



HARMONIZED SYSTEM
COMMITTEE

-
25th Session
-

NC0179E1

O. Eng.

Brussels, 4 February 2000.

DRAFT RECOMMENDATION OF THE CUSTOMS CO-OPERATION COUNCIL
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)	NC0103E1 (HSC/24)
42.500 Annex C/2 (RSC/18 - Report)	NC0160E2 Annex D/1 (HSC/24 – Report)

I. BACKGROUND

1. At its 24th Session, the Committee examined a draft Council Recommendation concerning artisanal products.
2. The Observer for the ITC urged that the definition of artisanal products be made a part of the draft Recommendation and the issue of an international certification attesting to the artisanal nature of traded goods should also be mentioned therein to help clarify the definition itself whenever doubts as to that nature might arise. She added that the proposed definition was open to modification for HS purposes.
3. As to the feasibility of a possible Recommendation, several delegates pointed out that world trade in “hand-made” products was considerable and identifying such products and collecting statistics thereon to formulate trade promotion strategies was important not only for developing countries but also developed countries. Therefore, in principle, they supported the idea of drafting a Council Recommendation on “hand-made” products.
4. However, the following concerns were expressed :

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- (a) the definition of “hand-made” products drafted by the Secretariat and reproduced in paragraph 3 of Doc. NC0103E1 was not sufficiently clear so that all administrations could uniformly apply it to identify such products;
 - (b) the identification of certain “hand-made” products included in the proposed list of breakouts could be very difficult. It would therefore be necessary to develop some objective criteria to distinguish such products from their machine-made counterparts (e.g., criteria similar to those established in the Subheading Explanatory Note to subheadings 5804.21, 5804.29 and 5804.30 (page 879) to distinguish mechanically made lace from hand-made lace);
 - (c) the WCO could not act as an international certification organization. The Committee could draft the Recommendation with or without reference to an international certification scheme and, if necessary, questions relating to certification procedure could be left to the discretion of individual administrations. However, the ITC could continue to work on formulating an international certification scheme; and
 - (d) on the basis of the definition of “hand-made” products to be developed, the proposed list of subheadings included in the Annex to the draft Recommendation had to be carefully checked. Depending on the needs of administrations, the list could be modified.
5. After this discussion, administrations were invited to submit to the Secretariat their comments and proposals in respect of (i) the definition of “hand-made” products for HS purposes, (ii) possible objective criteria for distinguishing “hand-made” products from those mechanically made, (iii) possible additions to and/or deletions from the list of subheadings in the Annex to the draft Recommendation and (iv) the possibility of including a reference to an international certification scheme in the draft Recommendation. The Secretariat was instructed to prepare a new document on this basis for examination by the Committee at its next session.

II. SECRETARIAT COMMENTS

6. By the time of the preparation of this document, the Secretariat had not received any comments or proposals from administrations in respect of the points listed in the previous paragraph.
7. On the basis of the discussions held in the Review Sub-Committee and the Committee so far, the Secretariat would request the Committee to consider the following points while examining the draft Council Recommendation as proposed.
8. The original intention of the ITC proposal was to give a separate status to artisanal products in the HS in order to obtain data to formulate suitable trade promotion strategies for such products. In fact, both the Review Sub-Committee and the Committee recognised the importance of trade in artisanal products for the economies of not only developing but also developed countries. It should also be borne in mind that national trade regulations and Customs tariffs of many HS Contracting Parties currently contain some specific provisions regarding trade in artisanal or hand-made products.

9. Therefore, adoption of the draft Recommendation would not only help such Members further improve their existing schemes or other Members develop their own schemes, but also be in line with the WCO Strategic Plan which envisages the establishment of co-operative relationships with international and other organizations to promote the role of the WCO in protecting national and regional economic, social and environmental interests.
10. The Committee at its last session could not reach a consensus on the definition of "hand-made" products submitted by the Review Sub-Committee. The Secretariat shares the concerns expressed at the 24th Session of the Committee in respect of that definition. It should be recognized, nevertheless, that a number of administrations have subdivisions for "hand-made" products in their existing statistical nomenclatures and have defined that expression for their purposes. The Secretariat therefore feels that the definition of "hand-made" products should be left to the discretion of individual administrations. A reference to this option could be included in the draft Recommendation.
11. The Secretariat also agrees with the view that the WCO could not act as an international certification organization and that questions relating to certification procedure should be left to the discretion of individual administrations. However, a reference to this concept could also be inserted in the draft Recommendation, taking into account the fact that the existing preferential schemes of Member administrations already contain certain provisions in this respect.
12. Finally, the Secretariat would recommend that in order to encourage the acceptance of the Recommendation and to provide administrations with some flexibility, a 90% acceptance criterion be included in the draft Recommendation in accordance with the practice with regard to other recent Council recommendations.
13. On the basis of the foregoing, the Secretariat proposes that the "RECOMMENDS" paragraph of the draft Recommendation in the Annex to Doc. NC0103B1 be replaced by the following text :
- "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 ;
 - (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 the following additional subdivisions in their statistical nomenclatures as soon possible, employing as many of the additional subdivisions as possible, but not less than 90 percent thereof ."
14. The revised draft Recommendation is set out in the Annex to this document.

III. CONCLUSIONS

15. Taking into account the Secretariat comments, the Committee is invited to express its views as to the Secretariat proposal made in paragraphs 10 to 13 above and to examine the draft Recommendation set out in the Annex to this document.

* * *

(CSH/25/mars 2000)
(HSC/25/March 2000)

ANNEXE

PROJET DE RECOMMANDATION DU CONSEIL DE COOPERATION DOUANIERE*
RELATIVE A L'INSERTION DANS LES NOMENCLATURES STATISTIQUES
NATIONALES DE SOUS-POSITIONS DESTINEES A FACILITER LE RECUEIL ET
LA COMPARAISON DE DONNEES COMMERCIALES CONCERNANT
LES PRODUITS FABRIQUES A LA MAIN

(date)

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

PROJET DE RECOMMANDATION DU CONSEIL DE COOPERATION DOUANIÈRE *
RELATIVE A L'INSERTION DANS LES NOMENCLATURES STATISTIQUES
NATIONALES DE SOUS-POSITIONS DESTINEES A FACILITER LE RECUEIL ET
LA COMPARAISON DE DONNEES COMMERCIALES CONCERNANT
LES PRODUITS FABRIQUES A LA MAIN

(date)

LE CONSEIL DE COOPERATION DOUANIÈRE,

PRENANT ACTE que le Système harmonisé a été largement adopté par les pays et les Unions douanières ou économiques,

RECONNAISSANT que les produits fabriqués à la main représentent une part significative des recettes du commerce et du tourisme tant pour les pays en développement que pour les pays développés,

CONSIDERANT que les produits fabriqués à la main n'ont pas été spécialisés dans le Système harmonisé,

TENANT COMPTE de la demande du Centre du commerce international (CNUCED/OMC) visant à recueillir et à comparer les données commerciales concernant les produits fabriqués à la main dans le but d'élaborer des stratégies de promotion commerciale pour ces produits à l'échelon international,

RECOMMANDE aux administrations membres, aux Parties contractantes à la Convention sur le Système harmonisé et aux pays qui utilisent des nomenclatures statistiques reposant sur le Système harmonisé de prendre toutes les mesures utiles pour :

- 1) inclure, dans leurs nomenclatures statistiques, une définition des produits "artisansaux" ;
- 2) inclure, dans leurs nomenclatures statistiques, des dispositions relatives à la certification des produits "artisansaux" en tant que tels, si cela est jugé nécessaire; et
- 3) ajouter dès que possible dans leurs nomenclatures statistiques les nouvelles sous-positions ci-après, en utilisant autant de subdivisions supplémentaires que possible, mais pas moins de 90 % :

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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 the 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 :

- (1) lay down, in their statistical nomenclatures, a definition of "hand-made" products;
- (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 the following additional subdivisions in their statistical nomenclatures, as soon as possible, employing as many of the additional subdivisions as possible, but not less than 90 percent thereof :

* The Customs Co-operation Council is the official name of the World Customs Organization.

N° 42.01

- - - Fabriqués à la main
- - - Autres

N° 4202.11

- - - Fabriqués à la main
- - - Autres

N° 4202.21

- - - Fabriqués à la main
- - - Autres

N° 44.19

- - - Fabriqués à la main
- - - Autres

N° 4420.10

- - - Fabriqués à la main
- - - Autres

N° 4602.10

- - - Fabriqués à la main
- - - Autres

N° 6302.10

- - - Fabriqués à la main
- - - Autres

N° 6302.40

- - - Fabriqués à la main
- - - Autres

N° 65.04

- - - Fabriqués à la main
- - - Autres

Heading 42.01

- - - Hand-made
- - - Other

Subheading 4202.11

- - - Hand-made
- - - Other

Subheading 4202.21

- - - Hand-made
- - - Other

Heading 44.19

- - - Hand-made
- - - Other

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

Annexe au doc. NC0179B1
(CSH/25/mars 2000)

N° 6702.90

- - - Fabriqués à la main
- - - Autres

N° 69.12

- - - Fabriqués à la main
- - - Autres

N° 6913.90

- - - Fabriqués à la main
- - - Autres

N° 7013.10

- - - Fabriqués à la main
- - - Autres

N° 7018.10

- - - Fabriqués à la main
- - - Autres

N° 7113.11

- - - Fabriqués à la main
- - - Autres

N° 7113.19

- - - Fabriqués à la main
- - - Autres

N° 7114.11

- - - Fabriqués à la main
- - - Autres

N° 7114.19

- - - Fabriqués à la main
- - - Autres

N° 7116.10

- - - Fabriqués à la main
- - - Autres

Subheading 6702.90

- - - Hand-made
- - - Other

Heading 69.12

- - - Hand-made
- - - Other

Subheading 6913.90

- - - Hand-made
- - - Other

Subheading 7013.10

- - - Hand-made
- - - Other

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

N° 7116.20

- - - Fabriqués à la main
- - - Autres

N° 7117.19

- - - Fabriqués à la main
- - - Autres

N° 7117.90

- - - Fabriqués à la main
- - - Autres

N° 8306.10

- - - Fabriqués à la main
- - - Autres

N° 8306.29

- - - Fabriqués à la main
- - - Autres

N° 8306.30

- - - Fabriqués à la main
- - - Autres

Position 92.06

- - - Fabriqués à la main
- - - Autres

N° 9401.50

- - - Fabriqués à la main
- - - Autres

N° 9403.80

- - - Fabriqués à la main
- - - Autres

N° 9502.10

- - - Fabriquées à la main
- - - Autres

Subheading 7116.20

- - - Hand-made
- - - Other

Subheading 7117.19

- - - Hand-made
- - - Other

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

N° 9503.30

- - - Fabriqués à la main
- - - Autres

N° 9503.41

- - - Fabriqués à la main
- - - Autres

N° 9503.49

- - - Fabriqués à la main
- - - Autres

N° 9503.60

- - - Fabriqués à la main
- - - Autres

N° 9505.10

- - - Fabriqués à la main
- - - Autres

N° 96.02

- - - Fabriqués à la main
- - - Autres

et

PRIE les administrations membres et les Parties contractantes à la Convention sur le
Système harmonisé de notifier au Secrétaire général leur acceptation de la présente
Recommandation ainsi que sa date d'application.

Subheading 9503.30

- - - Hand-made
- - - Other

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.
