probably be presented by her delegation. With respect to the future work programme, she supported the approach suggested by Canada. She thought that exchanging national experiences and indicating their trade impact would be useful.

64. The representative of Morocco thought that at this stage, it was premature to identify priorities. He supported the approach to start with an exchange of information and national experience. After studying the information provided, the Committee could decide on its future working methods.

65. The Committee took note of the statements made. The Chairman encouraged further contributions from Members either in written or other formats. He said that the Chairman would enter into consultations with Members on how and when to structure the Work Programme. He said that all elements considered under the First Triennial Review would be included in the agenda of the future Committee meetings.

V. STATEMENTS ON IMPLEMENTATION AND ADMINISTRATION OF THE AGREEMENT

66. The representative of Poland informed the Committee that his country continued its work to implement and make operational the national notification system. This was being done in coordination with the relevant obligations resulting from international and regional agreements. The effort aimed at acquiring membership with the European standard organizations CEN/CENELEC/ETSI, and, at the same time, not neglecting standardization cooperation at the international level. He said that his country appreciated ISO 9000 standard series as a measure for quality promotion and trade facilitation. He thought that the promotion of voluntary standardization and conformity assessment procedures with regards to PN-EN/ISO standards and ISO Guides was essential to reduce technical barriers to international trade, and might be an area for further discussions.

67. The representative of Canada drew attention to a Belgium Royal Decree F.98-453 (21 February 1998), limiting the marketing, manufacture and use of some hazardous substance - asbestos. He noted that other delegations had notified their measures on asbestos in accordance with the rules of the TBT Agreement, and expected Belgium to do the same. He drew attention to Article 2.5 of the Agreement that Members adopting technical regulations which might have a significant effect on trade of other members should, upon request of another member, explain the justification for the technical regulation in terms of provisions of Articles 2.2 and 2.4. He recalled that his authorities had met with the Belgian government on 3 March 1998 to express concerns with the recently adopted Royal Decree, and asked if the Decree would be notified and justified as provided for under Article 2.5. He sought a reply from the Belgium delegation at the meeting, or a commitment to provide the justification within 30 days.

68. The representative of Brazil said that his country was one of the countries which could be affected by the Belgian Royal Decree, and requested that the measure be notified and justified as soon as possible.

69. The representative of the European Communities said that the Belgian Royal Decree had been adopted on 3 February 1998 and would be notified in the near future to allow opportunities for comments from other Members. She explained that the Belgian Decree included provisions aimed at applying a European Communities' legislation dated 1976, and also provisions which were not covered by the Communities' legislation. She said that the latter part would be notified to the Committee under the provisions of the Agreement.

70. The representative of Canada drew attention to the provisions of the Agreement which stated that notifications should be made prior to the adoption of technical regulations.

71. The representative of the European Communities drew attention to an arrangement reached between Korea and the United States in 1995 which was a memorandum of understanding (MOU) to increase market access for foreign passenger vehicles in Korea. She noted that the MOU had not been notified according to Article 10.7 of the Agreement. She urged Members to make notifications as required under the provision of Article 10.7. She noted that the MOU provided the exemption from tests carried out in Korea to determine conformity with certain US technical specifications in the area of safety, and that the US specifications were considered to be equivalent to those prevailing in Korea. The MOU specifically stipulated that it would be applied on the basis of the "most-favoured-nation" clause. She thought that in that case, the exemption would be applied to vehicles in conformity with the US specifications, even if they were not manufactured in the United States. She recalled that steps had been taken with the Korean authorities, and welcomed the responses received. However, she thought that the information provided did not give complete assurance that the MFN clause would be fully applied. She requested from Korea, additional reassurances and the actual text of relevant documents in the near future.

72. The representative of Korea said that he would convey to his authorities the statement made by the European Communities.

73. The representative of the European Communities recalled that she had raised concerns on Mexican requirements on labelling of industrial products at the last meeting (G/TBT/M/9). The regulations included general and specific regulations relating to the food and textile sectors. She said that contacts had been made with the Mexican authorities and welcomed the replies received. However, further information and progress regarding the regulations would be needed in order to avoid any possible discriminatory treatment and unnecessary obstacles to trade. Relating to that, her authorities had addressed an additional series of comments to Mexico. She hoped that the matter would be resolved in a favourable manner in the near future. She recalled that in December 1997, her

delegation had made comments on certain Mexican regulations on labelling of leather products, and was waiting for a response from Mexico.

74. The representative of Mexico informed the Committee that her authorities had already responded to some of the questions raised by the European Communities. She explained that Mexican Official Standards NOM-050-SCFI-1994 and NOM-051-SCFI-1994 of which the European Communities had raised concerns, were prepared to establish the trade information to be displayed on domestic and foreign products for the information of Mexican consumers. A Decision had been adopted by the Ministry of Trade and Industrial Development (SECOFI) to facilitate compliance by importers with the above-mentioned regulations (published in the Diario Oficial de la Federación of 24 February 1997). The Decision had not been notified because it was not a "technical regulation" but a voluntary instrument which was not subject to any notification requirements under the Agreement.

75. She said that the two Mexican Official Standards were consistent with international standards. Standard NOM-050 (Commercial information - general provisions for products) was based on ISO Guides 14, 37 and 41. Standard NOM-051 (General specifications for the labelling of prepackaged foodstuffs and non-alcoholic beverages) was consistent with Codex standards: CODEX STAN 107-1981 and 1-1985, CAC/GL1-1979, CAC/GL2-1985 and other CODEX Guidelines - Part II.

76. Referring to the comments made by the delegation of the European Communities that the Mexican standards in question were discriminatory and created barriers to trade, she pointed out that the labelling requirements established by these Standards had been established in accordance with the principles and rules as laid down under the TBT Agreement.

77. Regarding the Resolution published in the Official Journal on 25 February 1997, amending Mexican Official Standard - NOM-004-SCFI-1994 (Commercial Information - Labelling of Textiles, Articles of Clothing and Accessories), she said the Resolution had entered into force on the day following its publication, because it did not add any new requirements to the Mexican Standard amended. It was intended to improve the drafting of the Standard and its application clearer. It did not oblige producers to make changes to the labelling of products.

78. With respect to the Mexican Standard NOM-020-SCFI-1997 (Commercial information - labelling of natural hides and tanned skins and artificial leather having the appearance of natural leather, of footwear and leather goods, and of other articles made from these materials), she noted that it had been notified to the Committee (TBT/Notif.97.611). She said that since it was the first time that it had been referred to by the European Communities, and she would transmit the comments made to her authorities.

79. The representative of the European Communities welcomed the information provided by Mexico and said that she would come back after receiving responses to the new comments made.

80. The Committee took note of the statements made.

VI. OTHER BUSINESS

81. The representative of Japan informed the Committee that the Japanese Standard Association would host a WTO/ISO/JIS Regional Seminar in autumn 1998, inviting participants from governments and standardizing bodies of Japan's neighbouring countries. The Seminar would be part of the technical assistance programme aimed at increasing the understanding of the TBT Agreement and ISO activities. He said that details of the Seminar would be announced nearer to the date of the seminar.

82. The observer of FAO informed the Committee of a new publication "FAO Technical Assistance in the Uruguay Round Agreements". He said that it contained technical assistance programmes related to food, agriculture and trade in food and agricultural products for FAO Member countries, many of which were also WTO Members.

83. The Committee took note of the statements made.

VII. ELECTION OF OFFICER

84. The Committee elected Mr. Otto Th. Genee (Netherlands) Chairman for 1998.

85. The Chairman suggested that the next meeting of the Committee be held some time before the summer break. He noted that the Committee had decided that regular meetings of persons responsible for information exchange, including persons responsible to enquiry points would be held on a biennial basis (G/TBT/1/Rev.5). He proposed that such a meeting be held in the autumn this year. He would hold informal consultations on the exact dates of the following meetings.

86. He noted that, in connection with the Ministerial Conference, it had been decided at the meeting of the General Council on 10 December 1997, that the report of the General Council to the 1998 Ministerial Conference would consist of the 1997 Annual Reports of the General Council and its subsidiary bodies together with a brief update report of the General Council concerning developments in the first months of 1998. The Secretary to each Committee had been requested to prepare, in consultation with the Chairperson of that body, a brief account reflecting work accomplished since December 1997 in that subsidiary body. This information would form part of the brief oral statement of the Chairman of the Council for Trade in Goods made at the General Council meeting scheduled for 24 April 1998.

87. The Committee took note of the statements made, and agreed to request the Secretariat to prepare a brief update report, informing the Council for Trade in Goods of the first TBT Committee meeting and the fact that the Committee had started its follow-up work programme arising from the First Triennial Review of the Operation and Implementation of the Agreement under Article 15.4.
