

# WORLD TRADE ORGANIZATION

G/L/494  
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(01-5335)

## REPORT (2001) OF THE COMMITTEE ON SAFEGUARDS TO THE COUNCIL FOR TRADE IN GOODS

### I. GENERAL

1. The Committee on Safeguards was established in 1995 to perform the functions set out in Article 13 of the Agreement on Safeguards. This report is submitted in accordance with Article 13.1(a) of the Agreement, which requires the Committee 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/409), i.e., 10 November 2000 – 29 October 2001.
2. During the period under review, the Committee held two regular meetings, on 30 April 2001 (G/S/G/M/17) and 29 October 2001 (G/S/G/M/18). The Committee also held an informal meeting on 1 February 2001, concerning the desirability of the Committee commencing discussions on issues regarding the application of the Safeguards Agreement.
3. Observer governments in the General Council of the WTO have observer status in the Committee. Pursuant to their Agreements with the WTO, the IMF and the World Bank have observer status in the Committee as well. UNCTAD has observer status in the Committee through a Committee decision.
4. Both the OECD and the ACP Group have requested regular observer status in the Committee. At its regular meetings in 1998, the Committee decided to invite the OECD to attend Committee meetings on an *ad hoc* basis, subject to objection by a Member in particular cases. At the same time, the Committee also decided to invite the ACP Group to attend its meetings on an *ad hoc* basis, pending the outcome of horizontal consultations with respect to the ACP Group's request for observership in various WTO bodies. The Committee continued this practice during the reporting period.
5. At its regular meeting of 30 April 2001, the Committee elected Mr. Martin Pospíšil (Czech Republic) as Chairperson. The Committee also agreed that Mr. István Pokorádi (Hungary) should continue to serve as Vice Chairperson.

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

6. During the period under review, the Committee continued its review of notifications under Article 12.6 of the Agreement concerning national legislation and/or regulations 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.

7. As of 29 October 2001, 92 Members<sup>1</sup> had notified the Committee of their domestic safeguards legislation and/or regulations or made communications in this regard to the Committee (G/SN/G/1 and addenda). 35 Members had not as of that date made such a notification. Annex 1 lists the status of notifications under Article 12.6 of the Agreement. The extent of the non-compliance with this notification obligation, and the implications of this situation, were discussed at the regular meetings of the Committee held during the review period (G/SN/M/17 and G/SN/M/18).

8. Of the 92 Members submitting notifications, 46 notified that they had no specific legislation relating to safeguards.

9. During the period under review, the Committee reviewed the notified new or amended legislative texts of the following Members: Croatia, the Czech Republic, Estonia, Japan, Jordan, Korea, the Philippines, Slovenia and Tunisia.

10. The Committee also reviewed during this period the notifications without legislative text of the following Members: Burundi, Lesotho, Madagascar, Namibia, and Oman.

11. 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/SN/M/17 and G/SN/M/18).

### **III. NOTIFICATIONS OF ACTIONS RELATED TO SAFEGUARD MEASURES**

12. During the period under review, the Committee received and reviewed a variety of notifications of actions related to safeguard measures. The notifications of initiations, the application of safeguard measures, and the termination of investigations, received by the Committee from 10 November 2000 to 29 October 2001 are summarized in Annex 2.

13. During the period under review, the Committee reviewed 30 notifications under Article 12.1(a) regarding the initiation of an investigation. These were from Argentina on peaches, Brazil on coconuts, Bulgaria on ammonium nitrate, Chile on lighters, mixed oils, synthetic socks, wheat, wheat flour, sugar and edible vegetable oils, the Czech Republic on footwear and isoglucose, Egypt on fluorescent lamps, Japan on tatami-omote, welsh onions and shiitake mushrooms, Jordan on chocolates and biscuits, Morocco on rubber, the Philippines on cement and ceramic tiles, Poland on nitrates of potassium, El Salvador on pig-meat, rice and fertilizers, the Slovak Republic on sugar, and the United States on steel and wire rod.

14. During the period under review, the Committee reviewed 14 notifications of application of a provisional measure under Article 12.4. These were from Argentina on peaches, Bulgaria on ammonium nitrate, Chile on synthetic socks, mixed oils, wheat, wheat flour, sugar and edible vegetable oils, the Czech Republic on isoglucose, Ecuador on matches, Japan on tatami-omote, welsh onions and shiitake mushrooms, and Morocco on bananas.

15. During the period under review, the Committee also reviewed 17 notifications concerning findings of serious injury or threat thereof caused by increased imports. These notifications were from Argentina on motorcycles and peaches, Chile on liquid / powdered milk, wheat, wheat flour, sugar and edible vegetable oils, the Czech Republic on isoglucose, Egypt on fluorescent lamps and powdered milk, India on gamma ferric oxide / magnetic iron oxide, methylene chloride and phenol, Jordan on biscuits, Morocco on bananas, the Slovak Republic on sugar, and Venezuela on tyres.

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<sup>1</sup> Counting the EC as a single Member for purposes of the legislative notification. There are currently 142 WTO Members. This figure is reduced to 127 if the EC is counted as a single Member.

16. During the period under review the Committee reviewed seven notifications of termination of a safeguard investigation with no safeguard measure imposed. These notifications were from Chile on mixed oils and synthetic socks, Colombia on taxis, the Czech Republic on footwear, El Salvador on pig-meat and rice, Jordan on chocolate, and the United States on extruded rubber thread.

17. Furthermore, the Committee reviewed 20 notifications concerning decisions to apply safeguard measures. These notifications were from Argentina on motorcycles and peaches, Chile on liquid/powdered milk, synthetic socks, wheat, wheat flour, sugar and edible vegetable oils, the Czech Republic on isoglucose, Egypt on fluorescent lamps and powdered milk, Jordan on biscuits, Morocco on bananas, the Slovak Republic on sugar, and the United States on wheat gluten.

18. During the period under review, the Committee received 13 notifications concerning the non-application of a safeguard measure to developing country Members. These were from Argentina on motorcycles and peaches, Chile on liquid / powdered milk, synthetic socks, wheat, wheat flour, sugar and edible vegetable oils, the Czech Republic on isoglucose, Japan on tatami-omote, welsh onions and shiitake mushrooms, the Slovak Republic on sugar, and the United States on wheat gluten.

19. The Committee reviewed two notifications concerning the results of the mid-term reviews of safeguard measures. These were from Korea on garlic, and the United States on line pipe.

20. The Committee discussed two notifications regarding the proposed suspension of concessions and other obligations during the period under review. These were from Egypt and the European Communities regarding the Egyptian measure on powdered milk, and from Poland regarding the Slovak measure on sugar. The Committee agreed to revert to issues regarding Poland's notification at its next regular meeting.

21. Members' oral comments concerning these notifications can be found in the minutes of the meetings at which they were reviewed (G/SG/M/17 and G/SG/M/18). Members' written questions and answers concerning these notifications can be found in the G/SG/Q2/... series.

#### **IV. PRE-EXISTING MEASURES**

22. The Committee noted that Nigeria notified certain measures as pre-existing in document G/SG/N/2/NGA, dated 16 March 1998. At the Committee's 29 October 2001 meeting, the Committee repeated its request that Nigeria update the Committee on the status of these measures as soon as possible.

#### **V. INFORMAL CONSULTATIONS**

23. At the Committee's informal meeting on 1 February 2001, the then Chairman (Mr. Joshua Setipa) consulted Members on the desirability of the Committee commencing discussions on issues regarding the application of the Safeguards Agreement. Members expressed a view that there was a need for the Committee to discuss issues concerning the application of the Safeguards Agreement, and that any such discussions should be held in informal mode, and cover procedural – as opposed to substantive – issues. Members also expressed that the objective of any such discussions should not, for the time being at least, be to "make recommendations towards ... [the] improvement" of the Safeguards Agreement, in a manner envisaged by Article 13.1 of the Agreement, and that any such discussions should take place within the Committee *per se*, rather than any subsidiary body thereof. However, there was no agreement among Members that there should be a standing agenda item for such discussions, or that such discussions should take place on the basis of a predetermined list of topics. Rather, certain Members suggested that delegations should place concrete proposals for discussion on the agenda of the Committee, as and when the need arose. To date, no such concrete proposals have been received.

**ANNEX 1**

**SAFEGUARDS LEGISLATIVE NOTIFICATIONS**

MEMBER	NOTIFICATION PROVIDED
Albania	None
Angola	None
Antigua and Barbuda	None
Argentina	G/SG/N/1/ARG/3 + Suppl.1
Australia	G/SG/N/1/AUS/2
Bahrain	G/SG/N/1/BHR/1
Bangladesh	None
Barbados	None
Belize	None
Benin	G/SG/N/1/BEN/1 + Corr.1 (Corr.1-French only)
Bolivia	G/SG/N/1/BOL/1 + Suppl.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	G/SG/N/1/BUR/1
Cameroon	None
Canada	G/SG/N/1/CAN/2
Central African Republic	None
Chad	G/SG/N/1/TCD/1
Chile	G/SG/N/1/CHL/2
Colombia	G/SG/N/1/COL/2
Congo	None
Congo, Dem. Rep.	None
Costa Rica	G/SG/N/1/CRI/2
Côte d'Ivoire	G/SG/N/1/CIV/1
Croatia	G/SG/N/1/HRV/1
Cuba	G/SG/N/1/CUB/1
Cyprus	G/SG/N/1/CYP/1
Czech Republic	G/SG/N/1/CZE/3
Djibouti	None
Dominica	G/SG/N/1/DMA/1
Dominican Republic	G/SG/N/1/DOM/1
Ecuador	G/SG/N/1/ECU/3
Egypt	G/SG/N/1/EGY/2
El Salvador	G/SG/N/1/SLV/2
Estonia	G/SG/N/1/EST/2
European Communities	G/SG/N/1/EEC/1
Fiji	G/SG/N/1/FJI/1
Gabon	None
Gambia, The	None
Georgia	None
Ghana	G/SG/N/1/GHA/1
Grenada	None
Guatemala	G/SG/N/1/GTM/2

MEMBER	NOTIFICATION PROVIDED
Guinea Bissau	None
Guinea, Rep. of	G/SG/N/1/GIN/1
Guyana	None
Haiti	G/SG/N/1/HTI/1
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/2+Suppl.1
Indonesia	G/SG/N/1/IDN/1
Israel	G/SG/N/1/ISR/2
Jamaica	G/SG/N/1/JAM/1
Japan	G/SG/N/1/JPN/3
Jordan	G/SG/N/1/JOR/1 + Corr.1
Kenya	G/SG/N/1/KEN/1
Korea	G/SG/N/1/KOR/4
Kuwait	None
Kyrgyz Rep	G/SG/N/1/KGZ/1
Latvia	G/SG/N/1/LVA/1/Suppl.1 & 2 + Corr.1
Lesotho	G/SG/N/1/LSO/1
Liechtenstein	G/SG/N/1/LIE/1
Lithuania	None
Macao, China	G/SG/N/1/MAC/2
Madagascar	G/SG/N/1/MDG/1
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
Moldova	None
Mongolia	G/SG/N/1/MNG/1
Morocco	G/SG/N/1/MAR/1
Mozambique	None
Myanmar	G/SG/N/1/MYM/1
Namibia	G/SG/N/1/NAM/2
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
Oman	G/SG/N/1/OMN/1
Pakistan	G/SG/N/1/PAK/1
Panama	G/SG/N/1/PAN/1
Papua New Guinea	None
Paraguay	G/SG/N/1/PRY/2
Peru	G/SG/N/1/PER/2

MEMBER	NOTIFICATION PROVIDED
Philippines	G/SG/N/1/PHL/2
Poland	G/SG/N/1/POL/2
Qatar	G/SG/N/1/QAT/1
Romania	G/SG/N/1/ROM/1
Rwanda	None
Saint Kitts & Nevis	None
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/2
Solomon Islands	None
South Africa	G/SG/N/1/ZAF/1
Sri Lanka	G/SG/N/1/LKA/1
Suriname	G/SG/N/1/SUR/1
Swaziland	None
Switzerland	G/SG/N/1/CHE/1
Tanzania	None
Thailand	G/SG/N/1/THA/2
Togo	None
Trinidad and Tobago	G/SG/N/1/TTO/1
Tunisia	G/SG/N/1/TUN/2
Turkey	G/SG/N/1/TUR/2 + Rev.1 + Rev.1/Corr.1 (Corr.1-English only)
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 + Supp.1 + Corr.1 (Corr.1-Spanish only)
Venezuela	G/SG/N/1/VEN/2
Zambia	G/SG/N/1/ZMB/1
Zimbabwe	G/SG/N/1/ZWE/2

**ANNEX 2**  
**SUMMARY OF NOTIFICATIONS OF INITIATIONS, PRELIMINARY MEASURES,**  
**DEFINITIVE MEASURES, AND TERMINATIONS FROM**  
**10 NOVEMBER 2000 TO 29 OCTOBER 2001<sup>1</sup>**

<b>Reporting Member</b>	<b>Safeguard investigations initiated</b>	<b>Preliminary safeguard measures imposed</b>	<b>Definitive safeguard measures imposed</b>	<b>Safeguard investigations terminated</b>
Argentina	Peaches; 12/01/2001; G/SG/N/6/ARG/4	Peaches; 12/01/2001; G/SG/N/7/ARG/2	Peaches; 08/08/2001; G/SG/N/10/ARG/3  Motorcycles; 22/06/2001; G/SG/N/10/ARG/2	
Brazil	Coconuts; 10/08/2001; G/SG/N/6/BRA/2			
Bulgaria	Non-aqueous ammonium nitrate; 10/11/2000; G/SG/N/6/BGR/1	Non-aqueous ammonium nitrate; 28/11/2000; G/SG/N/7/BGR/1		
Chile	Lighters; 31/08/2001 G/SG/N/6/CHL/6  Mixed oils; 19/12/2000; G/SG/N/6/CHL/5	Mixed Oils; 13/01/2001; G/SG/N/7/CHL/5/Suppl.1	Liquid/powdered milk; 10/01/2001; G/SG/N/10/CHL/3	Mixed oils; 25/04/2001; G/SG/N/9/CHL/3
Czech Republic	Isoglucose; 20/12/2000; G/SG/N/6/CZE/3  Footwear; 01/11/2000; G/SG/N/6/CZE/2	Isoglucose; 10/01/2001; G/SG/N/7/CZE/2	Isoglucose; 26/07/2001; G/SG/N/10/CZE/2	Footwear; 25/07/2001; G/SG/N/9/CZE/1
Ecuador		Matches; 12/2000; G/SG/N/7/ECU/1		
Egypt			Powdered milk; 12/04/2001; G/SG/N/10/EGY/4	
El Salvador	Fertilizers; 08/11/2000; G/SG/N/6/SLV/3			Rice; 31/05/2001; G/SG/N/9/SLV/2  Pigmeat; 09/02/2001; G/SG/N/9/SLV/1

<sup>1</sup> For a summary of notifications of safeguard actions from 01/01/95-09/11/00, please see Annex 2 to document G/L/409.

<b>Reporting Member</b>	<b>Safeguard investigations initiated</b>	<b>Preliminary safeguard measures imposed</b>	<b>Definitive safeguard measures imposed</b>	<b>Safeguard investigations terminated</b>
Japan	Tatami-Omote; 22/12/2000; G/SG/N/6/JPN/1	Tatami-Omote; 23/04/2001; G/SG/N/7/JPN/1		
	Welsh onions; 22/12/2000; G/SG/N/6/JPN/1	Welsh onions; 23/04/2001; G/SG/N/7/JPN/1		
	Shiitake mushrooms; 22/12/2000; G/SG/N/6/JPN/1	Shiitake mushrooms; 23/04/2001; G/SG/N/7/JPN/1		
Jordan	Biscuits/chocolates; 10/12/2000; G/SG/N/6/JOR/1		Biscuits; 01/09/2001; G/SG/N/10/JOR/1	Chocolate; 14/06/2001; G/SG/N/9/JOR/1
Morocco	Rubber plates & sheets; 05/12/2001; G/SG/N/6/MAR/2		Bananas; 04/2001; G/SG/N/10/MAR/1	
Philippines	Ceramic tiles; 28/05/2001; G/SG/N/6/PHL/2			
	Cement; 28/05/2001; G/SG/N/6/PHL/1			
Poland	Potassium nitrate; 22/12/2000; G/SG/N/6/POL/1			
Slovak Republic	Sugar; 20/10/2000; G/SG/N/6/SVK/2		Sugar; 01/05/2001; G/SG/N/10/SVK/1	
United States	Steel; 28/06/2001; G/SG/N/6/USA/10			