

AIT/CCNAA CONSULTATIONS, MARCH 27, 1990  
SUMMARY OF OTHER ISSUES

I. GATT Article 35

- o CCNAA noted that it is still awaiting a legal opinion on the advisability of providing AIT with a letter agreeing that any tariff discussions between the two sides under the Trade Action Plan would not be interpreted as tariff negotiations pertaining to the application of the Customs Territory of Taiwan, Penghu, Kinmen and Matsu to accede to the GATT.

II. Title VII - Government Procurement

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- o CCNAA <sup>price</sup> agreed to review current requirements for a five percent preference to government enterprise purchases from domestic manufacturers.

III. Commodity Tax

- o AIT agreed to provide CCNAA with information outlining its concerns regarding the base used to impose the commodity tax on both imported and local goods.

IV. Issues Regarding Cosmetics, Gelatin Capsules, Engineering/Consulting Fees and Shipping

- o Status reports regarding the above issues were given to AIT. CCNAA agreed to refer the following to concerned authorities for further clarification:

-- Cosmetics

CCNAA agreed to clarify whether the list of premarketing exemptions would be implemented prior to the amendment of the Cosmetics Statute, or whether this list would be part of the implementing regulations of the amended statute.

-- Gelatin Capsules

CCNAA agreed to inform AIT whether two domestic firms which are planning to begin production of gelatin capsules will be subject to the same DOH testing requirements as foreign firms. AIT asked if pharmaceutical registration for imported capsules will be approved by June 1990.

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-- Shipping

CCNAA agreed to raise AIT concerns regarding the dispute between Sea-Land and the Kaohsiung Harbor authorities over the prolonged delay in the delivery of gantry cranes with the Ministry of Communications and the Kaohsiung Harbor Bureau authorities.

-- Engineering and Consulting Fees

CCNAA agreed to review with the Ministry of Finance AIT's concern regarding current tax treatment and its underlying rationale.

V. Future Consultations

Both sides agreed that further consultations will be helpful and will be held at a mutually convenient time in Fall 1990.

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