

WORLD TRADE ORGANIZATION

G/L/589
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(02-6189)

REPORT (2002) 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, which requires the Committee on Trade-Related Investment Measures to report annually to the Council for Trade in Goods. The Report covers the period October 2001- October 2002.¹

2. The Committee met on 21 May 2002 under the chairmanship of Mr. Paul Bennett (Ireland), and on 10 July and 14 October 2002 under the chairmanship of Mr. Vassili Notis (Greece).² Minutes of the meetings may be found in documents G/TRIMS/M/13, G/TRIMS/M/14 and G/TRIMS/M/15 and G/TRIMS/M/15. Add.1, respectively. The meetings were open to 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 from several other international organizations are pending.

II. NOTIFICATIONS

3. Article 5.1 of the Agreement on Trade-Related Investment Measures requires Members 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 gives the benefit of 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.³

4. Annex 1 contains a list of all notifications of measures under Article 5.1.⁴ In the case of some Members, notifications have been submitted later than the 90-day period foreseen.

¹ The previous annual report is contained in document G/L/390 of 20 September 2000.

² The meeting of 14 October was resumed on 4 November to allow the Committee to complete its work.

³ WT/L/64.

⁴ Notifications under Article 5.1 circulated in 1995 have been derestricted since 28 May 1996. Following the decision taken by the General Council on 14 May 2002 on derestriction and circulation of WTO documents (WT/L/452), which abrogated the Decision of 18 July 1996, documents containing notifications under Articles 5.1, 5.5 and 6.2 are issued unrestricted.

5. Some Members have notified the Committee that they do not apply any TRIM inconsistent with the Agreement. During the period under review, such a notification was received from Chinese Taipei. Annex 2 lists all Members which have made such notifications.

6. Article 5.5 deals with the conditions under which, during the transition periods stipulated in Article 5.2, Members may apply TRIMs notified under Article 5.1 to new investments. While a standard format for the submission of notifications under this provision has been adopted by the Committee (G/TRIMS/3), no such notifications have been made.

7. A number of Members have submitted notifications as required under Article 6.2, which provides for notification to the Secretariat of publications in which information on TRIMs can be found. A list of these notifications has been circulated in G/TRIMS/N/2/Rev.9 and Addenda 1 to 10. Annex 3 lists the Members which have submitted such notifications.

III. OUTSTANDING IMPLEMENTATION ISSUES

8. Pursuant to the decision of the Council for Trade in Goods (CTG) taken on 7 May 2002, the TRIMs Committee was assigned the responsibility for conducting work on the outstanding implementation issues related to the TRIMs Agreement as contained in tirets 37-40 of JOB(01)/152/Rev.1, and for reporting regularly to the CTG on progress on these issues. At its meetings on 21 May, 10 July and 14 October, the TRIMs Committee discussed the relevant tirets. These were:

- Tiret 37: Developing countries shall have another opportunity to notify existing TRIMs measures which they would be then allowed to maintain till the end of the new transition period.
- Tiret 38: The provisions of Article 5.3 must be suitably amended and made mandatory.
- Tiret 39: Developing countries shall be exempted from the disciplines on the application of domestic content requirement by providing for an enabling provision in Articles 2 and 4 to this effect.
- Tiret 40: Specific provisions shall be included in the Agreement to provide developing countries the necessary flexibility to implement development policies (intended to address, among others, social, regional, economic, and technological concerns) that may help reduce the disparities they face *vis-à-vis* developed countries.

9. The Committee had a useful exchange of views on these issues and more generally on the implementation of the TRIMs Agreement. The Committee discussed a joint proposal by Brazil and India under tiret 40, which was distributed in document G/TRIMS/W/25. A full account of the discussions is contained in the relevant sections of the minutes of the meetings of the TRIMs Committee (G/TRIMS/M/13, G/TRIMS/M/14, G/TRIMS/M/15 and G/TRIMS/M/15.Add.1).

10. At its meeting on 21 May 2002, the Committee agreed that the Chairman would make a brief oral report to the CTG after each meeting of the TRIMs Committee at which the outstanding implementation issues were discussed. Accordingly, the Chairman of the TRIMs Committee reported on the development of the discussions on this issue at the meetings of the CTG held on 13 June and 22-23 July 2002 in documents G/C/M/62 and G/C/M/64, respectively.

11. At its meeting on 14 October 2002, which was resumed on 4 November, the Committee agreed on its report to the CTG on this issue. The report was forwarded to the CTG in document G/L/588.

IV. TRANSITIONAL REVIEW MECHANISM PURSUANT TO PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

12. Pursuant to paragraph 18 of China's Protocol of Accession, the TRIMs Committee undertook the review China's implementation of its commitments under the TRIMs Agreement and related provisions of the Protocol of Accession. To that end, China was invited to provide relevant information, as specified in Sections 3 and 8 of Annex 1A of the Protocol, in advance of the review. Comments and questions in connection with China's Transitional Review Mechanism were received from Japan (G/TRIMS/W/20), the European Community (G/TRIMS/W/21), the United States (G/TRIMS/W/22), and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (G/TRIMS/W/24). In a communication dated 10 October 2002, China submitted information on Annex 1A of its Protocol of Accession in the context of the Transitional Review Mechanism (G/TRIMS/W/26).

13. The review took place at the meeting of 14 October 2002. The Committee had a useful discussion on the basis of the above submissions. The statement made by the Chinese delegation at the meeting was distributed in document G/TRIMS/W/27. A full account of the discussions can be found in the minutes of that meeting (G/TRIMS/M/15). The Chairman of the Committee submitted a report on the review, on his own responsibility, to the Council for Trade in Goods, which is contained in document G/L/586. Some delegations reserved their rights to submit additional questions to China in connection with the review.

ANNEX 1

Members which 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 ⁵	G/TRIMS/N/1/BOL/1	24 June 1998
Chile	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	G/TRIMS/N/1/COL/2	31 July 1995
Colombia	G/TRIMS/N/1/COL/2/Corr.1	30 September 1996
Costa Rica ⁶	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba ⁷	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus ⁸	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

⁵ 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).

⁶ 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).

⁷ 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).

⁸ 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>
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
Mexico	G/TRIMS/N/1/MEX/1/Rev.1 ⁹	31 March 1995
Nigeria ¹⁰	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 ¹¹	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

⁹ English only.

¹⁰ 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).

¹¹ 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 ¹²	16 September 1999
Cyprus	G/TRIMS/N/1/CYP/2/Add.1	26 May 2000
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
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
Taipei, Chinese	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

¹² 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 which have Submitted Notifications under Article 6.2 of the Agreement on Trade-Related Investment Measures

Argentina
Australia
Brazil
Brunei Darussalam
Bolivia
Bulgaria
Burundi
Cameroon
Canada
Chad
Chile
China
Colombia
Costa Rica
Croatia
Cuba
Czech Republic
Dominica
Ecuador
Estonia
European Community (including the member States)
Fiji Islands, Rep. of the
Gabon
Georgia
Ghana
Haiti
Hong Kong, China
Iceland
India
Indonesia
Israel
Jamaica
Japan
Korea
Kyrgyz Republic
Latvia
Liechtenstein
Lithuania
Macau, China
Madagascar
Maldives
Mali
Malta
Mauritius
Moldova
Mongolia
Namibia

New Zealand
Nicaragua
Norway
Panama
Paraguay
Peru
Philippines
Poland
Qatar
Romania
Singapore
Slovak Republic
Slovenia
South Africa
Sri Lanka
Suriname
Switzerland
Taipei, Chinese
Thailand
Trinidad and Tobago
Tunisia
Uganda
United States
Uruguay
Venezuela, Bolivarian Rep. of
Zambia
Zimbabwe
