GSTP Rules of Origin – Developing Country's Perspective

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This paper presents the developing country's perspective on preferential rules of origin. The general approach that most of the developing countries have followed in operationalising Free Trade Agreements (FTA) or Preferential Trade Agreements (PTA) is based on well recognized principles that govern the working of preferential rules of origin the world over as also their industry's perceptions of the threats and opportunities from such trading arrangements.

To set the issues in a proper perspective, this paper first considers the theoretical foundation of preferential rules of origin. This is followed by highlights of India's proposal on GSTP Rules of Origin and the specific origin issues concerning the ongoing negotiations on RoO in GSTP.

Background:

The Global System of Trade Preferences among Developing Countries (GSTP) is one of the most important Agreement which provides a single platform to all the developing countries to pursue their economic developmental agenda by fostering the South-South trade. The rapid increase in the number of Regional Trade Agreements, changes in the historical pattern of trade from conventional

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North-South to South-South has led to a new geographical trade pattern in the current world trading system. It was therefore, imperative that the developing countries look at GSTP with a new vigour.

2. Prior to the UNCTAD-XI conference which was to be held in June 2004 in Sao Paulo, an Adhoc Technical Working Group (TWG) was constituted in UNCTAD, Geneva, pursuant to the Decision of the Committee of Participants at its 16th Session. Consensus emerged in the TWG for recommending that the Third Round of GSTP negotiations be launched. The TWG also examined the provisions pertaining to certificate of origin and felt that they may be reviewed in the light of changes in the world trade since the Agreement entered into force in 1989. They recommended the following:

(a) Reinforce the disciplines in Annex 2 of the GSTP Agreement (Rules of Origin) to promote clarity and transparency of claims of origin of products and thereby prevent the misuse or abuse of the Agreement (evasion of payment of taxes, etc.). Avoid conflicts between GSTP Participants through exchange of information on national rules for determining origin of products and compliance thereof.

(b) Consider whether the existing percentage thresholds for conferring GSTP origin for products not wholly produced or obtained in GSTP exporting Participants (Rule 3 of Annex II of the Agreement) require updating to prompt more trade.

3. In the meeting of Committee of Participants held on 27th May 2004 (17th Session) it was decided that the third Round of GSTP negotiations be held on the basis of recommendations made by the TWG. The Committee of Participants

also recommended that simultaneous negotiations be held on Rules of Origin of GSTP.

4. Subsequently, a "Negotiating Group on Rule Making" was constituted to carry forward the process of negotiations on the GSTP Rules of Origin. The Negotiating Group was mandated to conclude the negotiations by November 2006.

Rules of Origin: Theoretical Aspects:-

5. Rules of Origin are the criteria needed to determine the national origin of a product. By definition, each good can only originate in one territory. If a product is wholly produced in one country, determining the origin is not a difficult task. However, in a world where more and more goods are produced through the amalgamation of inputs in the form of raw materials, parts and intermediates coming from different sources i.e. varying countries, conferring origin to a product is not always an easy task. Rules of Origin are used to determine the country of origin of a product when its production or manufacturing takes place in more than one country. These rules are necessary to ensure that the provisions applying selectively on the basis of origin are not avoided by minimal processing, trade deflection and similar circumvention methods.

6. When goods are traded, there are several necessary legal and administrative procedures which are required to be followed by customs, exporters, importers and other agencies. Ascertaining the country of origin of imported products is necessary in applying basic trade policy measures such as tariffs, quantitative restrictions, anti-dumping and countervailing duties and safeguards measures as

well as for requirements relating to origin marking, public procurement and for statistical purposes. Such objectives are met through application of basic or non-preferential rules of origin and a Committee on Rules of Origin, constituted in the WTO, is looking after the work of harmonization of rules of origin. The outcome will be a single set of rules of origin to be applied under the non-preferential trading conditions by all WTO members in all circumstances. This was necessitated by the fact that the goods may be subjected to different discriminatory measures depending on their origin. Duties and restrictions connected to importation may vary according to the origin of the good which is imported. However, the harmonisation work programme has not been completed yet and it is slated to be ready only by 2007.

7. Countries which offer zero or reduced duty access (tariff preferences) to imports from selected trade partners under PTAs or FTAs (Participating Countries) often apply a different set of rules of origin to determine the eligibility of products to receive preferential market access and are known as Preferential Rules of Origin (PRoO). The justification for preferential rules of origin is to prevent trade deflection, or simple trans-shipment, whereby products from non-participating countries are redirected through a free trade partner to avoid the payment of customs duties. Hence the role of preferential rules of origin is to ensure that only goods originating in participating countries enjoy tariff or other preferences. Therefore, they are an integral part of preferential trade agreements such as bilateral and regional free trade agreements and the non-reciprocal preferences that developed countries offer to developing countries under the GSP Scheme.

8. On the other hand, the rules of origin can be manipulated to achieve other objectives, such as protecting domestic producers. Restrictive rules of origin raise the costs of supplying the markets of preferential partners by requiring changes in production which lead to the use of higher cost inputs and through the expenses which are incurred in proving conformity with the rules. These costs entail that only a proportion of products which are eligible for preferential treatment will actually be granted preferential access and will constrain market access relative to what is promised on paper in the trade agreement. The impact of preferential trade agreements on market access and hence trade flows is a function of both the extent of preferential tariff liberalisation and the rules of origin. The Rules of Origin are therefore a key element in determining the magnitude of the economic benefits that accrue from trade agreements and who gets them. The costs of administering the systems of rules of origin and the expenses incurred by firms to prove conformity to these rules are equally important. Such costs will be greater if there is a degree of uncertainty or unpredictability in the application of the systems of rules of origin and in particular with regard to the acceptance of certificates of origin by customs officials in the foreign market. These costs act to reduce the value of the tariff preferences that are made available through free trade and preferential trade arrangements.

Economic Aspects of RoO

9. The Rules of Origin are an essential element of all schemes and a clearer understanding of them and of their proper application is of utmost importance for the implementation of any preferential agreement. In the history of regional trade agreements, rules of origin have been used as instruments of commercial

policy to direct investment and protect critical high-tech producers or local producers. Compliance with rules of origin can affect the sovereign & investment decisions of companies.

10. Rules of Origin may also be an important factor determining the investment decisions of the multinational firms. Additionally, for such firms not only the issue of complying with the rules on sufficient processing is important, but the cost of proving compliance with those rules of origin is also equally important. Therefore, rules of origin which vary across products and agreements add considerably to the complexity and costs of participating in and administering trade agreement. The burden of such costs fall particularly heavily upon small and medium sized firms.

Objectives of Preferential Rules of Origin:-

11. The objectives of preferential rules of origin are different than the work programme for non preferential rules of origin. Preferential RoO are used to determine origin of goods which may enter a country under preferential treatment i.e. they are used to establish whether the goods are eligible for special treatment under a preferential trading arrangement between two or more participants. The main purpose is to ensure that the benefits of preferential tariff treatment are confined to only those products which have been harvested, grown, produced or manufactured in the participating exporting country. Products which originate in third countries i.e. the non-contracting countries, and merely pass in transit through, or undergo only a minor or superficial process in the signatory exporting country are not entitled to any preferential benefit.

12. In any preferential arrangement, the criteria for granting tariff preferences are determined by the following elements:-

(a) Origin criteria,

(b) Consignment condition, and

(c) Documentary evidence which certifies compliance with the conditions (a) and (b) above.

(a) **Origin Criteria: -** There are two basic product categories for which criteria are specified to determine the country of origin of goods. All products can be categorised as either:

(i) Wholly obtained or produced goods; or

(ii) not-wholly obtained or produced goods.

13. The Wholly obtained goods definitions are applicable to any of the following category of goods:-

(a) a good is naturally occurring; or

(b) live animals that are born or raised; or

(c) plants that are harvested or grown; or

(d) minerals that are extracted or taken in a single country.

The wholly produced good definitions cover goods produced from the wholly obtained goods alone or from the scrap and waste derived from manufacturing or processing operations or from consumptions there.

14. For a good that falls within the category of 'not - wholly obtained or produced', different criteria are used for determining the origin, as under this

category the raw materials or inputs may be sourced from more than one country and final stage of manufacturing or processing is done in the exporting country. Determining the origin in such cases is not easy and therefore the criteria of 'substantial transformation' is used which is defined by either or a combination of value added content achieved in the exporting country, tariff-shift rule, specific process tests etc.

(b) **Consignment Condition:** - Most of the PTAs/FTAs also lay down the conditionality for linking preferences with the direct consignment condition. Under this provision preferences are only made available if the goods have been shipped from the exporting country directly to the importing country. However, transits through other countries are allowed due to geographical or transportation necessities/exigencies; with the condition that the goods are not entered into trade or consumption in the countries through which they are transited.

(c) **Operational Certification Procedure:** - While the rules or origin for PTA/FTA are common for all the countries who are participating in the PTA/FTA; each one follows its own separate administrative procedure for determining whether the export product qualifies the criteria prescribed under the rules of origin or not. This has led to several disputes amongst the RTA partners especially between the customs authority of the importing country and the agency which has issued the preferential certificate or origin. Such disputes have led to several financial losses to the exporters & importers. Therefore, several agreements now prescribe uniform procedures to be followed for verification before or after the issuance of preferential certificate of origin and further monitoring, if necessary. To prevent the misuse and promote clarity and

transparency to the claims of origin, guidelines for administrative cooperation, exchange of information & verification are provided in the trade agreements.

Developmental Aspects

15. Evolving an appropriate system of rules of origin is necessary in regional trading arrangements to fulfill various objectives. Unfortunately, there has not been any standard framework that could be used as a reference-point by the policy-makers in devising origin criteria in a regional grouping. However, keeping in view the developmental role of the rules of origin, there could be the following important positive effects that these rules can cast in a preferential trading arrangement in terms of:

- (i) preventing trade deflection,
- (ii) facilitating value addition, and
- (iii) Expansion in intraregional trade and investment flows.

Preventing Trade Deflection

16. In any preferential trading arrangement, participants set their own external tariffs but give preferential tariff treatment to each other. The divergence between external tariffs of the participants and the regional preferential tariffs is a potential source of trade deflection. In the absence of any rules of origin within the regional grouping, the participant with lowest external tariffs is likely to serve as an entry point into the regional market for the goods of the non-participants. In this sense, rules of origin are an important tool for checking trade deflection of third country (non-participants) goods from one participant to another participant.

Facilitating Value Addition

17. The modalities of determining origin of a product aim at 'substantial transformation' in inputs. Thus, rules of origin facilitate value-addition in the country of manufacturing. Whether it is in the form of meeting a local-content requirement as a proportion of value-added or change in tariff heading or a particular processing requirement, all have a developmental role to play as they create greater economic activities in the exporting participant. Such requirements, checking the import content of value addition, have the potential of generating backward and forward linkages in a country adhering to the rules. Thus, a participant is prevented from becoming a mere trading country as these requirements act as a deterrent to activities relating to packing, repacking, transportation, simple assembly or reassembly etc. The rules of origin thus, have important implications for the development of the manufacturing sector as a whole, which in turn, contributes towards enhancing the export supply capabilities of the member country and thereby leading to greater economic activity and growth in the region.

Expansion in Intraregional Trade and investment flows:-

18. Cumulation is an instrument which allows the manufacturers of goods to import raw-materials or inputs from a country which is party to the same regional trade agreement without undermining the origin of product. In effect, such imported materials from RTA partner countries are treated as being of domestic origin of the exporting country. A regional preferential trading arrangement having the provision of cumulative rules of origin is more liberal

and better as it enhances the intra-regional trade prospects. It has the potential to stimulate intraregional trade flows of different categories of goods among the participants. It also has a favourable trade balance effect for the country using the cumulation provision. The provision of 'cumulation' enhances the possibility of sourcing of inputs from the region and thereby facilitates the backward-forward linkages of industries in the RTA partners. This ultimately leads to intra-regional investment flows as well as transfer of technology.

19. It may be highlighted that the restrictive effects of rules of origin on intra-regional trade arising out of countries' high import dependence could somewhat be reduced if countries take greater advantage of the regional cumulation facility. In a nutshell, origin rules not only prevent trade deflection in a regional grouping but also contribute to the development process of participants through different trade and value addition effects. However, it should be designed in a manner that is not trade restricting and that they should not become trade barriers due to their complex methods of implementation.

Criteria for Rules of Origin in preferential trade agreements:

20. Preferential rules of origin define the conditions that a product must satisfy to be deemed as originating in a country which is eligible for preferential access to a partner's market. When a product is produced in a single stage or is ***"wholly produced or obtained"*** in the partner country then the origin of the product is relatively easy to establish. Proof that the product was produced in the preferential trade partner is normally sufficient.

21. For all other cases which is classified in general terms as ***"not wholly produced or obtained",*** the rules of origin define the methods by which it can be ascertained that the particular product has undergone ***sufficient working*** or process or has been subject to a ***substantial transformation*** (in general these terms can be used interchangeably) in the territory of another member of the PTA and that it has not simply been transshipped from a non-qualifying country or been subject to only minimal processing. The specification of rules of origin has become even more important in recent years as technologies progress and globalization have led to the increasing fragmentation of the production process into different stages or tasks which are undertaken in different countries. In practice the higher the level of working that is required by the rules of origin, the more difficult it is to satisfy those rules and the more restrictive those rules are in constraining market access relative to what is required simply to prevent trade deflection.

22. Unfortunately there are no simple and standard rules of origin which can be identified as performing the role of preventing trade deflection. A number of different rules are available, each of which can have different implications for a producer of a given product. Three main methods used for *"not wholly obtained or produced"* to establish if sufficient processing or substantial transformation has been undertaken are:

(i) change of tariff classification;

(ii) value added;

(iii) specific manufacturing process.

Change of tariff classification (*Origin is granted if the exported product falls into a different part of the tariff classification to any imported inputs that are used in its production*).

23. This approach is used in a majority of current preferential trade agreements and features in both EU agreements and the NAFTA. Application of this approach has been facilitated by the widespread adoption of the Harmonized System. There is however, the issue of the level of the classification at which change is required. Most agreements specify that the change should take place at the tariff heading level (that is at the 4-digit level known as CTH). However, since the Harmonised System was not devised for the purpose of determining substantial transformation or manufacturing operation, this criteria has certain limitations.

Value Added *(Here a minimum percentage of total value addition should be achieved with the help of indigenous inputs.)*

24. This requirement can be defined in two ways either :

(a) by providing the minimum percentage of the value of the product (on FOB value or ex-factory price/cost) that must be added in the exporting country (*direct method of calculation*), or

(b) by providing the maximum percentage of non-originating inputs to be used in manufacturing the exported product (*indirect method of calculation*).

In practice it is the latter which is more commonly used, including in the GSTP Agreement. However, this method also has certain limitations as the value added

content would change depending on several factors like exchange rate fluctuations, inefficient manufacturing processes etc.

Specific manufacturing process *(This rule defines certain manufacturing or processing operations that a product must undergo in the exporting country to confer origin (positive test) or manufacturing or processing procedures that do not confer origin (negative test)).*

25. The formulation of these rules can require the use of certain originating inputs or prohibit the use of certain non-originating inputs. Rules based upon specific manufacturing processes are widely used often in conjunction with change of tariff classification and/or the value added criterion, and are a particular feature of the rules applied to the textiles and clothing sectors.

Current GSTP Rules of Origin

26. For being eligible to obtain preferential concessions under GSTP; the export product must be 'originating' under the GSTP Rules of Origin. The products are classified into two categories of 'wholly produced or obtained' and 'not wholly produced or obtained'. The salient features are:-

(i) Wholly produced or obtained (Rule 2)

A detailed list of wholly produced or obtained products is prescribed under which all primary products and their produce are classified under this category.

(ii) Not wholly produced or obtained (Rule 3)

A product would be considered as 'originating' only if the total value of non-originating inputs (raw materials, parts or produce from non-participants or undetermined origin) does not exceed 50% of the f.o.b. value of export products. The Rule prescribes for calculation of local value content through the indirect method. Usually in similar situations the calculation is done in the following manner:-

$$\frac{\text{Value of non-participating imported imports} + \text{Value of Undetermined Origin inputs}}{\text{FOB Price}} \times 100\,\% = X\%$$

(non-originating inputs)

Since the current GSTP Rules provide for a 50% local value addition, therefore, for a product to qualify as originating X = 50%

(iii) Cumulation (Rule 4)

Under this provision if any originating input is sourced from other participant; the input would be deemed to be originating in the exporting participant country. However in this case, a product can only be qualified as originating if the total value added content in the Participating states is not less than 60%.

An important condition in (ii) and (iii) above is that the final process of manufacture should be performed in the exporting participant country.

(iv) Special criteria for LDCs (Rule 10)

Recognizing the needs of LDCs, the Rules provide for relaxation of 10 percentage points for LDCs. Therefore while 40% local value added content under Rule 3 would confer origin to a product manufactured in exporting LDC participant; 50% local value added content would be required under cumulation provisions of Rule 4.

(v) The Rules also provide the conditions for direct shipment, how packing is treated and that a Certificate of Origin from exporting participant would b e necessary for seeking preferences.

Proposals on GSTP RoO:-

27. During the process of negotiations, while many oral submissions were made in the Negotiating Group on Rule Making, several written proposals were also tabled. These proposals pertain to two broad categories:-

(a) administrative arrangements relating to issuance & verification of certificate of origin; and

(b) changes suggested on the existing text of GSTP rules of origin.

While the former category relate mainly to the procedural aspect; the proposals made on amending the text of the rules of origin are systemic in nature. Given the complexity of issues involved and the fact that the proposals tabled were at variance, the Negotiating Group on Rule Making requested the Secretariat to compile the submissions on the basis of issues involved. The Negotiating Group also decided to first discuss the procedural issues relating to issuance and verification of certificate of origin, as this was a new subject for GSTP rules of

origin. While substantive discussions were held on this issue and most of the text could be cleared; the detailed discussions on the proposals suggesting changes in the text of rules of origin is yet to start.

28. The main proposals amending the text of rules of origin relate to:

(a) Incorporating definitions;

(b) Changing the originating criteria from the existing one;

(c) Defining non-qualifying or minimal operations which would not confer origin,

(d) Cumulation

The proposals on Rules of Origin have been made by the following countries:

(i) Iran (W/5 & W/20)

(ii) Sri Lanka (RM/6)

(iii) Mexico (RM 7 & 13)

(iv) Brazil (RM/10)

(v) India (RM/W8 & W/12)

(vi) Egypt (RM/15)

(vii) Republic of Korea (RM/22)

29. In its proposal, Iran made suggestions relating to making changes in the text of Rules of Origin, defining insufficient working or processing etc. It also raised issues relating to reporting of trade flows and technical cooperation on non-tariff measures.

30 In its submission, Sri Lanka, while taking into account the fact that many GSTP Participants are still heavily dependent on imported raw material for their industries, proposed lowering the value addition norms, Sri Lanka proposed for lowering the GSTP value addition to 35%.

31. Mexico submitted detailed proposals by which it proposed changing the entire text of Rules of Origin. Mexico also proposed for having Product Specific Rules or Origin. The proposal also included new concepts of de-minimis, intermediate materials, non-qualifying operations, how to treat fungible materials & products etc. Mexico also tabled detailed procedure on administrative arrangement relating to issuance of certificate of origin and subsequent verifications by the importing Participants.

32. Brazil also tabled a detailed proposal with a comprehensive and new text on Rules of Origin. Some of the important proposals made by them relate to providing definition to certain terms, insufficient working of processing operations to confer originating status, treatment of fungible materials, indirect materials etc. It also had a detailed proposal in administrative arrangement relating to issuance of Co O, its subsequent verification and providing mutual assistance. Brazil proposed for maintaining the existing value addition norms of GSTP i.e. 50% for developing countries & 40% for LDCs.

33. In its proposal, Korea while highlighting the pros and cons of each of the method applied for qualifying criteria, i.e. value added method, change in tariff classification method and specified process method proposed for using both the change in tariff classification and specified process method to be used in tandem with existing value added criteria. Korea suggested that detailed negotiations

could be held only after the list of items for grant of concessions under the Third Round are finalized.

India's experience :-

34. The Rules of Origin that are in place in various agreements to which India is a Party, the three criteria: local value added content, substantial manufacturing clause as CTH or CTSH, and non-qualifying operations are applied in combination. However, in view of different economic parameters, India has followed a two pronged approach towards preferential RoO. Since PTAs allow limited market access on the basis of fixed MOP over the applied rate of duties, India has agreed for having only the VA along with the minimal operations as criteria to determine origin in a majority of cases. However, in case of FTAs where there is a commitment to bring duties to 0-5% within a fixed time frame, the twin criteria of Value Added and Change in Tariff Classification (CTC)are simultaneously applied to facilitate the intra-regional trade, create economic activity in the RTA partner and check any trade deflection. The views are also based on the fact that if these rules are followed strictly, they would also facilitate the intra-regional investment flows and backward-forward linkage of the industries. To illustrate, it may be noted that the World Investment Report (2003) published by UNCTAD which examined the RoO of India – Sri Lanka FTA stated:

Box II.7. The Indo–Lanka free trade agreement and FDI *(Signed in December 1998, the Indo–Lanka)*
Free Trade Agreement gives duty-free market access to India and Sri Lanka on a preferential basis. Covering 4,000 products, it foresaw a gradual reduction of import tariffs over three years for India and eight years for Sri Lanka. *To qualify for duty concessions in either country, the rules of origin criteria spelled out value added at a minimum of 35% for eligible imports. For raw materials sourced from either country, the value-added component would be 25%.* *The effect? Sri Lankan exports to India increased from $71 million in 2001 to $168 million in 2002. And India's exports to Sri Lanka increased from $604 million in 2001 to $831 million in 2002. Although the agreement does not address investment, it has stimulated new FDI for rubber-based products, ceramics, electrical and electronic items, wood-based products, agricultural commodities and consumer durables. Because of the agreement, 37 projects are now in operation, with a total investment of $145 million.*
Source: UNCTAD.

Various rules, provisions and qualifying operations that are in place in some of the important preferential trade agreements and free trade agreements to which India is a Party along with the summary are at **Annex—I**.

India's Views on the GSTP rules of Origin:-

35. Noting that the GSTP rules were devised in 1988 and since then a very significant shift in the structure of international trade has taken place, India feels

that the Rules of Origin would need some amendments to take into account these changes. Recognising that whilst it is difficult to derive specific recommendations with regard to the best practice approach to the design of rules of origin, based on its own experiences, during the negotiations on GSTP Rules of Origin India has stated that:

- The rules of origin should be simple but precise, transparent and, to the extent possible, predictable and stable.
- They should be designed to have the least trade distorting impact and should not become a disguised non-tariff barrier to trade.
- As much as possible the rules should be consistent across products. The greater the inconsistencies, the greater the complexity of the system of rules of origin both for companies and for officials administering the rules.
- There should be some mechanism to institutionalize cooperation between the exporting country's agencies issuing preferential certificate of origin and importing country's Customs authorities, so that the clearance of preferential goods can be facilitated.

36. In this background, during the Third Round negotiations of GSTP, India has tabled two types of proposals on the GSTP Rules of Origin:-

(i) Proposals relating to amending the original text of GSTP RoO, and
(ii) Proposals relating to administration of RoO including issuance and verification of Certificate of Origin (*new proposal*).

The detailed proposals of India made in this regard are at **Annexes II & III**.

37. Some highlights of the proposals are as follows:

(i) The present local value addition requirement needs review. It should not be too high to impede the trade nor should it be too low to encourage trade deflection.

(ii) The existing GSTP RoO do not list out certain operations which are minimal or insufficient to confer origin status to avoid the possibility of circumvention and trade deflection. Therefore, operations like packaging, trans-shipment, trading, simple operation, etc. should be defined as non-qualifying operations for determining the origin.

(iii) With the objectives of bringing clarity and transparency of claims of origin and prevent any possible misuse, a uniform mechanism to administer the rules be devised. The harmonization of such procedures along with cooperation and exchange of information and subsequent verification would be beneficial to the exporters and importers of the GSTP participants.

(iv) Detailed rules relating to issuance of certificate of origin, maintenance of records, roles and functions of issuing authorities and customs administration as well as redressal mechanisms be provided to the current rules of origin.

Recommendations:-

38. In this regard, the GSTP rules of origin negotiations could be based on the following principles:

(i) Rules of origin should facilitate intra-GSTP trade rather than impede it. It should increase the economic activity in the GSTP participants by increasing the value addition amongst the participants. It should bring about intra-GSTP trade expansion through trade creation.

(ii) Rules of Origin should be devised by taking into account the differential levels of development of GSTP participants, especially the LDC participants.

(iii) Rules of Origin should be objective and predictable and their administration should be transparent, consistent and uniform.

(iv) Apart from ensuring uniform methods for verification of documentary requirements, the negotiations need to focus on exchange of documents and information through electronic means. Computerisation of both certification procedures as well as customs procedures would facilitate trade flows under GSTP with speed and accuracy. Capacity building in this regard for LDCs would be necessary.

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