



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
28th Session
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NR0455E1
(+ Annex)

O. Fr.

Brussels, 9 July 2003

POSSIBLE AMENDMENT OF THE TEXT OF HEADING 84.56
(PROPOSAL BY THE CROATIAN ADMINISTRATION)

(Item III.B.11 on Agenda)

I. BACKGROUND

1. On 20 June 2003, the Secretariat received a note from the **Croatian** Administration, containing a proposal to amend the Nomenclature within the framework of the 3rd HS review cycle.
2. In this connection, the **Croatian** Administration points out that there is now a new category of machine-tools which use a jet of water to cut metal. The administration notes that this process is not mentioned in the text of heading 84.56. As that heading text constitutes an exhaustive list, the **Croatian** Administration concludes that the scope of heading 84.56 cannot be extended to cover machine-tools operated by water jet, even though they fulfil a function similar to that of the other machine-tools of this heading. The administration takes the view that in the texts as they now stand, machine-tools operated by water jet fall to be classified in heading 84.79, which is a residual heading for machines and mechanical appliances having individual functions, not specified or included elsewhere in Chapter 84.

II. SECRETARIAT COMMENTS

3. The Secretariat agrees with the **Croatian** Administration that the text of heading 84.56 contains a restrictive list of processes which are permitted for the purposes of that heading, namely the following seven processes : laser or other light or photon beam, ultrasound, electro-discharge, electro-chemical, electron beam, ionic beam or plasma arc.

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4. Given these circumstances, the Secretariat could support the **Croatian** Administration's proposal that the list of processes reproduced in the text of heading 84.56 be updated to reflect new technologies.
5. The text proposed by the **Croatian** Administration is reproduced in the Annex to this document.
6. The Secretariat takes the view that machine-tools operated by water jet should not be given separate status at subheading level, in the absence of statistical data concerning the volume of international trade in this new type of machine-tool. In practice, this would mean that these new machine-tools would fall in subheading "8456.99 -- Other".

III. CONCLUSION

7. The Sub-Committee is invited to :
 - (1) examine the **Croatian** proposal to extend the scope of heading 84.56 to machine-tools for cutting metals which are operated by water jet;
 - (2) examine the texts proposed for this purpose by **Croatia**, in the light of the comments set out above.

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