

WORLD TRADE ORGANIZATION

G/L/928
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(10-5020)

REPORT (2010) OF THE COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

I. GENERAL

1. This report is submitted pursuant to Article 7.3 of the Agreement on Trade-Related Investment Measures ("TRIMs" Agreement), which requires the Committee on Trade-Related Investment Measures (the "Committee") to report annually to the Council for Trade in Goods. The Report covers the period October 2009 – October 2010.¹

2. The Committee met formally once in 2010. This meeting was held on 1 October 2010 under the Chairpersonship of Dr. Octavia CERCHEZ (Romania). The minutes of the formal meeting may be found in document G/TRIMS/M/30. The meeting was open to all Members, governments with observer status in the WTO and international intergovernmental organizations to which the Committee has accorded regular observer status (IMF, OECD, UN, UNCTAD and World Bank). Decisions on requests for observer status made by several other international organizations are pending.

II. NOTIFICATIONS

3. Pursuant to Article 5.1 of the Agreement on TRIMs, Members were required to notify any trade-related investment measure ("TRIM") inconsistent with the Agreement within 90 days after the entry into force of the WTO Agreement. Article 5.2 of the Agreement allows for transition periods for the elimination of measures notified under Article 5.1 and which were in existence at least 180 days preceding the entry into force of the WTO Agreement. Pursuant to a decision adopted by the General Council in April 1995, governments eligible to become original WTO Members that accepted the WTO Agreement after 1 January 1995 had a period of 90 days after the date of their acceptance of the WTO Agreement to make the notifications foreseen in Article 5.1, with the period for the elimination of TRIMs notified under Article 5.1 being governed by reference to the date of entry into force of the WTO Agreement itself.²

4. Annex 1 to this report contains a list of all notifications of measures under Article 5.1.³ In the case of some Members, notifications have been submitted later than the 90-day period foreseen.

¹ The annual report for 2009 is contained in document G/L/900 of 21 October 2009.

² WT/L/64.

³ Notifications under Article 5.1 circulated in 1995 have been derestricted since 28 May 1996. Pursuant to the General Council's Decision of 14 May 2002 (WT/L/452), documents containing notifications under Articles 5.1, 5.5 and 6.2 are issued unrestricted.

5. Some Members have notified to the Committee that they do not apply any TRIM inconsistent with the Agreement. Annex 2 to this report lists all Members that have made such notifications.

6. Article 6.2 provides for notification to the Secretariat of publications in which information on TRIMs can be found. Annex 3 lists the Members that have submitted such notifications. During the period covered by this report, notifications were made by Burkina Faso and Turkey, while Croatia; the European Union; and Peru submitted updated notifications. As agreed by the Committee at its meeting on 20 May 2009, the Secretariat has been circulating reminders every six months.⁴ These reminders contain guidance for all Members to indicate what Article 6.2 and its related decision required and to request that any information submitted should also contain, if possible, any websites where relevant information could be found. The reminders also request all Members that had never notified such publications to do so without delay and request all Members that had previously notified to constantly update their notifications, if appropriate, without delay. The latest updated list of these notifications has been circulated in document G/TRIMS/N/2/Rev.20.

7. The European Union urged Members to abide by this notification obligation and provide the information required by Article 6.2 of the TRIMs Agreement. The European Union also requested the Chairperson and the Secretariat to continue to encourage Members in this respect.

III. SPECIAL AND DIFFERENTIAL TREATMENT PROPOSALS RELATED TO THE TRIMs AGREEMENT

8. Pursuant to the Decision adopted by the General Council on 1 August 2004 (WT/L/579) and paragraph 37 of the Hong Kong Ministerial Declaration (WT/MIN(05)/DEC), the TRIMs Committee continued its consideration of the Category II Special and Differential Treatment ("S&D") proposals which were referred to it by the Chairperson of the General Council.

9. The proposals were originally submitted by the African Group in document TN/CTD/W/3/Rev.2 and relate to Articles 4 and 5.3 of the TRIMs Agreement. In April 2007, Kenya on behalf of the African Group submitted a revised version of the proposals, which deals more specifically with the concerns of the proponents.⁵ In June and October 2007, the Chairperson held informal discussions with interested delegations on the revised proposals. These were further discussed at the meeting of the Committee held on 1 November 2007 at which the representative of Kenya said that they were open to listen to any new ideas concerning its proposals, particularly with respect to the drafting, and that the African Group felt that it had gone as far as it could on this issue, unless there were other suggestions by other Members. No further revisions to the draft proposals have been received from the proponents since then. In accordance with paragraph 37 of the Hong Kong Ministerial Declaration, the Chairperson of the TRIMs Committee submitted an oral report (18 December 2007)⁶ to the General Council on the work undertaken by the Committee with respect to the S&D proposals.

10. At the Committee meeting of 23 October 2008, the Chairperson said that he would be willing to continue his informal consultations on this issue should Members so wish and would report back to the Committee and the General Council at an appropriate time on any further developments.

11. At the Committee meeting of 16 October 2009, no delegation took the floor with respect to this issue and the Chairperson indicated that she had no further developments to report to the General Council in this respect. The Chairperson reiterated her willingness to continue informal consultations

⁴ Reminders for 2010 were circulated in documents G/TRIMS/W/73 and G/TRIMS/W/76.

⁵ The latest revised version of the African Group's proposals was annexed to document G/TRIMS/M/29, and is reproduced in Annex 4 to this report.

⁶ WT/GC/M/112, paragraph 142.

on this issue should Members so wish and would report back to the Committee and the General Council at an appropriate time on any further developments. She invited Members requesting such consultations to contact her or the Secretariat in this regard. The Chairperson made an oral report to this effect to the General Council at its meeting held on 17 December 2009.⁷

12. At the Committee meeting of 1 October 2010, no delegation took the floor regarding this issue and the Chairperson indicated that she had no further developments to report to the General Council in this respect. The Chairperson reiterated the willingness to continue informal consultations on this issue, should Members so wish, and indicated that any further developments would be reported back to the Committee and the General Council at an appropriate time. She invited Members requesting such consultations to contact the Chairperson or the Secretariat in this regard.

IV. COMMUNICATIONS BY MEMBERS AND RELATED DISCUSSIONS

13. Since the last Committee meeting in October 2009, a communication was received from Japan on 17 December 2010, entitled "Questions from Japan on Indonesia's Regulations on Communication and Information regarding the Supply of the Universal Telecommunication Service Obligation and the Guidelines for Evaluation of the Achievement of Domestic Component Level in Telecommunication Operations".⁸ Indonesia provided answers to Japan's questions in this respect.⁹ Indonesia also provided answers¹⁰ to the questions posed by the European Union and the United States contained in the communication entitled "Certain Indonesian Laws and Draft Implementing Regulations on Mineral and Coal Mining".¹¹

14. At the Committee's regular meeting of 1 October 2010, the European Union and Japan placed the issue of certain new and proposed measures by Indonesia - addressing local content in investment in the telecommunications sector - on the agenda. Both Members, supported by the United States, raised additional follow-up questions with respect to this issue. The European Union referred to its questions posed at the last Committee meeting in October 2009, while Japan also posed additional written questions to Indonesia in this regard prior to the meeting¹² and reiterated its concerns at the meeting. Indonesia provided preliminary answers at the meeting and indicated that Members' questions were already forwarded to Capital for more elaborate answers.

15. At the same meeting, the issue of certain Indonesian laws and draft implementing regulations on mineral and coal mining was also placed on the agenda at the request of the United States. The United States, supported by Canada and the European Union, posed additional questions to Indonesia pertaining to that issue. Indonesia provided oral responses to the questions posed and indicated that it would provide a written version of those answers in the future.

V. OTHER BUSINESS

16. The Chairperson informed the Committee of the inquiry she received from the Chairman of the Working Group on Trade and Transfer of Technology concerning any discussion, submissions or other developments relating to trade and technology transfer which took place in the Committee. The Chairperson made available to the Committee the letter she received in this regard as well as her letter responding to this request.

⁷ WT/GC/M/124, paragraph 52.

⁸ G/TRIMS/W/71.

⁹ G/TRIMS/W/75.

¹⁰ G/TRIMS/W/74.

¹¹ G/TRIMS/W/70.

¹² G/TRIMS/W/78.

VI. DATE OF THE NEXT MEETING

17. The next Committee meeting will be held on 7 October 2011.

VII. ELECTION OF OFFICERS

18. At its meeting of 1 October 2010, the Committee elected Mrs. Zhao HONG (China) as its Chairperson for the period 2010-2011.

ANNEX 1

Members that have Submitted Notifications under Article 5.1 of the Agreement on Trade-Related Investment Measures

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Argentina	G/TRIMS/N/1/ARG/1	30 March 1995
Argentina	G/TRIMS/N/1/ARG/1/Add.1	21 March 1997
Barbados	G/TRIMS/N/1/BRB/1	31 March 1995
Bolivia ¹	G/TRIMS/N/1/BOL/1	24 June 1998
Chile ²	G/TRIMS/N/1/CHL/1	14 December 1995
Colombia	G/TRIMS/N/1/COL/1	31 March 1995
Colombia	G/TRIMS/N/1/COL/1/Add.1	4 June 1995
Colombia ³	G/TRIMS/N/1/COL/2	31 July 1995
Colombia	G/TRIMS/N/1/COL/2/Corr.1	30 September 1996
Costa Rica ⁴	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba ⁵	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus ⁶	G/TRIMS/N/1/CYP/2	30 October 1995
Dominican Republic	G/TRIMS/N/1/DOM/1	26 April 1995
Ecuador	G/TRIMS/N/1/ECU/1	20 March 1996
Egypt	G/TRIMS/N/1/EGY/1	29 September 1995
India	G/TRIMS/N/1/IND/1	31 March 1995
India	G/TRIMS/N/1/IND/1/Add.1	22 December 1995
India	G/TRIMS/N/1/IND/1/Add.1/Corr.1	18 March 1996
India	G/TRIMS/N/1/IND/1/Add.2	11 April 1996
Indonesia	G/TRIMS/N/1>IDN/1	23 May 1995
Indonesia	G/TRIMS/N/1>IDN/1/Add.1	28 October 1996
Malaysia	G/TRIMS/N/1/MYS/1	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1/Rev.1	14 March 1996
Mexico	G/TRIMS/N/1/MEX/1	31 March 1995

¹ Bolivia subsequently submitted a notification indicating that it does not apply any trade-related investment measures that are not in conformity with the Agreement (G/TRIMS/N/1/BOL/1/Add.1).

² Chile subsequently submitted a notification indicating that it has eliminated measures notified under Article 5.1 (G/TRIMS/N/1/CHL/1/Add.1).

³ Colombia subsequently submitted a notification indicating that it had issued Decree No. 1473 of 10 May 2004, whereby Decree No. 2439 of 1994 establishing import control mechanisms for certain agricultural products had been repealed (G/TRIMS/N/1/COL/3).

⁴ Costa Rica subsequently submitted a notification indicating that it intended to eliminate measures notified under Article 5.1 in advance of the expiry of the transition period (G/TRIMS/N/1/CRI/1/Add.1).

⁵ Cuba subsequently informed the Committee that the measures notified by Cuba under Article 5.1 are no longer in force (G/TRIMS/M/3, paragraph 5).

⁶ This notification superseded Cyprus' previous one (G/TRIMS/N/1/CYP/1) of 29 June 1995; Cyprus subsequently submitted a notification indicating that it has eliminated measures notified under Article 5.1 (G/TRIMS/N/1/CYP/2/Add.1).

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Mexico ⁷	G/TRIMS/N/1/MEX/1/Rev.1 ⁸	31 March 1995
Nigeria ⁹	G/TRIMS/N/1/NGA/1	17 July 1996
Pakistan	G/TRIMS/N/1/PAK/1	30 March 1995
Peru	G/TRIMS/N/1/PER/1	3 March 1995
Philippines	G/TRIMS/N/1/PHL/1	31 March 1995
Poland ¹⁰	G/TRIMS/N/1/POL/1	28 September 1995
Romania	G/TRIMS/N/1/ROM/1	31 March 1995
South Africa	G/TRIMS/N/1/ZAF/1	19 April 1995
Thailand	G/TRIMS/N/1/THA/1	30 March 1995
Uganda	G/TRIMS/N/1/UGA/1	17 June 1997
Uruguay	G/TRIMS/N/1/URY/1	31 March 1995
Uruguay	G/TRIMS/N/1/URY/1/Add.1	30 August 1995
Venezuela	G/TRIMS/N/1/VEN/1	31 March 1995

⁷ Mexico subsequently submitted a notification indicating that all provisions under the Automotive Decree had ceased to be operative as of 1 January 2004 (G/C/42).

⁸ In English only.

⁹ Nigeria subsequently submitted a notification indicating that the Nigerian Enterprises Promotion Act of 1989 has been repealed and replaced with the Nigerian Investment Promotion Commission Decree 1995 (G/TRIMS/N/1/NGA/1/Add.1).

¹⁰ Poland subsequently submitted a notification indicating that it has eliminated measures notified under Article 5.1 (G/TRIMS/N/1/POL/1/Add.1).

ANNEX 2

Notifications Indicating that No TRIMs Inconsistent with the Agreement on Trade-Related Investment Measures are Maintained

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Bolivia	G/TRIMS/N/1/BOL/1/Add.1	4 March 1999
Costa Rica	G/TRIMS/N/1/CRI/1/Add.1 ¹	16 September 1999
Cyprus	G/TRIMS/N/1/CYP/2/Add.1	26 May 2000
El Salvador	G/TRIMS/N/1/SLV/1	5 November 2003
Haiti	G/TRIMS/N/1/HTI/1	27 February 1998
Honduras	G/TRIMS/N/1/HND/1	7 July 1995
Israel	G/TRIMS/N/1/ISR/1	24 October 1996
Jamaica	G/TRIMS/N/1/JAM/1	9 June 1998
Jordan	G/TRIMS/N/1/JOR/1	22 May 2000
Maldives	G/TRIMS/N/1/MLV/1	30 September 1999
Mali	G/TRIMS/N/1/MLI/1	27 May 1997
Mauritius	G/TRIMS/N/1/MUS/1	27 March 1995
New Zealand	G/TRIMS/N/1/NZL/1	20 May 1999
Nicaragua	G/TRIMS/N/1/NIC/1	18 July 1996
Oman	G/TRIMS/N/1/OMN/1	20 December 2000
Saint Lucia	G/TRIMS/N/1/LCA/1	14 February 1996
Saudi Arabia	G/TRIMS/N/1/SAU/1	3 October 2006
Singapore	G/TRIMS/N/1/SGP/1	9 October 1996
Slovenia	G/TRIMS/N/1/SVN/1	27 March 1995
Sri Lanka	G/TRIMS/N/1/LKA/1	14 March 2000
Switzerland	G/TRIMS/N/1/CHE/1	8 August 1995
Chinese Taipei	G/TRIMS/N/1/TPKM/1	27 May 2002
Trinidad & Tobago	G/TRIMS/N/1/TTO/1	1 April 1996
Zambia	G/TRIMS/N/1/ZMB/1	13 April 1995

¹ A Corrigendum to the English version was issued in G/TRIMS/N/1/CRI/1/Add.1/Corr.1, dated 26 October 1999.

ANNEX 3

Members that have Submitted Notifications under Article 6.2 of
the Agreement on Trade-Related Investment Measures

Albania	Kyrgyz Republic
Angola	Liechtenstein
Argentina	Macao, China
Armenia	Madagascar
Australia	Malaysia
Bahrain	Maldives
Bolivia	Malí
Brazil	Mauritius
Brunei Darussalam	Mexico
Burkina Faso	Moldova
Burundi	Mongolia
Cameroon	Namibia
Canada	New Zealand
Chad	Nicaragua
Chile	Nigeria
China	Norway
Colombia	Oman
Costa Rica	Panama
Croatia	Paraguay
Cuba	Peru
Dominica	Philippines
Dominican Republic	Qatar
Ecuador	Saudi Arabia
El Salvador	Senegal
European Union (including the member States)	Singapore
Fiji Islands, Rep. of the	South Africa
Gabon	Sri Lanka
Georgia	Suriname
Ghana	Switzerland
Haiti	Chinese Taipei
Hong Kong, China	Thailand
Iceland	Trinidad and Tobago
India	Tunisia
Indonesia	Turkey
Israel	Uganda
Jamaica	Ukraine
Japan	United States
Jordan	Uruguay
Korea	Venezuela, Bolivarian Rep. of
Kuwait	Zambia
	Zimbabwe

ANNEX 4

April 2007

S&D CATEGORY II PROPOSALS ON THE TRIMS AGREEMENT

Revised proposal received from the delegation of
Kenya on behalf of the African Group

Proposal related to Article 4 of the TRIMs Agreement

Members shall interpret and apply Article 4 of the TRIMs Agreement in accordance with the balance-of-payments provisions referred to in Article 4 of the TRIMs Agreement, and in a manner that fully supports measures taken by developing and least-developed country Members to safeguard their external financial position, balance-of-payments and sufficiency of reserves, taking full account of paragraph 1.1 of the Ministerial Decision on Implementation-Related Issues and Concerns.¹

Members shall interpret and apply Article 4 of the TRIMs Agreement in accordance with the provisions of Article XVIII of GATT 1994 referred to in Article 4 of the TRIMs Agreement, and in a manner that fully supports measures taken by developing and least-developed country Members to promote the establishment of a particular industry, taking full account of paragraph 1.1 of the Ministerial Decision on Implementation-Related Issues and Concerns.²

- In considering requests to apply TRIMs under Article XVIII of the GATT 1994, Members shall take into account any difficulties encountered by least-developed and developing countries in meeting the notification and consultation requirements contained in Article XVIII, paragraphs 14 to 19, and the WTO Secretariat shall accord them such technical assistance and support as they may need in order to prepare their notifications and to carry out those consultations.
- In order to assist **least-developed and other low-income developing** countries whose dependence on primary production is particularly high and whose overall level of industrialisation is particularly low to accelerate their industrialisation process and to diversify the structure of their economies in line with the objective recognized in Article XXXVI:5 of the GATT 1994 and its Ad Note, the phrase "free to deviate temporarily from the provisions of Article 2" that is contained in Article 4 of the TRIMs Agreement shall be understood to refer, in the case of these countries, to a reasonable period of time sufficient to establish the particular industry in question on a competitive footing.

¹ Paragraph 1.1 of the Ministerial Decision on Implementation-Related Issues and Concerns, adopted on 14 November 2001, "reaffirms that Article XVIII of the GATT 1994 is a special and differential treatment provision for developing countries and that recourse to it should be less onerous than to Article XII of the GATT 1994".

² *Ibid.*

Proposal related to Article 5.3 of the TRIMs Agreement

Further to the Hong Kong Ministerial Decision in favour of least-developed countries on Special and Differential Treatment relating to the Agreement on Trade-Related Investment Measures³, other low-income developing countries that demonstrate difficulties in implementing the provisions of the TRIMs Agreement shall be provided with a new opportunity to notify TRIMs and to request transition periods to eliminate the measures.

With regard to requests made in this area by **least-developed and other low-income developing country** Members under Article IX of the WTO Agreement, account shall be taken of their particular circumstances when setting the terms and conditions, including time-frames, under which transition periods are granted.

³ WT/MIN(05)/DEC.