

WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

Established in 1952 as the Customs Co-operation Council Créée en 1952 sous le nom de Conseil de coopération douanière

HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

19th Session

NR0041E1

O. Eng.

Brussels, 15 March 1999.

PROPOSED NEW SUBHEADING FOR "GAS CONDENSATES" IN HEADING 27.09

(Item II.A.16 on Agenda)

Reference documents :

42.241 (RSC/18) 42.500 Annex B/9 (RSC/18 - Report) 42.763 (SSC/14) 42.826 (SSC/14) 42.830 (SSC/14) 42.850 Annex A/10 (SSC/14 - Report) NR0016 (RSC/19)

I. BACKGROUND

1. On 9 March 1999, the Secretariat received the following note from the Canadian Administration concerning proposed new subheadings for "gas condensates" in heading 27.09.

II. NOTE FROM CANADA

2. "...This subject is very complex and difficult and should not be resolved at the upcoming 19th Session of the Review Sub-Committee because there is not enough information to draft the appropriate Explanatory Notes to cover these products. The proposal of the 14th Session of the Scientific Sub-Committee is the result of data which covers the "gas condensates" given by the Chinese Administration. Other knowledgeable countries should be asked to provide additional information before Explanatory Notes are drafted.

File No. 2735

For reasons of economy, documents are printed in limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.

NR0041E1

3. In this respect, another useful piece of information would be the amount of natural gas condensate produced with respect to the amount of natural gas produced. If the condensation only removes a very small amount (a few percent) of condensate compared to the natural gas, then it may be appropriate to consider that the process of removal is a minor one analogous to the stabilisation of petroleum oil. This would suggest that the condensate is a product of 27.09. If, however, large amounts of material are removed through this process, the process may be seen to be more analogous to the "topping" of petroleum as discussed in heading 27.10. This would suggest that the condensate is more akin to a product of heading 27.10...".

III. CONCLUSION

4. The Sub-Committee is invited to take account of the above comments by the Canadian Administration when examining this Agenda item.

2.