

WORLD TRADE ORGANIZATION

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**Committee on Subsidies
and Countervailing Measures**

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EXTENSION OF THE TRANSITION PERIOD FOR DEVELOPING COUNTRIES WITH A SMALL SHARE OF WORLD TRADE FOR THE ELIMINATION OF EXPORTS SUBSIDIES OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

Cuba, Dominican Republic, Guatemala, Honduras, Ecuador, El Salvador,
Panama, Sri Lanka

The following communication has been received on 11 October 2001 from the delegations of Cuba, Dominican Republic, Guatemala, Honduras, Ecuador, El Salvador, Panama and Sri Lanka.

Draft Decision

Decision of [OCTOBER 2001]

The General Council,

Having regard to paragraph 4 of Article 27 of the Agreement on Subsidies and Countervailing Measures of World Trade Organization;

Taking into account the paragraph 9(a)(i) of the Geneva Ministerial Declaration, the General Council Decision on 3 May 2000, and the General Council Decision on 15 December 2000.

Considering the imbalance between the rights and obligations of the Members existing in the Agreement on Subsidies and Countervailing Measures,

Considering that this imbalance affects the capacity of the developing countries to apply effective development policies necessities to reach an appropriate level of development,

Considering that Developing countries would be deemed to have a small share of trade if:

- Their share of world merchandise export trade was not greater than 0.125 per cent.

Decides as follows:

1. The transition period under article 27.4 of the Agreement on Subsidies and Countervailing Measures shall be extended to developing country Members, with a small share of trade for at least 20 years.¹
2. The list of countries in the Annex of this Decision shall notify the programmes meeting the outlined criteria of Paragraph 4 of this Decision, following Article 25 of the Agreement on Subsidies and Countervailing Measures, not later than 30 June 2002.
3. An annual review by the SCM Committee will be established 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, following Article 25 of the SCM Agreement.
4. This extension shall be limited to measures on import duty and internal tax exceptions that have been in existence at least by 1 September 2001.
5. 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 the preamble of this Decision.
6. The extension would be applicable for all products, as long as the concerned Member has not reached export competitiveness in that product, as established in article 27.5 and 27.6 of the Agreement.

¹ 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 is annexed to this decision and is an integral part thereof, and will not be subject to subsequent modification. Global trade shares shall be calculated as an average, over three years, to avoid any single year aberrations.