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HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

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POSSIBLE AMENDMENT OF CHAPTER 39 TO PROVIDE SEPARATELY FOR HYGIENIC ARTICLES OF PLASTICS (PROPOSAL BY THE EGYPTIAN ADMINISTRATION)

(Item III.B.4 on Agenda)

I. BACKGROUND

1. During the HS seminar held in Egypt in April 2001, the Egyptian Administration proposed that hygienic or pharmaceutical articles of plastics should be separately identified in Chapter 39 by creating a new heading similar to that used in Chapter 40 (heading 40.14) for hygienic or pharmaceutical articles of rubber. The Secretariat was therefore requested to forward this proposal to the HS Review Sub-Committee for its consideration.

II. SECRETARIAT COMMENTS

- The Secretariat would first like to draw the attention of the Sub-Committee to the fact that the threshold for the creation or deletion of subheadings was increased from US\$ 20 million to US\$ 50 million for future amendments, although no reference was made to the threshold for headings (US\$ 100 million) (see Annex F/1 (paragraph 6) to Doc. NC0250E2 - HSC/25 - Report).
- 3. In the context of the Egyptian proposal to create a new heading for hygienic or pharmaceutical articles of plastics, the Secretariat notes that similar provisions already exist in Chapters 40 and 70. At the same time the Secretariat notes that similar provisions do <u>not</u> exist in areas such as textiles (Chapter 62) or ceramics (Chapter 69).
- 4. The text of heading 40.14 refers to hygienic or pharmaceutical articles (including teats), of vulcanised rubber <u>other than hard rubber</u>, with or without fittings of hard rubber. The Explanatory Note to heading 40.14 (page 645) indicates that this heading covers goods of vulcanised rubber other than hard rubber (with or without fittings of hard rubber or other materials), of the kind used for hygienic or prophylactic purposes. It therefore covers, *inter alia*, sheath contraceptives, cannulas, syringes and bulbs for syringes, vaporisers, droppers,

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etc., teats, nipple shields, ice-bags, hot-water bottles, oxygen bags, finger-stalls, pneumatic cushions specialised for nursing (e.g., ring-type).

- 5. On the other hand, articles of hard rubber are covered by heading 40.17. The text of heading 40.17 does not refer to hygienic or pharmaceutical articles. Nevertheless, the Explanatory Note to this heading indicates that the heading covers <u>sanitary and hygienic</u> articles (page 648). The Secretariat notes that the Egyptian proposal has not indicated any consideration to separately identify hygienic or pharmaceutical articles of hard rubber classifiable in this heading. The Secretariat assumes that this could be due to insignificant trade of such products.
- 6. It should also be noted that heading 40.14 does not include clothing or clothing accessories (e.g., <u>surgeons' and radiologists' aprons and gloves</u>). They are covered by heading 40.15 where the heading text refers to articles of apparel and clothing accessories (including gloves), for all purposes, of vulcanised rubber other than hard rubber. Furthermore, subheading 4015.11 specifically refers to surgical gloves. A similar text could be noted in the text of subheading 3926.20 for articles of plastics.
- 7. With regard to glassware, the text of heading 70.17 refers to hygienic or pharmaceutical glassware. The Explanatory Note to this heading indicates that the expression "hygienic or pharmaceutical glassware" refers to articles of general use not requiring the services of a practitioner. The heading therefore covers, *inter alia*, nozzles, (for syringes, enemas etc.), urinals, bed pans, chamber pots, spittoons, cupping-glasses, breast-relievers (with or without rubber bulb), eye-baths, inhalers and tongue depressors. Spools for winding surgical catgut are also included.
- 8. Taking note of the above mentioned hygienic or pharmaceutical articles of rubber and glassware covered by different headings of Chapters 40 and 70, the Secretariat feels it reasonable to propose that similar articles of plastics, which appear to be currently classifiable in subheading 3926.90 could be separately identified in a new heading or subheading subject to meeting the criteria as mentioned in paragraph 2 above.
- 9. According to the information available to the Secretariat from UNSD, estimated world imports in terms of value for 1996-1998 in respect of subheading 3926.90, which covers not only hygienic or pharmaceutical articles of plastics but also other various articles, is as follows :

| Year | Subheading 3926.90 (in US\$ million) |
|------|---|
| 1996 | 13809.5 |
| 1997 | 15493.8 |
| 1998 | 15182.8 |

10. However, it should be noted that specific statistics of hygienic or pharmaceutical articles covered by subheading 3926.90 are not available to the Secretariat. Furthermore, the Secretariat does not have any information as to what kind of hygienic or pharmaceutical articles of plastics exist in the market. Administrations are invited to express their views in this regard.

11. The Secretariat further feels that if creation of a new heading or subheading in Chapter 39 is to be justified, subheading 3926.20 which covers articles of apparel and clothing accessories (including gloves, mittens and mitts) should also be redrafted in the same manner as heading 40.15 by adding "for all purposes", in order to be consistent with Chapter 40.

III. CONCLUSION

12. The Sub-Committee is invited to examine the proposal of the Egyptian Administration, taking account of the comments of the Secretariat in paragraphs 2 to 11 above.