



9 October 2013

(13-5503)

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## REPORT (2013) OF THE COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

### 1 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 January 2013 – December 2013.
2. The Committee met formally on 30 April 2013 under the Chairpersonship of Mr José Estanislau do Amaral (Brazil) and on 4 October 2013 under the Chairpersonship of Mr Tsotetsi Makong (Lesotho). The minutes of these meetings may be found in documents G/TRIMS/M/34 and G/TRIMS/M/35, respectively. Both meetings were 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.

### 2 NOTIFICATIONS

3. Pursuant to Article 5.1 of the TRIMs Agreement, 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 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.<sup>1</sup>
4. Annex 1 to this report lists all notifications of measures under Article 5.1. In the case of some Members, notifications have been submitted later than the 90-day period foreseen. During the reporting period, the Russian Federation notified the provisions of the "industrial assembly" investment regime in the automotive sector.<sup>2</sup>
5. Some Members have notified 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 of publications in which information on TRIMs can be found. Annex 3 lists the Members that have submitted such notifications. Since the last report, notifications were received from Guatemala, Lao People's Democratic Republic, Lesotho, and South Africa. As agreed by the Committee at its meeting on 20 May 2009, the Secretariat has circulated a reminder<sup>3</sup> containing guidance regarding the requirements of Article 6.2 and its related decision. The reminder also requests all Members that had never notified such publications to do so without delay and that all Members that had previously notified to constantly update their notifications, if

<sup>1</sup> WT/L/64.

<sup>2</sup> G/TRIMS/N/1/RUS/1 and Add.1.

<sup>3</sup> Reminder for 2013 was circulated in document G/TRIMS/W/126.

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appropriate, without delay. The latest updated list of notifications has been circulated in document G/TRIMS/N/2/Rev.23.<sup>4</sup>

### **3 SPECIAL AND DIFFERENTIAL TREATMENT PROPOSALS RELATED TO THE TRIMS AGREEMENT**

7. 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.

8. 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 dealing more specifically with the concerns of the proponents.<sup>5</sup> 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 these 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 since been received. In accordance with paragraph 37 of the Hong Kong Ministerial Declaration, the Chairperson of the TRIMs Committee submitted an oral report (18 December 2007)<sup>6</sup> to the General Council on the work undertaken by the Committee with respect to the S&D proposals. At the Committee meetings on 23 October 2008, 16 October 2009<sup>7</sup>, 1 October 2010, 3 October 2011, 1 October 2012, and 4 October 2013 no delegation took the floor on this matter.

### **4 COMMUNICATIONS BY MEMBERS AND RELATED DISCUSSIONS**

9. Five new trade issues were raised for the first time at the April 2013 meeting, while one new issue was taken up at the October 2013 meeting. At the April meeting, discussion also continued on seven issues previously raised in the Committee, while at the October meeting, discussion continued on eleven previously raised issues.

10. With respect to the five new issues considered in April, three were requested by the EU, Japan and the United States, and two by India. The first three were: Brazil – Tax preferences linked to local content conditions in several sectors<sup>8</sup>; Russia - Local content conditions in the "Auto Investment Program"<sup>9</sup>; and Russia – Local content requirements for agricultural equipment.<sup>10</sup> The two issues raised by India were: United States – Certain local content requirements in the renewable energy sector<sup>11</sup>; and United States – Domestic content requirements in procurement by water utilities.<sup>12</sup>

11. The discussions pertaining to these five issues continued at the October meeting at the request of the European Union, Japan and the US with respect to the first and second issues, at the request of the EU and the US with respect to the third issue, and at the request of India with respect to the last two issues. At the October meeting, the United States raised a new issue entitled Uruguay – Local content requirements for wind power equipment.<sup>13</sup>

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<sup>4</sup> Following the circulation of this document, the notification of Lao People's Democratic Republic was received and circulated in document G/TRIMS/N/2/Rev.23/Add.1.

<sup>5</sup> The latest revised version of the African Group's proposals was annexed to document G/TRIMS/M/31.

<sup>6</sup> WT/GC/M/112, paragraph 142.

<sup>7</sup> Following that meeting, the Chairperson made an oral report to the General Council at its meeting held on 17 December 2009. This report was reflected in document WT/GC/M/124, paragraph 52.

<sup>8</sup> G/TRIMS/W/118 and G/TRIMS/W/124.

<sup>9</sup> G/TRIMS/W/120.

<sup>10</sup> G/TRIMS/W/116.

<sup>11</sup> G/TRIMS/W/117.

<sup>12</sup> G/TRIMS/W/121.

<sup>13</sup> G/TRIMS/W/125.

12. In addition, at the request of the EU, Japan and the US, the Committee continued to consider the issues of Brazil – Certain local content provisions in the telecommunications sector<sup>14</sup>; India – Certain preferences to domestically manufactured electronic goods<sup>15</sup>; Indonesia – Certain measures addressing local content in investment in the telecommunications sector<sup>16</sup>; Indonesia – Certain local content provisions in the energy sector (mining, oil and gas)<sup>17</sup>, and Ukraine – Certain local content provisions in the Law "on Amendments to the Law of Ukraine 'on electric power industry'.<sup>18</sup> At the request of the European Union and the United States, discussion continued at both meetings on Nigeria – Certain measures taken in the "Act to Provide for the Development of Nigerian content in the Nigeria Oil and Gas Industry" of April 2010".<sup>19</sup> At the request of the United States, discussion was held at the April meeting on China – Certain investment measures pertaining to the steel sector.<sup>20</sup>

## 5 DATE OF THE NEXT MEETING

13. The next Committee meeting will be held on 6 October 2014. If any Member so requests, a spring 2014 meeting will also be scheduled.

## 6 ELECTION OF OFFICERS

14. At its meeting of 30 April 2013, the Committee elected Mr Tsotetsi Makong (Lesotho) as its Chairperson for the period 2013-2014.

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<sup>14</sup> G/TRIMS/W/93, G/TRIMS/W/99, G/TRIMS/W/107, and G/TRIMS/W/113.

<sup>15</sup> G/TRIMS/W/94, G/TRIMS/W/97, G/TRIMS/W/105, and G/TRIMS/W/111.

<sup>16</sup> G/TRIMS/W/61, G/TRIMS/W/63, G/TRIMS/W/71, G/TRIMS/W/75, G/TRIMS/W/78, G/TRIMS/W/80, G/TRIMS/W/86, G/TRIMS/W/96, and G/TRIMS/W/104.

<sup>17</sup> G/TRIMS/W/70, G/TRIMS/W/74, G/TRIMS/W/79, G/TRIMS/W/88, G/TRIMS/W/100, G/TRIMS/W/108, and G/TRIMS/W/123.

<sup>18</sup> G/TRIMS/W/109, G/TRIMS/W/115, and G/TRIMS/W/119.

<sup>19</sup> G/TRIMS/W/89.

<sup>20</sup> G/TRIMS/W/103 and G/TRIMS/W/122.

**ANNEX 1****Members that have Submitted Notifications under Article 5.1  
of the Agreement on Trade-Related Investment Measures**

<b><u>Member</u></b>	<b><u>Document Symbol</u></b>	<b><u>Date of Communication</u></b>
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 <sup>1</sup>	G/TRIMS/N/1/BOL/1	24 June 1998
Chile <sup>2</sup>	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 <sup>3</sup>	G/TRIMS/N/1/COL/2	31 July 1995
Colombia	G/TRIMS/N/1/COL/2/Corr.1	30 September 1996
Costa Rica <sup>4</sup>	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba <sup>5</sup>	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus <sup>6</sup>	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
Mexico <sup>7</sup>	G/TRIMS/N/1/MEX/1/Rev.1 <sup>8</sup>	31 March 1995
Nigeria <sup>9</sup>	G/TRIMS/N/1/NGA/1	17 July 1996

<sup>1</sup> 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).

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

<sup>3</sup> 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).

<sup>4</sup> 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).

<sup>5</sup> 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).

<sup>6</sup> 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).

<sup>7</sup> 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).

<sup>8</sup> In English only.

<sup>9</sup> 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).

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<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
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 <sup>10</sup>	G/TRIMS/N/1/POL/1	28 September 1995
Russian Federation	G/TRIMS/N/1/RUS/1 and Add.1	23 January 2013
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

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<sup>10</sup> 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

<b><u>Member</u></b>	<b><u>Document Symbol</u></b>	<b><u>Date of Communication</u></b>
Bolivia	G/TRIMS/N/1/BOL/1/Add.1	4 March 1999
Costa Rica	G/TRIMS/N/1/CRI/1/Add.1 <sup>1</sup>	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

<sup>1</sup> 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	Lesotho
Angola	Liechtenstein
Argentina	Macao, China
Armenia	Madagascar
Australia	Malaysia
Bahrain, Kingdom of	Maldives
Bolivia, Plurinational State of	Mali
Brazil	Mauritius
Brunei Darussalam	Mexico
Burkina Faso	Moldova, Republic of
Burundi	Mongolia
Cameroon	Namibia
Canada	New Zealand
Chad	Nicaragua
Chile	Nigeria
China	Norway
Colombia	Oman
Costa Rica	Panama
Cuba	Paraguay
Dominica	Peru
Dominican Republic	Philippines
Ecuador	Qatar
El Salvador	Russian Federation
European Union (including the member States)	Saudi Arabia, Kingdom of
Fiji	Senegal
Gabon	Singapore
Georgia	South Africa
Ghana	Sri Lanka
Guatemala	Suriname
Haiti	Switzerland
Honduras	Chinese Taipei
Hong Kong, China	Thailand
Iceland	Trinidad and Tobago
India	Tunisia
Indonesia	Turkey
Israel	Uganda
Jamaica	Ukraine
Japan	United Arab Emirates
Jordan	United States of America
Korea, Republic of	Uruguay
Kuwait, the State of	Venezuela, Bolivarian Republic of
Kyrgyz Republic	Zambia
Lao People's Democratic Republic	Zimbabwe