

WORLD TRADE ORGANIZATION

G/L/200

28 October 1997

(97-4708)

REPORT (1997) OF THE COMMITTEE ON SAFEGUARDS

I. GENERAL

1. This report is submitted in accordance with Article 13.1(a) of the Agreement on Safeguards, which requires the Committee on Safeguards to report annually to the Council for Trade in Goods on the general implementation of the Agreement. The report covers the period since the Committee's last annual report (G/L/129), that is, November 1996-October 1997.

2. During the period under review, the Committee held two regular meetings, on 5 May 1997 (G/SG/M/9), and 22 October 1997 (G/SG/M/10). The Committee also held one special meeting, at the request of the European Communities, on 21 February 1997 (G/SG/M/8).

3. Observer governments in the General Council of the WTO have observer status in the Committee. At its regular meeting of 5 May 1997, the Committee took note of the fact that, pursuant to their Agreements with the WTO, the IMF and the World Bank had observer status in the Committee. At the same meeting, the Committee also decided to grant regular observer status to UNCTAD on the basis of reciprocity with respect to documents, proceedings and other aspects of observership. At its two regular meetings, the Committee considered the request of the OECD for regular observer status. At both of those meetings, the Committee decided to defer action on that request due to issues regarding reciprocity, but invited the OECD in the interim to continue to attend meetings of the Committee on an *ad hoc* basis. At its regular meeting of 22 October 1997, the Committee agreed to invite the ACP Group to attend its meetings on an *ad hoc* basis, pending the outcome of horizontal consultations with respects to the ACP Group's request for observership in various WTO bodies.

4. At its regular meeting of 5 May 1997, the Committee elected Mr. S. Nagatsuka (Japan) as Chairman, and Mr. Dmitrij Grcar (Slovenia) as its Vice Chairman.

II. NOTIFICATION AND EXAMINATION OF SAFEGUARDS LAWS AND/OR REGULATIONS OF MEMBERS

5. During the period under review, the Committee continued its review of notifications concerning national legislation in the area of safeguards. For Members with such legislation and/or regulations, these notifications consist of the full and integrated text thereof. For Members without such legislation and/or regulations, these notifications inform the Committee of this fact.

6. As of 22 October 1997, 72 Members¹ had notified the Committee of their domestic safeguards legislation or made communications in this respect to the Committee (G/SG/N/1 and addenda). Forty-five Members had not, as of that date, made notifications under Article 12.6 of the Agreement, although the deadline for such notifications was 15 March 1995. The Annex lists the status of notifications under Article 12.6 of the Agreement. The issue of the extent of the non-compliance with this notification

¹Counting the EC as a single Member for purposes of the legislative notification.

obligation, and the implications of this situation, were discussed at meetings of the Committee during the review period (G/SG/M/9 and G/SG/M/10).

7. Of the 72 Members submitting notifications, 41 notified that they had no specific legislation relating to safeguards, 12 notified new legislation, and 19 notified pre-WTO legislation still in force. Of the 60 Members notifying either no safeguards legislation or pre-WTO legislation still in force, 19 indicated that new legislation was being considered or drafted. In addition, of the Members notifying that they had no specific legislation, 13 indicated that the WTO Agreement has force of law in their territory.

8. During the period under review, the Committee reviewed the notified new or amended legislative texts of the following Members: Argentina and Brazil. Review of the notification of Honduras, which was on the agenda of the 22 October 1997 regular meeting, was deferred to the Spring 1998 regular meeting of the Committee.

9. The Committee also reviewed the notifications without legislative text of the following Members during the period: Bahrain, Botswana, Brunei Darussalam, Fiji, Ghana, Liechtenstein, Senegal, Uganda, and United Arab Emirates.

10. The substance of the review of legislative notifications is reflected in the written questions put to Members and the written answers to those questions. References to the questions and answers pertaining to each notification can be found in the minutes of the meetings at which the notifications were reviewed (G/SG/M/9 and G/SG/M/10).

11. In accordance with the procedures that it had adopted for follow-up reviews of previously-reviewed legislative notifications (G/SG/W/116), the Committee conducted a follow-up review of Korea's notified legislation (G/SG/N/1/KOR/1 and G/SG/N/1/KOR/2). References to the written questions and answers exchanged can be found in the minutes of the meetings at which this follow-up review was discussed (G/SG/M/9 and G/SG/M/10).

12. Not all written questions put to Members during the course of the legislative review meetings had been answered at the end of the period under review. In particular, written answers to questions concerning legislation were not received by the applicable deadlines from Cote d'Ivoire, Nigeria and Zimbabwe.

III. NOTIFICATIONS OF ACTIONS RELATED TO SAFEGUARD MEASURES

13. During the period of review, the Committee received and reviewed one notification of initiation of investigations. At its 5 May 1997 regular meeting, the Committee reviewed Argentina's notification of initiation of an investigation on footwear. The comments of Members regarding this notification can be found in the minutes of that meeting (G/SG/M/9). In addition, a notification was received from the United States, concerning initiation of an investigation on wheat gluten (G/SG/N/6/USA/4). Because this notification was received after the closing date for the agenda for the 22 October 1997 meeting, it was not reviewed during the period covered by this report.

14. During the review period, the Committee received and reviewed one notification of application of a provisional measure under Article 12.1(c), from Argentina on footwear (G/SG/N/7/ARG/1). The comments of Members regarding this notification can be found in the minutes of the 5 May 1997 meeting (G/SG/M/9).

15. During the review period, the Committee received and reviewed four notifications under Article 12.1(b) of findings of serious injury or threat thereof caused by increased imports. These were

from Brazil with respect to toys (G/SG/N/8/BRA/1), from Korea with respect to dairy products (G/SG/N/8/KOR/1), from Korea with respect to bicycles (G/SG/N/8/KOR/2), and from Argentina with respect to footwear (G/SG/N/8/ARG/1). The first three of these notifications were reviewed at the Committee's 5 May 1997 regular meeting, and the fourth was reviewed at the Committee's 22 October 1997 regular meeting. The comments of Members with respect to these notifications are reflected in the minutes of these meetings (G/SG/M/9 and G/SG/M/10).

16. The Committee received and reviewed notifications of decisions to apply safeguard measures with respect to four investigations during the relevant period. These notifications were from Brazil regarding toys (G/SG/N/10/BRA/1), from Korea regarding dairy products (G/SG/N/10/KOR/1 + Corr.1 + Suppl.1 + Suppl.1/Corr.1), from the United States regarding broom corn brooms (G/SG/N/10/USA/1), and from Argentina regarding footwear (G/SG/N/10/ARG/1 + Corr.1 + Suppl.1 + Suppl.2). The notifications from Brazil and the United States were reviewed at the Committee's 5 May 1997 regular meeting (G/SG/M/9); that from Korea was reviewed at the Committee's 5 May and 22 October 1997 regular meetings (G/SG/M/9 and G/SG/M/10); and that from Argentina was reviewed at the Committee's 22 October 1997 regular meeting (G/SG/M/10).

17. The Committee received one notification of termination of an investigation with no safeguard measure applied. This notification, from Korea regarding bicycles (G/SG/N/9/KOR/1), was reviewed by the Committee at its 5 May 1997 regular meeting (G/SG/M/9).

18. The Committee received notifications, in the context of four investigations, as to non-application of safeguard measures to developing countries whose imports were below the relevant threshold levels set forth in the Agreement (Article 9.1). Three of these notifications, from Brazil on toys (G/SG/N/11/BRA/1), from Korea on dairy products (G/SG/N/11/KOR/1), and from the United States on broom corn brooms (G/SG/N/11/USA/1) were reviewed at the Committee's 5 May 1997 regular meeting (G/SG/M/9). The fourth, from Argentina on footwear (G/SG/N/11/ARG/1 + Corr.1 + Suppl.1 + Suppl.2) was reviewed at the Committee's 22 October 1997 regular meeting (G/SG/M/10).

19. The Committee received and reviewed a series of notifications regarding consultations under Article 12 of the Agreement. The United States notified the results of its consultations on broom corn brooms (G/L/136-G/SG/6). The European Communities, Australia and New Zealand notified their requests for consultations with Korea on dairy products (G/SG/7, G/SG/8, G/SG/9, and G/SG/10), and Korea notified the results of those consultations (G/L/156-G/SG/11). The European Communities notified a request for consultations with Argentina concerning footwear, and Argentina notified its response to that request (G/SG/12 and G/SG/13). These notifications were reviewed at the Committee's 5 May 1997 regular meeting (G/SG/M/9). In addition, notifications were received regarding the results of Argentina's consultations with the European Communities and the United States on footwear (G/SG/14-G/L/195 and G/SG/14/Suppl.1-G/L/195/Suppl.1). These notifications were reviewed at the Committee's 22 October 1997 regular meeting (G/SG/M/10). Also at that meeting, Korea's safeguard investigation on dairy products was discussed in this context (G/SG/M/10).

IV. SPECIAL MEETINGS

20. The Committee held one special meeting during the review period, on 21 February 1997. The meeting was held at the request of the European Communities, to discuss Korea's safeguard investigation on dairy products. The minutes of this meeting can be found in G/SG/M/8.

V. PROGRESS IN PHASING OUT PRE-EXISTING MEASURES

21. At the 22 October 1997 regular meeting, four of the five Members that had notified pre-existing Article XIX measures and measures subject to prohibition and elimination under Article 11.1 of the

Agreement (the European Communities, Korea, Slovenia and South Africa) reported on their progress in phasing out those measures. The comments of Members on this subject are reflected in the minutes of that meeting (G/SG/M/10). The fifth Member, Cyprus, was asked by the Committee to provide a written statement on this subject.

VI. OTHER ISSUES DISCUSSED

22. Follow-up to Singapore Ministerial Conference: The Committee recalled the statements of Ministers at Singapore concerning implementation of the WTO Agreements, notifications and legislation, and the particular situation of developing country Members. These statements recognized that implementation and compliance with notification and legislation obligations would require further effort on the part of Members, suggested that the relevant bodies take steps to promote full compliance while considering practical proposals for simplifying the notification process, and noted the agreement of Ministers to improve the availability of technical assistance to developing countries. The Committee expressed its support for the programme of workshops and other training efforts conducted by the Secretariat in the area of contingent trade remedies, and its encouragement for the support provided by Members for the Secretariat's efforts in this regard. This discussion is reflected in the minutes of the 5 May 1997 regular meeting (G/SG/M/9).

23. Recommendation of the Working Group on Notification Obligations and Procedures: The Committee recalled the recommendations of the Working Group on Notification Obligations and Procedures in the areas of notification formats and compliance with notification obligations. This discussion is reflected in the minutes of the 5 May 1997 regular meeting (G/SG/M/9).

ANNEX
SAFEGUARDS LEGISLATIVE NOTIFICATIONS

MEMBER	NOTIFICATION PROVIDED
Angola	None
Antigua and Barbuda	None
Argentina	G/SG/N/1/ARG/3 + Suppl.1
Australia	G/SG/N/1/AUS/1
Bahrain	G/SG/N/1/BHR/1
Bangladesh	None
Barbados	None
Belize	None
Benin	None
Bolivia	G/SG/N/1/BOL/1
Botswana	G/SG/N/1/BWA/1
Brazil	G/SG/N/1/BRA/3 + Suppl.1
Brunei Darussalam	G/SG/N/1/BRN/1
Bulgaria	G/SG/N/1/BGR/1
Burkina Faso	None
Burundi	None
Cameroon	None
Canada	G/SG/N/1/CAN/2
Central African Republic	None
Chad	None
Chile	G/SG/N/1/CHL/1
Colombia	G/SG/N/1/COL/1
Congo	None
Congo, Dem. Rep.	None
Costa Rica	G/SG/N/1/CRI/1 + Corr.1
Côte d'Ivoire	G/SG/N/1/CIV/1
Cuba	G/SG/N/1/CUB/1
Cyprus	None
Czech Republic	G/SG/N/1/CZE/1

MEMBER	NOTIFICATION PROVIDED
Djibouti	None
Dominica	None
Dominican Republic	G/SG/N/1/DOM/1
European Community	G/SG/N/1/EEC/1
Ecuador	G/SG/N/1/ECU/1
Egypt	G/SG/N/1/EGY/1
El Salvador	G/SG/N/1/SLV/2
Fiji	G/SG/N/1/FJI/1
Gabon	None
Gambia, The	None
Ghana	G/SG/N/1/GHA/1
Grenada	None
Guatemala	G/SG/N/1/GTM/1
Guinea Bissau	None
Guinea, Rep. of	G/SG/N/1/GIN/1
Guyana	None
Haiti	None
Honduras	G/SG/N/1/HND/2
Hong Kong, China	G/SG/N/1/HKG/1
Hungary	G/SG/N/1/HUN/2 + Add. 1 + Suppl. 1 & 2
Iceland	G/SG/N/1/ISL/1
India	G/SG/N/1/IND/1
Indonesia	G/SG/N/1/IDN/1
Israel	G/SG/N/1/ISR/2
Jamaica	None
Japan	G/SG/N/1/JPN/2 + Corr. 1
Kenya	G/SG/N/1/KEN/1
Korea	G/SG/N/1/KOR/3
Kuwait	None
Lesotho	None
Liechtenstein	G/SG/N/1/LIE/1

MEMBER	NOTIFICATION PROVIDED
Macau	G/SG/N/1/MAC/2
Madagascar	None
Malawi	None
Malaysia	G/SG/N/1/MYS/1
Maldives	G/SG/N/1/MDV/1
Mali	None
Malta	G/SG/N/1/MLT/1
Mauritania	None
Mauritius	G/SG/N/1/MUS/1
Mexico	G/SG/N/1/MEX/1
Mongolia	None
Morocco	G/SG/N/1/MAR/1
Mozambique	None
Myanmar	G/SG/N/1/MYM/1
Namibia	None
New Zealand	G/SG/N/1/NZL/1
Nicaragua	G/SG/N/1/NIC/1
Niger	None
Nigeria	G/SG/N/1/NGA/1
Norway	G/SG/N/1/NOR/3
Pakistan	G/SG/N/1/PAK/1
Panama	None
Papua New Guinea	None
Paraguay	G/SG/N/1/PRY/1
Peru	G/SG/N/1/PER/1
Philippines	G/SG/N/1/PHL/1
Poland	G/SG/N/1/POL/1
Qatar	None
Romania	G/SG/N/1/ROM/1
Rwanda	None
Saint Kitts & Nevis	None

MEMBER	NOTIFICATION PROVIDED
Saint Lucia	G/SG/N/1/LCA/1
Saint Vincent & Grenadines	None
Senegal	G/SG/N/1/SEN/1
Sierra Leone	None
Singapore	G/SG/N/1/SGP/1
Slovak Republic	G/SG/N/1/SVK/2
Slovenia	G/SG/N/1/SVN/1
Solomon Islands	None
South Africa	G/SG/N/1/ZAF/1
Sri Lanka	G/SG/N/1/LKA/1
Suriname	None
Swaziland	None
Switzerland	G/SG/N/1/CHE/1
Tanzania	None
Thailand	G/SG/N/1/THA/1 + Rev. 1
Togo	None
Trinidad and Tobago	G/SG/N/1/TTO/1
Tunisia	G/SG/N/1/TUN/1
Turkey	G/SG/N/1/TUR/2 1 Rev. 1 + Rev. 1/Corr. 1
Uganda	G/SG/N/1/UGA/1
United Arab Emirates	G/SG/N/1/ARE/1
United States	G/SG/N/1/USA/1
Uruguay	G/SG/N/1/URY/1
Venezuela	G/SG/N/1/VEN/1 + Corr. 1
Zambia	G/SG/N/1/ZMB/1
Zimbabwe	G/SG/N/1/ZWE/2