

REPORT (2002) 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/494), i.e., 30 October 2001–28 October 2002.

2. During the period under review, the Committee held two regular meetings, on 29-30 April 2002 (G/SG/M/19) and 28 October 2002 (G/SG/M/20). The Committee also held an informal meeting on 4 October 2002, concerning an outstanding implementation issue referred to the Committee by the IV. Ministerial Conference.

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 in April 2002, the Committee elected Mr. Gustavo Lunazzi (Argentina) as Chairperson, and Ms Ellen Kluijtmans (Netherlands) 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 28 October 2002, 99 Members¹ had notified the Committee of their domestic safeguards legislation and/or regulations or made communications in this regard to the Committee (G/SG/N/1 and addenda). 30 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 raised by the Chairman at the regular meetings of the Committee held during the review period (G/SG/M/19 and G/SG/M/20).

8. During the period under review, the Committee reviewed the notified new or amended legislative texts of the following Members: Chinese Taipei, Dominican Republic, Korea, Lithuania, Moldova, the People's Republic of China and Poland.

9. The Committee also reviewed during this period the notification without legislative text of Georgia.

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/19 and G/SG/M/20).

III. NOTIFICATIONS OF ACTIONS RELATED TO SAFEGUARD MEASURES

11. 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 without measures received by the Committee from 30 October 2001–28 October 2002 are summarized in Annex 2.

12. During the period under review, the Committee reviewed 39 notifications under Article 12.1(a) regarding the initiation of investigations. These were from Bulgaria on crown corks, ammonium nitrate, urea and certain steel products; from Canada on certain steel products; from Chile on certain steel products, lighters and fructose / glucose; from Costa Rica on rice; from the Czech Republic on ammonium nitrate, cocoa powder, citric acid, wire, ropes and cables, tubes and pipes, and certain steel products; from the European Communities on certain steel products; from Hungary on certain steel products; from India on phenol, acetone, epichlorohydrin, industrial sewing machine needles, and vegetable oil; from Jordan on magnetic tapes, ceramic sinks, ceramic tiles, cooking appliances, electric accumulators and pasta; from Latvia on live pigs and pork; from Mexico on plywood panels; from the People's Republic of China on certain steel products; from Poland on calcium carbide, water heaters and certain steel products; from the Slovak Republic on ammonium nitrate; from Venezuela on paper and iron / steel U sections.

13. During the period under review, the Committee reviewed 15 notifications concerning the application of provisional measures under Article 12.4. These were from Bulgaria on ammonium nitrate; from Chile on fructose; from Costa Rica on rice; from the Czech Republic on cocoa powder; from the European Communities on certain steel products; from Hungary on certain steel products; from Jordan on magnetic tapes; from the People's Republic of China on certain steel products; from the Philippines on grey portland cement and ceramic floor tiles; and from Poland on certain steel products.

14. During the period under review, the Committee also reviewed 18 notifications concerning findings of serious injury or threat thereof caused by increased imports. These notifications were

¹ Counting the EC and its Member States as a single Member for purposes of the legislative notification. There are currently 144 WTO Members. This figure is reduced to 129 if the EC and its Member States are counted as a single Member.

from Brazil on coconuts; from Bulgaria on crown corks; from Canada on certain steel products; from the Czech Republic on cocoa powder; from the European Communities on certain steel products; from India on phenol and epichlorohydrin; from Jordan on magnetic tapes; from Lithuania on pastry yeast; from the Philippines on grey portland cement and ceramic floor tiles; from the Slovak Republic on sugar; and from the United States on certain steel products.

15. During the period under review the Committee reviewed 10 notifications of termination of safeguard investigations without measures. These notifications were from Chile on steel, lighters and glucose; from Japan on tatami-omote, welsh onion and shiitake mushrooms; from Morocco on rubber; from the Philippines on tomato paste; from El Salvador on fertilizer; and from the United States on certain steel products.

16. Furthermore, the Committee reviewed 26 notifications concerning decisions to apply safeguard measures. These notifications were from Brazil on coconuts; from Chile on certain steel products and fructose; from the Czech Republic on cocoa powder; from the European Communities on certain steel products; from India on acetone, phenol and gamma ferric oxide / magnetic iron oxide; from Jordan on magnetic tapes; from Lithuania on pastry yeast; from the Philippines on ceramic floor tiles; from the Slovak Republic on sugar; and from the United States on certain steel products, lamb meat, line pipe and wire rod.

17. During the period under review, the Committee received 21 notifications concerning the non-application of a safeguard measure to developing country Members. These were from Brazil on coconuts; from Chile on certain steel products; from the Czech Republic on cocoa powder; from the European Communities on certain steel products; from Hungary on certain steel products; from India on acetone; from the People's Republic of China on certain steel products; from the Philippines on ceramic floor tiles; from Poland on certain steel products; and from the United States on certain steel products, lamb meat, and line pipe.

18. The Committee reviewed one notification concerning the results of the mid-term review of Brazil's safeguard measure on toys.

19. The Committee discussed 12 notifications regarding the proposed suspension of concessions and other obligations during the period under review. These all concerned the US measures on certain steel products. The notifications were received from Australia and the United States; Brazil and the United States; Chinese Taipei and the United States; the European Communities; Japan; Korea and the United States; New Zealand and the United States; Norway; the People's Republic of China; and Switzerland.

20. Members' oral comments concerning these notifications can be found in the minutes of the meetings at which they were reviewed (G/SG/M/19 and G/SG/M/20). Members' written questions and answers concerning these notifications can be found in the G/SG/Q2/... series.

IV. PRE-EXISTING MEASURES

21. The Committee noted that Nigeria had previously notified certain measures as pre-existing in document G/SG/N/2/NGA, dated 16 March 1998. At the Committee's 29-30 April 2002 meeting, Nigeria confirmed that these measures were still in force.

V. OUTSTANDING IMPLEMENTATION ISSUE: TIRET 84

22. At the Committee's regular meetings on 29-30 April and 28 October, and its informal meeting on 4 October 2002, Members discussed the outstanding implementation issue identified as tiret 84 in document Job (01)/152/Rev.1. The Committee reviewed this matter in accordance with paragraph 12

of the Ministerial Declaration of 14 November 2001 (WT/MIN(01)/DEC/1), and section 13 of the Ministerial Decision on Implementation-Related Issues and Concerns of 14 November 2001 (WT/MIN(01)/17). The Committee took note of the Ministerial Declaration that a report shall be sent to the Trade Negotiations Committee on this matter before the end of 2002.

VI. TRANSITIONAL REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA TO THE WORLD TRADE ORGANIZATION

23. In accordance with paragraph 18 of the Protocol of Accession of the People's Republic of China to the WTO (WT/L/432), the Committee reviewed China's implementation of the Safeguards Agreement. The Committee agreed that the Chairman would report to the Council for Trade in Goods on this issue.

VII. ISSUES CONCERNING THE APPLICATION OF ARTICLE 9.1

24. At its regular meeting of 28 October 2002, the Committee began discussions on a number of issues regarding the application of Article 9.1 of the Agreement, and the Committee agreed to revert to these issues at the next regular meeting. Members' preliminary comments concerning these issues are contained in document G/SG/M/20.

VIII. OTHER ISSUES RAISED

25. A number of additional issues were raised at the Committee's regular meeting of 29-30 April 2002. First, the Committee discussed preparations in connection with paragraph 18 of the Protocol of Accession of the People's Republic of China (transitional review mechanism). Second, the Chairman raised an issue regarding correspondence with the Chairman of the Committee on Trade and Development regarding activities in respect of the special and differential treatment provisions of the Safeguards Agreement. Third, the Chairman raised an issue regarding the reporting of technical assistance/capacity building activities. Fourth, the Chairman reminded Members of the proper procedure for making notifications to the Committee. Fifth, one Member expressed concern regarding various Members' investigations concerning imports of steel products. Sixth, one Member requested updates from two other Members regarding the status of particular safeguard investigations.

26. Three additional items were raised at the Committee's regular meeting of 28 October 2002. First, the Chairman referred to a letter from the Chairman of the Committee on Trade and Development regarding activities in respect of the special and differential treatment provisions of the Safeguards Agreement. Second, the Chairman referred to a letter from the Chairman of the Working Group on Trade and Transfer of Technology regarding any activity in the Committee concerning trade / technology transfer issues. Third, one Member sought clarification concerning the status of investigations being conducted by two other Members.

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	G/SG/N/1/BGD/1
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
China	G/SG/N/1/CHN/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/2
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/2
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	G/SG/N/1/GEO/1
Ghana	G/SG/N/1/GHA/1
Grenada	None

MEMBER	NOTIFICATION PROVIDED
Guatemala	G/SG/N/1/GTM/2
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/2/Suppl.1 & 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/5
Kuwait	None
Kyrgyz Rep	G/SG/N/1/KGZ/1
Latvia	G/SG/N/1/LVA/1/Suppl.3
Lesotho	G/SG/N/1/LSO/1
Liechtenstein	G/SG/N/1/LIE/1
Lithuania	G/SG/N/1/LTU/2
Macao, China	G/SG/N/1/MAC/2
Madagascar	G/SG/N/1/MDG/1
Malawi	G/SG/N/1/MWI/1
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	G/SG/N/1/MDA/1
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

MEMBER	NOTIFICATION PROVIDED
Peru	G/SG/N/1/PER/2
Philippines	G/SG/N/1/PHL/2
Poland	G/SG/N/1/POL/3
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
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	G/SG/N/1/TPKM/2
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
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
30 OCTOBER 2001 TO 28 OCTOBER 2002

Reporting Member	Safeguard investigations initiated	Preliminary safeguard measures imposed	Definitive safeguard measures imposed	Safeguard investigations terminated
Brazil			Coconuts; 01/09/2002; G/SG/N/10/BRA/3	
Bulgaria	Crown Corks; 25/10/ 2001; G/SG/N/6/BGR/2 Ammonium Nitrate; 16/01/2001; G/SG/N/6/BGR/3 Urea; 14/05/2002; G/SG/N/6/BGR/4 Steel; 08/07/2002; G/SG/N/6/BGR/5	Ammonium nitrate; 01/07/2002; G/SG/N/7/BGR/2		
Canada	Steel; 25/03/2002; G/SG/N/6/CAN/1			
Chile	Steel; 28/12/2001; G/SG/N/6/CHL/7 Steel; 05/04/2002; G/SG/N/6/CHL/8 Lighters; 31/08/2001; G/SG/N/6/CHL/6 Fructose / Glucose; 08/06/2002; G/SG/N/6/CHL/9	Fructose; 07/ 2002; G/SG/N/7/CHL/6	Steel; 07/2002; G/SG/N/10/CHL/4 Fructose; 30/08/2002; G/SG/N/10/CHL/5	Steel; 26/03/2002; G/SG/N/9/CHL/5 Lighters; 09/01/2002; G/SG/N/9/CHL/4 Glucose; 05/07/2002; G/SG/N/9/CHL/6
Costa Rica	Rice; 11703/2002; G/SG/N/6/CRI/1	Rice; 12/03/2002; G/SG/N/7/CRI/1		

Reporting Member	Safeguard investigations initiated	Preliminary safeguard measures imposed	Definitive safeguard measures imposed	Safeguard investigations terminated
Czech Republic	<p>Cocoa Powder; 15/11/2001; G/SG/N/6/CZE/4</p> <p>Citric Acid; 30/01/2002; G/SG/N/6/CZE/5</p> <p>Wire, Ropes and Cables; 27/02/2002; G/SG/N/6/CZE/6</p> <p>Tubes and pipes; 06/03/2002; G/SG/N/6/CZE/7</p> <p>Ammonium nitrate; 14/08/2002; G/SG/N/6/CZE/8</p> <p>Steel; 28/08/2002; G/SG/N/6/CZE/9</p>	Cocoa Powder; 30/11/2001; G/SG/N/7/CZE/3	Cocoa Powder; 14/06/2002; G/SG/N/10/CZE/3	
Ecuador			Matches; 24/10/2002; G/SG/N/10/ECU/1	
European Communities	Steel; 28/03/2002; G/SG/N/6/EEC/1	Steel; 29/03/2002; G/SG/N/7/EEC/1	Steel; 29/09/2002; G/SG/N/10/EEC/1/Suppl.1	
Hungary	Steel; 22/05/2002; G/SG/N/6/HUN/1	Steel; 03/06/2002; G/SG/N/7/HUN/1		
India	<p>Epichlorohydrin (ECH); 14/03/2002; G/SG/N/6/IND/12</p> <p>Industrial Sewing Machine Needles; 13/08/2002; G/SG/N/6/IND/14</p> <p>Vegetable oil; 27/05/2002; G/SG/N/6/IND/13</p>		Gamma Ferric Oxide (GFO)/Magnetic Iron Oxide (MIO) ; 24 January 2001; G/SG/N/10/IND/7	

Reporting Member	Safeguard investigations initiated	Preliminary safeguard measures imposed	Definitive safeguard measures imposed	Safeguard investigations terminated
Japan				Tatami-omote, welsh onion and shiitake mushrooms ; 21/12/2001; G/SG/N/9/JPN/1
Jordan	<p>Magnetic tapes; 24/01/2002; G/SG/N/6/JOR/2</p> <p>Ceramic sinks; 27/05/2002; G/SG/N/6/JOR/7</p> <p>Ceramic tiles; 29/05/2002; G/SG/N/6/JOR/4</p> <p>Cooking appliances; 29/05/2002; G/SG/N/6/JOR/5</p> <p>Cooking appliances; 29/05/2002; G/SG/N/6/JOR/8</p> <p>Electric accumulators; 29/05/2002; G/SG/N/6/JOR/6</p> <p>Pasta; 18/05/2002; G/SG/N/6/JOR/3</p>	Magnetic tapes; 01-02/2002; G/SG/N/7/JOR/1	Magnetic tapes; 01/05/2002; G/SG/N/10/JOR/2	
Latvia	Live pigs and pork; 01/07/2002; G/SG/N/6/LVA/2			
Lithuania			Pastry yeast; 01/03/2002; G/SG/N/10/LTU/1	
Mexico	Plywood panels; 15/08/2002; G/SG/N/6/MEX/1			
Morocco				Rubber; 27/06/2001; G/SG/N/9/MAR/1

Reporting Member	Safeguard investigations initiated	Preliminary safeguard measures imposed	Definitive safeguard measures imposed	Safeguard investigations terminated
People's Republic of China	Steel; 20/05/2002; G/SG/N/6/CHN/1	Steel; 24/05/2002; G/SG/N/7/CHN/1		
Philippines		Grey portland cement; 07/11/2001; G/SG/N/7/PHL/1 Ceramic floor and wall tiles; 26/11/2001; G/SG/N/7/PHL/2	Ceramic floor and wall tiles; 11/04/2002 ; G/SG/N/10/PHL/1	Tomato paste; 26/12/2001; G/SG/N/9/PHL/1
Poland	Calcium Carbide; 18/02/2002; G/SG/N/6/POL/2 Steel; 08/06/2002; G/SG/N/6/POL/4 Water heaters; 28/05/2002; G/SG/N/6/POL/3	Steel; 19/08/2002; G/SG/N/7/POL/1		
El Salvador				Fertilizer; 19/10/2001; G/SG/N/9/SLV/3
Slovak Republic	Ammonium nitrate; 14 October 2002; G/SG/N/6/SVK/3			
United States			Certain steel products; 20/03/2002; G/SG/N/10/USA/6	Certain steel products; 22/11/2001; G/SG/N/9/USA/4
Venezuela	Paper; 16/10/2001; G/SG/N/6/VEN/4 Iron/steel U sections; 01/11/2001; G/SG/N/6/VEN/5			