

WORLD TRADE ORGANIZATION

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Committee on Subsidies
and Countervailing Measures

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APPROVAL OF QUALIFYING REQUESTS TO EXTEND THE TRANSITION PERIOD FOR THE ELIMINATION OF EXPORT SUBSIDIES PROVIDED BY CERTAIN DEVELOPING COUNTRIES PURSUANT TO G/SCM/39

Submission by Australia, Canada, European Communities,
Japan, Switzerland and the United States

Enclosed please find a submission, made jointly on behalf of Australia, Canada, European Communities, Japan, Switzerland and the United States, regarding the approval of qualifying requests to extend the transition period for the elimination of export subsidies provided by certain developing country Members pursuant to G/SCM/39.

At the 19 September 2002 Special Meeting of the Committee on Subsidies and Countervailing Measures, the above-named Members stated that they were prepared to join a consensus to grant an extension of the transition period, under Article 27.2(b) of the Agreement on Subsidies and Countervailing Measures, until 31 December 2003, for the elimination of certain export subsidies, taking the form of full or partial exemptions from import duties and internal taxes. Requests seeking extensions of the transition period for elimination of export subsidies were made by certain developing country Members, pursuant to the Decision on Implementation-Related Issues and Concerns, taken at the Fourth Ministerial Conference, as contained in WT/MIN(01)/17 (20 November 2001) and the "Procedures for Extensions Under Article 27.4 for Certain Developing Country Members", contained in G/SCM/39 (20 November 2001), for programmes which were in existence on 1 September 2001.

Eligibility for the use of the G/SCM/39 mechanism is limited exclusively to developing country Members, 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 are otherwise eligible to request an extension pursuant to Article 27.4 of the Agreement on Subsidies and Countervailing Measures.

Based upon the Committee's review of the programmes and the transparency provided by the eligible developing country Members, the above-named Members identified a list of programmes that it considered eligible for an "early harvest" by the Committee. The list of such programmes can be found in the minutes prepared for the 19 September 2002 Special Meeting (G/SCM/M/42). The draft decision contained in Annex I of this submission was tabled, by the above-named Members, as a non-paper at the Special Meeting, to facilitate the Committee's work in arriving at a consensus to grant such extensions.

The above-named Members, mindful of paragraph 10.6 of the Decision on Implementation-related Issues and Concerns, also identified certain programmes, requested by Colombia, as eligible

for “early harvest” by the Committee. For the purposes of those requests, the above-named Members considered Colombia to be at a “similar stage of development and having a similar order of magnitude of share in world trade” as those Members eligible for the fast-track procedures under G/SCM/39. The draft decision contained in Annex II of this submission was also tabled, by the above-named Members, as a non-paper at the Special Meeting, to facilitate the Committee’s work in arriving at a consensus to grant such extensions.

The above-named Members felt it would be useful to record formally their willingness to grant extensions for the requests and to memorialize the draft decisions that were proposed. As noted in the Chairman’s remarks, made at the October 31, 2002 Special Meeting of the Committee on Subsidies and Countervailing Measures, there have been a series of informal consultations to improve the decision texts originally proposed by the above-named Members. The above-named Members were pleased that the Chairman was able to report that the Committee was near-consensus on the most recent draft revision. Additionally, the above-named Members were pleased with the Chairman’s assessment that the list of programmes seems to have been expanded since the 19 September meeting, to include all but a handful of programmes where remaining doubts or concerns have been clearly identified.

Annex I

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);

Taking into account the request and other notified information provided by [insert Member name] to the Committee¹, pursuant to G/SCM/39, for [insert programme name] (hereinafter referred to as “the programme”);

Recognizing with appreciation the efforts, by [insert Member name], 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, [insert Member name] 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 (“GNI”) 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 [insert Member name] recognizes that it must satisfy obligations under the transparency and standstill provisions contained in paragraphs three and four of G/SCM/39;

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

This decision does not affect the legal rights of Members with respect to any other obligations of [insert Member name] 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 or obligations of Members under any WTO Agreements, that are not subject to the terms of reference of the Committee, with respect to the programme.

¹ The notified information on the basis of which this decision is taken is found in documents G/SCM/N/74[xxx], G/SCM/71[xxx], ...

Annex II

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);

Taking into account the request and other notified information provided by Colombia to the Committee², pursuant to 10.6 of the Decision on Implementation-Related Issues and Concerns, for [insert programme name] (hereinafter referred to as “the programme”);

Recognizing with appreciation the efforts, by Colombia, 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, Colombia to be a developing country Member, which is at a similar stage of development and having similar order of magnitude of share in world trade as those Members 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 Colombia recognizes that it must satisfy obligations under the transparency and standstill provisions contained in paragraphs three and four of G/SCM/39;

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

This decision does not affect the legal rights of Members with respect to any other obligations of Colombia 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 or obligations of Members under any WTO Agreements, that are not subject to the terms of reference of the Committee, with respect to the programme.

² The notified information on the basis of which this decision is taken is found in documents G/SCM/N/74[xxx], G/SCM/71[xxx], ...