

WORLD TRADE ORGANIZATION

RESTRICTED

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Committee on Safeguards

REPORT (1995) OF THE COMMITTEE ON SAFEGUARDS

I. Organization of the work of the Committee

1. The Agreement on Safeguards entered into force on 1 January 1995. Pursuant to Article 13.1 of the Agreement, membership in the Committee on Safeguards is open to the participation of any Member indicating its wish to serve on it. At its meeting on 20 February 1995, the Council for Trade in Goods adopted the decision that all WTO Members would be Members of the Committee on Safeguards, except for those WTO Members that explicitly indicated their wish not to be Members of the Committee by 22 February 1995. No Members notified a wish not to be Members of the Committee by that date. Consequently, at its meeting of 24 February, the Committee took note that, by virtue of the Council for Trade in Goods' decision, all Members of the WTO are Members of the Committee.

2. Observer governments in the General Council of the WTO have Observer status in the Committee. In addition, at its special meeting of 13-14 July 1995, the Committee invited, on an *ad hoc* basis, representatives of the World Bank, OECD, and IMF to attend meetings of the Committee in an observer capacity.

3. During the period under review (January 1995-November 1995) the Committee held four meetings. The regular meeting of the Committee was held on 6 November 1995 (G/SG/M/4). Special meetings of the Committee were held 24 February 1995, 13-14 July 1995 and 2 November 1995 (G/SG/M/1, 2, and 3, respectively).

4. Mr. Jorge A. Ruiz (Argentina) was appointed Chairman of the Committee. At its meeting of 24 February 1995, the Committee decided to elect its own officers, Chairman and Vice-Chairman. The Committee at its special meeting of 13-14 July 1995 elected Mr. András Lakatos (Hungary) as its Vice-Chairman.

5. The Committee at its special meeting of 24 February 1995 decided that its regular meeting would usually be held in the first week of November, as closely as possible to the meetings of the Committees on Anti-Dumping Practices and on Subsidies and Countervailing Measures. The Committee discussed the possibility of scheduling a second regular meeting at its meetings of 24 February and 6 November 1995. The possibility of a second regular meeting was left open, but no decision was taken.

II. Notification and examination of safeguards laws and/or regulations of Members

6. The Committee decided at its special meeting of 24 February 1995 that all Members which had available relevant legislation and/or regulations which apply to safeguard measures covered by the Agreement should notify the full and integrated text of that legislation and/or regulations to the Committee by 15 March 1995. If such legislation and/or regulations did not exist or were not yet

available, the Member would inform the Committee of this fact, would explain the reasons therefore, and would provide an indicative date by which time a notification was expected. These notifications will be treated as unrestricted documents.

7. The Committee also decided at its special meeting of 24 February 1995 that Observer governments should provide the Committee with any information the Observer government considers relevant to matters within the purview of the Agreement, including the text of laws and regulations regarding safeguard measures, and information regarding any safeguard measures taken by the Observer government.

8. As of 6 November 1995, 52 Members had notified the Committee of their domestic safeguards legislation or made communications in this respect to the Committee (G/SG/N/1 and addenda). 43 Members had not, as yet, made notifications under Article 12.6 of the Agreement. Annex A lists the status of notifications under Article 12.6 of the Agreement.

9. During the period under review, the Committee reviewed the notifications of safeguards legislation of the following Members in special meetings: Canada, Colombia, Costa Rica, European Community, New Zealand, Romania, United States, and Korea. Written questions and answers regarding these legislations can be found in documents in the G/SG/W/... series. The Committee also reviewed the notifications without legislative text of the following Members: Argentina, Chile, Czech Republic, Egypt, Hong Kong, Indonesia, Peru, Singapore, Thailand, and Venezuela. Written questions and answers regarding these legislations can be found in documents in the G/SG/W/... series. The Committee has scheduled a third special meeting to review notifications of legislation on 11-12 December 1995, at which time it will, as planned, have completed an initial review of all notifications of legislation received prior to 25 October 1995.

III. Notifications of pre-existing Article XIX measures

10. Article 12.7 of the Agreement requires Members maintaining measures described in Article 10 of the Agreement, *i.e.* pre-existing Article XIX safeguard measures, which measures exist on the date of entry into force of the WTO Agreement, to notify such measures to the Committee not later than 60 days after the date of entry into force of the WTO Agreement, *i.e.* not later than 2 March 1995. At its meeting of 24 February 1995 the Committee decided that the information required in these notifications should also be provided by signatories that were eligible to become original Members of WTO within the same time limits as those which apply to WTO Members, recognizing that this did not imply that these signatories would undertake any obligations as a result of providing such information.

11. At its meeting of 24 February 1995, the Committee adopted a format for these notifications, document G/SG/N/2.

12. The following Members and countries eligible to become original Members submitted notifications indicating that they had pre-existing Article XIX measures in place on the date of entry into force of the WTO Agreement: European Community and Korea (G/SG/N/2 and addenda).

13. Although such notifications are not required by the Agreement, the following Members and countries eligible to become original Members submitted notifications indicating that they had no pre-existing Article XIX measures in place on the date of entry into force of the WTO Agreement: Canada, Colombia, Costa Rica, India, Indonesia, Malaysia, Mauritius, Pakistan, Peru, Singapore, Switzerland, United States, Venezuela, and South Africa (G/SG/N/2 and addenda).

14. At its meeting of 6 November 1995, the Committee examined these notifications, and the comments of Members are reflected in the minutes (G/SG/M/4). The Committee agreed to revert to these notifications at its next special meeting scheduled for 11-12 December 1995.

IV. Notifications under Article 12.7 of measures subject to the prohibition and elimination of certain measures under Article 11.1 of the Agreement on Safeguards

15. Article 12.7 of the Agreement requires Members maintaining measures described in Article 11.1 of the Agreement, *i.e.* so-called "grey area" measures, which measures exist on the date of entry into force of the WTO Agreement, to notify such measures to the Committee not later than 60 days after the date of entry into force of the WTO Agreement, *i.e.* not later than 2 March 1995. These measures are those subject to the "prohibition and elimination of certain measures" under Article 11, *i.e.*, the measures specified in Article 11.1(b). At its meeting of 24 February 1995 the Committee decided that the information required in these notifications should also be provided by signatories that were eligible to become original Members of WTO within the same time limits as those which apply to WTO Members, recognizing that this did not imply that these signatories would undertake any obligations as a result of providing such information.

16. At its meeting of 24 February 1995, the Committee adopted a format for these notifications, document G/SG/N/3.

17. The following Members and countries eligible to become original Members submitted notifications indicating that they had measures described in Article 11.1 of the Agreement in place on the date of entry into force of the WTO Agreement: Cyprus, European Community, Korea, Slovenia, South Africa, and Thailand (G/SG/N/3 and addenda).

18. Although such notifications are not required by the Agreement, the following Members and countries eligible to become original Members submitted notifications indicating that they had no measures described in Article 11.1 of the Agreement in place on the date of entry into force of the WTO Agreement: Canada, Costa Rica, India, Indonesia, Malaysia, Mauritius, Pakistan, Peru, Singapore, Switzerland, United States, and Venezuela (G/SG/N/3 and addenda).

19. At its meeting of 6 November 1995, the Committee examined these notifications, and the comments of Members are reflected in the minutes (G/SG/M/4). The Committee agreed to revert to these notifications at its next special meeting scheduled for 11-12 December 1995.

V. Notifications of the exception under article 11.2 of the Agreement on Safeguards

20. Under Article 11.2 of the Agreement on Safeguards, all measures referred to in Article 11.1(b) have to be phased out or brought into conformity with the Agreement by the Members within four years after the date of entry into force of the WTO Agreement, except for one specific measure per importing Member for which the duration of the period will be more than four years, *i.e.* until 31 December 1999. Under Article 11.2 of the Agreement, such an exception must be mutually agreed between the Members directly concerned and notified to the Committee on Safeguards for its review and acceptance within 90 days of the entry into force of the WTO Agreement, *i.e.* not later than 31 March 1995. At its meeting of 24 February 1995 the Committee decided that the information required in these notifications should also be provided by signatories that were eligible to become original Members of WTO within the same time limits as those which apply to WTO Members, recognizing that this did not imply that these signatories would undertake any obligations as a result of providing such information.

21. At its meeting of 24 February 1995, the Committee adopted a format for these notifications, document G/SG/N/4.

22. The exception of the European Community is contained in the Annex to the Agreement. The only Member to submit a notification to the Committee in this regard was Mauritius. That notification stated that the obligation was not applicable since Mauritius did not maintain any relevant measures (G/SG/N/4/MUS/1).

VI. Notifications under Article 11.2 of the Agreement on Safeguards on timetables for phasing out measures referred to in Article 11.1(b) or for bringing them into conformity with the Agreement.

23. Under Article 11.2 of the Agreement on Safeguards, the phasing out of measures referred to in Article 11.1(b) should be carried out according to timetables to be presented to the Committee on Safeguards by the Members concerned not later than 180 days after the date of entry into force of the WTO Agreement, *i.e.* by 30 June 1995. These timetables should provide for all measures referred to in Article 11.1(b) to be phased out or brought into conformity with the Agreement on Safeguards within a period not exceeding four years after the date of entry into force of the WTO Agreement, subject to not more than one specific measure per importing Member, the duration of which shall not extend beyond 31 December 1999. At its meeting of 24 February 1995 the Committee decided that the information required in these notifications should also be provided by signatories that were eligible to become original Members of WTO within the same time limits as those which apply to WTO Members, recognizing that this did not imply that these signatories would undertake any obligations as a result of providing such information, and that while the timetables presented by such signatories would not be implemented until they became Members, the deadline for phasing out or bringing into conformity the measures referred to would not be later than for Members who became Members on the date the WTO Agreement came into force.

24. At its meeting of 24 February 1995, the Committee adopted a format for these notifications, document G/SG/N/5.

25. The following Members and countries eligible to become original Members submitted notifications of their timetables for phasing out or bringing into conformity with the Agreement the measures referred to in Article 11.1(b): Cyprus, European Community, Korea, Mauritius, and Thailand (G/SG/N/5 and addenda, G/SG/N/3/THA).

26. The following Members and countries eligible to become original Members, which had notified that they had relevant measures, did not submit notifications of their timetables for phasing out or bringing into conformity with the Agreement the measures referred to in Article 11.1(b): Slovenia, and South Africa.

27. At its meeting of 6 November 1995, the Committee examined these notifications, and the comments of Members are reflected in the minutes (G/SG/M/4). The Committee agreed to revert to these notifications at its next special meeting scheduled for 11-12 December 1995.

VII. Notifications under Article 12.1 of initiation of an investigation, making a finding, or applying or extending a safeguard measure

28. Under Article 12.1(a) of the Agreement on Safeguards, Members are required to immediately notify the Committee upon initiating an investigatory process relating to serious injury or threat thereof

and the reasons for it. Under Article 12.1(b) of the Agreement on Safeguards, Members are required to immediately notify the Committee upon making a finding of serious injury or threat thereof caused by increased imports. Under Article 12.1(c) of the Agreement on Safeguards, Members are required to immediately notify the Committee upon taking a decision to apply or extend a safeguard measure.

29. At its meeting on 24 February 1995, the Committee adopted a format for notifications under Article 12.1(a), G/SG/N/6. The Committee also adopted formats for the notifications required under Articles 12.1 (b) and (c), G/SG/W/1, page 5, item VI.

30. Notifications under Article 12.1(a) were received from the United States and Korea (G/SG/N/6 and addenda).

31. At its meeting of 6 November 1995, the Committee examined these notifications, and the comments of Members are reflected in the minutes (G/SG/M/4). The Committee agreed to revert to these notifications at its next special meeting scheduled for 11-12 December 1995.

32. No notifications under Articles 12.1(b) and (c) were received from any Members.

VIII. Formats for notifications

33. At its meeting on 24 February 1995, the Committee adopted a series of suggested formats for notifications required under Article 12 of the Agreement (G/SG/W/1). Several of these formats were reproduced in a series of invitations to submit notifications to the Committee (G/SG/N/1, G/SG/N/2, G/SG/N/3, G/SG/N/4, G/SG/N/5, and G/SG/N/6).

34. At its meeting of 6 November 1995, the Committee agreed that a summary of the evidence referred to in paragraphs 3(ii) and 3(iii) of document G/SG/N/6, as structured by the notifying Member, would be useful.

IX. Other matters discussed by the Committee

35. At its special meeting of 24 February 1995, the Committee took note of the Decision on Avoidance of Procedural and Institutional Duplication adopted by the General Council on 31 January 1995 (WT/L/29). The first paragraph of that decision pertains to avoiding duplication of safeguard notifications to the GATT Council and the Committee.

36. At its special meeting of 24 February 1995, the Committee agreed that Members be asked to report at the end of each year on their progress in phasing out pre-existing Article XIX measures and measures subject to prohibition and elimination under Article 11.1 of the Agreement.

37. At its special meeting of 24 February 1995, the Committee discussed the form that technical assistance to Members relating to the implementation of the Agreement, and particularly the provision of assistance on matters referred to in Article 13.1(b), (c), and (d), could take. No decision was made, and at the regular meeting of 6 November 1995, the Committee decided that, rather than attempt to establish a procedure in advance of any requests for assistance, the Committee would address these matters on an *ad hoc* basis, if and when a request for assistance in these matters is received.

38. At its meeting of 6 November 1995, the Committee decided that Members should notify the Committee of the termination of an investigation conducted under the Agreement.

39. At its meeting of 6 November 1995, the Committee decided to provide an opportunity for written questions concerning notifications submitted by Members to be considered at the Committee's meetings in the future.

ANNEX A
SAFEGUARDS LEGISLATION NOTIFICATIONS

MEMBER/OBSERVER	NOTIFICATION PROVIDED
Antigua and Barbuda	
Argentina	X
Australia	X
Bahrain	
Bangladesh	
Barbados	
Belize	
Bolivia	X
Botswana	
Brazil	X
Brunei Darussalam	
Burkina Faso	
Burundi	
Canada	X
Central African Republic	
Chile	X
Colombia	X
Costa Rica	X
Côte d'Ivoire	
Cuba	X
Cyprus	
Czech Republic	X
Djibouti	
Dominica	
Dominican Republic	X
European Community	X
Ecuador (Observer)	X
Egypt	X
El Salvador	X

Gabon	
Ghana	
Guatemala	X
Guinea Bissau	
Guinea, Rep.of	
Guyana	
Honduras	X
Hong Kong	X
Hungary	X
Iceland	X
India	X
Indonesia	X
Israel	X
Jamaica	
Japan	X
Kenya	
Korea	X
Kuwait	
Lesotho	
Liechtenstein	
Macau	X
Malawi	
Malaysia	X
Maldives	X
Mali	
Malta	
Mauritania	
Mauritius	X
Mexico	X
Morocco	X
Mozambique	
Myanmar	

Namibia	
New Zealand	X
Nicaragua	X
Nigeria	
Norway	X
Pakistan	X
Paraguay	X
Peru	X
Philippines	X
Poland	X
Romania	X
Saint Lucia	
Saint Vincent & Grenadines	
Senegal	
Sierra Leone	
Singapore	X
Slovak Republic	X
Slovenia	
South Africa	X
Sri Lanka	X
Suriname	
Swaziland	
Switzerland	X
Tanzania	
Thailand	X
Togo	
Trinidad and Tobago	X
Tunisia	
Turkey	X
Uganda	
United States	X
Uruguay	X

Venezuela	X
Zambia	X
Zimbabwe	X