

**Committee on Subsidies
and Countervailing Measures**

**EXTENSION UNDER SCM ARTICLE 27.4 OF THE TRANSITION
PERIOD FOR THE ELIMINATION OF EXPORT SUBSIDIES
PURSUANT TO THE PROCEDURES IN G/SCM/39**

EL SALVADOR

Export Processing Zones and Marketing Act, as amended

Decision of 22 November 2002

The Committee on Subsidies and Countervailing Measures (the "Committee"),

As directed by the Fourth Ministerial Conference, in its Decision on Implementation-Related Issues and Concerns, (WT/MIN(01)/17, 20 November 2001);

In following the "Procedures for Extensions Under Article 27.4 for Certain Developing Country Members" (G/SCM/39, 20 November 2001) ("the Procedures");

Taking into account the request and other notified information provided by El Salvador to the Committee¹, pursuant to the Procedures, for Export Processing Zones and Marketing Act, as amended ("the programme");

Recognizing with appreciation the efforts, by El Salvador, in light of its capacity constraints, during the review by the Committee, to describe and clarify the provisions of the programme;

Considering for purposes of this request, El Salvador to be a developing country Member, whose share of world merchandise export trade was not greater than 0.10 per cent and whose total Gross National Income for the year 2000 as published by the World Bank was at or below US\$20 billion, and who is otherwise eligible to request an extension pursuant to Article 27.4 of the Agreement on Subsidies and Countervailing Measures ("SCM Agreement");

Noting that El Salvador recognizes that it must satisfy obligations under the transparency and standstill provisions contained in paragraphs 3 and 4 of the Procedures;

Hereby grants to El Salvador an extension, until 31 December 2003, of the transition period, under Article 27.2(b) of the SCM Agreement, for the elimination of export subsidies which take the form of full or partial exemptions from import duties and internal taxes and which were in existence under the programme on 1 September 2001.

¹ The notified information on the basis of which this decision is taken is found in documents G/SCM/N/74/SLV/1, G/SCM/N/71/SLV/Suppl.1, G/SCM/Q3/SLV/1 to G/SCM/Q3/SLV/7.

As provided in paragraphs 1(d) and 1(e) of the Procedures, the period during which the extension hereby granted can be continued on the basis of the Procedures is through the end of calendar year 2007, and such continuation shall be subject to annual review by the Committee for the purposes and subject to the conditions set forth in paragraphs 1(d) and 1(e) of the Procedures. As provided in paragraph 1(f) of the Procedures, the Committee shall consider on the basis of the provisions of Article 27.4, i.e., outside the framework of these procedures, any request for further continuation, past the end of 2007, of the extension in respect of Export Processing Zones and Marketing Act, as amended; and as provided in paragraph 1(g) of the Procedures, El Salvador shall have the final period referred to in that paragraph if such a further continuation is either not requested or not granted.

As provided in paragraph 7(c) of the Procedures, the criteria set forth in the Procedures are solely and strictly for the purpose of determining whether Members are eligible to invoke the Procedures, and these criteria have no precedential value or relevance, direct or indirect, for any other purpose.

This decision does not affect the legal rights of Members with respect to any other obligations of El Salvador under the SCM Agreement, that may apply to the programme. Among such other obligations, it is recognized that this programme remains subject to Article 3.1(b) of the SCM Agreement, which prohibits subsidies contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods.

This decision does not affect any rights, obligations or commitments of Members under any other WTO Agreement with respect to the programme; and is without prejudice to the existing and future relationship between the SCM Agreement and any other WTO Agreement, and has no precedential value for any other purpose.
