### WORLD TRADE

# RESTRICTED G/SCM/M/53

### **ORGANIZATION**

3 August 2005

(05-3499)

**Committee on Subsidies and Countervailing Measures** 

#### MINUTES OF THE REGULAR MEETING HELD ON 14 APRIL 2005

Chairman: Mr. Naoshi Hirose (Japan)

- 1. The Committee on Subsidies and Countervailing Measures (the "Committee") held a regular meeting on 14 April 2005.
- 2. The proposed agenda for this meeting was circulated in document WTO/AIR/2547. The Committee <u>adopted</u> the following agenda:

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A.	CHINA – REVIEW OF NEW LEGISLATIVE NOTIFICAT (G/ADP/N/1/CHN/2/SUPPLS.3&4 AND G/SCM/N/1/CHN/1/SUPPLS.3&4)	'ION

- The Chairman recalled that items A through F dealt with the review of new notifications of countervailing duty legislation and/or regulations, in accordance with the procedures adopted by the Committee at its special meeting in April 1996 (document G/SCM/W/293). He informed Members that the Secretariat will shortly circulate a reminder document indicating the deadlines for the submission of documents for the meetings of the Committee next Autumn. He recalled that questions concerning new notifications of legislation were to have been submitted to the Member concerned and the Secretariat no later than 17 March 2005. As provided for in the agreed procedures, Members receiving written questions were to respond orally to timely-submitted questions during the meeting. They were also to subsequently submit written version of their answers to all written questions received. Members were reminded that follow-up questions could be asked in this meeting. If a Member posed a follow-up question and wished to receive a written answer, the follow-up question had to be submitted in writing no later than 28 April 2005. Written answers to all written questions were to be submitted to the relevant Member and the Secretariat no later than 23 June 2005. The Chairman noted that certain legislative notifications referred to on the agenda, and questions posed with respect to their review, had also been on the agenda of meeting of the Committee on Anti-Dumping Practices which had taken place the previous week, and that some aspects of those notifications had been considered at that meeting.
- 4. The Chairman turned to the notification of <u>China</u>, contained in documents G/ADP/N/1/CHN/2/Suppls.3&4 and G/SCM/N/1/CHN/1/Suppls.3&4, which had also been reviewed in the Committee on Anti-Dumping Practices. China indicated that it had provided replies to the questions submitted by the United States and the European Communities in respect of the countervailing regulations alone in document G/SCM/Q1/CHN/56. Regarding questions 5, 8 and 9 posed by the United States, China indicated that it would provide a reply shortly.
- 5. In light of the similarities found in China's regulations between anti-dumping and countervailing duties, the delegate of <u>Japan</u> asked what was the difference between the two, especially with respect to Articles 34 and 38, which focus on public interest in relation with the imposition of countervailing duties and in respect of the general concept. The delegate of China requested a written version of the question in order to provide an appropriate reply.

<sup>1</sup> See questions from the EC, the United States and Japan in documents G/ADP/Q1/CHN/49-G/SCM/Q1/CHN/49 (Submitted by the EC); G/ADP/Q1/CHN/50-G/SCM/Q1/CHN/50 (Submitted by Japan), G/ADP/Q1/CHN/51-G/SCM/Q1/CHN/51 and G/ADP/Q1/CHN/52-G/SCM/Q1/CHN/52 (Submitted by the United States). Replies to these questions can be found in the following documents: G/ADP/Q1/CHN/53-G/SCM/Q1/CHN/53 (Replies to Japan); G/ADP/Q1/CHN/55- G/SCM/Q1/CHN/55 (Replies to the EC); G/ADP/Q1/CHN/51 -G/SCM/Q1/CHN/51 and G/ADP/Q1/CHN/54- G/SCM/Q1/CHN/54 (Replies to the United States).

- 6. The Committee <u>took note</u> of the statements made.
- B. EUROPEAN COMMUNITIES REVIEW OF NEW LEGISLATIVE NOTIFICATION (G/ADP/N/1/EEC/2/SUPPL.6 G/SCM/N/1/EEC/2/SUPPL.6)
- 7. The Committee turned to the notification of the <u>European Communities</u>, contained in document G/ADP/N/1/EEC/2/Suppl.6-G/SCM/N/1/EEC/2/Suppl. 6, which had also been reviewed by the Committee on Anti-Dumping Practices. There were no further questions or comments with regard to this notification.
- C. CROATIA REVIEW OF NEW LEGISLATIVE NOTIFICATION (G/ADP/N/1/HRV/2 G/SCM/N/1/HRV/2)
- 8. The Committee turned to the notification of <u>Croatia</u>, contained in document G/ADP/N/1/N/HRV/2-G/SCM/N/1/HRV/2, which had also been reviewed by the Committee on Anti-Dumping Practices.<sup>2</sup> There were no further questions or comments with regard to this notification.
- D. JORDAN REVIEW OF NEW LEGISLATIVE NOTIFICATION (G/ADP/N/1/JOR/2/CORR.2 G/SCM/N/1/JOR/2/CORR.2 AND G/ADP/N/1/JOR/3 G/SCM/N/1/JOR/3)
- 9. The Committee turned to the notification of <u>Jordan</u>, contained in documents G/ADP/N/1/JOR/2/Corr.2-G/SCM/N/1/JOR/2/Corr.2 and G/ADP/N/1/JOR/3-G/SCM/N/1/JOR/3, which had also been reviewed by the Committee on Anti-Dumping Practices.<sup>3</sup> There were no further questions or comments with regard to this notification.
- E. FORMER YUGOSLAV REPUBLIC OF MACEDONIA REVIEW OF NEW LEGISLATIVE NOTIFICATION (G/ADP/N/1/MKD/1 G/SCM/N/1/MKD/1)
- 10. The Committee turned to the notification of the <u>Former Yugoslav Republic of Macedonia</u> in document G/ADP/N/1/MKD/1-G/SCM/N/1/MKD/1, which had also been reviewed by the Committee on Anti-Dumping Practices. There were no further questions or comments with regard to this notification.
- F. MONGOLIA REVIEW OF NEW LEGISLATIVE NOTIFICATION (G/ADP/N/1/MNG/2-G/SCM/N/1/MNG/2)
- 11. The Committee turned to the notification of Mongolia in document G/ADP/N/1/MNG/2-G/SCM/N/1/MNG/2, which had also been reviewed by the Committee on Anti-Dumping Practices. There were no further questions or comments with regard to this notification.

#### G. CONTINUING REVIEW OF PREVIOUSLY REVIEWED NOTIFICATIONS

12. The <u>Chairman</u> stated that, in accordance with the agreed procedures of the Committee, any Member wishing to place on the agenda a notification of legislation previously reviewed had to submit a question in writing at least 6 weeks prior to the date of the meeting, which was in this case 24 February 2005. Written answers had to be submitted to the Committee before 24 March 2005.

<sup>&</sup>lt;sup>2</sup> See questions from the European Communities in document G/ADP/Q1/HRV/4-G/SCM/Q1/HRV/4 and responses thereto in G/ADP/Q1/HRV/6-G/SCM/Q1/HRV/6. See also questions from the United States in G/ADP/Q1/HRV/5-G/SCM/Q1/HRV/5 and responses thereto in G/ADP/Q1/HRV/7-G/SCM/Q1/HRV/7.

<sup>&</sup>lt;sup>3</sup> See question from the United States in document G/ADP/Q1/JOR/4-G/SCM/Q1/JOR/4 and responses thereto in G/ADP/Q1/JOR/5-G/SCM/Q1/JOR/5.

- 13. The Chairman stated that on the basis of these procedures, the previously-reviewed notifications of <u>Mexico</u> (contained in document G/ADP/N/1/MEX/1/Suppl.2-G/SCM/N/1/MEX/1/Suppl.1) and <u>South Africa</u> (contained in document G/ADP/N/1/ZAF/2-G/SCM/N/1/ZAF/2) were before the Committee. These two notifications had been reviewed in the Committee on Anti-Dumping Practices.<sup>4</sup> There were no further questions or comments with regard to this notification.
- 14. There were no further questions or comments with regard to these notifications.
- 15. The Chairman stated that for an earlier examined notification to be on the agenda at next Autumn's regular meeting, it must be circulated in all three languages by 21 September 2005. Shortly after this date, the Secretariat will circulate an airgram informing Members of all the legislative notifications to be reviewed at the Autumn meeting. The Chairman informed Members that the new legislative notifications of Albania was expected to be on the agenda of that meeting
- 16. The Chairman thanked Members that had fulfilled their transparency obligation but also expressed his continuing concern over the failure of some Members to submit any notification at all concerning legislation or regulations relevant to countervailing measures. He noted that for many, if not most, it was likely that a single nil notification, indicating that there was no such legislation or regulation currently in effect, would be sufficient. For those Members who conducted countervailing duty investigations but had not yet notified their legislation, it was obviously important for transparency and the better understanding of all Members that such legislation be notified. He thus encouraged Members who had not yet done so to make their notification of legislation promptly.
- 17. The Committee took note of the statements made.
- H. SEMI-ANNUAL REPORTS OF COUNTERVAILING ACTIONS (ARTICLE 25.11)
- 18. The <u>Chairman</u> recalled that a request for semi-annual reports for the period 1 July to 31 December 2004, to be submitted not later than 7 March 2005, had been circulated to Members in document G/SCM/N/122, dated 5 January 2005. He noted that most Members taking countervailing duty actions during the period in question had submitted a semi-annual report, although some of the reports had been received late. He once again urged Members to take the necessary steps to submit these notifications on time. He noted that particularly for those Members who had taken no actions, all that was required was a one-sentence letter stating that no actions had been taken. Although there continued to be some problems in the formatting of reports, Members clearly had made an effort to submit reports in the format established by the Committee, in the guidelines set out in document G/SCM/2. The Secretariat was always available to assist Members with questions about the format of reports.
- 19. The Chairman suggested that at the Autumn meeting, the Committee discuss problems or questions relating to the submissions of semi-annual reports with a view of possible improvement of the format or the reporting guidelines. He stated that it was his understanding that a proposal to this effect had been made by the Chairman of the Committee on Anti-Dumping Practices, and that it would therefore seem reasonable that this Committee proceeds in the same manner as the Committee on Anti-Dumping in light of the similarities in the format. The Chairman stated that, given the fact that some Members had expressed an interest on this issue during the Committee of Anti-Dumping

<sup>&</sup>lt;sup>4</sup> In respect of the notification of Mexico, see questions from the United States in document G/ADP/Q1/MEX/14-G/SCM/Q1/MEX/14 and responses thereto in G/ADP/Q1/MEX/15-G/SCM/Q1/MEX/15. As to the notification of South Africa, see questions from the United States in document G/ADP/Q1/ZAF/8-G/SCM/Q1/ZAF/8 and responses thereto in G/ADP/Q1/ZAF/9-G/SCM/Q1/ZAF/9.

Practices, he would consult with the Chairman of that Committee and noted that this question could potentially be discussed at the Autumn meetings of both Committees.

- 20. The delegate of <u>Barbados</u> asked if the Secretariat could consider the possibility of developing an analytical page for the 10 year-period of countervailing measures notification examining the subset of countries that were not able to notify in a timely manner, in order to give a perspective of the difficulties experienced and to enhance the discussions on this topic. The Chairman asked the Secretariat to assist Members in this regard.
- 21. The Committee took note of the statements made.
- 22. Members who had submitted semi-annual reports of countervailing actions were identified in paragraph 1 of document G/SCM/N/122/Add.1, dated 7 April 2005. These Members comprised: Argentina; Australia; Brazil; Canada; European Communities; Japan; Mexico; United States; and Venezuela. In addition to the Members who had submitted semi-annual reports of countervailing actions, a number of Members, listed in paragraph 2 of document G/SCM/N/122/Add.1, had notified the Committee that they had not taken any countervailing duty actions. He stated that there remained a significant number of Members who had not responded to the request for semi-annual reports, and had therefore failed to comply with this important requirement set forth in Article 25.11 of the SCM Agreement. These Members were identified in document G/SCM/N/123/Add.1, paragraph 3.
- 23. There were no comments or questions regarding the semi-annual reports of <u>Argentina</u>; Australia; Brazil; Canada; European Communities; Japan; Mexico; United States; and Venezuela
- 24. The Committee took note of the statements made.
- I. PRELIMINARY AND FINAL COUNTERVAILING ACTIONS: NOTIFICATIONS (G/SCM/N/119 & CORR.1, G/SCM/N/121, G/SCM/N/124 & CORR.1, G/SCM/N/125 AND G/SCM/N/126)
- 25. The <u>Chairman</u> stated that the lists of the notifications of preliminary and final countervailing duty actions received had been circulated to the Committee in documents G/SCM/N/119 & Corr.1, G/SCM/N/121, G/SCM/N/124 & Corr.1, G/SCM/N/125 and G/SCM/N/126. Since the last regular meeting of the Committee, preliminary and final countervailing actions had been notified by <u>Argentina</u>, <u>Australia</u>, <u>Canada</u>, the <u>European Communities</u>, <u>Japan</u>, the <u>United States</u>, and <u>Venezuela</u>. There were no comments or questions with respect to any of these notifications.
- 26. The Committee took note of the statements made.
- J. SUBSIDY NOTIFICATIONS
- 1. Review of 2003 New and Full and Updating Notifications received too late to be reviewed under previously agreed procedures
- 27. The <u>Chairman</u> recalled that, in accordance with the agreed procedures for review of 2003 new and full subsidy notifications (document series G/SCM/N/95...), the third and final special session to review 2003 new and full subsidy notifications was held in the Autumn of 2004 Committee Meeting. As indicated in the draft annotated agenda for the meeting, the following notifications were received too late to be reviewed under the previously agreed procedures, or were update notifications:
- Argentina (G/SCM/N/95/ARG)
- Bulgaria (G/SCM/N/95/BGR/Suppl.1)
- Honduras (G/SCM/N/95/HND/Suppl.1)

- Latvia (G/SCM/N/95/LVA)
- Madagascar (G/SCM/N/95/MDG/Suppl.1)
- New Zealand (G/SCM/N/95/NZL/Suppl.1)
- 28. The Chairman further recalled that each of these notifications was translated in all three WTO languages by the time of circulation of the draft agenda. The Chairman stated that in a fax dated 2 February 2005 and in the draft annotated agenda, he proposed that the Committee review such notification at this meeting, with any written questions to be submitted to the notifying member and to the WTO Secretariat no later than 1 March 2005 and written answers no later than 1 April 2005.
- 29. The Committee took note of the statement made and agreed to proceed accordingly.
- 30. There were no further comments or questions on the notifications of <u>Argentina</u>, <u>Bulgaria</u>, <u>Honduras</u>, <u>Latvia</u> (presented by the EC of its behalf), <u>Madagascar</u> and <u>New Zealand</u>. The Committee took note of the statements made.

#### 2. Timing and Emphasis for Submission of Subsidies Notifications

- 31. The <u>Chairman</u> stated that in the Spring of 2001, the Committee reached an understanding<sup>7</sup> to the effect that new and full subsidies notifications would be submitted every two years, deemphasizing the review of the annual updating notifications. A first trial period of two years was then agreed to. In the Spring of 2003, the Committee decided to undertake a second trial period of such timing and emphasis.<sup>8</sup> He noted that on that same occasion, the Committee agreed to review the situation in 2005, in order to consider whether to continue the understanding. A primary motivation for the trial arrangements from 2001-2002 and 2003-2004 was to encourage all Members to comply with their transparency obligation to submit new and full subsidy notifications. He therefore stated that at this meeting, the Committee needed to decide whether or not it would continue the arrangement on timing and emphasis for submission of subsidy notifications, and for how long such arrangement would prevail.
- 32. The Chairman referred to its fax of 18 February 2005 convening open-ended informal consultations on this issue and the Annotated Draft Agenda. As a result the open-ended informal consultations, the Chairman indicated that Members believed that their resources would be best utilized by continuing the current arrangement on timing and emphasis for submission of subsidy notifications for another two years, that is until after the Committee meeting in the Autumn of 2006, and then extending it automatically, for further successive two-year periods (2007-2008 and so forth), unless:
  - (a) any Member expressed a desire to revisit the arrangement at the regular Committee meeting in the Spring preceding the 30 June deadline for new and full subsidy notifications in odd years; or

 $<sup>^5</sup>$  See question from the European Communities in document G/SCM/Q2/ARG/23 and responses thereto in G/SCM/Q2/ARG24.

<sup>&</sup>lt;sup>6</sup> See question from the European Communities in document G/SCM/Q2/NZL/14 and responses thereto in G/SCM/Q2/NZ/15.

<sup>&</sup>lt;sup>7</sup> See document G/SCM/M/30, para 6.

<sup>&</sup>lt;sup>8</sup> See document G/SCM/M/46, para. 43.

- (b) the references to timing and surveillance of subsidy notifications in Articles 25 and/or 26 of the SCM Agreement were modified as a result of negotiations.
- 33. The Chairman stated that this arrangement was not intended to add or detract from Members' rights and obligations.
- 34. The Committee <u>took note</u> of the statements made and <u>agreed</u> to proceed accordingly.

#### 3. Procedures for Review of 2005 New and Full Subsidy Notifications

- 35. The <u>Chairman</u> stated that in accordance with Article 25.1 of the Agreement on Subsidies and Countervailing Measures, 2005 new and full subsidies notifications by all Members were due by 30 June 2005. An invitation for Members to submit their 2005 new and full subsidy notification was circulated in document G/SCM/N/123. He noted that at this meeting, the Committee needed to adopt Procedures for Review of such notifications. A note with Draft Procedures was circulated in document G/SCM/W/532, dated 2 March 2005. Those procedures were the same as those adopted previously by the Committee, referring to the 2003 new and full notification. As stated in the introduction of document G/SCM/W/532, Members were invited to consider the possibility of abbreviating the timeframes contained in those procedures.
- 36. The Chairman proposed that the timeframes referred to paragraph 2 of those draft procedures be reduced to seventeen (instead of nineteen) weeks, and to consider consequential modifications to the timeframes referred to in paragraph 3 so that written questions would be submitted to the notifying Member and to the Secretariat not less than thirteen (instead of fifteen) weeks before the date of the meeting at which a notification is to be reviewed, and written responses would be submitted not less than four (instead of six) weeks before the date of that meeting. Informal open-ended consultations were also held on this issue. The Chairman reminded Members that, irrespective of any changes in the proposed timeframes, the Committee needed to adopt procedures for the review of new and full notifications.
- 37. The Committee <u>adopted</u> the procedures contained in document G/SCM/W/532 with the changes to abbreviate the timeframes as proposed in the introduction of the document. The Chairman indicated that the Secretariat would circulate a document reflecting the newly adopted procedure.<sup>9</sup>
- K. CONSTANT DOLLAR METHODOLOGY FOR GRADUATION FROM SCM ANNEX VII(B)
- 38. The <u>Chairman</u> reminded Members that, pursuant to the Doha Ministerial Decision on Implementation-Related Issues and Concerns (document WT/MIN(01)/17, para. 10.1) -- in which Ministers agreed that Annex VII(b) to the Agreement on Subsidies and Countervailing Measures includes the Members that are listed therein until their GNP per capita reaches US\$1,000 in constant 1990 dollars for three consecutive years -- as of 1 January 2003, the methodology set forth in G/SCM/38, Appendix 2 applies. In 2003 and 2004, the Secretariat circulated Notes updating GNP per capita for Members listed in Annex VII(b). Those notes are contained in documents G/SCM/110 & /Add.1. The Chairman informed Members that the Secretariat would circulate new updated calculations when the necessary World Bank data become available. 10
- 39. The Committee <u>took note</u> of the statements made.

<sup>10</sup> See document G/SCM/110/Add. 2

<sup>&</sup>lt;sup>9</sup> See document G/SCM/117.

#### L. PERMANENT GROUP OF EXPERTS – ELECTION OF AN EXPERT

- 40. The <u>Chairman</u> noted that Mr. Hyung-Jin Kim's term as a member of the Permanent Group of Experts ("PGE") expired this Spring, and there was therefore a need for the Committee to elect a new expert. Pursuant to a Committee decision (G/SCM/4), the Chairman and Vice-Chairman are to propose to the Committee candidates for election to the PGE. The proposal shall be based on suggestions submitted by Members and shall be made after informal consultations. Candidates proposed shall meet the requirement that the PGE be composed of independent persons, highly qualified in the fields of subsidies and trade relations.
- The Chairman stated that in document G/SCM/116, he invited suggestions of names to replace Mr. Kim by 4 March 2005. Two suggestions of names were received by that date: Mr Chang Fa Lo, suggested by Chinese Taipei, and Mr. Sebastián Sáez, suggested by Chile. Members were informed of this situation by a fax dated 8 March 2005, and the Chairman then indicated that the curriculum vitae of each of these two suggested individuals were available for inspection in Secretariat. Subsequently, by a fax of 23 March 2005, Members were invited to express views on this issue and the Chairman indicated his readiness to conduct informal consultations with interested Members with a view to identifying a basis for consensus. To the Chairman's disappointment, only a minimal number of delegations took advantage of this opportunity to express any view on this matter. Given this extremely low level of participation by delegations, the Chairman stated that he was unable to identify any possible basis for consensus on the election of an expert in advance of the meeting today, and therefore the Committee was not yet in a position to take a decision on the election of an expert at this time. The Chairman reiterated his request to Members to re-double their efforts on this matter with a view to reaching an agreement as soon as possible. To this end, he suggested that the incoming Chair continue to conduct informal consultations with Members with a view to identifying a basis for consensus. Once such a basis for consensus was found, the Committee should follow a written procedure in order to formalize the election of the new expert. The Chairman stressed that once the incoming Chair were in a position to do so, the Chair would communicate to Members the candidate which has been identified as the basis for an emerging consensus, and subject to no comments being received by a set date, that candidate would then be deemed to be elected to the PGE.
- 42. The delegate of <u>Chile</u> asked whether this meant that the group of experts would comprise four or five members, or if there would be a vacancy. The Chairman stated that since the Committee was unable to replace Mr. Kim, whose term expired in this Spring, the PGE would be composed temporarily of four members. He further stated that as soon than the Committee were in a position to elect a new expert, the PGE would then be composed of five Members.
- 43. The delegate of <u>Canada</u> raised the question as to whether there were implications in term of legal requirements such as quorum and as to the PGE's ability to fulfil its legal functions on the basis of a reduced number of members. The Secretariat noted that the PGE did not have any adopted rules of procedure at the present time.
- 44. The Committee <u>took note</u> of the statements made and agreed to proceed accordingly.
- M. OTHER BUSINESS
- 1. VAT Reimbursement Scheme for the Import of Copper Raw Materials operated in the People's Republic of China Statement by the EC
- 45. The delegate of the <u>European Communities</u> recalled that the issue of the VAT reimbursement scheme for the import of copper raw materials in China had been raised at several occasions. The EC indicated that it involves 30 per cent refund of VAT applicable to imports of copper raw materials.

The EC expressed concerns about this issue given the fact that it affects users of cooper raw materials. The EC recalled that it had previously requested information from China on the legal references and on the operations of the scheme, and in particular on the intention of China to renew the scheme. The EC further indicated that it had not received a satisfactory reply and noted that it had learned that the scheme had apparently been renewed for another year. The EC requested information about the current status of this programme. The delegate of <u>Japan</u> expressed the same concerns and requested the same information from China. The delegate of <u>China</u> stated that he had not received information about the renewal of the programme and indicated that he would seek clarifications and that contact the relevant Members once such clarifications were received.

46. The Committee took note of the statements made.

## 2. Chairman's reminder of the deadlines referring to the Article 27.4 Process of Extensions of Transition Periods for the Elimination of Export Subsidies

- 47. The <u>Chairman</u> stated that at its November 2004 meeting, the Committee agreed on the dates for the Committee's mandated review of the standstill and transparency commitments relating to the extension of the transition period for certain Members' export subsidy programmes (documents G/SCM/50-92 and Addenda; G/SCM/93-94 and Adds 1; G/SCM/95-102). Members concerned must submit the required notification by 30 June 2005. This would allow for an exchange of questions and answers, to the extent necessary, in advance of the Autumn 2005 meeting of the Committee. At this juncture, the Chairman reminded Members of the deadline of 30 June for the submission of the required notification and that any written questions would be due by 1 September 2005 and any written answers would be due by 6 October 2005.
- 48. The Committee took note of the statements made.

#### 3. Chairman's Report on Consultations on Rules of Origin

- 49. The <u>Chairman</u> informed the Committee about the consultations on rules of origin issues which he, jointly with the Chairpersons of the Committees on Anti-Dumping and on Safeguards, held on the 1 and 6 April, in response to a request of 15 February by the Chair of the General Council.
- 50. He stated that the three Committees were asked to consider two questions on which, to date, Members had been unable to come to a consensus in the negotiations on harmonized rules of origin in the Committee on Rules of Origin. The first question was whether harmonized rules of origin should be applied to the Anti-Dumping, Subsidies and Countervailing Measures and Safeguards Agreements, and the second question was whether harmonized rules of origin should be applied to the problem of circumvention of trade remedy measures.
- Safeguards and the Chairman first sought clarification from the Chair of the Committee on Rules of Origin as to the agreed views of Members on the interpretation of Articles 1.2 and 3(a) of the Agreement on Rules of Origin, given these provision's cross-references to the three referred Agreements. They were informed by the Chair of the Committee on Rules of Origin that there was no agreed view among Members on the meaning of these two provisions. Given this response, and given that it was not within the mandate of the three Committees to interpret the provisions of another agreement, they first sought the views of Members on the implications of the issue of origin of a good in the application of, respectively anti-dumping, countervailing and safeguard measures. Second, they sought the views of Members on the relevance, if any, of the references on the three agreements to the word "origin", and of other provisions identified by Members, to the issues referred to the three Committees. Third, they sought the views of Members on the relevance of the origin of a good in the

context of "circumvention" of trade remedy measures, and the implications of the issue of harmonized rules of origin in this context.

- 52. Members of the three Committees had a positive and useful debate on the issues of origin. One delegation presented a document with questions about the practices of Members in the application of rules of origin in the context of trade remedies. In the discussions, Members referred to some issues of their practices. Members also discussed the meaning of the word and the concept of "origin" in the provisions of the Agreements. Finally, Members referred to the issue of "origin" in the context of circumvention of trade remedies. Some Members indicated that it would be useful to further explore the questions referred to them by the Chair of the General Council. In light of this, the Chairpersons of the three Committees intended to convene, in the near future, another meeting of informal consultations on this issue. In the meantime, Members were invited to reflect on the questions discussed during the debate.
- 53. The Committee took note of the statements made.
- N. DATE OF NEXT REGULAR MEETING
- 54. The <u>Chairman</u> informed Members that the next regular meeting of the Committee would be held on 24 and 25 October 2005. Having adopted the Procedures for Review of the 2005 New and Full notifications, the Committee will also hold a Special Meeting in conjunction with the Autumn meeting, to review new and full notifications. Members will be receiving reminders of the dates, and official notice in the airgrams convening the meetings.
- 55. The Committee took note of the date of the next meeting.
- O. ELECTION OF OFFICERS
- 56. The <u>Chairman</u> informed Members that the Chairperson of the Council for Trade in Goods had completed his informal consultations on the nomination of Chairpersons for the different bodies operating under the auspices of the Council for Trade in Goods, and in that connection had proposed the nomination of Ms. Victoria Campeanu of Romania as the 2005 Chairperson of the Committee on Subsidies and Countervailing Measures.
- 57. The Committee <u>elected</u> Ms. Campeanu as Chairperson by acclamation.
- 58. Regarding the election of a Vice Chairperson, the <u>Chairman</u> informed that he had conducted informal consultations with Members on the basis of which he proposed the election of Mr. Matthew Wilson of Barbados.
- 59. The Committee elected Mr. Matthew Wilson as Vice Chairperson by acclamation.
- 60. The <u>Chairman</u> expressed his sincere appreciation for the cooperation of Members to the activities of the this Committee and thanked the Secretariat for its work and support.
- 61. Ms. Campeanu thanked the Members for electing her and invited Members to applaud Mr. Hirose for his work in this Committee.
- 62. The meeting was <u>adjourned</u>.