

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/W/468

9 October 2001

(01-4880)

**Committee on Subsidies
and Countervailing Measures**

Original: English/
Spanish

IMPLEMENTATION-RELATED ISSUES REFERRED TO THE COMMITTEE AT THE REQUEST OF THE CHAIRMAN OF THE GENERAL COUNCIL ON 31 JULY 2001

Communication from the Dominican Republic

The following communication, dated 3 October 2001, has been received from the Permanent Mission of the Dominican Republic.

The Permanent Mission of the Dominican Republic to the United Nations Office and Other International Organizations in Geneva presents its compliments to Mr. Remo Moretta, Chairman of the Committee on Subsidies and Countervailing Measures of the World Trade Organization (WTO), and has the pleasure of transmitting in annex, on behalf of its own delegation and those of Ecuador, El Salvador, Guatemala, Honduras, Panama and Sri Lanka, a non-paper concerning possible elements to be taken into account for an extension of the transition period under Article 27.4 of the Agreement for developing country Members with a small share of world trade.

The Permanent Mission of the Dominican Republic would be grateful if this document could be circulated to all members of the Committee as a contribution to the consultations you are conducting on this issue.

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3 October 2001

**POSSIBLE ELEMENTS CONCERNING DEVELOPING COUNTRY MEMBERS
WITH A SMALL SHARE OF WORLD TRADE**

Non-Paper by Dominican Republic, Ecuador, El Salvador, Guatemala,
Honduras, Panama, Sri Lanka

1. Members agree to extend the transition period, under the rubric of SCM Article 27.4 for export subsidies provided by developing country Members, with a small share of world trade for at least ... years.
 2. An annual review by the SCM Committee on the basis of full-updated notifications from beneficiary Members as to benefits provided under the notified programmes and other operational information about the programmes.
 3. Developing countries would be deemed to have a small share of world trade if:
 - Their share of world merchandise export trade was not greater than [0.125] per cent.
 4. The list of such countries would be drawn up on the basis of statistics maintained by WTO Secretariat on world merchandise export trade. This list would be annexed to the decision and would be an integral part thereof, and would not be subject to subsequent modification. Global trade shares shall be calculated as an average, over e.g. three years, to avoid any single-year aberrations.
 5. Standstill: This extension shall be limited to existing import duty and internal tax exceptions provided in the context of economic and social development and programmes geared toward attracting investment and diversification of exports, which are notified under the annual review. For a measure to qualify, it would need to have been in existence at least since (1 September 2001).
 6. The extension would be applicable for all products, as long as the concerned Member has not reached export competitiveness in that product, as defined in Article 27.6 of the Agreement.
 7. This framework would be without prejudice to any decisions that might be taken in respect of any other proposals concerning Articles 27.5 and 27.6, and to any individual requests for extensions under Article 27.4 not made pursuant to this framework.
 8. This decision will also be applicable to those Members who are presently in Annex VII, but who during or after this extended transition period come out of Annex VII, as long as they fulfill the conditions mentioned in paragraph 3.
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