

Committee on Trade-Related Investment Measures

REPORT (1998) 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 1997-September 1998.¹

2. The Committee met on 16 March and 14 September 1998 under the chairmanship of Mr. Javier Paulinich (Peru) and Mr. Dimitrij Grčar (Slovenia), respectively. The minutes of these meetings have been circulated in documents G/TRIMS/M/8 and 9. The meetings of the Committee 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). Requests for observer status made by several other international organizations are pending.

II. IMPLEMENTATION

3. At the meetings held during the period under review, the Committee continued its examination of notifications submitted pursuant to Article 5.1 of the Agreement on Trade-Related Investment Measures. This provision 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 a transition period 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 have a period of 90 days after the date of their acceptance of the WTO Agreement to make the notifications foreseen in Article 5.1, provided that the period for the elimination of TRIMs notified under Article 5.1 continues to be governed by reference to the date of entry into force of the WTO Agreement itself.²

¹ The previous annual report is contained in document G/L/193 of 15 October 1997.

² WT/L/64

4. In addition to the notifications of measures under Article 5.1 that had been submitted prior to the period covered by this report³, the Committee received a new notification from Bolivia and an addendum to the notification of Nigeria. Annex 1 contains a list of all notifications of measures under Article 5.1. In the case of some Members, notifications were submitted later than the 90-day period foreseen for them. While there is no obligation to do so, some Members notified the Committee that they did not apply any TRIM inconsistent with the Agreement. During the period under review, such a notification was made by Jamaica. Annex 2 lists all Members which have made such notifications.⁴

5. In the Committee's discussions on these notifications, some delegations have sought clarification or additional information of a factual nature.⁵ Differing views continue to be expressed on issues such as the timing of notifications in relation to the provisions of Article 5.1, the adequacy of the information provided in notifications, and the recent introduction or modification of certain measures in relation to the provisions of Articles 2 and 5.4. Some Members have sought information on steps taken by Members having made notifications under Article 5.1 to comply with their obligation to eliminate notified measures by the end of the five-year transition period specified in Article 5.2 for developing country Members. Other Members have indicated that in their view the Agreement does not require Members to provide such information. As of September 1998, no such information had been provided. Reference has also been made in this context to the provisions of Article 5.3, which provides that the Council for Trade in Goods may extend the transition period at the request of individual Members.

6. The Committee also discussed measures introduced by one Member at the end of 1997 which in the view of some Members were in conflict with the requirements of Articles 2, 5.2 and 5.4 of the Agreement.⁶

7. 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), so far no such notifications have been made.

8. 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.4. Annex 3 lists the Members which have submitted notifications under Article 6.2.

³ These notifications had been submitted by Argentina, Barbados, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Egypt, Indonesia, India, Mexico, Malaysia, Nigeria, Pakistan, Peru, the Philippines, Poland, Romania, Thailand, Uganda, Uruguay, Venezuela and South Africa.

⁴ Notifications under Article 5.1 circulated in 1995 have been derestricted as of 28 May 1996. Following the decision taken by the General Council on 18 July 1996 on derestriction and circulation of WTO documents, documents containing notifications under Articles 5.1, 5.5 and 6.2 are issued unrestricted. Members may, however, at the time of the submission of a document, indicate to the Secretariat that the document be issued as restricted if they so wish.

⁵ Written questions on notifications under Article 5.1 submitted by one Member have been circulated in documents G/TRIMS/W/10 and 13.

⁶ Written questions on these measures submitted by one Member have been circulated in documents G/TRIMS/W/11 and 12. Responses to these questions have been circulated in document G/TRIMS/W/15.

9. The issue of the review under Article 9 of the Agreement was also raised. Further consideration will be given to this matter.

10. During the period under review, the Committee was informed of the initiation of four proceedings under the Dispute Settlement Understanding which referred *inter alia* to the TRIMs Agreement, as reflected in G/TRIMS/D/9-12.

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
Bolivia	G/TRIMS/N/1/BOL/1	24 June 1998
Barbados	G/TRIMS/N/1/BRB/1	31 March 1995
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	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba ⁷	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus	G/TRIMS/N/1/CYP/1	29 June 1995
Cyprus	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
Indonesia	G/TRIMS/N/1/IDN/1	23 May 1995
Indonesia	G/TRIMS/N/1/IDN/1/Add.1	28 October 1996
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

⁷ The representative of Cuba has informed the Committee that, as a result of a new foreign investment law enacted in 1995, the local content measures notified by Cuba under Article 5.1 are no longer in force (G/TRIMS/M/3, paragraph 5).

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
India	G/TRIMS/N/1/IND/1/Add.2	11 April 1996
Mexico	G/TRIMS/N/1/MEX/1	31 March 1995
Mexico	G/TRIMS/N/1/MEX/1/Rev.1 ⁸	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1/Rev.1	14 March 1996
Nigeria	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	30 March 1995
Philippines	G/TRIMS/N/1/PHL/1	31 March 1995
Poland	G/TRIMS/N/1/POL/1	28 September 1995
Poland	G/TRIMS/N/1/POL/1/Add.1	4 December 1996
Romania	G/TRIMS/N/1/ROM/1	31 March 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
South Africa	G/TRIMS/N/1/ZAF/1	19 April 1995

⁸ English only

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>
Switzerland	G/TRIMS/N/1/CHE/1	8 August 1995
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
Saint Lucia	G/TRIMS/N/1/LCA/1	14 February 1996
Mali	G/TRIMS/N/1/MLI/1	27 May 1997
Mauritius	G/TRIMS/N/1/MUS/1	27 March 1995
Nicaragua	G/TRIMS/N/1/NIC/1	18 July 1996
Singapore	G/TRIMS/N/1/SGP/1	9 October 1996
Slovenia	G/TRIMS/N/1/SVN/1	27 March 1995
Trinidad & Tobago	G/TRIMS/N/1/TTO/1	1 April 1996
Zambia	G/TRIMS/N/1/ZMB/1	13 April 1995

ANNEX 3

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

Argentina
Australia
Brunei Darussalam
Bulgaria
Chile
Costa Rica
Cuba
European Community (including the member States)
Fiji
Hong Kong, China
Iceland
India
Indonesia
Israel
Jamaica
Japan
Liechtenstein
Mauritius
Nicaragua
Norway
Paraguay
Peru
Philippines
Romania
Singapore
Switzerland
Thailand
Tunisia
Uganda
United States
Uruguay
Venezuela
