

Explanatory Statement 1 of 2013

Amendment of Australia's Schedule annexed to the *Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994* [2013] ATNIF 5

Practical and legal effect

1. This proposed treaty action amends Australia's Schedule of bound tariff commitments annexed to the *Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994* ([1995] ATS 8). It attaches two further schedules reflecting the 1996 and 2002 revisions of the Harmonized Commodity Description and Coding System (the Harmonized System). Although the classification of some products differs between successive versions of the schedules, this will not result in any products attracting a different rate of duty or in any other changes to Australia's World Trade Organization (WTO) commitments.
2. As the changes will not impose any additional obligations on Australia, the practical, financial and legal effect of this treaty amendment is negligible.

Nature and timing of proposed treaty matter

3. The Harmonised System is an internationally agreed and administered system of nomenclature, which facilitates trade by ensuring that internationally traded goods are identified in a consistent way. Each product is assigned a six digit code and a corresponding description. The Harmonized System is maintained by the World Customs Organisation (WCO), which updates the classification of goods every five years. WCO members record their tariff schedules, including their WTO tariff commitments, using the Harmonized System. WTO Members are required to submit updated schedules to the WTO, so other Members can verify that all WTO commitments are accurately reflected in the new schedule.
4. Although Australia's HS1996 and HS2002 schedules have been submitted and accepted by WTO Members, Australia has delayed certifying these schedules as official (which would constitute binding treaty action), on the basis that the conclusion of the Doha Development Round of trade negotiations (Doha) would require all WTO Members to implement new schedules which would supersede the 1996 and 2002 revisions of the Harmonized System. At present, Doha has not been finalised and Australia is among the few countries that have not certified their 1996 and 2002 revisions.
5. There have been two further revisions to the Harmonized System since 2002: in 2007 and 2012. This treaty amendment does not take those revisions into account, as technical details regarding their implementation are still under consideration by WTO Members. A further treaty amendment reflecting these revisions will be required in due course.

Reasons for Australia to take the proposed action relating to the treaty matter

6. As a result of earlier delays, Australia's WTO schedule of commitments is now significantly out of date. Updating the schedule will bring Australia into line with other WTO Members.

Implementing legislation

7. No legislative changes are needed to implement the proposed treaty action.

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and Trade

Date submitted to JSCOT: 28 February 2013