



HARMONIZED SYSTEM
COMMITTEE

-
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O. Eng.

Brussels, 16 March 2000.

DRAFT RECOMMENDATION OF THE CUSTOMS CO-OPERATION COUNCIL
CONCERNING ARTISANAL PRODUCTS

(Item IV.1 on Agenda)

Reference documents :

41.333 (RSC/16)	NR0045E2 Annexes C/2 and D/25 (RSC/19 – Report)
41.580 Annex C/2 (RSC/16 - Report)	NC0017E1 Paras. 99 to 105 (HSC/23)
41.803 (RSC/17)	NC0090E2 Annex F/1, Paras. 96 to 101 (HSC/23 – Report)
41.920 (RSC/17 - Report)	NC0103E1 (HSC/24)
42.234 (RSC/18)	NC0160E2 Annex D/1 (HSC/24 – Report)
42.500 Annex C/2 (RSC/18 - Report)	NC0179E1 (HSC/25)
NR0028E1 (RSC/19)	NC0239E1 (HSC/25)

1. On 2 March 2000, the Secretariat received the following note from the International Trade Centre (ITC) concerning artisanal products.

I. NOTE FROM THE ITC

2. "... We feel that, at this point in time, we are at a crossroads towards a favourable outcome for the international craft sector and trade, particularly in relation to the needs of our partner countries. We are pleased to support the views expressed by the WCO Secretariat in its working document (Doc. NC0179E1). In line with them and in reply to your invitation for ITC comments, we would like to offer the enclosed proposal for consideration by the HSC at its next session.
3. The two main ITC comments are as follows.
4. While the definition of artisanal products for codification purposes at national level should be left to the discretion of individual administrations, the draft Recommendation should include a broad definition outline¹, as an indicative reference. (This general guideline might facilitate future harmonization at regional or international level).

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5. To ensure the acceptance of the Recommendation, its application through adopting either the totality or part, or even an increased number of subdivisions, should be tailor-made to the requirements of the individual administrations, and thus be left to their discretion. (HS Contracting Parties and user countries should inform WCO of their acceptance, as well as of the derived subdivisions in their statistical nomenclatures).
6. On the basis of the above, the ITC proposes the following amendments to the draft text of the Recommendation :
- (a) Insert [after subparagraph (1)] : **The following broad definition outline is given as an indicative reference : “Artisanal products are those produced by artisans², either completely by hand, or with the help of hand-tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. These are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant”.**
 - (b) Replace subparagraph (3) by : **insert as many as possible of the following additional subdivisions in their statistical nomenclatures, or even further as required, as soon as possible.**

¹ There is no universally acceptable definition for artisanal products due to the many variables involved and the different purposes for which it may be sought. The definition outline proposed under paragraph (a) above, broad enough to be applied to the wide range of world's crafts, was adopted by 44 countries participating in the UNESCO/ITC International Symposium on “Crafts and the International Market : Trade and Customs Codification” (Manila, 1997). Servicing crafts (including installation, maintenance or repair) fall outside the focus of this definition.

² Artisans can be basically defined as persons who carry out a manual work on their own account, often helped by family members, friend and apprentices, even workers, with whom they constantly keep personal contacts, which generate a community of intellect and attachment to the craft.

In order to encompass all those enterprises which can contribute to attaining the development objectives of the sector, the above definition on artisans should be made flexible so as to cover those artisan entrepreneurs who : (i) although not actively participating themselves in production, specialise in research, market negotiations or product design and conception; (ii) also make use of machine tools or even other machinery, yet not affecting the artisanal nature of the work and the production process; (iii) beyond the usual cottage or artisan unit, have associated in co-operatives or any other form of organisation (even informal); (iv) manage or form part of micro-, small- or medium-sized enterprises concerned with artisanal production.”

II. SECRETARIAT COMMENTS

7. The ITC, while agreeing with the WCO Secretariat, proposes two modifications to the penultimate paragraph of the draft Recommendation set out in the Annex to Doc. NC0179E1 for the following reasons :
- (a) Inclusion of a **broad** definition of “hand-made” products in the Recommendation as a basis for the definitions to be made by the WCO Members, HS Contracting Parties and users of HS-based statistical nomenclatures; and
 - (b) Insertion in their statistical nomenclatures of as many as possible of the additional subdivisions listed in the Recommendation, and **even more** than those subdivisions if it is found necessary by individual administrations in the context of their national schemes.

8. In connection with its definition of “artisanal” products, the ITC also introduces a definition of “artisans” as well.

Definition

9. The definition drafted by the Secretariat on the basis of the ITC definition is once again reproduced below for ease of reference (see paragraph 3 to Doc. NC0103E1) :

"Hand-made" products of this [Section] [Chapter] are produced by craftsmen either entirely by hand or by using tools held in the hand or by machines powered by hand or foot or any combination thereof, but not by sophisticated machines or by moulding. Such products have forms or decorations that are traditionally used by the indigenous people of the country of manufacture and may be utilitarian, but obtain their essential characteristics from their artistic, cultural or religious features. They have general distinguishing features such as an irregular, imperfect or non-uniform appearance in terms of size, dimension, shape, pattern, texture, thickness, motif, colour, shade, etc., as compared to their "machine-made" counterparts, and may reveal certain traditional or aboriginal techniques of manufacture on visual examination. Hand-made products are normally accompanied by documentary evidence regarding their hand-made nature, certified by competent authorities of the exporting country."

10. The definition proposed by the ITC (see paragraph 6 (a) above) is clearly broader than the definition given in the above paragraph.
11. It should be noted in this regard that the Secretariat's intention was to provide administrations as much flexibility as possible in respect of defining “hand-made” products by simply stating in item (1) of the penultimate paragraph of the draft Recommendation “... lay down, in their statistical nomenclatures, a definition of “hand-made” products...”. The Secretariat neither proposes a definition nor has an objection to the insertion of any one of the aforementioned definitions in the draft Recommendation.
12. However, the Secretariat is opposed to the introduction of the definition of “artisans” in the draft Recommendation, believing that it might complicate the matter further.
13. The Committee is requested to express its views.

Number of subdivisions

14. By proposing the expression "... but not than 90 percent thereof" in item (3) of the penultimate paragraph of the draft Recommendation, the Secretariat in fact intends to facilitate the acceptance of the draft Recommendation. The ITC is of the view that flexibility as to the insertion of additional subdivisions in national statistical nomenclatures should also be provided to administrations. The Secretariat has no objection to this proposal.
15. The Committee is requested to express its views.

On the basis of its conclusions on the above points, the Committee might wish to examine the following alternative text to the text proposed in paragraph 13 of Doc. NC0179E1 for the penultimate paragraph of the draft Recommendation.

"RECOMMENDS that Member administrations, Contracting Parties to the Harmonized System Convention and countries using Harmonized System-based statistical nomenclatures take all appropriate action to :

- (1) lay down, in their statistical nomenclatures, a definition of "hand-made" products on the basis of the following general definition :

[Hand-made products are those produced by artisans, either completely by hand, or with the help of hand-tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Hand-made products are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of hand-made products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant.]

or

[Hand-made products are produced by craftsmen either entirely by hand or by using tools held in the hand or by machines powered by hand or foot or any combination thereof, but not by sophisticated machines or by moulding. Such products have forms or decorations that are traditionally used by the indigenous people of the country of manufacture and may be utilitarian, but obtain their essential characteristics from their artistic, cultural or religious features. They have general distinguishing features such as an irregular, imperfect or non-uniform appearance in terms of size, dimension, shape, pattern, texture, thickness, motif, colour, shade, etc., as compared to their "machine-made" counterparts, and may reveal certain traditional or aboriginal techniques of manufacture on visual examination.]

- (2) lay down, in their statistical nomenclatures, provisions in respect of the certification of "hand-made" products as such, if they deem it necessary; and
- (3) insert in their statistical nomenclatures as soon as possible as many of the following additional subdivisions as possible, and even further subdivisions for hand-made products, if they deem it necessary :"

III. CONCLUSIONS

16. The Committee is invited to take into account the ITC proposals and the respective Secretariat comments and alternative proposals above while examining the draft Council Recommendation concerning hand-made products.
