

“(a) Lubricating preparations of heading 27.10 or 34.03”.

3. The Sub-Committee agreed with this view and therefore supported the above alternative text.

Proposed exclusion Note 2 (e) to Chapter 39

4. One delegate explained that the proposed Note, in its present form, would exclude from Chapter 39 any preparation that was based on colouring matter, where the colouring matter was a product of heading 32.06. The intent should be to exclude colouring preparations of heading 32.06.

5. She further indicated that the relevance of this proposed Note to silicone products had never been established and was not apparent. She questioned why this Note was limited to heading 32.06 (other colouring matter applied to inorganic and mixed organic/inorganic colouring matter and preparations thereof).

6. The Sub-Committee felt that this Note would not be necessary and agreed to delete it. However, it was placed in square brackets for the consideration of the Review Sub-Committee at the request of the **US** Delegate.

Proposed exclusion Note 2 (g) to Chapter 39

7. One delegate explained that the relevance of this proposed Note to silicone products had never been established and was not apparent. In its present form, the Note only applied to a portion of the products of heading 32.14. She felt that the present form of the Note implied that other products of heading 32.14, for example resin cements and non-refractory surfacing preparations, were to remain classified in heading 32.14. The excluded and included products could have very similar compositions.

8. The Sub-Committee felt that this Note would not be necessary and agreed to delete it. However, it was placed in square brackets for the consideration of the Review Sub-Committee at the request of the **US** Delegate.

Proposed exclusion Note 2 (ij) to Chapter 39

9. The Sub-Committee felt that this Note would also not be necessary and agreed to delete it. However, it was placed in square brackets for the consideration of the Review Sub-Committee at the request of the **US** Delegate.

Proposed exclusion Note 2 (l) to Chapter 39

10. One delegate indicated that she could agree with the comments made by the Secretariat in paragraph 8 of Doc. NS0047E1 and therefore supported the version of the Note set out in square brackets in the Annex to the document.

11. The Sub-Committee agreed to support the alternative text proposed by the Secretariat.

Proposed exclusion Note 2 (m) to Chapter 39

12. One delegate indicated that she could not see the need to mention that this exclusion applied to fluids based on polyglycols, silicones or other polymers of Chapter 39. She proposed the following alternative text :

“(m) Products of heading 38.19”.

13. However, the Chairman noted that the text proposed by the **United States** was the same text that appeared in the Explanatory Note to heading 38.19 (page 693). The Sub-Committee therefore agreed to support the text proposed by the **United States**.

Amendments to the Explanatory Notes

14. The Sub-Committee then examined the proposed amendments to the Explanatory Notes, taking account of the Secretariat comments in Doc. NS0047E1, with a view to determining whether the proposed modifications were technically correct and these amendments would clarify the classification of silicone products.
15. The proposals relating to the above-mentioned exclusion Notes which had been placed in square brackets were also placed in square brackets for the consideration of the Review Sub-Committee.
16. As regards Part (C) of the Explanatory Note to heading 28.04, the Sub-Committee agreed that the texts should be further elaborated by combining the existing texts and the two proposed texts in the Annex to Doc. NS0060E1 and therefore placed the texts in square brackets. The Secretariat was asked to prepare a combined text for the consideration of the Review Sub-Committee.
17. Apart from the above, the Sub-Committee agreed to certain modifications as well as deletions of certain texts reflected in the Annex to Doc. NS0047B1.
18. The agreed texts and those placed in square brackets are reproduced in the Annex hereto.

III. SECRETARIAT COMMENTS

19. In view of the Sub-Committee's observations in respect of Part (C) of the Explanatory Note to heading 28.04 (see paragraph 16 above), the Secretariat has prepared the following alternative text for consideration :

"Silicon is obtained almost exclusively by carbothermal reduction of silicon dioxide using electric arc-furnaces. It is a poor conductor of heat and electricity, harder than glass, and it is put up as a chestnut-coloured powder or, more often, in shapeless lumps. It crystallises as grey needles with a metallic lustre.

Silicon is used in metallurgical industries (e.g., ferrous or aluminium alloys), and for the preparation of silicon tetrachloride. Very pure silicon, obtained by, for example, crystal pulling, may be in forms unworked as drawn, or in the form of

cylinders or rods; when doped with boron, phosphorus, etc., it is used for the manufacture of diodes, transistors and other semi-conductor devices.

Modern electronics is almost exclusively (>95 %) based on silicon devices. Because of the eminent and ever increasing importance of electronics in technology and everyday life, silicon is one of the most important technical materials, although the quantity required for this application is relatively small. Of secondary importance are the uses of silicon for metallurgy and chemistry (silicon compounds), although they consume the major portion of the silicon produced."

20. The above proposed alternative text is also reflected, in square brackets, in the Annex hereto.
21. The Secretariat has prepared this combined text at the request of the Scientific Sub-Committee. However, the Secretariat would question the need for this amended text. The basic change would be to add a new third paragraph. However, the paragraph really does not add technical information which would be of help in classifying silicon in the Harmonized System. It appears to make a qualitative judgement as to the importance of the use of silicon in electronics as opposed to in metallurgy or chemistry. At the same time, the statement indicates that the "major portion" of silicon is used in metallurgy and in the chemical industry. The Secretariat would, therefore, prefer not to amend Part (C) of the Explanatory Note to heading 28.04.

IV. CONCLUSION

22. Taking account of the Scientific Sub-Committee's observations and the Secretariat comments above, the Review Sub-Committee is invited to examine the proposed amendments to the Nomenclature and Explanatory Notes regarding silicones as set out in the Annex hereto.

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