



HARMONIZED SYSTEM  
COMMITTEE

-  
24th Session  
-

NC0103E1

O. Eng.

Brussels, 9 August 1999.

POSSIBLE NEW COUNCIL RECOMMENDATION  
CONCERNING ARTISANAL PRODUCTS

(Item IV.1 on Agenda)

Reference documents :

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

I. BACKGROUND

1. The Review Sub-Committee, at its 16<sup>th</sup> to 19<sup>th</sup> Sessions, examined a proposal by the International Trade Centre (ITC) for the separate identification of artisanal products in the HS based on the following arguments :
  - (i) Artisanal products represented a significant share of trade and tourism revenues for least developed and lower income countries;
  - (ii) They, however, were not visible in international trade nomenclatures;
  - (iii) It was, therefore, not possible to assess the volume, share or trends of artisanal products in international trade; and
  - (iv) In order to obtain data to formulate suitable trade promotion strategies at national, regional and international levels, it was necessary to give separate status to such products in the HS.

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2. At its 19<sup>th</sup> Session, the Review Sub-Committee concluded as follows :

- (i) Acceptance of the proposed breakouts was contingent upon development of internationally acceptable solutions to the questions of :
  - (a) the definition of “hand-made” products for HS purposes;
  - (b) criteria for distinguishing such products from their “machine-made” counterparts; and
  - (c) establishment of a certification scheme.

Therefore, the Sub-Committee agreed that the draft nomenclature amendments in Annex II to the working document (Doc. NR0028E1) should be placed in square brackets and be submitted to the Harmonized System Committee for a final decision.

- (ii) The text drafted by the Secretariat for the definition of “hand-made” products for HS purposes was perhaps the best definition possible on the basis of the information available so far, but many elements of that definition (e.g., “tools” permitted to be used, “sophisticated” machines, “moulding”, “traditional or aboriginal” techniques, etc.) were in need of further clarification. It was therefore agreed that this definition should be submitted to the Harmonized System Committee in square brackets.
- (iii) The question of finding technical product-specific criteria for distinguishing “hand-made” products from “machine-made” products had not yet been solved.
- (iv) Any step towards the separate identification of “hand-made” products for Customs purposes had to be supported by a certification scheme. However, it was not yet clear enough whether such a certification scheme should be left to the discretion of individual administrations or be based on an internationally accepted procedure.
- (v) There was, however, considerable support in respect of the Secretariat proposal for drafting a WCO Recommendation inviting Members to structure their national tariff/statistical nomenclatures so that they could establish separate subdivisions for “hand-made” products, since such a recommendation had several advantages :
  - (a) it could be implemented before the entry into force of the next HS amendments;
  - (b) it might be made broad enough to cover not only the products covered by the break-outs drafted (in Annex II to Doc. NR0028E1) but also other hand-made products covered by the original ITC proposal;
  - (c) it might provide justification to the administrations which had already provided national subheadings for “hand-made” products in their Customs tariff/statistical nomenclatures; and
  - (d) it might be a sound first step for collecting data on “hand-made” products before taking any further action in respect of their separate identification in the HS in the next review cycle.

(vi) It was also pointed out that the definition of “hand-made” products and the certification procedure concerning such products could be made part of such a WCO Recommendation or might be dealt with separately.

3. The text referred to in paragraph 2 (ii) above (definition of “hand-made” products) is reproduced below :

["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.]

4. At its 23<sup>rd</sup> Session, the Committee examined the texts submitted by the Review Sub-Committee.

5. There was strong moral support to do something with regard to artisanal products. Many delegates stressed the importance of artisanal products in the economies of their countries and reiterated their support for the proposed amendments. However, several delegates mentioned some of the problems with the proposed amendments (e.g., definitions of terms such as “craftsman”, how to determine if a product was made “entirely by hand”).

6. The Secretariat indicated that perhaps the Committee should look to a Council Recommendation. This would give the Committee more time to look into further proposals while, at the same time, providing administrations with flexibility and the ITC with the necessary statistics on the goods in question.

7. There was substantial support for a Council Recommendation. The Committee decided to follow this option and to set aside the Article 16 amendments. The Secretariat was instructed to work on a new Council Recommendation concerning artisanal products, inviting members to work towards the recognition of these products in their statistical nomenclatures.

## II. SECRETARIAT'S ACTION AND COMMENTS

8. Acting on the Committee's instruction, the Secretariat has prepared the draft Council Recommendation set out in the Annex to this document.

9. It should be noted that the Review Sub-Committee at its 19<sup>th</sup> Session noted that (a) the draft Recommendation under consideration might be made broad enough to cover all hand-made products covered by the original ITC proposal and (b) the definition of “hand-made” products and the certification procedure concerning such products could be made part of such a Recommendation or might be dealt with separately.

10. However, the Committee at its 23<sup>rd</sup> Session did not express any firm opinion in this regard.
11. Therefore, the Secretariat prepared the list of subheadings included in the draft Recommendation on basis of the original ITC proposal (see Annex III to Doc. 42.234).
12. Regarding the definition of “hand-made” products (reproduced in paragraph 3 above for ease of reference), since several delegates were concerned about some problems associated therewith (e.g., definition of “craftsmen” or “entirely by hand”), the Secretariat leaves it to the Committee as to whether this definition should be incorporated in the draft Recommendation.
13. In respect of a possible international certification scheme, the ITC proposal and the comments by administrations were given in paragraphs 43 to 47 of Doc. NR0028E1. The Secretariat questions whether this issue can be addressed by the WCO. It would appear to be an issue which should be resolved by the appropriate international standardization agencies.

### III. CONCLUSIONS

14. The Committee is invited to examine the draft WCO Recommendation set out in the Annex to this document, taking into account the above information and the Secretariat comments.
15. The Committee is also requested to express its views as to whether the “definition” of hand-made products and any reference to a possible international “certification” procedure concerning such products should be made part of the draft Recommendation.

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Annexe au Doc. NC0103B1  
Annex to

(CSH/24/oct 99)  
(HSC/24/Oct 99)

ANNEXE

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ANNEX

DRAFT RECOMMENDATION OF THE CUSTOMS CO-OPERATION COUNCIL\*  
ON THE INSERTION IN NATIONAL STATISTICAL NOMENCLATURES OF  
SUBHEADINGS TO FACILITATE THE COLLECTION AND COMPARISON OF  
TRADE DATA ON HAND-MADE PRODUCTS

(date)

\* Le Conseil de coopération douanière est le nom officiel de l'Organisation mondiale des douanes  
\* The Customs Co-operation Council is the official name of the World Customs Organization



Position 42.01

- - - Fabriqués à la main
- - - Autres

Sous-position 4202.11

- - - Fabriqués à la main
- - - Autres

Sous-position 4202.21

- - - Fabriqués à la main
- - - Autres

Position 44.19

- - - Fabriqués à la main
- - - Autres





DRAFT RECOMMENDATION OF THE CUSTOMS CO-OPERATION COUNCIL\*  
ON THE INSERTION IN NATIONAL STATISTICAL NOMENCLATURES OF  
SUBHEADINGS TO FACILITATE THE COLLECTION AND COMPARISON OF  
TRADE DATA ON HAND-MADE PRODUCTS

(date)

THE CUSTOMS CO-OPERATION COUNCIL,

NOTING that the Harmonized System has been widely adopted by countries and Customs or economic unions,

RECOGNIZING that hand-made products represent a significant share of trade and tourism revenues for developing countries as well as developed countries,

CONSIDERING that hand-made products have not been separately identified in the Harmonized System,

TAKING INTO ACCOUNT the request by the International Trade Centre (UNCTAD/WTO) for collection and comparison of trade data on hand-made products with a view to formulating trade promotion strategies at international level for such products,

RECOMMENDS that Member administrations, Contracting Parties to the Harmonized System Convention and countries using Harmonized System-based statistical nomenclatures take all appropriate action to insert the following additional subdivisions in their statistical nomenclatures as soon as possible :

Heading 42.01

- - - Hand-made
- - - Other

Subheading 4202.11

- - - Hand-made
- - - Other

Subheading 4202.21

- - - Hand-made
- - - Other

Heading 44.19

- - - Hand-made
- - - Other

Sous-position 4420.10

- - - Fabriqués à la main
- - - Autres

Sous-position 4602.10

- - - Fabriqués à la main
- - - Autres

Sous-position 6302.10

- - - Fabriqués à la main
- - - Autres

Sous-position 6302.40

- - - Fabriqués à la main
- - - Autres

Position 65.04

- - - Fabriqués à la main
- - - Autres

Sous-position 6702.90

- - - Fabriqués à la main
- - - Autres

Position 69.12

- - - Fabriqués à la main
- - - Autres

Sous-position 6913.90

- - - Fabriqués à la main
- - - Autres

Sous-position 7013.10

- - - Fabriqués à la main
- - - Autres



Subheading 4420.10

- - - Hand-made
- - - Other

Subheading 4602.10

- - - Hand-made
- - - Other
- 

Subheading 6302.10

- - - Hand-made
- - - Other

Subheading 6302.40

- - - Hand-made
- - - Other

Heading 65.04

- - - Hand-made
- - - Other

Subheading 6702.90

- - - Hand-made
- - - Other

Heading 69.12

- - - Hand-made
- - - Other

Subheading 6913.90

- - - Hand-made
- - - Other

Subheading 7013.10

- - - Hand-made
- - - Other

Sous-position 7018.10

- - - Fabriqués à la main
- - - Autres

Sous-position 7113.11

- - - Fabriqués à la main
- - - Autres

Sous-position 7113.19

- - - Fabriqués à la main
- - - Autres

Sous-position 7114.11

- - - Fabriqués à la main
- - - Autres

Sous-position 7114.19

- - - Fabriqués à la main
- - - Autres

Sous-position 7116.10

- - - Fabriqués à la main
- - - Autres

Sous-position 7116.20

- - - Fabriqués à la main
- - - Autres

Sous-position 7117.19

- - - Fabriqués à la main
- - - Autres



Subheading 7018.10

- - - Hand-made
- - - Other

Subheading 7113.11

- - - Hand-made
- - - Other

Subheading 7113.19

- - - Hand-made
- - - Other

Subheading 7114.11

- - - Hand-made
- - - Other

Subheading 7114.19

- - - Hand-made
- - - Other

Subheading 7116.10

- - - Hand-made
- - - Other

Subheading 7116.20

- - - Hand-made
- - - Other

Subheading 7117.19

- - - Hand-made
- - - Other

Sous-position 7117.90

- - - Fabriqués à la main
- - - Autres

Sous-position 8306.10

- - - Fabriqués à la main
- - - Autres

Sous-position 8306.29

- - - Fabriqués à la main
- - - Autres

Sous-position 8306.30

- - - Fabriqués à la main
- - - Autres

Position 92.06

- - - Fabriqués à la main
- - - Autres

Sous-position 9401.50

- - - Fabriqués à la main
- - - Autres

Sous-position 9403.80

- - - Fabriqués à la main
- - - Autres

Sous-position 9502.10

- - - Fabriqués à la main
- - - Autres

Sous-position 9503.30

- - - Fabriqués à la main
- - - Autres





Subheading 7117.90

- - - Hand-made
- - - Other

Subheading 8306.10

- - - Hand-made
- - - Other

Subheading 8306.29

- - - Hand-made
- - - Other

Subheading 8306.30

- - - Hand-made
- - - Other

Heading 92.06

- - - Hand-made
- - - Other

Subheading 9401.50

- - - Hand-made
- - - Other

Subheading 9403.80

- - - Hand-made
- - - Other

Subheading 9502.10

- - - Hand-made
- - - Other

Subheading 9503.30

- - - Hand-made
- - - Other

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Sous-position 9503.41

- - - Fabriqués à la main
- - - Autres

Sous-position 9503.49

- - - Fabriqués à la main
- - - Autres

Sous-position 9503.60

- - - Fabriqués à la main
- - - Autres

Sous-position 9505.10

- - - Fabriqués à la main
- - - Autres

Position 96.02

- - - Fabriqués à la main
- - - Autres

et

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Subheading 9503.41

- - - Hand-made
- - - Other

Subheading 9503.49

- - - Hand-made
- - - Other

Subheading 9503.60

- - - Hand-made
- - - Other

Subheading 9505.10

- - - Hand-made
- - - Other

Heading 96.02

- - - Hand-made
- - - Other

and

REQUESTS Member Administrations and Contracting Parties to the Harmonized System Convention to notify the Secretary General of their acceptance of this Recommendation and of the date of its application.

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