

**MINISTERIAL CONFERENCE**  
**Second Session**  
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ANNUAL REPORTS (1997)

Addendum

The annual reports for 1997 of the subsidiary bodies of the Council for Trade in Goods are reproduced hereunder. Each report is reproduced as a separate section with its own page numbering.

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SECTION I

COMMITTEE ON AGRICULTURE



**Committee on Agriculture**

COMMITTEE ON AGRICULTURE: GENERAL COUNCIL OVERVIEW OF  
WTO ACTIVITIES (1997)

Report by the Chairman

The present report by the Chairman of the Committee on Agriculture, Ambassador Nestor Osorio Londoño, is submitted on his own responsibility as agreed by the Committee.

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The Committee on Agriculture held four regular meetings in 1997: on 13-14 March, 26-27 June, 25-26 September and 20-21 November (Secretariat summary reports of these meetings G/AG/R/10 to 13 refer).

In accordance with Article 18.1 of the Agreement on Agriculture, the Committee, at each of its meetings, reviewed progress in the implementation of commitments negotiated under the Uruguay Round reform programme. This review process was undertaken on the basis of notifications submitted by Members in the areas of market access, domestic support and export subsidies and under the provisions of the Agreement relating to export prohibitions and restrictions. In 1997 the Committee reviewed 242 notifications in these areas compared with 193 in 1996, with domestic support and export subsidy notifications accounting for most of the increase. The Committee also addressed a wide range of general and specific matters relevant to the implementation of commitments that were raised under the provisions of Article 18.6 of the Agreement. A number of the matters thus raised have been or continue to be the subject of informal or formal consultations.

In general, the notification requirements established by the Committee for the purpose of reviewing implementation of reduction and other scheduled commitments under the Uruguay Round reform programme are being satisfactorily complied with by most Members. The performance for notifications relating to compliance with general obligations under the rules on domestic support and export subsidies is unsatisfactory. The overall position with respect to notification obligations under Article 18.2 and other relevant provisions of the Agreement is summarized in Annex I to this report.

At its March meeting the Committee reviewed the WTO List of Net Food-Importing Developing Countries and Botswana and Pakistan were included (G/AG/5/Rev.2 refers). The follow-up to the recommendations adopted by the Singapore Ministerial Conference on the implementation, in relation to action on food aid commitments and concessionality guidelines in the context of the Food Aid Convention, of Marrakesh Ministerial Decision on the Possible Negative Effects of the Reform Process on Net Food-Importing Developing Countries (paragraph 18 of G/L/125 and WT/MIN(96)/DEC, paragraph 13, refer) has been taken up at the Committee's regular meetings. The follow-up to the Marrakesh Ministerial Decision as a whole was monitored by the Committee pursuant to Article 16.2 of the Agreement at its November meeting.

Under arrangements adopted at the March meeting of the Committee, the process of analysis and exchange of information ("the AIE process") agreed to by the Singapore Ministerial Conference (paragraph 12 of G/L/131 and WT/MIN(96)/DEC, paragraph 19 refer) has been undertaken through informal open-ended meetings. In the AIE process Members are discussing topics in the areas of market access, domestic support and export subsidies, as well as issues of interest to developing countries. Some Members submitted informal papers on these topics. In addition, a number of Secretariat background notes, based on information and data notified by Members, have been provided in order to facilitate the work of the AIE process. These informal papers and background notes are listed in Annex II to this report. Four AIE meetings were held during 1997 with factual summary reports being made to the Committee on each of these meetings.

The following international intergovernmental organizations were accorded regular observer status in the Committee: the FAO, the IMF, the International Grains Council, the OECD, the UNCTAD, the UN World Food Programme and the World Bank.

The Committee adopted the following schedule for the Committee's regular meetings in 1998: 19-20 March, 29-30 September and 17-18 November, plus an additional meeting provisionally scheduled for 25-26 June to cope with the expanding workload of the Committee.

## Annex I

## Regular notifications pertaining to the 1995 and 1996 years made under the Agreement on Agriculture

	Table MA:1 Tariff quota administration	Table MA:2 Imports under tariff quotas		Table MA:5 Special safeguard - annual		Table DS:1+ Domestic support		Table ES:1+ Export subsidies		Table ES:2 Total exports	
	one-off	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996
Angola	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Antigua and Barbuda	NA	NA	NA	NA	NA					NA	NA
Argentina	NA	NA	NA	NA	NA	X		X	X	X	X
Australia	X	X	X	X	X	X	X	X	X	X	X
Bahrain	NA	NA	NA	NA	NA		X		X	NA	NA
Bangladesh	NA	NA	NA	NA	NA	(NA)				NA	NA
Barbados	X			X				X		NA	NA
Belize	NA	NA	NA	NA	NA					NA	NA
Benin	NA	NA	NA	NA	NA	NA	(NA)	NA		NA	NA
Bolivia	NA	NA	NA	NA	NA					NA	NA
Botswana	NA	NA	NA	X	X	X		X	X	NA	NA
Brazil	X	X	X	NA	NA	X		X	X	X	X
Brunei Darussalam	NA	NA	NA	NA	NA					NA	NA
Bulgaria		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Burkina Faso	NA	NA	NA	NA	NA	(NA)				NA	NA
Burundi	NA	NA	NA	NA	NA	(NA)				NA	NA
Cameroon	NA	NA	NA	NA	NA					NA	NA
Canada	X	X	X	X	X	X		X		X	
Central African Rep.	NA	NA	NA	NA	NA	(NA)				NA	NA
Chad	NA	NA	NA	NA	NA	NA	(NA)	NA		NA	NA
Chile	NA	NA	NA	NA	NA	X	X	X	X	X	X
Colombia	X	X	X	X	X	X	X				
Congo	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Congo, Democratic Rep.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Costa Rica	X										
Côte d'Ivoire	NA	NA	NA	NA	NA					NA	NA
Cuba	NA	NA	NA	NA	NA		X	X	X	X	
Cyprus	NA	NA	NA	NA	NA	X	X				
Czech Republic	X	X	X	X	X	X	X	X	X	X	X
Djibouti	NA	NA	NA	NA	NA	(NA)				NA	NA
Dominica	NA	NA	NA	NA	NA					NA	NA
Dominican Republic	NA	NA	NA	NA	NA			X		NA	NA
Ecuador	X	NA		NA	X	NA		NA	X	NA	NA
Egypt	NA	NA	NA	NA	NA					NA	NA
El Salvador	X			X	X			X	X	NA	NA
European Communities	X	X	X	X				X		X	
Fiji	NA	NA	NA	NA	NA	NA	X	NA	X	NA	NA
Gabon	NA	NA	NA	NA	NA					NA	NA
Gambia	NA	NA	NA	NA	NA	NA	(NA)	NA		NA	NA
Ghana	NA	NA	NA	NA	NA					NA	NA
Grenada	NA	NA	NA	NA	NA	NA		NA		NA	NA
Guatemala	X	X		X				X		NA	NA
Guinea Bissau	NA	NA	NA	NA	NA	(NA)				NA	NA
Guinea, Republic of	NA	NA	NA	NA	NA	(NA)				NA	NA

	Table MA:1	Table MA:2		Table MA:5		Table DS:1+		Table ES:1+		Table ES:2	
	Tariff quota administration	Imports under tariff quotas		Special safeguard - annual		Domestic support		Export subsidies		Total exports	
	one-off	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996
Guyana	NA	NA	NA	NA	NA					NA	NA
Haiti	NA	NA	NA	NA	NA	NA	(NA)	NA		NA	NA
Honduras	NA	NA	NA	NA	NA	X		X		X	
Hong Kong, China	NA	NA	NA	NA	NA	X	X	X	X	NA	NA
Hungary	X	X	X	X	X						
Iceland	X	X	X	X	X	X	X	X		X	
India	NA	NA	NA	NA	NA					NA	NA
Indonesia	X	X	X	X	X			X	X	X	X
Israel	X			X				X		X	
Jamaica	NA	NA	NA	NA	NA					NA	NA
Japan	X	X	X	X	X	X		X	X	NA	NA
Kenya	NA	NA	NA	NA	NA	X	X	X	X	NA	NA
Korea	X	X	X	X	X	X	X	X	X	NA	NA
Kuwait	NA	NA	NA	NA	NA					NA	NA
Lesotho	NA	NA	NA	NA	NA	(NA)				NA	NA
Macau	NA	NA	NA	NA	NA	X		X		NA	NA
Madagascar	NA	NA	NA	NA	NA	(NA)				NA	NA
Malawi	NA	NA	NA	NA	NA	(NA)				NA	NA
Malaysia	X	X	X	X	X	X	X	X	X	X	X
Maldives	NA	NA	NA	NA	NA	(NA)				NA	NA
Mali	NA	NA	NA	NA	NA	(NA)				NA	NA
Malta	NA	NA	NA	NA	NA	X		X		NA	NA
Mauritania	NA	NA	NA	NA	NA	(NA)				NA	NA
Mauritius	NA	NA	NA	NA	NA					NA	NA
Mexico	X	X		X		X		X			
Mongolia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Morocco	X	X	X	X	X	X	X	X		NA	NA
Mozambique	NA	NA	NA	NA	NA	(NA)				NA	NA
Myanmar	NA	NA	NA	NA	NA	(NA)				NA	NA
Namibia	NA	NA	NA	X	X	X		X	X	NA	NA
New Zealand	X	X	X	X	X	X	X	X	X	X	X
Nicaragua	X			X				X		NA	NA
Niger	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Nigeria	NA	NA	NA	NA	NA					NA	NA
Norway	X	X	X	X	X	X	X	X	X	X	X
Pakistan	NA	NA	NA	NA	NA	X		X	X	X	X
Papua New Guinea	NA	NA	NA	NA	NA	NA		NA		NA	NA
Paraguay	NA	NA	NA	NA	NA					NA	NA
Panama		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Peru	NA	NA	NA	NA	NA			X		NA	NA
Philippines	X	X	X	X	X	X		X	X	X	X
Poland	X	X	X	X	X	X	X	X	X	X	X
Qatar	NA	NA	NA	NA	NA	NA		NA		NA	NA
Romania	X	X		X	X	X	X	X	X		
Rwanda	NA	NA	NA	NA	NA	NA	(NA)	NA		NA	NA
Saint Kitts and Nevis	NA	NA	NA	NA	NA	NA		NA		NA	NA
Saint Lucia	NA	NA	NA	NA	NA					NA	NA
Saint Vincent & Grenadines	NA	NA	NA	NA	NA					NA	NA
Senegal	NA	NA	NA	NA	NA					NA	NA
Sierra Leone	NA	NA	NA	NA	NA	(NA)				NA	NA
Singapore	NA	NA	NA	NA	NA	X		X		NA	NA



	Table MA:1	Table MA:2		Table MA:5		Table DS:1+		Table ES:1+		Table ES:2	
	Tariff quota administration	Imports under tariff quotas		Special safeguard - annual		Domestic support		Export subsidies		Total exports	
	one-off	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996
Slovak Republic	X	X	X	X	X	X	X	X	X	X	X
Slovenia	X	X	X	NA	NA	X	X	X	X	NA	NA
Solomon Islands	NA	NA	NA	NA	NA	NA	(NA)	NA		NA	NA
South Africa	X	X	X	X	X	X	X	X	X	X	X
Sri Lanka	NA	NA	NA	NA	NA					NA	NA
Suriname	NA	NA	NA	NA	NA					NA	NA
Swaziland	NA	NA	NA							NA	NA
Switzerland - Liechtenstein	X	X	X	X	X	X	X	X	X	X	X
Tanzania	NA	NA	NA	NA	NA	(NA)				NA	NA
Thailand	X	X	X	X	X	X	X	X	X	X	
Togo	NA	NA	NA	NA	NA	(NA)				NA	NA
Trinidad and Tobago	NA	NA	NA	NA	NA			X		NA	NA
Tunisia	X		X	X	X	X	X	X	X	NA	NA
Turkey	NA	NA	NA	NA	NA	X	X	X	X	X	X
Uganda	NA	NA	NA	NA	NA	(NA)				NA	NA
United Arab Emirates	NA	NA	NA	NA	NA	NA		NA		NA	NA
United States	X	X	X	X		X		X	X	X	
Uruguay	NA	NA	NA	X	X	X	X	X	X	X	X
Venezuela	X	X	X	X	X	X	X	X	X	X	X
Zambia	NA	NA	NA	NA	NA	(NA)		X	X	NA	NA
Zimbabwe	NA	NA	NA	NA	NA						
Total required to notify	36	33		35		75		96		33	
Notifications received	34	27		33		38		48		26	
Percentage compliance											
- Scheduled commitments	94	82		94		85		87		-	
- Rule related commitments	-	-		-		29		38		79	
- Overall	94	82		94		51		50		79	

1. Agricultural notification requirements are set out in document G/AG/2 and G/AG/2/Add.1. Reference should be made to this document in order to establish applicability of the requirements and the relevant time limits for the submission of notifications.

2. There are currently 132 WTO Members. The list of WTO Members above, however, comprises only 116 Members as the European Communities and its 15 member states provide one notification for each of the respective requirements and Switzerland's notifications are taken to cover Liechtenstein as these two Members have a joint Schedule.

3. The symbols used in the table are as follows:

(a) A blank indicates that this is a requirement applicable to the Member concerned, but that no notification was received up to the cut-off date (24 November 1997). Notifications may be submitted according to various bases (calendar, crop, fiscal years, etc.). The absence of a notification, therefore, does not necessarily indicate an outstanding obligation as the notification may be due only later in 1997. No percentage compliance is

calculated in these cases. The time limit for the submission of one-off MA:1 notifications has now passed for all Members (including those which became Members only in 1996) and the percentage compliance is calculated for this requirement.

(b) "X" denotes that a notification has been received in the WTO. No assessment of the completeness or the quality of the notification with respect to requirements is made or implied.

(c) "NA" indicates that the requirement was not applicable for this WTO Member during the period covered either because no relevant measures are in place (e.g. tariff quotas) or because WTO membership did not take place until 1996 or 1997 hence there were no notification requirements pertaining to 1995 or 1996. For Table DS:1, the least-developed country Members may notify at the end of every second year (indicated by the symbol "(NA)") and such Members are excluded from the total number required to notify.

## **Annex II**

### **A. Informal papers submitted by Members:**

- AIE/1: by Australia on Administration of Tariff Quotas - 13 May 1997
- AIE/2: by the United States on Circumvention of Export Subsidy Commitments - 16 May 1997
- AIE/3: by the United States on Data Supplied Through Notifications - 16 May 1997
- AIE/4: by Australia on "Green Box" Domestic Support - 16 May 1997
- AIE/5: by New Zealand on Administration of Tariff Quotas - 12 August 1997
- AIE/6: by Pakistan, Peru and the Dominican Republic on Issues of Interest to Developing Countries - 19 September 1997
- AIE/7: by the United States on Administration of Tariff-Rate Quotas - 22 October 1997
- AIE/8: by Uruguay on Implementation of Tariff Commitments - 24 October 1997
- AIE/9: by Australia on Tariff Quota Administration: First-Come, First-Served (FCFS) - 29 October 1997
- AIE/10: by the United States on Article 6.5: Direct Payments Under Production-Limiting Programs - 31 October 1997
- AIE/11: by the United States on State Trading Enterprises (Single Desk Buyers and Single Desk Sellers) - 31 October 1997

### **B. Secretariat Background Papers:**

- AIE/S1: Tariff and Other Quotas - 9 September 1997
- AIE/S2: Domestic Support - 28 October 1997
- AIE/S3: Export Subsidies - 3 November 1997
- AIE/S4: Tariff Quota Administration Methods and Tariff Quota Fill - 6 November 1997



SECTION II

COMMITTEE ON ANTI-DUMPING PRACTICES



**Committee on Anti-Dumping Practices**

REPORT (1997) OF THE COMMITTEE ON  
ANTI-DUMPING PRACTICES

I. ORGANIZATION OF THE WORK OF THE COMMITTEE

1. The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (hereinafter "the Agreement") entered into force on 1 January 1995. All Members of the WTO are *ipso facto* members of the Committee on Anti-Dumping Practices established under the Agreement.

2. Observer governments in the General Council of the WTO have Observer status in the Committee. With respect to international intergovernmental organizations, the International Monetary Fund and the World Bank have regular Observer status pursuant to agreements between the WTO and those organizations. At its regular meeting in April 1997, the Committee granted regular Observer status to UNCTAD on the basis that there would be reciprocity with respect to documents, proceedings and other aspects of Observership. In light of issues regarding reciprocity, particularly in connection with the Committee on Subsidies and Countervailing Measures, the Committee at its regular meetings in April and October 1997 deferred consideration of the OECD's request for regular Observer status pending consultations, but invited the OECD in the interim to continue to attend meetings of the Committee on an *ad hoc* basis. Finally, the Committee decided at its regular meeting in October 1997 to invite the ACP Group to attend its meetings on an *ad hoc* basis pending the outcome of horizontal consultations with respect to the ACP Group's requests for Observership in various WTO bodies.

3. The focus of this report is on the period since the Committee's last annual report (G/L/123), that is, 23 October 1996 - 31 October 1997 (hereinafter "the review period"). During the review period, the Committee held two regular meetings, on 28-29 April 1997 and 30-31 October 1997 (G/ADP/M/10 and G/ADP/M/11).

4. As of the beginning of the review period, Mr. Ole Lundby (Norway) was Chairman, and Mr. Kajit Sukhum (Thailand) was Vice-Chairman of the Committee. The Committee at its regular meeting in April 1997 elected Mr. Kajit Sukhum (Thailand) as its Chairman and Ms. Michelle Slade (New Zealand) as its Vice-Chairperson. Pursuant to the Committee's Rules of Procedure, they took office at the end of that meeting.

II. NOTIFICATION AND EXAMINATION OF ANTI-DUMPING LAWS AND/OR REGULATIONS OF MEMBERS

5. The Committee decided, at its special meeting of 21 February 1995, that all Members which had new or existing legislation and/or regulations which apply in whole or in part to anti-dumping duty investigations or reviews covered by the Agreement would notify the full and integrated text of such legislation and/or regulations to the Committee by 15 March 1995. If such legislation and/or regulations did not exist or were not available, the Member would inform the Committee of this fact. The Committee also decided that Observer governments should provide the Committee the text of their laws and regulations regarding anti-dumping duties.

6. As of 31 October 1997, 77 Members had notified the Committee regarding their domestic anti-dumping legislation.<sup>1</sup> Of these 77 Members, 22 had notified the Committee that they had no anti-dumping legislation. Members' communications in this regard can be found in document series G/ADP/N/1/... . 40 Members had not, as yet, made any notification under Article 18.5 of the Agreement. Annex A sets out the status of notifications of legislation under Article 18.5 of the Agreement.

7. During the review period, the Committee reviewed new notifications regarding anti-dumping laws and/or regulations submitted by the following Members: Bahrain, Brunei Darussalam, the European Community, Fiji, Guatemala, Indonesia, India, Japan, Korea, Liechtenstein, Namibia, Paraguay, Singapore, Thailand, Uganda, United Arab Emirates, and Uruguay. Written questions and answers regarding these reviews may be found in documents of the G/ADP/Q1/... series.

8. In addition to review of new notifications, during the review period the Committee undertook further review of notifications of legislation previously reviewed, pursuant to procedures adopted by the Committee at its joint special meeting with the Committee on Subsidies and Countervailing Measures in April 1996. Written questions and answers concerning the notifications of the following Members were considered by the Committee: Canada, European Community, India, Indonesia, Israel, Malaysia, New Zealand, Singapore, and the United States. Those questions and answers may also be found in documents of the G/ADP/Q1/... series.

### III. SEMI-ANNUAL REPORTS ON ANTI-DUMPING ACTIONS TAKEN BY MEMBERS

9. **Semi-annual reports for the period 1 July-31 December 1996.** As of 31 October 1997, semi-annual reports of actions taken during this period had been submitted by 23 Members. 30 Members had notified the Committee that they had not taken any anti-dumping actions during this period. The remaining 63 Members required to do so had not submitted a notification in this regard. At the Committee's regular meeting in April, the Chairman and Members expressed great concern about the poor status of notifications. The semi-annual reports were circulated in document series G/ADP/N/22/... . The status of semi-annual reports is set out in Annex B.

10. **Semi-annual reports for the period 1 January-30 June 1997.** As of 31 October 1997, semi-annual reports of actions taken during this period had been submitted by 22 Members. 23 Members had notified the Committee that they had not taken any anti-dumping actions during this period. The remaining 72 Members required to do so had not submitted a notification in this regard. At the Committee's regular meeting in October, the Chairman and Members expressed great concern about the poor status of notifications. The semi-annual reports were circulated in document series G/ADP/N/29/... . The status of semi-annual reports is set out in Annex B.

11. A Table summarising anti-dumping actions taken by Members during the period 1 July 1996 - 30 June 1997 is reproduced in Annex C to this report.

### IV. REPORTS ON ALL PRELIMINARY OR FINAL ANTI-DUMPING ACTIONS

12. Pursuant to Article 16.4 of the Agreement, Members are to report without delay to the Committee all preliminary and final anti-dumping actions taken. Reports of preliminary and final anti-dumping actions during the period under consideration were received from Argentina, Australia, Canada, the European Community, India, Indonesia, Israel, Korea, Malaysia, Mexico, New Zealand, Peru, South Africa, Thailand and the United States, as identified in documents G/ADP/N/20, G/ADP/N/21, G/ADP/N/23, G/ADP/N/24, G/ADP/N/25, G/ADP/N/26, G/ADP/N/27, G/ADP/N/28, G/ADP/N/30, G/ADP/N/31, G/ADP/N/32 AND G/ADP/N/33. The Committee reviewed the notifications of preliminary and final actions at its regular meetings in April and October.

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<sup>1</sup>In this report, the EC is counted as one Member.



## V. OTHER MATTERS DISCUSSED BY THE COMMITTEE

13. **Follow up to Singapore Ministerial declaration:** At the Committee's regular meeting in April, the Committee considered what appropriate steps could be taken to promote full compliance with notification requirements, whether there were any aspects of notification that could be simplified, and reviewed technical assistance and training efforts in the anti-dumping area in particular, and with respect to contingent trade remedies in general. The Committee took note of the work of the Ad Hoc Group on Implementation, which while not providing technical assistance to any specific Member, could be of significant benefit to Members, and particularly developing country Members and new users of anti-dumping measures, in understanding some of the practical questions involved in anti-dumping investigations, and how different Members have addressed those issues. The Committee also took note of the programme of assistance and training available to developing country Members, new users of anti-dumping measures, and countries in the process of accession, by the Secretariat. That programme includes training workshops on the use of contingent trade remedies, financed primarily through grants and assistance in kind, such as instructors and conference facilities, provided by governments and institutions, including the Asian Development Bank, the Inter-American Development Bank, the European Commission, the Japan Fair Trade Centre, and the Governments of Australia, Finland, Mexico, New Zealand, Norway, Switzerland, and the United States. In addition, the Secretariat also organized specialized seminars to explain exporters' rights and obligations in anti-dumping and countervailing duty investigations, and country specific training programmes. Several delegations spoke to express their appreciation for the Secretariat's efforts in this regard, as well as those of Members and organizations whose financial contributions had funded the relevant technical assistance programmes. Members also described their own programmes of technical assistance. The Committee expressed its support for the efforts of Members involved in technical assistance programmes, as well as for the technical assistance programmes carried out by the Secretariat in the area of contingent trade remedies.

14. **Ad Hoc Group on Implementation:** The Ad Hoc Group on Implementation held its first working meeting in conjunction with the Committee's regular meeting in April. Discussion followed the procedures agreed upon by the Committee, addressing the topics referred to the Group by the Committee in October 1996. The ten topics referred to the Group were: treatment of confidential information, the period of data collection for a dumping investigation, sampling under Article 6.10, special circumstances under Article 5.6, notification of the government of the exporting Member under Article 5.5, Article 6.2 hearings, essential facts under Article 6.9, public notices, the content of preliminary affirmative determinations, and duty assessments under Article 9. At the end of the meeting, Members were asked to submit further papers on the topics, as well as to provide certain specific factual information to serve as a basis for further discussions. Several Members agreed to prepare papers on specific topics to follow up on the discussions. The Secretariat was asked to draft a recommendation on the topic of the period of investigation in dumping investigations, for the Group's consideration at its next meeting. Members submitted further papers on all ten topics referred to the Group, as well as the requested information, in preparation for the second substantive meeting on 27-28 October 1997. The Group discussed all ten topics that had been forwarded to it by the Committee for consideration, based on the papers, proposals, and information circulated to Members prior to the meeting. A great deal of useful information was exchanged among Members regarding their practices in implementing the requirements of the Anti-Dumping Agreement. Members were asked to submit further and follow up papers and proposals on several of the topics under consideration, as well as information on their individual practices in the areas addressed, and the Secretariat was asked to compile information submitted by Members with respect to the some of the topics raised. The Group scheduled its next meeting for 27-28 April 1998, to continue discussions of all ten topics.

15. **Informal Group on Anti-Circumvention:** At its regular meeting in April the Committee took note of the framework for continued discussion of the issue of anti-circumvention which had been agreed upon by Members in informal consultations. The Committee also decided to establish an Informal Group on Anti-Circumvention, to continue the discussions. The Committee agreed that the Informal Group would be open to all Members, and could not make any decisions on the issues discussed, but would make recommendations for consideration by the Committee. On 29 October 1997, the Informal Group on Anti-Circumvention held discussions on the first topic in the agreed framework, "what constitutes circumvention". Member discussed the four papers submitted, and numerous additional statements were made during the meeting. The Informal Group agreed to meet again on 29 April 1998, to continue discussions on the first topic under the agreed framework.

16. **Agenda items requested by Members:** During the review period, the Committee took note of statements concerning the following specific items placed on the agenda at the request of Members:

- Application of the European Community's amended regulation on anti-dumping.
- European Community - Investigations concerning the anti-circumvention measures on imports of retail electronic weighing scales or the parts thereof from Japan, Singapore and Indonesia.

17. **Other Business:** During the review period, the Committee considered the following items under the agenda item "Other Business":

- Japan - United States investigation of supercomputers
- Japan - EC delays in anti-dumping investigations
- India - South Africa anti-dumping and countervailing duty actions
- United States - Philippines investigation of float glass from Thailand
- India - EC anti-dumping investigations on certain textiles
- Japan - United States measures on supercomputers
- Venezuela - Argentina investigation on aluminium cables
- Brazil - US procedures in constructed value calculations

**ANNEX A**  
**ANTI-DUMPING LEGISLATION NOTIFICATIONS**

**Key: \* = Notification of no anti-dumping legislation**

<b>MEMBER</b>	<b>NOTIFICATION PROVIDED</b>
Angola	none
Antigua and Barbuda	none
Argentina	G/ADP/N/1/ARG/1 + Suppl.1
Australia	G/ADP/N/1/AUS/1 + Suppl.1
Bahrain	G/ADP/N/1/BHR/1 *
Bangladesh	none
Barbados	G/ADP/N/1/BRB/1
Belize	none
Benin	none
Bolivia	G/ADP/N/1/BOL/1 + Suppl.1
Botswana	G/ADP/N/1/BWA/1 *
Brazil	G/ADP/N/1/BRA/2
Brunei Darussalam	G/ADP/N/1/BRN/1 *
Bulgaria	G/ADP/N/1/BGR/1
Burkina Faso	G/ADP/N/1/BFA/1 *
Burundi	none
Cameroon	none
Canada	G/ADP/N/1/CAN/3
Central African Republic	none
Chad	none
Chile	G/ADP/N/1/CHL/1
Colombia	G/ADP/N/1/COL/1
Congo	none
Costa Rica	G/ADP/N/1/CRI/1
Côte d'Ivoire	G/ADP/N/1/CIV/1 *
Cuba	G/ADP/N/1/CUB/1 + Suppl.1
Cyprus	G/ADP/N/1/CYP/2

Czech Republic	G/ADP/N/1/CZE/1 *
Democratic Republic of the Congo	
Djibouti	none
Dominica	none
Dominican Republic	G/ADP/N/1/DOM/2 *
European Community	G/ADP/N/1/EEC/2 + Corr.1+Suppl.1
Ecuador	G/ADP/N/1/ECU/1
Egypt	G/ADP/N/1/EGY/1 *
El Salvador	G/ADP/N/1/SLV/1
Fiji	G/ADP/N/1/FIJ/1 *
Gabon	none
Gambia	none
Ghana	none
Grenada	none
Guatemala	G/ADP/N/1/GTM/2
Guinea Bissau	none
Guinea, Republic of	G/ADP/N/1/GIN/1 *
Guyana	none
Haiti	none
Honduras	G/ADP/N/1/HND/2
Hong Kong, China	G/ADP/N/1/HKG/1 *
Hungary	G/ADP/N/1/HUN/1
Iceland	G/ADP/N/1/ISL/1
India	G/ADP/N/1/IND/2 + Corr.1 + Suppl.1
Indonesia	G/ADP/N/1/IDN/2
Israel	G/ADP/N/1/ISR/2
Jamaica	G/ADP/N/1/JAM/1
Japan	G/ADP/N/1/JPN/2 + Corr.1 & 2 + Suppl.1
Kenya	G/ADP/N/1/KEN/1
Korea	G/ADP/N/1/KOR/3
Kuwait	none

Lesotho	none
Liechtenstein	G/ADP/N/1/LIE/1 *
Macau	G/ADP/N/1/MAC/1 *
Madagascar	none
Malawi	G/ADP/N/1/MWI/1 + Corr.1
Malaysia	G/ADP/N/1/MYS/1
Maldives	G/ADP/N/1/MDV/1 *
Mali	none
Malta	G/ADP/N/1/MLT/1 *
Mauritania	none
Mauritius	G/ADP/N/1/MUS/2
Mexico	G/ADP/N/1/MEX/1 + Corr.1 & 2
Mongolia	none
Morocco	G/ADP/N/1/MAR/1 *
Mozambique	none
Myanmar	none
Namibia	G/ADP/N/1/NAM/1 *
New Zealand	G/ADP/N/1/NZL/2
Nicaragua	G/ADP/N/1/NIC/1
Niger	none
Nigeria	none
Norway	G/ADP/N/1/NOR/3
Pakistan	G/ADP/N/1/PAK/1
Panama	none
Papua New Guinea	none
Paraguay	G/ADP/N/1/PRY/2
Peru	G/ADP/N/1/PER/1 + Suppl.1 & 2
Philippines	G/ADP/N/1/PHL/1
Poland	G/ADP/N/1/POL/1
Qatar	none
Romania	G/ADP/N/1/ROM/1
Rwanda	none

Saint Kitts & Nevis	none
Saint Lucia	G/ADP/N/1/LCA/1
Saint Vincent & Grenadines	none
Senegal	G/ADP/N/1/SEN/1
Sierra Leone	none
Singapore	G/ADP/N/1/SGP/2 + Suppl.1
Slovak Republic	G/ADP/N/1/SVK/2
Slovenia	G/ADP/N/1/SVN/1
Solomon Islands	none
South Africa	G/ADP/N/1/ZAF/1
Sri Lanka	G/ADP/N/1/LKA/1 *
Suriname	G/ADP/N/1/SUR/1 *
Swaziland	G/ADP/N/1/SWZ/1 *
Switzerland	G/ADP/N/1/CHE/1 *
Tanzania	none
Thailand	G/ADP/N/1/THA/3
Togo	none
Trinidad and Tobago	G/ADP/N/1/TTO/1 + Corr.1
Tunisia	G/ADP/N/1/TUN/1
Turkey	G/ADP/N/1/TUR/2
Uganda	G/ADP/N/UGA/2
United Arab Emirates	G/ADP/N/1/ARE/1 *
United States	G/ADP/N/1/USA/1 + Corr.1 + Suppl.1 & 2
Uruguay	G/ADP/N/1/URY/2
Venezuela	G/ADP/N/1/VEN/1 + Suppl.1 & 2
Zambia	G/ADP/N/1/ZMB/1
Zimbabwe	G/ADP/N/1/ZWE/2

**ANNEX B  
SEMI-ANNUAL REPORTS**

Key: X = Semi-annual report of actions taken submitted  
 N = Report of no actions taken submitted  
 not applicable = obligation did not apply to Member for that period  
**blank = No report submitted**

<b>MEMBER</b>	<b>1 July - 31 December 1996</b>	<b>1 January - 30 June 1997</b>
Angola		
Antigua and Barbuda		
Argentina	X	X
Australia	X	X
Bahrain	N	N
Bangladesh		
Barbados		
Belize		
Benin		
Bolivia		
Botswana		
Brazil	X	X
Brunei Darussalam	N	
Bulgaria		
Burkina Faso	N	
Burundi		
Cameroon		
Canada	X	X
Central African Republic		
Chad		
Chile	X	X
Colombia	X	X
Congo		
Costa Rica		

<b>MEMBER</b>	<b>1 July - 31 December 1996</b>	<b>1 January - 30 June 1997</b>
Côte d'Ivoire		
Cuba	N	N
Cyprus	N	N
Czech Republic	N	N
Democratic Republic of the Congo		
Djibouti		
Dominica		
Dominican Republic	N	N
European Community	X	X
Ecuador		
Egypt		
El Salvador	N	
Fiji	N	
Gabon		
Gambia		
Ghana		
Grenada		
Guatemala		
Guinea Bissau		
Guinea, Republic of		
Guyana		
Haiti		
Honduras	N	N
Hong Kong <sup>2</sup>	N	N
Hungary	N	N
Iceland	N	N
India	X	X
Indonesia	X	X

<sup>2</sup>The name of this Member has become Hong Kong, China as from 1 July 1997.



<b>MEMBER</b>	<b>1 July - 31 December 1996</b>	<b>1 January - 30 June 1997</b>
Israel	X	X
Jamaica		
Japan	X	X
Kenya		
Korea	X	X
Kuwait		
Lesotho		
Liechtenstein	N	N
Macau		
Madagascar		
Malawi		
Malaysia	X	X
Maldives		
Mali		
Malta	N	N
Mauritania		
Mauritius		
Mexico	X	X
Mongolia		
Morocco	N	N
Mozambique		
Myanmar		
Namibia	N	
New Zealand	X	X
Nicaragua		
Niger		
Nigeria		
Norway	N	N
Pakistan	N	N
Panama	not applicable	
Papua New Guinea		

<b>MEMBER</b>	<b>1 July - 31 December 1996</b>	<b>1 January - 30 June 1997</b>
Paraguay		
Peru	X	X
Philippines	X	X
Poland	N	N
Qatar		
Romania	N	N
Rwanda		
Saint Kitts & Nevis		
Saint Lucia		
Saint Vincent & Grenadines		
Senegal		
Sierra Leone		
Singapore	X	X
Slovak Republic	N	N
Slovenia		
Solomon Islands		
South Africa	X	X
Sri Lanka	N	N
Suriname		
Swaziland		
Switzerland	N	N
Tanzania	N	
Thailand	X	X
Togo		
Trinidad and Tobago		
Tunisia	N	N
Turkey	X	X
Uganda	N	N
United Arab Emirates	N	
United States	X	X

<b>MEMBER</b>	<b>1 July - 31 December 1996</b>	<b>1 January - 30 June 1997</b>
Uruguay	N	
Venezuela	X	N
Zambia	N	N
Zimbabwe		

ANNEX C  
Summary of Anti-Dumping Actions  
(1 July 1996-30 June 1997)

No.	Initiation		Provisional Measures (negative preliminary determinations not included)		Definitive Duties (negative determinations not included)		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)					
	Countries <sup>6</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved							
	<b>ARGENTINA</b>													
18	BRA	CHT(2)	DEU	11	BRA(3)	KOR	PRC(6)	9	BRA(8)	KOR	3	BRA(2)	CHL	32
	ESP	IND	ITA(2)		ZAF									
	PRC(6)	PRY	THA											
	USA(2)													
	<b>AUSTRALIA</b>													
22	BRA	CHT(2)	DEU(3)	6	BEL	DEU	KOR	1	MYS		1	THA		56
	ESP	HUN	IDN		MYS	PRC(2)								
	IND	IRN	ISR(2)											
	MYS	NLD	PRC(3)											
	SWE(2)	THA	USA											

<sup>6</sup>"Countries" refers in all cases to countries or customs territories. A list of the abbreviations used in this table can be found following the table.  
\*NR indicates that the Member in question did not submit a list of measures in force as of 30 June 1997.

Initiation		Provisional Measures (negative preliminary determinations not included)		Definitive Duties (negative determinations not included)		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)
No.	Countries <sup>6</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
	<b>BRAZIL</b>							
19	BGR CHL(2) CHT CUB ESP GBR HKG IDN POL PRC(3) ROM THA USA(3) VEN	1	PRC	1	PRC	0		23
	<b>CANADA</b>							
8	MEX POL PRC(2) ZAF USA(2)	8	ITA MEX PRC(2) ZAF USA(2)	3	PRC USA(2)	0		95
	<b>CHILE</b>							
2	RUS UKR	2	RUS UKR	2	RUS UKR			2
	<b>COLOMBIA</b>							
1	TTO	0		1	PRC	0		7

<sup>6</sup>"Countries" refers in all cases to countries or customs territories. A list of the abbreviations used in this table can be found following the table.  
\*NR indicates that the Member in question did not submit a list of measures in force as of 30 June 1997.

No.	Initiation		Provisional Measures (negative preliminary determinations not included)				Definitive Duties (negative determinations not included)				Price Undertakings				Measures in force on 30 June 1997 (definitive duties and price undertakings)
	Countries <sup>6</sup> involved		No.	Countries involved		No.	Countries involved		No.	Countries involved		No.	Countries involved		
26	<b>EUROPEAN COMMUNITY</b>														
	CHT(2)	CZE	26	CZE	EGY(2)	IDN(3)	10	BLR	IDN	MEX	5	MEX	PHL	POL	157
	IND(3)	JPN		IND(3)	JPN	MYS(2)		MYS(2)	PHL	PRC		RUS	UKR		
	MYS(2)	NOR		PAK(2)	POL(2)	PRC(4)		RUS	THA	UKR					
	PRC(3)	ROM		ROM	RUS(2)	SVK									
	SGP	SVK		THA	TUR										
	UKR	USA													
20	<b>INDIA</b>														
	AUT	BEL	8	DEU	DNK	KOR(2)	0				0				19
	DEU	DNK		PRC	THA(2)	USA									
	FRA	IDN													
	JPN	KOR(2)													
	RUS	THA(2)													
		USA(3)													
9	<b>INDONESIA</b>														
	CHT	IND(3)	4	IND	PRC	RUS	0				0				NR*
	PRC	RUS		UKR											
	UKR														

<sup>6</sup>"Countries" refers in all cases to countries or customs territories. A list of the abbreviations used in this table can be found following the table.  
\*NR indicates that the Member in question did not submit a list of measures in force as of 30 June 1997.

Initiation		Provisional Measures (negative preliminary determinations not included)		Definitive Duties (negative determinations not included)		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)
No.	Countries <sup>6</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
<b>ISRAEL</b>								
7	DEU(2) GBR ITA PRT USA	5	DEU(2) ITA PRT USA	0		0		NR*
0	JAPAN	0		0		0		3
<b>KOREA</b>								
18	BGR CHE CHT JPN NLD RUS(2) USA(2)	13	BGR DEU JPN(2) PRC(3) RUS(2) USA(3)	9	BGR JPN RUS	5	DEU JPN NLD USA	21
2	EEC IDN	2	EEC IDN	2	EEC IDN	0		4
<b>MALAYSIA</b>								
<b>MEXICO</b>								
5	BRA GRC USA(3)	9	CHT(2) PRC(2) USA(5)	4	BRA CHT USA	0		100

<sup>6</sup>"Countries" refers in all cases to countries or customs territories. A list of the abbreviations used in this table can be found following the table.  
\*NR indicates that the Member in question did not submit a list of measures in force as of 30 June 1997.

No.	Initiation		Provisional Measures (negative preliminary determinations not included)		Definitive Duties (negative determinations not included)		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)
	Countries <sup>6</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved		
	<b>NEW ZEALAND</b>								
1	KOR	1	ZAF	3	THA ZAF(2)	0			26
	<b>PERU</b>								
3	BRA PRC(2)	3	BRA CHL PRC	3	CHL MEX PRC	0			6
	<b>PHILIPPINES</b>								
2	DEU KOR	1	DEU	0		0			NR*
	<b>SINGAPORE</b>								
0		0		0		0			2
	<b>SOUTH AFRICA</b>								
11	BGR IND POL USA	18	BGR FRA ITA PRT SAU	21	BEL CHT GBR ITA USA	BRA EGY HKG(2) KOR(2) ZWE	CHE FRA(2) IND(2) PRC(4)	0	40

<sup>6</sup>"Countries" refers in all cases to countries or customs territories. A list of the abbreviations used in this table can be found following the table.  
 \*NR indicates that the Member in question did not submit a list of measures in force as of 30 June 1997.



Initiation		Provisional Measures (negative preliminary determinations not included)		Definitive Duties (negative determinations not included)		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)
No.	Countries <sup>6</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
<b>THAILAND</b>								
1	POL	1	POL	1	POL	0		NR*
<b>TURKEY</b>								
5	EEC JPN(2) PRC(2)	0		0		0		37
<b>UNITED STATES</b>								
20	AUT CAN(2) CHT(2)	22	AUT CAN CHT(2)	15	CHT DEU	0	GBR	305
	DEU(2) JPN(2) KOR(2)		IDN JPN(3) KAZ		IDN ITA JPN(2)			
	PRC(4) RUS TTO		KOR MEX PRC(7)		KAZ PRC(5) TUR(2)			
	UKR VEN ZAF		RUS TUR UKR					
			ZAF					
<b>VENEZUELA</b>								
0		2	PRC(2)	0		0		3

<sup>6</sup>"Countries" refers in all cases to countries or customs territories. A list of the abbreviations used in this table can be found following the table.  
\*NR indicates that the Member in question did not submit a list of measures in force as of 30 June 1997.

LIST OF ABBREVIATIONS USED IN ANNEX C

AFG	AFGHANISTAN	GRD	GRENADA	RWA	RWANDA
ALB	ALBANIA	GTM	GUATEMALA	KNA	SAINT KITTS & NEVIS
DZA	ALGERIA	GNB	GUINEA-BISSAU	LCA	SAINT LUCIA
ATG	ANTIGUA AND BARBUDA	GIN	GUINEA, REP. OF	SAU	SAUDI ARABIA
ARG	ARGENTINA	GUY	GUYANA	SEN	SENEGAL
ARM	ARMENIA	HTI	HAITI	SYC	SEYCHELLES
AUS	AUSTRALIA	HND	HONDURAS	SLE	SIERRA LEONE
AUT	AUSTRIA	HKG	HONG KONG	SGP	SINGAPORE
AZE	AZERBAIJAN	HUN	HUNGARY	SVK	SLOVAK REPUBLIC
BHS	BAHAMAS	ISL	ICELAND	SVN	SLOVENIA
BHR	BAHRAIN	IND	INDIA	ZAF	SOUTH AFRICA
BGD	BANGLADESH	IDN	INDONESIA	ESP	SPAIN
BRB	BARBADOS	IRN	IRAN	LKA	SRI LANKA
BLR	BELARUS	IRQ	IRAQ	VCT	SAINT VINCENT & GRENADINES
BEL	BELGIUM	IRL	IRELAND	SDN	SUDAN
BLZ	BELIZE	ISR	ISRAEL	SUR	SURINAME
BEN	BENIN	ITA	ITALY	SWE	SWEDEN
BMU	BERMUDA	JAM	JAMAICA	CHE	SWITZERLAND
BOL	BOLIVIA	JPN	JAPAN	TJK	TAJIKISTAN
BIH	BOSNIA- HERZEGOVINA	JOR	JORDAN	TZA	TANZANIA
BWA	BOTSWANA	KAZ	KAZAKHSTAN	THA	THAILAND
BRA	BRAZIL	KEN	KENYA	TGO	TOGO
BRN	BRUNEI DARUSSALAM	KOR	KOREA	TTO	TRINIDAD & TOBAGO
BGR	BULGARIA	KWT	KUWAIT	TUN	TUNISIA
BFA	BURKINA FASO	KGZ	KYRGYZSTAN	TUR	TURKEY
BUR	BURUNDI	LVA	LATVIA	TKM	TURKMENISTAN
CMR	CAMEROON	LBN	LEBANON	UGA	UGANDA
CAN	CANADA	LSO	LESOTHO	UKR	UKRAINE
CAF	CENTRAL AFRICAN REPUBLIC	LIE	LIECHTENSTEIN	ARE	UNITED ARAB EMIRATES
TCD	CHAD	LTU	LITHUANIA	GBR	UNITED KINGDOM
CHL	CHILE	LUX	LUXEMBOURG	USA	UNITED STATES
PRC	CHINA, P.R.	MAC	MACAU	URY	URUGUAY
CHT	CHINESE TAIPEI	MDG	MADAGASCAR	UZB	UZBEKISTAN
COG	CONGO, REPUBLIC	MWI	MALAWI	VUT	VANUATU
COL	COLOMBIA	MYS	MALAYSIA	VEN	VENEZUELA
CRI	COSTA RICA	MDV	MALDIVES	VNM	VIET NAM
CIV	COTE D'IVOIRE	MLI	MALI	YUG	YUGOSLAVIA
HRV	CROATIA	MLT	MALTA	ZMB	ZAMBIA
CUB	CUBA	MRT	MAURITANIA	ZWE	ZIMBABWE
CYP	CYPRUS	MUS	MAURITIUS		
CZE	CZECH REPUBLIC	MEX	MEXICO		
DCR	DEMOCRATIC REPUBLIC OF THE CONGO	MDA	MOLDOVA, REP. OF		
DNK	DENMARK	MNG	MONGOLIA		
DJI	DJIBOUTI	MAR	MOROCCO		
DMA	DOMINICA	MOZ	MOZAMBIQUE		
DOM	DOMINICAN REPUBLIC	NAM	NAMIBIA		
EEC	EUROPEAN COMMUNITY	NLD	NETHERLANDS		
ECU	ECUADOR	NZL	NEW ZEALAND		
EGY	EGYPT	NIC	NICARAGUA		
SLV	EL SALVADOR	NER	NIGER		
EST	ESTONIA	NGA	NIGERIA		
FJI	FIJI	NOR	NORWAY		
FIN	FINLAND	OMN	OMAN		
FRA	FRANCE	PAK	PAKISTAN		
GAB	GABON	PAN	PANAMA		
GMB	GAMBIA	PNG	PAPUA NEW GUINEA		
GEO	GEORGIA	PRY	PARAGUAY		
DEU	GERMANY	PER	PERU		
GHA	GHANA	PHL	PHILIPPINES		
GRC	GREECE	POL	POLAND		
		PRT	PORTUGAL		
		PRI	PUERTO RICO		
		QUT	QATAR		
		ROM	ROMANIA		
		RUS	RUSSIAN FEDERATION		

SECTION III

COMMITTEE ON CUSTOMS VALUATION



REPORT OF THE COMMITTEE ON CUSTOMS VALUATION  
TO THE COUNCIL FOR TRADE IN GOODS

A. Background

1. This report covers the year 1997. It addresses the work undertaken by the Committee on Customs Valuation (the Committee) in respect of the objectives of the Agreement, which are: to provide greater uniformity and certainty in the implementation of the provisions of Article VII of the GATT 1994; to establish a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values; to ensure that the basis for valuation of goods for customs purposes should, to the greatest extent possible, be the transaction value of the goods being valued; and to secure additional benefits for the international trade of developing countries.

2. During the period under consideration, the Committee has held two formal meetings, on 25 April 1997 (G/VAL/M/5) and 23 October 1997 (G/VAL/M/6). The Committee elected Mr. Tullio di Pietro (Italy) as Chairman and Mr. Ernesto de La Guardia (Argentina) as Vice-Chairman for 1997.

3. Participation in the Committee is open to all WTO Members. In addition, Governments granted observer status by the WTO General Council attended Committee meetings as observers. At the April meeting, the Committee granted observer status to those organizations which had had observer status on an *ad hoc* basis, namely UNCTAD and the WCO, as well as to the ACP and the IADB. The Committee took note of the fact that the World Bank and the IMF had observer status by virtue of the Agreements between these organizations and the WTO.

4. The Committee's rules of procedure, which were approved by the Council for Trade in Goods, are contained in G/L/146.

B. Implementation of the Agreement

5. The Committee examined the national legislations of six Members, four of which have been submitted during the period under consideration. The Committee concluded its examination of the legislations of Bulgaria, Fiji, and Liechtenstein. With respect to the legislations of Mexico, India and Singapore, the Committee took note of the various points raised and the explanations furnished, and agreed to continue the examination.

6. In conformity with Article 20.1 of the Agreement, 51 developing country Members are delaying application of the provisions of the Agreement (see Annex). Understanding has been reached in the Committee that the texts of the national legislation of these developing country Members will be supplied

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<sup>1</sup>This document cancels and replaces document G/VAL/12 circulated on 6 November 1997 in English only. The new symbol is appropriate for circulation as a document to be considered by the Council for Trade in Goods.

to the Committee before the developing country Members begin applying the provisions of the Agreement (G/VAL/5, para. B 2(ii)).

7. To date 15 Members have submitted communications indicating that their legislation notified under the Tokyo Round Customs Valuation Agreement remained valid under the WTO Customs Valuation Agreement; in addition 13 Members have notified either their complete national legislation on customs valuation or amendments thereto; 38 Members have not yet made any notification (see Annex). The Chairman of the Committee has repeatedly expressed concern that a number of Members have not yet complied with the notification requirements, and urged those Members who have not yet done so to submit their notifications without further delay.

8. Two Members have notified their application of paragraph 2 of the Decision of the Committee on Customs Valuation on Valuation of Carrier-Media Bearing Software for Data Processing Equipment (See Annex). These Members also notified their application of the Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods.

9. The Committee took note of a letter from the Director of the Valuation Directorate of the WCO, circulated in G/VAL/W/12 providing explanation of the circumstances where the cost of software "imported" by satellite may form part of the customs value of imported goods. This was in response to the Chairman's letter to the Chairman of the WCO Technical Committee circulated in document G/VAL/W/7. It took note of the discussion in the Technical Committee on this issue and its referral of this matter to appropriate experts, and agreed to conclude examination of this question. The Committee also agreed to rectify the term "entretenimiento" in the Spanish text of the Agreement through the issuance of a Procès Verbal subsequently circulated in document WT/Let/147. The Committee also took note of the report on the work of the Fourth (3-7 March 1997) and Fifth (6-10 October 1997) Sessions of the Technical Committee of the WCO.

10. At the April meeting, the Committee discussed a proposal by the United States in document G/VAL/W/18 on technical assistance activities. Three informal meetings were subsequently held to allow further discussion as well as to improve awareness and understanding of the technical activities carried out or being carried out by international organizations and Members either bilaterally or regionally. At the October meeting, the Committee agreed to engage in a more active role with regard to technical assistance activities initially by discussing technical assistance needs and activities aimed at implementation of the Agreement in a more systematic and formal manner. One of the aims of this work is to streamline and tailor technical assistance activities to the particular needs of each developing country Member. A request for information was circulated by the Chairman to all Members (G/VAL/11) for completion and subsequent review.

ANNEX

(i) Members who have indicated that their legislation remains valid under the WTO Customs Valuation Agreement in accordance with the decision taken by the Committee (G/VAL/M/1) (15)

Australia (G/VAL/N/1/AUS/1)	New Zealand (G/VAL/N/1/NZL/1)
Argentina (G/VAL/N/1/ARG/1)	Norway (G/VAL/N/1/NOR/1)
Brazil (G/VAL/N/1/BRZ/1)	Romania (G/VAL/N/1/ROM/1)
Hong Kong, China (G/VAL/N/1/HKG/1)	Slovak Republic (G/VAL/N/1/SVK/1)
Hungary (G/VAL/N/1/HUN/1)	Switzerland (G/VAL/N/1/CHE/1)
Japan (G/VAL/N/1/JPN/1)	Turkey (G/VAL/N/1/TUR/1)
Korea (G/VAL/N/1/KOR/1)	United States (G/VAL/N/1/USA/1)
	Zimbabwe (G/VAL/N/1/ZWE/1)

(ii) Members who have submitted their legislations or amendments in accordance with Articles 22.1 and 22.2 of the Agreement (13)

Bulgaria (G/VAL/N/1/BLG/1)	Liechtenstein (G/VAL/N/1/LIE/1)
Canada (G/VAL/N/1/CAN/1)	Macau (G/VAL/N/1/MAC/1)
Czech Republic (G/VAL/N/1/CZE/1)	Mexico (VAL/1/Add.25/Suppl.1/Rev.1, Suppl.2, and Suppl.3)
European Communities (G/VAL/N/1/EEC/1/Rev.1)	Slovenia (G/VAL/N/1/SVN/1)
Fiji (G/VAL/N/1/FJI/1)	Singapore (G/VAL/N/1/SGP/1)
Iceland (G/VAL/N/1/ISL/1)	South Africa (G/VAL/N/1/ZAF)
India (G/VAL/N/1/IND/ 2)	

(iii) Members delaying application of the provisions of the Agreement in accordance with Article 20.1 of the Agreement (51)

Bahrain (WT/Let/149)	Kuwait (WT/Let/72)
Bangladesh (WT/Let/1/Rev.1)	Madagascar (WT/Let/85)
Bolivia (WT/Let/48)	Malaysia (WT/Let/1/Rev.1)
Brunei Darussalam (WT/Let/36)	Mali (WT/Let/78)
Burkina Faso (WT/Let/19)	Malta (WT/Let/1/Rev.1)
Burundi (WT/Let/24)	Mauritania (WT/Let/82)
Cameroon (WT/Let/41)	Mauritius (WT/Let/1/Rev.2)
Central African Republic (WT/Let/19)	Morocco (Decision in WT/L/38)
Chile (WT/Let/1/Rev.1)	Myanmar (WT/Let/1/Rev.1)
Colombia (WT/Let/1/Rev.2)	Nicaragua (WT/Let/29)
Costa Rica (WT/Let/1/Rev.1)	Nigeria (WT/Let/106)
Côte d'Ivoire (WT/Let/1/Rev.1)	Pakistan (WT/Let/1/Rev.1)
Cuba (WT/Let/19)	Paraguay (WT/Let/1/Rev.1)
Djibouti (WT/Let/108)	Peru (Decision in WT/L/38)
Dominican Republic (WT/Let/1/Rev.1)	Philippines (WT/Let/1/Rev.1)
Ecuador (WT/Let/72)	Senegal (WT/Let/1/Rev.1)
Egypt (WT/Let/19)	Sri Lanka (WT/Let/1/Rev.1)
El Salvador (WT/Let/1/Rev.2)	Thailand (WT/Let/1/Rev.1)
Gabon (WT/Let/1/Rev.1)	Togo (WT/Let/19)
Ghana (WT/Let/1/Rev.1)	Tunisia (WT/Let/1/Rev.2)
Guatemala (WT/Let/24)	Uganda (WT/Let/108)
Honduras (WT/Let/1/Rev.1)	United Arab Emirates (WT/Let/72)
Indonesia (WT/Let/1/Rev.1)	Uruguay (WT/Let/1/Rev.1)
Israel (WT/Let/1/Rev.2)	Venezuela (WT/Let/1/Rev.1)
Jamaica (WT/Let/1/Rev.2)	Zambia (WT/Let/28)
Kenya (WT/Let/1/Rev.1)	

(iv) Members who have made no notifications (38)

Antigua & Barbuda	Malawi
Angola	Maldives
Barbados	Mongolia
Belize	Mozambique
Benin	Namibia
Botswana	Niger
Chad	Papua New Guinea
Congo	Poland
Cyprus	Qatar
Democratic Republic of Congo	Rwanda
Dominica	Saint Kitts & Nevis
Ethiopia	Saint Lucia
Gambia	Saint Vincent & Grenadines
Grenada	Sierra Leone
Guinea Bissau	Solomon Islands
Guinea, Rep. of	Suriname
Guyana	Swaziland
Haiti	Tanzania
Lesotho	Trinidad & Tobago

(v) Members who have notified their application of paragraph 2 of the decision of the Committee on Customs Valuation on Valuation of Carrier Media Bearing Software for Data Processing Equipment

Brunei Darussalam (G/VAL/N/3/BRN/1)  
Singapore (G/VAL/N/3/SGP/1)



SECTION IV

COMMITTEE ON IMPORT LICENSING



**Committee on Import Licensing**

REPORT (1997) OF THE COMMITTEE ON IMPORT LICENSING

1. The Agreement on Import Licensing Procedures (the Agreement) establishes disciplines on users of import licensing systems with the principal objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It aims to simplify, clarify and minimize the administrative requirements necessary to obtain import licences.
2. The Committee on Import Licensing (the Committee) was established to afford Members the opportunity of consulting on any matters relating to the operation of the Agreement or the furtherance of its objectives.
3. All Members of the WTO are *ipso facto* members of the Committee. Observer governments in the General Council of the WTO have observer status in the Committee. In addition, representatives of the IMF, UNCTAD and the World Bank attend meetings of the Committee in an observer capacity.
4. The Committee held two meetings on 22 April and 15 October 1997 (G/LIC/M/5 and 6). The Committee at its meeting in April 1997 elected Mr. Tomasz Jodko (Poland) as Chairman and Mr. Rossman Ithnain (Singapore) as Vice-Chairman for 1997. Pursuant to the Committee's Rules of Procedure, they took office at the end of that meeting.
5. Pursuant to Articles 1.4(a) and/or 8.2(b) of the Agreement, all Members are required to notify their laws, regulations and administrative procedures relevant to import licensing. During the period covered by this report, the Committee received notifications from Australia; Bahrain; Benin; Bolivia; Bulgaria; Burkina Faso; European Communities; Fiji; Honduras; Hong Kong, China; Hungary; India; Japan; Korea; Liechtenstein; Mauritius; Norway; Singapore; Slovenia; Switzerland; Tunisia and the United Arab Emirates. Since the entry into force of the WTO Agreement, 44 Members (the European Communities and its member States counted as one) have notified their legislation and/or publications under these provisions. These notifications may be found in document series G/LIC/N/1/-.
6. Article 7.3 of the Agreement requires all Members to provide replies to the Questionnaire on Import Licensing Procedures<sup>1</sup> by 30 September each year. Since the entry into force of the WTO Agreement, 45 Members (the European Communities and its member States counted as one) have made notifications under this provision. This includes replies to the Questionnaire from 11 Members in 1995, 22 Members in 1996 and 21 Members in 1997. During the period covered by this report, the Committee received notifications from Australia; Bolivia; Brunei Darussalam; Bulgaria; Burkina Faso; Canada; Chile; Colombia; European Communities; Fiji; Gambia; Hong Kong, China; Japan; Korea; Liechtenstein; Mali; Namibia; New Zealand; Norway; Philippines; Poland; Senegal; Singapore; Slovenia; South Africa; Switzerland; Tunisia and Uganda. These notifications may be found in document series G/LIC/N/3/-.

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<sup>1</sup>Annexed to document G/LIC/3.

7. The Committee also received pursuant to Article 5 of the Agreement notifications relating to the institution of new import licensing procedures or changes in these procedures from Argentina; European Communities; Hong Kong, China; Liechtenstein; South Africa and Switzerland. These notifications may be found in document series G/LIC/N/2/-.

8. The Committee has provided a regular forum for the discussion of specific notifications submitted by Members and of concerns regarding notifications. It should be noted that the mandatory notification requirements under Articles 1.4(a), 8.2(b) and 7.3 are complied with only by about half of WTO Members. The Annex reflects the current status of notifications. In light of this situation, the Committee, recognizing the importance of notifications for the effective implementation and functioning of the Agreement, urges Members to fulfil their notification obligations.

ANNEX

- (i) Notifications of legislation and/or publications (Articles 1.4(a) and/or 8.2(b)) received from:  
(44) (G/LIC/N/1/- series)

Argentina	Fiji	Pakistan
Australia	Honduras	Peru
Bahrain	Hong Kong, China	Romania
Barbados	Hungary	Singapore
Benin	India	Slovenia
Bolivia	Jamaica	Swaziland
Bulgaria	Japan	Switzerland
Burkina Faso	Korea	Tunisia
Canada	Liechtenstein	Turkey
Chile	Malta	Uganda
Colombia	Mauritius	United Arab Emirates
Costa Rica	Morocco	United States
Cuba	New Zealand	Uruguay
Cyprus	Nicaragua	Zimbabwe
EC	Norway	

- (ii) Replies to the Questionnaire on Import Licensing Procedures (Article 7.3) received from:  
(45) (G/LIC/N/3/- series) The date of latest communication is indicated within brackets.

Argentina (24.1.96)	Gambia (31.10.97)	Peru (27.8.96)
Australia (28.4.97)	Hong Kong, China (25.9.97)	Philippines (25.10.96)
Barbados (15.9.95)	Hungary (8.10.96)	Poland (7.10.97)
Bolivia (28.10.96)	India (29.11.95)	Romania (4.9.96)
Brunei Dar. (4.3.97)	Japan (21.10.96)	Senegal (20.1.97)
Bulgaria (20.3.97)	Korea (24.10.96)	Singapore (21.10.96)
Burkina Faso(8.1.97)	Liechtenstein (18.4.97)	Slovenia (6.6.97)
Canada (2.10.97)	Mali (9.5.97)	South Africa (13.5.97)
Chile (9.9.97)	Malta (15.5.95)	Switzerland (14.4.97)
Colombia (29.11.96)	Mauritius (2.11.95)	Trinidad & Tobago (17.1.96)
Costa Rica(21.11.95)	Morocco (3.7.96)	Tunisia (31.10.96)
Cyprus (29.4.96)	Namibia (28.2.97)	Turkey (20.5.96)
Ecuador (1.8.95)	New Zealand (25.10.96)	Uganda (17.6.97)
EC (29.7.97)	Nigeria (17.7.96)	United States (29.9.95)
Fiji (1.4.97)	Norway (3.11.97)	Uruguay (4.9.96)

- (iii) Notifications of institution of import licensing procedures or changes therein (Article 5) received from: (11) (G/LIC/N/2/- series)

Argentina	Nigeria
EC	Pakistan
Hong Kong, China	Romania
Japan	South Africa
Liechtenstein	Switzerland
Malaysia	

- (iv) Developing countries which have invoked the two-year delayed application provisions (footnote 5 to Article 2.2): (24) (G/LIC/1 and Add.1-3)

Bangladesh (as from 1.1.95)	Dominican Republic (9.3.95)	Myanmar (1.1.95)
Bolivia (13.9.95)	El Salvador (7.5.95)	Sri Lanka (1.1.95)
Brazil (1.1.95)	Gabon (1.1.95)	Thailand (1.1.95)
Burkina Faso (3.6.95)	Guatemala (21.7.95)	Tunisia (29.3.95)
Cameroon (13.12.95)	Honduras (1.1.95)	Turkey (26.3.95)
Colombia (30.4.95)	Indonesia (1.1.95)	United Arab Emirates (10.4.96)
Costa Rica (1.1.95)	Kenya (1.1.95)	Uruguay (1.1.95)
Côte d'Ivoire (1.1.95)	Malaysia (1.1.95)	Venezuela (1.1.95)

SECTION V

COMMITTEE ON MARKET ACCESS





REPORT (1997) OF THE COMMITTEE ON MARKET ACCESS

1. The Committee on Market Access held five formal meetings in 1997: on 3 March, 8 April, 24 June, 29 September and 2 December. The minutes of these meetings are contained in documents G/MA/M/8 to G/MA/M/12.
2. At its meeting of 3 March 1997, the Committee elected Mr. Moha Ouali Tagma of Morocco as Chairman for 1997. At its meeting of 8 April 1997, the Committee elected Mrs. Simona Valceanu of Romania as Vice-Chairperson.
3. The Committee decided to grant observer status to the ACP Group, FAO, ITCB, Inter-American Development Bank, UNCTAD and WCO. In the case of IMF and World Bank, the Committee took note that observer status had already been granted by virtue of the agreements concluded with these organizations.
4. As concerns the introduction on 1 January 1996 of the changes to the nomenclature of the Harmonized System and the submission of documentation related to these changes the Committee examined the situation at every meeting on the basis of updated documents prepared by the Secretariat. On 13 December 1995 several Members were granted individual waivers, for operational reasons grouped into one single decision, for the introduction of HS96 changes into their schedules. These waivers which concern presently thirty-eight countries and the European Communities were, by successive decisions by the General Council, extended until 30 April 1998.<sup>2</sup> In addition to these HS96 waivers four Members obtained an extension until 30 April 1998 of their waivers in connection with the transposition of their pre-Uruguay Round schedules into the Harmonized System.
5. At the meeting of 29 September 1997 some Members reiterated their concern about the repeated extension of waivers due to reservations made without specifying the reasons on the documentation of certain Members, and which prevented the certification of the proposed changes. In this connection, the Chairman of the Council for Trade in Goods held informal consultations which resulted in an understanding that in the short term, Members should pursue the work on the verification and certification of HS96 documentation without delay. With a view to assisting interested Members, the Secretariat would transpose the available HS96 documentation onto electronic media in a standard database system. As concerns the long term, a number of important issues were raised which could lead to changes or amendments to the decisions currently in force. This work was continuing in the framework of the Council for Trade in Goods.
6. At its meeting of 2 December, the Committee noted that according to document G/MA/TAR/2/Rev.12 there were 38 HS96 submissions, only three of which had been finalized and thereby certified. Of the 39 Members currently covered by waivers, there were

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<sup>1</sup>This document cancels and replaces the document G/L/215 dated 4 December 1997.

<sup>2</sup>See document WT/L/243.

eight Members that had not yet submitted the necessary documentation. The Committee noted that delegations were making strong efforts to solve the pending issues.

7. With regard to the Decision on Notification Procedures for Quantitative Restrictions adopted by the Council for Trade in Goods in December 1995, the Committee adopted at its meeting of 24 June 1997 a format for the submission of notifications of quantitative restrictions. The approved format was circulated in document G/MA/NTM/QR/2 dated 10 July 1997.

8. At its meeting of 29 September 1997 the Committee took note of the status of quantitative restriction notifications contained in document G/MA/NTM/QR/1/Add.4. In this context, several delegations pointed out the need to define more clearly the scope of the notification requirement for quantitative restrictions and suggested that this matter be included in the work programme of the Committee for 1998. One delegation was of the view that, as the format and content for the submissions had been agreed just five months ago by the Committee, it was his opinion that the format should not be changed again. Therefore, in his view, there was no need at this stage for further clarification.

9. At its meeting on 24 June 1997, the Committee agreed, as outlined in document G/MA/IDB/1/Rev.1, to the restructuring of the existing Integrated Data Base (IDB) from a mainframe environment to a Personal Computer (PC)-based system, which would utilize new technology to improve the operation of the IDB. In addition to the operational changes outlined in G/MA/IDB/1/Rev.1, the Committee sought to lay down a solid basis for the transmission of the information required for the functioning of the PC IDB. In this connection, the Committee forwarded a draft Decision on the Supply of Information to the PC IDB to the Council for Trade in Goods, and then to the General Council for adoption. This Decision was formally adopted by the General Council at its meeting of 18 July 1997 (WT/L/225).

10. At its meetings of 29 September and 2 December, the Committee examined the progress of the implementation of the decision on the Integrated Data Base and took note of the status of submission of the required data. At its December meeting, the Committee agreed, as outlined in document G/MA/IDB/1/Rev.1/Add.1<sup>3</sup>, on the deadlines for supplying IDB submissions. For the first submission, the deadline for supplying 1996 tariffs and imports and 1997 tariffs would be 30 December 1997. In view of inherent difficulties that may be associated with the filing of a first submission, it was agreed that some limited flexibility with this timing could be envisaged. For subsequent submissions, the deadlines for submission of tariffs of the current year and of imports of the previous year would be 30 March and 30 September respectively. For Members who do not base their tariff on a calendar year, it was agreed that the deadlines could be adjusted to take into account the dates when the national tariff comes into force. The Committee also agreed on the format of a report to be circulated on a regular basis which would summarize the status of IDB submissions received by the Secretariat. The Committee agreed to grant access to the IDB to countries which are in the process of accession to the WTO, as outlined in document G/MA/IDB/1/Rev.1/Add.1<sup>3</sup>. Access would be granted on the condition that they themselves have already provided the information required for the IDB, in conformity with the agreed-upon deadlines and as described in G/MA/IDB/1/Rev.1.

11. At its meeting of 2 December 1997, the Committee examined document G/MA/IDB/W/3 which was put forward to initiate discussion on technical assistance for the IDB. It was agreed to continue discussing this issue with a view to further elaborating the modalities of technical assistance for the IDB.

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<sup>3</sup> In preparation.

SECTION VI

COMMITTEE ON RULES OF ORIGIN



**Committee on Rules of Origin**

REPORT (1997) OF THE COMMITTEE ON RULES OF ORIGIN

1. Participation in the Committee on Rules of Origin (the Committee) is open to all WTO Members. Observer governments in the General Council of the WTO have observer status in the Committee. In addition, representatives of the ACP, EFTA, IADB, IMF, ITCB, OECD, UNCTAD, WCO and the World Bank attend meetings of the Committee in an observer capacity.

2. The Committee held four meetings on 6 February, 15 May, 3 October and 21 November 1997 (G/RO/M/9, 10, 11 and 12). The Committee at its meeting in May elected Ms. Lourdes A. Berrig (Philippines) as Chairperson and Mr. Andreas A. Gaarder (Norway) as Vice-Chairman for 1997.

3. In connection with the Harmonization Work Programme for the harmonization of non-preferential rules of origin, as set out in Part IV of the Agreement on Rules of Origin (the Agreement), the Committee:

- reviewed five Reports from the Technical Committee on Rules of Origin (the Technical Committee) to the Committee (G/RO/9, 11, 15, 18 and 19);
- welcomed, at the meeting in May, adoption of the Management Plan for 1997 by the Technical Committee which was aimed at ensuring the timely completion of the technical work;
- endorsed, at the meeting in October, the product-specific rules concerning Chapters 25-27, 41, 43 and 91 which had been referred to the Committee as Basket 1 decisions from the Technical Committee, keeping in mind, however, that in accordance with Article 9.3(b) of the Agreement, the Committee should finally consider the results of the Harmonization Work Programme in terms of their overall coherence (see G/RO/W/22). The Committee also reached consensus on the origin criterion of subheading 4302.30;
- at the meeting in November, the Committee reached consensus on the origin criteria of split headings ex 2530(b), ex 2601(a) to ex 2617(a), and subheadings 2701.20, 2708.20, 4102.21 and 4102.29 as well as headings 4201, 4204, 4205 and 4206.

4. Pursuant to Article 5.1 and paragraph 4 of Annex II of the Agreement, all Members are required to notify their rules of origin, judicial decisions and administrative rulings of general application relating to rules of origin. To date, 56 Members have made notifications relating to non-preferential rules of origin and 58 Members have made notifications relating to preferential rules of origin.



SECTION VII

COMMITTEE ON SAFEGUARDS





REPORT (1997) OF THE COMMITTEE ON  
SAFEGUARDS

I. GENERAL

1. This report is submitted in accordance with Article 13.1(a) of the Agreement on Safeguards, which requires the Committee on Safeguards to report annually to the Council for Trade in Goods on the general implementation of the Agreement. The report covers the period since the Committee's last annual report (G/L/129), that is, November 1996-October 1997.

2. During the period under review, the Committee held two regular meetings, on 5 May 1997 (G/SG/M/9), and 22 October 1997 (G/SG/M/10). The Committee also held one special meeting, at the request of the European Communities, on 21 February 1997 (G/SG/M/8).

3. Observer governments in the General Council of the WTO have observer status in the Committee. At its regular meeting of 5 May 1997, the Committee took note of the fact that, pursuant to their Agreements with the WTO, the IMF and the World Bank had observer status in the Committee. At the same meeting, the Committee also decided to grant regular observer status to UNCTAD on the basis of reciprocity with respect to documents, proceedings and other aspects of observership. At its two regular meetings, the Committee considered the request of the OECD for regular observer status. At both of those meetings, the Committee decided to defer action on that request due to issues regarding reciprocity, but invited the OECD in the interim to continue to attend meetings of the Committee on an *ad hoc* basis. At its regular meeting of 22 October 1997, the Committee agreed to invite the ACP Group to attend its meetings on an *ad hoc* basis, pending the outcome of horizontal consultations with respects to the ACP Group's request for observership in various WTO bodies.

4. At its regular meeting of 5 May 1997, the Committee elected Mr. S. Nagatsuka (Japan) as Chairman, and Mr. Dmitrij Grcar (Slovenia) as its Vice Chairman.

II. NOTIFICATION AND EXAMINATION OF SAFEGUARDS LAWS AND/OR REGULATIONS OF MEMBERS

5. During the period under review, the Committee continued its review of notifications concerning national legislation in the area of safeguards. For Members with such legislation and/or regulations, these notifications consist of the full and integrated text thereof. For Members without such legislation and/or regulations, these notifications inform the Committee of this fact.

6. As of 22 October 1997, 72 Members<sup>1</sup> had notified the Committee of their domestic safeguards legislation or made communications in this respect to the Committee (G/SG/N/1 and addenda). Forty-five Members had not, as of that date, made notifications under Article 12.6 of the Agreement, although the deadline for such notifications was 15 March 1995. The Annex lists the status of notifications under Article 12.6 of the Agreement. The issue of the extent of the non-compliance with this notification

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<sup>1</sup>Counting the EC as a single Member for purposes of the legislative notification.

obligation, and the implications of this situation, were discussed at meetings of the Committee during the review period (G/SG/M/9 and G/SG/M/10).

7. Of the 72 Members submitting notifications, 41 notified that they had no specific legislation relating to safeguards, 12 notified new legislation, and 19 notified pre-WTO legislation still in force. Of the 60 Members notifying either no safeguards legislation or pre-WTO legislation still in force, 19 indicated that new legislation was being considered or drafted. In addition, of the Members notifying that they had no specific legislation, 13 indicated that the WTO Agreement has force of law in their territory.

8. During the period under review, the Committee reviewed the notified new or amended legislative texts of the following Members: Argentina and Brazil. Review of the notification of Honduras, which was on the agenda of the 22 October 1997 regular meeting, was deferred to the Spring 1998 regular meeting of the Committee.

9. The Committee also reviewed the notifications without legislative text of the following Members during the period: Bahrain, Botswana, Brunei Darussalam, Fiji, Ghana, Liechtenstein, Senegal, Uganda, and United Arab Emirates.

10. The substance of the review of legislative notifications is reflected in the written questions put to Members and the written answers to those questions. References to the questions and answers pertaining to each notification can be found in the minutes of the meetings at which the notifications were reviewed (G/SG/M/9 and G/SG/M/10).

11. In accordance with the procedures that it had adopted for follow-up reviews of previously-reviewed legislative notifications (G/SG/W/116), the Committee conducted a follow-up review of Korea's notified legislation (G/SG/N/1/KOR/1 and G/SG/N/1/KOR/2). References to the written questions and answers exchanged can be found in the minutes of the meetings at which this follow-up review was discussed (G/SG/M/9 and G/SG/M/10).

12. Not all written questions put to Members during the course of the legislative review meetings had been answered at the end of the period under review. In particular, written answers to questions concerning legislation were not received by the applicable deadlines from Cote d'Ivoire, Nigeria and Zimbabwe.

### III. NOTIFICATIONS OF ACTIONS RELATED TO SAFEGUARD MEASURES

13. During the period of review, the Committee received and reviewed one notification of initiation of investigations. At its 5 May 1997 regular meeting, the Committee reviewed Argentina's notification of initiation of an investigation on footwear. The comments of Members regarding this notification can be found in the minutes of that meeting (G/SG/M/9). In addition, a notification was received from the United States, concerning initiation of an investigation on wheat gluten (G/SG/N/6/USA/4). Because this notification was received after the closing date for the agenda for the 22 October 1997 meeting, it was not reviewed during the period covered by this report.

14. During the review period, the Committee received and reviewed one notification of application of a provisional measure under Article 12.1(c), from Argentina on footwear (G/SG/N/7/ARG/1). The comments of Members regarding this notification can be found in the minutes of the 5 May 1997 meeting (G/SG/M/9).

15. During the review period, the Committee received and reviewed four notifications under Article 12.1(b) of findings of serious injury or threat thereof caused by increased imports. These were

from Brazil with respect to toys (G/SG/N/8/BRA/1), from Korea with respect to dairy products (G/SG/N/8/KOR/1), from Korea with respect to bicycles (G/SG/N/8/KOR/2), and from Argentina with respect to footwear (G/SG/N/8/ARG/1). The first three of these notifications were reviewed at the Committee's 5 May 1997 regular meeting, and the fourth was reviewed at the Committee's 22 October 1997 regular meeting. The comments of Members with respect to these notifications are reflected in the minutes of these meetings (G/SG/M/9 and G/SG/M/10).

16. The Committee received and reviewed notifications of decisions to apply safeguard measures with respect to four investigations during the relevant period. These notifications were from Brazil regarding toys (G/SG/N/10/BRA/1), from Korea regarding dairy products (G/SG/N/10/KOR/1 + Corr.1 + Suppl.1 + Suppl.1/Corr.1), from the United States regarding broom corn brooms (G/SG/N/10/USA/1), and from Argentina regarding footwear (G/SG/N/10/ARG/1 + Corr.1 + Suppl.1 + Suppl.2). The notifications from Brazil and the United States were reviewed at the Committee's 5 May 1997 regular meeting (G/SG/M/9); that from Korea was reviewed at the Committee's 5 May and 22 October 1997 regular meetings (G/SG/M/9 and G/SG/M/10); and that from Argentina was reviewed at the Committee's 22 October 1997 regular meeting (G/SG/M/10).

17. The Committee received one notification of termination of an investigation with no safeguard measure applied. This notification, from Korea regarding bicycles (G/SG/N/9/KOR/1), was reviewed by the Committee at its 5 May 1997 regular meeting (G/SG/M/9).

18. The Committee received notifications, in the context of four investigations, as to non-application of safeguard measures to developing countries whose imports were below the relevant threshold levels set forth in the Agreement (Article 9.1). Three of these notifications, from Brazil on toys (G/SG/N/11/BRA/1), from Korea on dairy products (G/SG/N/11/KOR/1), and from the United States on broom corn brooms (G/SG/N/11/USA/1) were reviewed at the Committee's 5 May 1997 regular meeting (G/SG/M/9). The fourth, from Argentina on footwear (G/SG/N/11/ARG/1 + Corr.1 + Suppl.1 + Suppl.2) was reviewed at the Committee's 22 October 1997 regular meeting (G/SG/M/10).

19. The Committee received and reviewed a series of notifications regarding consultations under Article 12 of the Agreement. The United States notified the results of its consultations on broom corn brooms (G/L/136-G/SG/6). The European Communities, Australia and New Zealand notified their requests for consultations with Korea on dairy products (G/SG/7, G/SG/8, G/SG/9, and G/SG/10), and Korea notified the results of those consultations (G/L/156-G/SG/11). The European Communities notified a request for consultations with Argentina concerning footwear, and Argentina notified its response to that request (G/SG/12 and G/SG/13). These notifications were reviewed at the Committee's 5 May 1997 regular meeting (G/SG/M/9). In addition, notifications were received regarding the results of Argentina's consultations with the European Communities and the United States on footwear (G/SG/14-G/L/195 and G/SG/14/Suppl.1-G/L/195/Suppl.1). These notifications were reviewed at the Committee's 22 October 1997 regular meeting (G/SG/M/10). Also at that meeting, Korea's safeguard investigation on dairy products was discussed in this context (G/SG/M/10).

#### IV. SPECIAL MEETINGS

20. The Committee held one special meeting during the review period, on 21 February 1997. The meeting was held at the request of the European Communities, to discuss Korea's safeguard investigation on dairy products. The minutes of this meeting can be found in G/SG/M/8.

#### V. PROGRESS IN PHASING OUT PRE-EXISTING MEASURES

21. At the 22 October 1997 regular meeting, four of the five Members that had notified pre-existing Article XIX measures and measures subject to prohibition and elimination under Article 11.1 of the

Agreement (the European Communities, Korea, Slovenia and South Africa) reported on their progress in phasing out those measures. The comments of Members on this subject are reflected in the minutes of that meeting (G/SG/M/10). The fifth Member, Cyprus, was asked by the Committee to provide a written statement on this subject.

#### VI. OTHER ISSUES DISCUSSED

22. Follow-up to Singapore Ministerial Conference: The Committee recalled the statements of Ministers at Singapore concerning implementation of the WTO Agreements, notifications and legislation, and the particular situation of developing country Members. These statements recognized that implementation and compliance with notification and legislation obligations would require further effort on the part of Members, suggested that the relevant bodies take steps to promote full compliance while considering practical proposals for simplifying the notification process, and noted the agreement of Ministers to improve the availability of technical assistance to developing countries. The Committee expressed its support for the programme of workshops and other training efforts conducted by the Secretariat in the area of contingent trade remedies, and its encouragement for the support provided by Members for the Secretariat's efforts in this regard. This discussion is reflected in the minutes of the 5 May 1997 regular meeting (G/SG/M/9).

23. Recommendation of the Working Group on Notification Obligations and Procedures: The Committee recalled the recommendations of the Working Group on Notification Obligations and Procedures in the areas of notification formats and compliance with notification obligations. This discussion is reflected in the minutes of the 5 May 1997 regular meeting (G/SG/M/9).

ANNEX  
SAFEGUARDS LEGISLATIVE NOTIFICATIONS

MEMBER	NOTIFICATION PROVIDED
Angola	None
Antigua and Barbuda	None
Argentina	G/SG/N/1/ARG/3 + Suppl. 1
Australia	G/SG/N/1/AUS/1
Bahrain	G/SG/N/1/BHR/1
Bangladesh	None
Barbados	None
Belize	None
Benin	None
Bolivia	G/SG/N/1/BOL/1
Botswana	G/SG/N/1/BWA/1
Brazil	G/SG/N/1/BRA/3 + Suppl. 1
Brunei Darussalam	G/SG/N/1/BRN/1
Bulgaria	G/SG/N/1/BGR/1
Burkina Faso	None
Burundi	None
Cameroon	None
Canada	G/SG/N/1/CAN/2
Central African Republic	None
Chad	None
Chile	G/SG/N/1/CHL/1
Colombia	G/SG/N/1/COL/1
Congo	None
Congo, Dem. Rep.	None
Costa Rica	G/SG/N/1/CRI/1 + Corr. 1
Côte d'Ivoire	G/SG/N/1/CIV/1
Cuba	G/SG/N/1/CUB/1
Cyprus	None
Czech Republic	G/SG/N/1/CZE/1

MEMBER	NOTIFICATION PROVIDED
Djibouti	None
Dominica	None
Dominican Republic	G/SG/N/1/DOM/1
European Community	G/SG/N/1/EEC/1
Ecuador	G/SG/N/1/ECU/1
Egypt	G/SG/N/1/EGY/1
El Salvador	G/SG/N/1/SLV/2
Fiji	G/SG/N/1/FJI/1
Gabon	None
Gambia, The	None
Ghana	G/SG/N/1/GHA/1
Grenada	None
Guatemala	G/SG/N/1/GTM/1
Guinea Bissau	None
Guinea, Rep.of	G/SG/N/1/GIN/1
Guyana	None
Haiti	None
Honduras	G/SG/N/1/HND/2
Hong Kong, China	G/SG/N/1/HKG/1
Hungary	G/SG/N/1/HUN/2 + Add.1 + Suppl. 1 & 2
Iceland	G/SG/N/1/ISL/1
India	G/SG/N/1/IND/1
Indonesia	G/SG/N/1/IDN/1
Israel	G/SG/N/1/ISR/2
Jamaica	None
Japan	G/SG/N/1/JPN/2 + Corr.1
Kenya	G/SG/N/1/KEN/1
Korea	G/SG/N/1/KOR/3
Kuwait	None
Lesotho	None
Liechtenstein	G/SG/N/1/LIE/1

MEMBER	NOTIFICATION PROVIDED
Macau	G/SG/N/1/MAC/2
Madagascar	None
Malawi	None
Malaysia	G/SG/N/1/MYS/1
Maldives	G/SG/N/1/MDV/1
Mali	None
Malta	G/SG/N/1/MLT/1
Mauritania	None
Mauritius	G/SG/N/1/MUS/1
Mexico	G/SG/N/1/MEX/1
Mongolia	None
Morocco	G/SG/N/1/MAR/1
Mozambique	None
Myanmar	G/SG/N/1/MYM/1
Namibia	None
New Zealand	G/SG/N/1/NZL/1
Nicaragua	G/SG/N/1/NIC/1
Niger	None
Nigeria	G/SG/N/1/NGA/1
Norway	G/SG/N/1/NOR/3
Pakistan	G/SG/N/1/PAK/1
Panama	None
Papua New Guinea	None
Paraguay	G/SG/N/1/PRY/1
Peru	G/SG/N/1/PER/1
Philippines	G/SG/N/1/PHL/1
Poland	G/SG/N/1/POL/1
Qatar	None
Romania	G/SG/N/1/ROM/1
Rwanda	None
Saint Kitts & Nevis	None

MEMBER	NOTIFICATION PROVIDED
Saint Lucia	G/SG/N/1/LCA/1
Saint Vincent & Grenadines	None
Senegal	G/SG/N/1/SEN/1
Sierra Leone	None
Singapore	G/SG/N/1/SGP/1
Slovak Republic	G/SG/N/1/SVK/2
Slovenia	G/SG/N/1/SVN/1
Solomon Islands	None
South Africa	G/SG/N/1/ZAF/1
Sri Lanka	G/SG/N/1/LKA/1
Suriname	None
Swaziland	None
Switzerland	G/SG/N/1/CHE/1
Tanzania	None
Thailand	G/SG/N/1/THA/1 + Rev.1
Togo	None
Trinidad and Tobago	G/SG/N/1/TTO/1
Tunisia	G/SG/N/1/TUN/1
Turkey	G/SG/N/1/TUR/2 1 Rev.1 + Rev.1/Corr.1
Uganda	G/SG/N/1/UGA/1
United Arab Emirates	G/SG/N/1/ARE/1
United States	G/SG/N/1/USA/1
Uruguay	G/SG/N/1/URY/1
Venezuela	G/SG/N/1/VEN/1 + Corr.1
Zambia	G/SG/N/1/ZMB/1
Zimbabwe	G/SG/N/1/ZWE/2



SECTION VIII

COMMITTEE ON SANITARY AND PHYTOSANITARY MEASURES

REPORT (1997) OF THE COMMITTEE ON SANITARY AND  
PHYTOSANITARY MEASURES

1. The present report is being circulated by the Chairman of the Committee on Sanitary and Phytosanitary Measures on his own responsibility. This report provides a summary of the activities and decisions of the Committee during 1997.

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2. The Committee on Sanitary and Phytosanitary Measures (the "SPS Committee") held three regular meetings in 1997: on 19-20 March, 1-2 July and 15-16 October. At the March meeting, Dr. Alex Thiermann (United States) was appointed Chairman for 1997/98. The reports of the meetings are contained in documents G/SPS/R/7, G/SPS/R/8 and G/SPS/R/9.

3. In March 1997, the Rules of Procedure were adopted by the SPS Committee and were subsequently approved by the Council for Trade in Goods (G/L/170). The SPS Committee agreed that *regular* observer status be granted to the Joint FAO/WHO Codex Alimentarius Commission (Codex), the FAO International Plant Protection Convention (IPPC), the Office international des épizooties (OIE), the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO), the International Organization for Standardization (ISO), the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD). The observer status conferred upon the World Bank and the International Monetary Fund (IMF) by the General Council in November 1996 was noted. Following the March meeting, the Chairman has continued to hold informal consultations with interested Members regarding further requests for observer status.

4. In reviewing the implementation of the SPS Agreement during 1997, the SPS Committee considered information provided by Members regarding: changes introduced in national sanitary or phytosanitary regulatory frameworks and on the disease status of several countries, notably with respect to foot-and-mouth disease, transmissible spongiform encephalopathies (TSEs) and fruit fly. At each of the meetings, Members raised specific trade concerns, including several related to individual notifications. Such concerns included, *inter alia*, measures related to the shelf life of UHT milk; measures on grains, oilseeds, rice, fruits, vegetables and poultry; requirements for wines; plant quarantine regulations; and measures related to citrus canker. In addition, many Members raised specific trade concerns related to measures imposed in response to bovine spongiform encephalopathy (BSE). In light of the interest regarding this latter issue, informal consultations were held.

5. Updated lists of National Enquiry Points (G/SPS/ENQ/6) and National Notification Authorities (G/SPS/GEN/35) were circulated, with addenda. Noting that some Members had yet to notify the Secretariat of these entities, the SPS Committee urged Members to comply with their obligations as soon as possible.

6. The SPS Committee continued to consider the structure and substance of guidelines to further the practical implementation of Article 5:5. The SPS Committee agreed to pursue this matter through informal consultations with a view to furthering the development of these guidelines.
7. On the basis of Members' proposals, the SPS Committee adopted a provisional procedure to monitor the use of international standards (G/SPS/11).
8. At its October meeting, the Committee agreed on a procedure for conducting its review of the implementation and operation of the Agreement in accordance with Article 12.7 (G/SPS/10).
9. At each meeting of the SPS Committee, Members, the Secretariat and the observer intergovernmental organizations reported on their technical assistance activities. Members were provided the opportunity to identify specific needs for technical assistance. In order to address the growing demand for technical assistance and to avoid duplication, the need for close cooperation among those providing assistance was stressed. It was also noted that particular emphasis should be put on assisting with the implementation of the transparency provisions of the Agreement.
10. The SPS Committee maintained close contact with the relevant standard-setting organizations, and was kept informed about the revision of the IPPC, as well as the adoption of international standards by the Codex at its session in June 1997. An updated list of international standards developed by Codex, IPPC and OIE was submitted to the SPS Committee. The Codex formally requested the SPS Committee to provide some clarification regarding the applicability of regional Codex standards as well as the status of Codex guidelines and codes of practice in relation to the SPS Agreement. The SPS Committee adopted a Draft Agreement between the WTO and the OIE (G/SPS/W/61) which was approved by the Council for Trade in Goods and, subsequently, by the General Council at its meeting of 22 October.
11. The following tentative schedule of meetings in 1998 was agreed by the SPS Committee: 12-13 March, 10-11 June, 15-16 September and 11-12 November.

SECTION IX

COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES



REPORT (1997) OF THE COMMITTEE ON  
SUBSIDIES AND COUNTERVAILING MEASURES

I. ORGANIZATION OF THE WORK OF THE COMMITTEE

1. The Agreement on Subsidies and Countervailing Measures (hereinafter "the Agreement") entered into force on 1 January 1995. All Members of the WTO are *ipso facto* members of the Committee on Subsidies and Countervailing Measures established under the Agreement.

2. Observer governments in the General Council have Observer status in the Committee. With respect to international intergovernmental organizations, the International Monetary Fund and the World Bank have regular observer status pursuant to agreements between the WTO and those organizations. At its regular meeting in May 1997, the Committee granted regular observer status to UNCTAD and the FAO on the basis that there would be reciprocity with respect to documents, proceedings and other aspects of observership. In light of issues regarding reciprocity, the Committee at its regular meetings in May and October 1997 deferred consideration of the OECD's request for regular observer status pending consultations, but invited the OECD in the interim to continue to attend meetings of the Committee on an ad hoc basis. Finally, the Committee decided at its regular meeting in October 1997 to invite the ACP Group to attend its meetings on an ad hoc basis pending the outcome of horizontal consultations with respect to the ACP Group's requests for observership in various WTO bodies.

3. This Report focuses on the period since the Committee's last annual report (G/L/126), that is, 25 October 1996 - 24 October 1997 (hereinafter "the review period"). During the review period, the Committee held three meetings. Regular meetings of the Committee were held on 1-2 May 1997 and 23-24 October 1997 (G/SCM/M/14 and G/SCM/M/15). A special meeting of the Committee was held on 28 October - 1 November 1996 to review new and full subsidies notifications (G/SCM/M/12 and Suppl. 1).

4. As of the beginning of the review period, Mr. Victor do Prado (Brazil) was Chairman, and Ms. Michelle Slade (New Zealand) was Vice-Chairperson of the Committee. The Committee at its regular meeting in May 1997 elected Mr. Gilles Gauthier (Canada) as its Chairman and Mr. Jose Luis Perez Gabilondo (Argentina) as its Vice-Chairman. Pursuant to the Committee's Rules of Procedure, they took office at the end of that meeting.

II. PERMANENT GROUP OF EXPERTS

5. The Committee is required by Article 24.3 of the Agreement to establish a Permanent Group of Experts ("PGE"). The tasks assigned to the PGE by the Agreement are to provide assistance to a Panel, on request, with regard to whether a measure is a prohibited subsidy; to provide Members with confidential advisory opinions on the nature of any subsidy proposed to be introduced or currently maintained by that Member; and to provide the Committee with advisory opinions on the existence and nature of any subsidy. As of the beginning of the period under review, the members of the

Permanent Group of Experts were: Mr. Seung-Wha Chang, Mr. Gary Horlick, Mr. Friedrich Klein, Mr. Akira Kotera and Mr. Robert Martin. At its regular meeting in May 1997, the Committee elected Mr. A.V. Ganesan to replace Mr. Klein, whose term of office had expired.

6. Pursuant to a Decision adopted by the Committee (G/SCM/4), the PGE shall develop rules of procedure, taking into account any guidance provided by the Committee, which rules shall be subject to approval by the Committee. Draft Rules of Procedure were prepared by the PGE and circulated to the Committee on 18 April 1996 (G/SCM/W/365), but were not approved by the Committee. During the period under review, the Committee did not discuss or take any further action regarding approval of rules of procedure for the PGE. Although extensive consultations were held, no consensus was reached.

### III. INFORMAL GROUP OF EXPERTS

7. Annex IV of the Agreement provides guidance regarding the calculation of the total ad valorem subsidization for the purposes of determining whether there exists a presumption of serious prejudice under Article 6.1(a) of the Agreement. Note 62 to Annex IV of the Agreement provides that "[a]n understanding among Members should be developed, as necessary, on matters which are not specified in this Annex or which need further clarification for the purposes of paragraph 1(a) of Article 6." The Committee at its meeting of 13 June 1995 created an Informal Group of Experts to examine such matters and to report to the Committee such recommendations as the Group considers could assist the Committee in the development of an understanding among Members, as necessary, regarding such matters.

8. The Informal Group on 25 July 1997 circulated a report, including 21 recommendations, to the Committee (G/SCM/W/415). The Committee gave the report preliminary consideration at its regular meeting in October 1997. At that meeting, certain Members indicated that they needed additional time to study the report. Accordingly, the Committee decided that Members of the Committee would inform the Chairman of any questions for clarification that they might have. On the basis of those comments, an informal meeting at which the experts would be present will be organized, to provide the necessary explanation and clarification.

### IV. NOTIFICATION OF SUBSIDIES

9. New and full notifications. Pursuant to Article 25.1 of the Agreement and Article XVI:1 of GATT 1994, all Members of the Committee were required to submit a new and full notification of subsidies to the Committee by 30 June 1995. As of 24 October 1997, 42 of 117 WTO Members<sup>1</sup> had notified subsidies pursuant to Article 25 of the Agreement and Article XVI of GATT 1994. In addition, 23 Members had notified that they maintain no subsidies notifiable pursuant to these provisions. These notifications may be found in document series G/SCM/N/3/... 52 Members had submitted no notification as of the close of the period covered by this Report. A table indicating the status of subsidy notifications is reproduced in Annex A to this Report. The process of reviewing these notifications, which was begun with one special session during the last period of review, was continued at a special review session on 28 October-1 November 1996 and at the Committee's regular meetings in May 1997 and October 1997. Questions posed and answers provided in these reviews may be found in the G/SCM/Q2/... series.

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<sup>1</sup>The EC is counted as one Member.

10. 1996 and 1997 updating notifications. Article 25.1 of the Agreement requires that updating notifications be submitted by 30 June 1996 and 30 June 1997. As of 24 October 1997, 40 updating notifications for 1996 and 20 updating notifications for 1997 had been received<sup>2</sup>. These notifications may be found in document series G/SCM/N/16/... and G/SCM/N/25.... See Annexes B and C. The Committee at its regular meetings in May and October 1997 continued its review of 1996 updating notifications. Review of 1997 updating notifications is expected to begin at the Committee's regular meeting schedule for April 1998.

11. Requests Under Article 25.8 and 25.10. At the regular meeting in May 1997, the representative of the EC informed the Committee that his delegation had recently made requests under Article 25.10 of the Agreement. At the Committee's regular meeting in October 1997, the Committee discussed requests under Article 25.8 made by the EC (G/SCM/Q2/JPN/13) and the United States (G/SCM/Q2/EEC/13), and a request under Article 25.10 made by the EC (G/SCM/Q2/USA/11).

## V. NON-ACTIONABLE SUBSIDIES

12. Notifications. Article 8.3 of the Agreement provides that a subsidy programme for which non-actionability is invoked pursuant to Article 8.2 shall be notified to the Committee in advance of its implementation. A recommendation by the Informal Contact Group of a format for initial notifications (PC/IPL/11, Annex 1) was approved by the Committee at its meeting of 22 February 1995. As of 24 October 1997, no such notifications had been made.

13. Format for updating notifications. A Working Party on Subsidies Notifications was established on 22 February 1995 to discuss, *inter alia*, a format for updating notifications of non-actionable subsidies under Article 8.3 of the Agreement. At its regular meeting in October 1997, the Committee adopted a format for such notifications which was referred to it for approval by the Working Party (G/SCM/W/410).

14. Arbitration. Article 8.5 of the Agreement provides for binding arbitration in certain cases relating to notified non-actionable subsidies. The informal group on procedures for arbitration under Article 8.5 of the Agreement has discussed extensively the development of procedures for the conduct of arbitration under Article 8.5, and a paper containing proposed procedures (G/SCM/W/5) was circulated to the Committee on 11 May 1995. Although informal consultations continued during the period of review, no procedures have yet been adopted. Consultations will continue on this issue.

## VI. NOTIFICATION AND EXAMINATION OF COUNTERVAILING DUTY LAWS AND/OR REGULATIONS

15. The Committee decided in its special meeting of 22 February 1995 that all Members which had new or existing legislation and/or regulations which apply in whole or in part to countervailing duty investigations or reviews covered by the Agreement would 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 was not yet available, the Member would inform the Committee of this fact. The Committee also decided that Observer governments should provide the Committee the text of its laws and regulations regarding countervailing duties.

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<sup>2</sup>The EC is counted as one Member.



16. As of 24 October 1997, 72 Members<sup>3</sup> had notified the Committee of their domestic countervailing duty legislation or made communications in this respect to the Committee (G/SCM/N/1 and addenda). 45 Members had not, as yet, made notifications under Article 32.6 of the Agreement. A table indicating the status of these notifications is reproduced in Annex D to this Report.

17. During the review period, the Committee reviewed the notifications regarding countervailing duty legislation by the following Members: Benin, Fiji, Guatemala, Indonesia, India, Japan, Korea, Liechtenstein, Namibia, Paraguay, Singapore, Thailand, Uganda, and the United Arab Emirates. Written questions and answers regarding these reviews may be found in documents of the G/SCM/Q1.. series.

18. During the review period, the Committee undertook further review of notifications of legislation previously reviewed, pursuant to procedures adopted by the Committee at its joint special meeting with the Committee on Anti-Dumping Practices in April 1996. Written questions and answers concerning the notifications of the following Members were considered by the Committee: Canada, the EC, India, Indonesia, Israel, Malaysia, New Zealand, Singapore and the United States.

## VII. SEMI-ANNUAL REPORTS ON COUNTERVAILING ACTIONS

19. Notifications for 1 July - 31 December 1996. As of 24 October 1997, 8 Members had notified actions taken during the period 1 July-31 December 1996. 46 Members had notified the Committee that they had not taken any countervailing duty action during this period. The remaining Members had not submitted a notification. The semi-annual reports were circulated in document series G/SCM/N/23. The status of semi-annual reports is set out in Annex E.

20. Notifications for 1 January - 30 June 1997. As of 24 October 1997, 7 Members had notified actions taken during the period 1 January-30 June 1997. 41 Members had notified the Committee that they had not taken any countervailing duty action during this period. The remaining Members had not submitted a notification. The semi-annual reports were circulated in document series G/SCM/N/30. The status of semi-annual reports is set out in Annex E.

21. A table summarising notifications of new countervailing duty actions taken by Members during the period 1 July 1996-30 June 1997 is reproduced in Annex F to this Report.

## VIII. REPORTS ON ALL PRELIMINARY OR FINAL COUNTERVAILING DUTY ACTIONS

22. Pursuant to Article 25.11 of the Agreement, Members are to report without delay to the Committee all preliminary and final countervailing actions taken. Guidelines for the information to be contained in these reports are set forth in G/SCM/3. As of 24 October 1997, reports of preliminary and final countervailing actions taken during the review period had been received from Argentina, Australia, the EC, Mexico, New Zealand, South Africa and the United States (G/SCM/N/22, 24, 26, 27, 28, 29, 31, 32, and 33). The Committee reviewed the notifications of preliminary and final actions at its regular meetings in May and October 1997.

## IX. OTHER MATTERS DISCUSSED BY THE COMMITTEE

23. Members in Annex VII. At the Committee's regular meeting in October 1997, the Chairman informed the Committee that, according to data in the 1997 World Bank Atlas, the GNP per capita

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<sup>3</sup>The EC is counted as one Member.

per annum of one Member identified in Annex VII(b) of the Agreement (the Philippines) exceeded US\$1,000. The Committee also discussed the status of Honduras, which is not identified in Annex VII although its GNP per capita per annum is less than US\$1,000.

24. Other issues. During the period of review, the Committee also considered the following issues:

- Mexico - countervailing duty investigation on canned peaches from Greece
- New Zealand - countervailing duty investigation on canned peaches from the EU

25. Other business. During the period of review, the following items were raised under the agenda item "Other business":

- Korea - alleged subsidies to Hanbo steel
- Argentina - provisional countervailing duty on wheat gluten from the EC
- Australia - questions from the EC regarding Australia's notification of subsidies
- Egypt - request made by the EC
- Japan - request made by the EC
- Korea - questions from the EC regarding Korea's notification of subsidies
- Data base on AD/CVD actions

ANNEX A  
1995 NEW AND FULL SUBSIDY NOTIFICATIONS  
(G/SCM/N/3/...)

Member		Member		Member		Member	
Angola		Belgium	X	Jamaica		Qatar	
Antigua & Barbuda	N	Denmark	X	Japan	X	Romania	X
Argentina	X	Finland	X	Kenya		Rwanda	
Australia	X	France	X	Korea	X	St. Kitts & Nevis	
Bahrain	X	Germany	X	Kuwait		St. Lucia	
Bangladesh		Greece	X	Lesotho		St. Vincent & Grenadines	
Barbados		Ireland	X	Liechtenstein	N	Senegal	X
Belize		Italy	X	Macau		Sierra Leone	
Benin		Luxembourg	X	Madagascar		Singapore	X
Bolivia	N	Netherlands	X	Malawi		Slovak Republic	X
Botswana	N	Portugal	X	Malaysia	X	Slovenia	X
Brazil	X	Spain	X	Maldives		Solomon Islands	
Brunei Darussalam	N	Sweden	X	Mali		South Africa	X
Bulgaria	X	United Kingdom	X	Malta		Sri Lanka	X
Burkina Faso	N	Ecuador		Mauritania		Suriname	N
Burundi		Egypt		Mauritius	N	Swaziland	N
Cameroon	X	El Salvador		Mexico	X	Switzerland	X
Canada	X	Fiji	X	Mongolia		Tanzania	
Central African R.		Gabon		Morocco	N	Thailand	X
Chad		Gambia		Mozambique		Togo	
Chile	X	Ghana	N	Myanmar		Trinidad & Tobago	N
Colombia	X	Grenada		Namibia		Tunisia	X
Congo		Guatemala		New Zealand	N	Turkey	X
Congo, Democratic Republic of the		Guinea Bissau		Nicaragua	N	Uganda	N
Costa Rica	X	Guinea, Rep. of		Niger		United Arab Emirates	N
Côte d'Ivoire	N	Guyana		Nigeria	X	United States	X
Cuba	N	Haiti		Norway	X	Uruguay	X
Cyprus	X	Honduras	N	Pakistan	X	Venezuela	X
Czech Republic	X	Hong Kong, China	N	Panama		Zambia	N
Djibouti		Hungary	X	Papua New Guinea		Zimbabwe	
Dominica		Iceland	X	Paraguay			
Dominican Rep.	N	India	X	Peru	N		
EC	X	Indonesia	X	Philippines	X		
Austria	X	Israel	X	Poland	X		

"N" means that the Member has indicated that it maintains no notifiable subsidies.

"X" Means that the Member notified subsidies.

Blank means that no notification was submitted.

ANNEX B  
1996 UPDATING SUBSIDY NOTIFICATIONS  
(G/SCM/N/16/...)

Member		Member		Member		Member	
Angola		Belgium	X	Jamaica		Qatar	
Antigua & Barbuda	X	Denmark	X	Japan	X	Romania	X
Argentina		Finland	X	Kenya		Rwanda	
Australia	X	France	X	Korea	X	St. Kitts & Nevis	
Bahrain	X	Germany	X	Kuwait		St. Lucia	
Bangladesh		Greece	X	Lesotho		St. Vincent & Grenadines	
Barbados		Ireland	X	Liechtenstein	X	Senegal	X
Belize		Italy	X	Macau		Sierra Leone	
Benin		Luxembourg	X	Madagascar		Singapore	X
Bolivia		Netherlands	X	Malawi		Slovak Republic	
Botswana		Portugal	X	Malaysia		Slovenia	X
Brazil	X	Spain	X	Maldives		Solomon Islands	
Brunei Darussalam	X	Sweden	X	Mali		South Africa	X
Bulgaria	X	United Kingdom	X	Malta		Sri Lanka	
Burkina Faso	X	Ecuador		Mauritania		Suriname	
Burundi		Egypt		Mauritius		Swaziland	
Cameroon	X	El Salvador		Mexico		Switzerland	X
Canada	X	Fiji	X	Mongolia		Tanzania	
Central African R.		Gabon		Morocco		Thailand	X
Chad		Gambia		Mozambique		Togo	
Chile	X	Ghana		Myanmar		Trinidad & Tobago	
Colombia	X	Grenada		Namibia		Tunisia	X
Congo		Guatemala		New Zealand	X	Turkey	
Congo, Democratic Republic of the		Guinea Bissau		Nicaragua		Uganda	
Costa Rica		Guinea, Rep. of		Niger		United Arab Emirates	X
Côte d'Ivoire	X	Guyana		Nigeria		United States	X
Cuba	X	Haiti		Norway	X	Uruguay	X
Cyprus	X	Honduras		Pakistan		Venezuela	
Czech Republic	X	Hong Kong, China	X	Panama		Zambia	X
Djibouti		Hungary		Papua New Guinea		Zimbabwe	
Dominica		Iceland	X	Paraguay			
Dominican Rep.		India		Peru			
EC	X	Indonesia	X	Philippines	X		
Austria	X	Israel	X	Poland	X		

"X" Means that the Member notified subsidies.

Blank means that no notification was submitted.

ANNEX C  
1997 UPDATING SUBSIDY NOTIFICATIONS  
(G/SCM/N/25/...)

Member		Member		Member		Member	
Angola		Belgium	X	Jamaica		Qatar	
Antigua & Barbuda		Denmark	X	Japan	X	Romania	
Argentina		Finland	X	Kenya		Rwanda	
Australia	X	France	X	Korea	X	St. Kitts & Nevis	
Bahrain	X	Germany	X	Kuwait		St. Lucia	
Bangladesh		Greece	X	Lesotho		St. Vincent & Grenadines	
Barbados		Ireland	X	Liechtenstein	X	Senegal	X
Belize		Italy	X	Macau		Sierra Leone	
Benin		Luxembourg	X	Madagascar		Singapore	X
Bolivia		Netherlands	X	Malawi		Slovak Republic	
Botswana		Portugal	X	Malaysia		Slovenia	X
Brazil		Spain	X	Maldives		Solomon Islands	
Brunei Darussalam		Sweden	X	Mali		South Africa	X
Bulgaria		United Kingdom	X	Malta		Sri Lanka	
Burkina Faso	X	Ecuador		Mauritania		Suriname	
Burundi		Egypt		Mauritius		Swaziland	
Cameroon		El Salvador		Mexico		Switzerland	X
Canada	X	Fiji		Mongolia		Tanzania	
Central African R.		Gabon		Morocco		Thailand	
Chad		Gambia		Mozambique		Togo	
Chile	X	Ghana		Myanmar		Trinidad & Tobago	
Colombia		Grenada		Namibia		Tunisia	X
Congo		Guatemala		New Zealand	X	Turkey	
Congo, Democratic Republic of the		Guinea Bissau		Nicaragua		Uganda	
Costa Rica		Guinea, Rep. of		Niger		United Arab Emirates	X
Côte d'Ivoire	X	Guyana		Nigeria		United States	
Cuba		Haiti		Norway	X	Uruguay	
Cyprus		Honduras		Pakistan		Venezuela	
Czech Republic		Hong Kong, China	X	Panama		Zambia	
Djibouti		Hungary		Papua New Guinea		Zimbabwe	
Dominica		Iceland		Paraguay			
Dominican Rep.		India		Peru			
EC	X	Indonesia		Philippines			
Austria	X	Israel		Poland			

"X" Means that the Member notified subsidies.

Blank means that no notification was submitted.

ANNEX D  
COUNTERVAILING DUTY LEGISLATION NOTIFICATIONS

<b>MEMBER/OBSERVER</b>	<b>NOTIFICATION PROVIDED</b>
Angola	None
Antigua and Barbuda	None
Argentina	G/SCM/N/1/ARG/1 + Suppl.1
Australia	G/SCM/N/1/AUS/1 + Suppl.1
Bahrain	None
Bangladesh	None
Barbados	G/SCM/N/1/BRB/1
Belize	None
Benin	G/SCM/N/1/BEN/1
Bolivia	G/SCM/N/1/BOL/1 + Suppl.1
Botswana	None
Brazil	G/SCM/N/1/BRA/2 + Suppl.1
Brunei Darussalam	G/SCM/N/1/BRN/1
Bulgaria	G/SCM/N/1/BGR/1
Burkina Faso	None
Burundi	None
Cameroon	None
Canada	G/SCM/N/1/CAN/3
Central African Republic	None
Chad	None
Chile	G/SCM/N/1/CHL/1
Colombia	G/SCM/N/1/COL/1
Congo	None
Congo, Democratic Republic of the	None
Costa Rica	G/SCM/N/1/CRI/1
Côte d'Ivoire	None
Cuba	G/SCM/N/1/CUB/1 + Suppl.1
Cyprus	G/SCM/N/1/CYP/2
Czech Republic	G/SCM/N/1/CZE/1
Djibouti	None

<b>MEMBER/OBSERVER</b>	<b>NOTIFICATION PROVIDED</b>
Dominica	None
Dominican Republic	G/SCM/N/1/DOM/1
Ecuador	G/SCM/N/1/ECU/1 + Suppl. 1
European Communities	G/SCM/N/1/EEC/1
Egypt	G/SCM/N/1/EGY/1
El Salvador	G/SCM/N/1/SLV/1
Fiji	G/SCM/N/1/FJI/1
Gabon	None
Gambia	None
Ghana	None
Grenada	None
Guatemala	G/SCM/N/1/GTM/2
Guinea Bissau	None
Guinea, Rep.of	G/SCM/N/1/GIN/1
Guyana	None
Haiti	None
Honduras	G/SCM/N/1/HND/2
Hong Kong, China	G/SCM/N/1/HKG/1
Hungary	G/SCM/N/1/HUN/1
Iceland	G/SCM/N/1/ISL/1
India	G/SCM/N/1/IND/2 + Corr.1 + Suppl.1
Indonesia	G/SCM/N/1/IDN/2
Israel	G/SCM/N/1/ISR/2
Jamaica	G/SCM/N/1/JAM/1
Japan	G/SCM/N/1/JPN/2 + Corr.1 & 2 + Suppl.1
Kenya	G/SCM/N/1/KEN/1
Korea	G/SCM/N/1/KOR/2
Kuwait	None
Lesotho	None
Liechtenstein	G/SCM/N/1/LIE/1
Macau	None

<b>MEMBER/OBSERVER</b>	<b>NOTIFICATION PROVIDED</b>
Madagascar	None
Malawi	G/SCM/N/1/MWI/1
Malaysia	G/SCM/N/1/MYS/1
Maldives	G/SCM/N/1/MDV/1
Mali	None
Malta	G/SCM/N/1/MLT/1
Mauritania	None
Mauritius	G/SCM/N/1MUS/2
Mexico	G/SCM/N/1/MEX/1 + Corr.1
Mongolia	None
Morocco	G/SCM/N/1/MAR/1
Mozambique	None
Myanmar	None
Namibia	G/SCM/N/1/NAM/1
New Zealand	G/SCM/N/1/NZL/2
Nicaragua	G/SCM/N/1/NIC/1
Niger	None
Nigeria	None
Norway	G/SCM/N/1/NOR/3
Pakistan	G/SCM/N/1/PAK/1
Panama	None
Papua New Guinea	None
Paraguay	G/SCM/N/1/PRY/2
Peru	G/SCM/N/1/PER/1 + Corr.1 + Suppl.1 & 2
Philippines	G/SCM/N/1/PHL/1
Poland	G/SCM/N/1/POL/1
Qatar	None
Romania	G/SCM/N/1/ROM/1
Rwanda	None
Saint Kitts & Nevis	None
Saint Lucia	G/SCM/N/1/LCA/1



<b>MEMBER/OBSERVER</b>	<b>NOTIFICATION PROVIDED</b>
Saint Vincent & Grenadines	None
Senegal	G/SCM/N/1/SEN/1
Sierra Leone	None
Singapore	G/SCM/N/1/SGP/2 + Suppl. 1
Slovak Republic	G/SCM/N/1/SVK/1
Slovenia	G/SCM/N/1/SVN/1
Solomon Islands	None
South Africa	G/SCM/N/1/ZAF/1
Sri Lanka	G/SCM/N/1/LKA/1
Suriname	G/SCM/N/1/SUR/1
Swaziland	None
Switzerland	G/SCM/N/1/CHE/1
Tanzania	None
Thailand	G/SCM/N/1/THA/3
Togo	None
Trinidad and Tobago	G/SCM/N/1/TTO/1
Tunisia	G/SCM/N/1/TUN/1
Turkey	G/SCM/N/1/TUR/2
Uganda	G/SCM/N/1/UGA/2
United Arab Emirates	G/SCM/N/1/ARE/1
United States	G/SCM/N/1/USA/1 + Corr.1 + Suppl.1 & 2
Uruguay	G/SCM/N/1/URY/1
Venezuela	G/SCM/N/1/VEN/1 + Suppl.1 & 2
Zambia	G/SCM/N/1/ZMB/1
Zimbabwe	G/SCM/N/1/ZWE/2

"None" means no notification provided.

ANNEX E

SEMI-ANNUAL REPORTS

Key: X = Semi-annual report of actions taken submitted  
 N = Report of no actions taken submitted  
 not applicable = obligation did not apply to Member for that period  
 blank = No report submitted

MEMBER	1 July-31 December 1996	1 January-30 June 1997
Angola		
Antigua and Barbuda		
Argentina	X	X
Australia	X	X
Bahrain	N	N
Bangladesh		
Barbados		
Belize		
Benin		
Bolivia		
Botswana	N	
Brazil	N	N
Brunei Darussalam	N	
Bulgaria		
Burkina Faso	N	
Burundi		
Cameroon		
Canada	X	X
Central African Republic		
Chad		
Chile	N	N
Colombia	N	N
Congo	not applicable	N
Congo, Democratic Republic of the	not applicable	N

MEMBER	1 July-31 December 1996	1 January-30 June 1997
Costa Rica	N	
Côte d'Ivoire		
Cuba	N	N
Cyprus		N
Czech Republic	N	N
Djibouti		
Dominica		
Dominican Republic	N	N
European Communities <sup>4</sup>	X	N
Ecuador	N	
Egypt		
El Salvador	N	
Fiji		
Gabon		
Gambia		
Ghana		
Grenada		
Guatemala		
Guinea Bissau		
Guinea, Republic of		
Guyana		
Haiti		
Honduras	N	N
Hong Kong, China	N	N
Hungary	N	N
Iceland	N	N
India	N	N
Indonesia	N	N
Israel	N	N
Jamaica		

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<sup>4</sup>The EC is counted as 1 Member.

MEMBER	1 July-31 December 1996	1 January-30 June 1997
Japan	N	N
Kenya		
Korea	N	N
Kuwait		
Lesotho		
Liechtenstein	N	N
Macau		
Madagascar		
Malawi		
Malaysia	N	N
Maldives		
Mali		
Malta	N	N
Mauritania		
Mauritius		
Mexico	X	X
Mongolia		
Morocco	N	N
Mozambique		
Myanmar		
Namibia	N	
New Zealand	X	X
Nicaragua		
Niger		
Nigeria		
Norway	N	N
Pakistan	N	N
Panama	not applicable	
Papua New Guinea		
Paraguay		
Peru	N	N
Philippines	N	N
Poland	N	N

MEMBER	1 July-31 December 1996	1 January-30 June 1997
Qatar		
Romania	N	N
Rwanda		
Saint Kitts & Nevis		
Saint Lucia		
Saint Vincent & Grenadines		
Senegal		
Sierra Leone		
Singapore	N	N
Slovak Republic	N	N
Slovenia	N	
Solomon Islands		
South Africa	N	X
Sri Lanka	N	N
Suriname		
Swaziland		
Switzerland	N	N
Tanzania	N	
Thailand	N	N
Togo		
Trinidad and Tobago		
Tunisia	N	N
Turkey	N	N
Uganda	N	N
United Arab Emirates		N
United States	X	X
Uruguay	N	
Venezuela	X	N
Zambia	N	N
Zimbabwe		

ANNEX F

Summary of Countervailing Duty Actions  
(1 July 1996-30 June 1997)

Initiation		Provisional Measures (negative preliminary determination not included)		Definitive Duties		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)
No.	Countries <sup>1</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
	<b>ARGENTINA</b>							
2	EEC(2)	-		-		0		1
	<b>AUSTRALIA</b>							
0		0		0		0		6
	<b>BRAZIL</b>							
0		0		0		0		6
	<b>CANADA</b>							
0		1	ITA(1)	0		0		5
	<b>EEC</b>							
0				0		0		3

Initiation		Provisional Measures (negative preliminary determination not included)		Definitive Duties		Price Undertakings		Measures in force on 30 June 1997 (definitive duties and price undertakings)
No.	Countries <sup>1</sup> involved	No.	Countries involved	No.	Countries involved	No.	Countries involved	
	<b>MEXICO</b>							
1	GRC	0		0		0		11
	<b>NEW ZEALAND</b>							
2	ZAF(2)	0		3	ITA ZAF(2)	2	ZAF(2)	6
	<b>UNITED STATES</b>							
4	CAN DEU VEN	0		2	ITA TUR			68
	<b>VENEZUELA</b>							
0		0		0		0		3

LIST OF ABBREVIATIONS USED IN ANNEX F

AFG	AFGHANISTAN	GIN	GUINEA, REP. OF	SEN	SENEGAL
ALB	ALBANIA	GUY	GUYANA	SYC	SEYCHELLES
DZA	ALGERIA	HTI	HAITI	SLE	SIERRA LEONE
ATG	ANTIGUA AND BARBUDA	HND	HONDURAS	SGP	SINGAPORE
ARG	ARGENTINA	HKG	HONG KONG	SVK	SLOVAK REPUBLIC
ARM	ARMENIA	HUN	HUNGARY	SVN	SLOVENIA
AUS	AUSTRALIA	ISL	ICELAND	ZAF	SOUTH AFRICA
AUT	AUSTRIA	IND	INDIA	ESP	SPAIN
AZE	AZERBAIJAN	IDN	INDONESIA	LKA	SRI LANKA
BHS	BAHAMAS	IRN	IRAN	VCT	SAINT VINCENT & GRENADINES
BHR	BAHRAIN	IRQ	IRAQ	SDN	SUDAN
BGD	BANGLADESH	IRL	IRELAND	SUR	SURINAME
BRB	BARBADOS	ISR	ISRAEL	SWE	SWEDEN
BLR	BELARUS	ITA	ITALY	CHE	SWITZERLAND
BEL	BELGIUM	JAM	JAMAICA	TJK	TAJIKISTAN
BLZ	BELIZE	JPN	JAPAN	TZA	TANZANIA
BEN	BENIN	JOR	JORDAN	THA	THAILAND
BMU	BERMUDA	KAZ	KAZAKHSTAN	TGO	TOGO
BOL	BOLIVIA	KEN	KENYA	TTO	TRINIDAD & TOBAGO
BIH	BOSNIA-HERZEGOVINA	KOR	KOREA	TUN	TUNISIA
BWA	BOTSWANA	KWT	KUWAIT	TUR	TURKEY
BRA	BRAZIL	KGZ	KYRGYZSTAN	TKM	TURKMENISTAN
BRN	BRUNEI DARUSSALAM	LVA	LATVIA	UGA	UGANDA
BGR	BULGARIA	LBN	LEBANON	UKR	UKRAINE
BFA	BURKINA FASO	LSO	LESOTHO	ARE	UNITED ARAB EMIRATES
BUR	BURUNDI	LIE	LIECHTENSTEIN	GBR	UNITED KINGDOM
CMR	CAMEROON	LTU	LITHUANIA	USA	UNITED STATES
CAN	CANADA	LUX	LUXEMBOURG	URY	URUGUAY
CAF	CENTRAL AFRICAN REPUBLIC	MAC	MACAU	UZB	UZBEKISTAN
TCD	CHAD	MDG	MADAGASCAR	VUT	VANUATU
CHL	CHILE	MWI	MALAWI	VEN	VENEZUELA
CHN	CHINA	MYS	MALAYSIA	VNM	VIET NAM
CHT	CHINESE TAIPEI	MDV	MALDIVES	ZMB	ZAMBIA
COG	CONGO, REPUBLIC	MLI	MALI	ZWE	ZIMBABWE
COL	COLOMBIA	MLT	MALTA		
CRI	COSTA RICA	MRT	MAURITANIA		
CIV	COTE D'IVOIRE	MUS	MAURITIUS		
HRV	CROATIA	MEX	MEXICO		
CUB	CUBA	MDA	MOLDOVA, REP. OF		
CYP	CYPRUS	MNG	MONGOLIA		
CZE	CZECH REPUBLIC	MAR	MOROCCO		
DNK	DENMARK	MOZ	MOZAMBIQUE		
DJI	DJIBOUTI	NAM	NAMIBIA		
DMA	DOMINICA	NLD	NETHERLANDS		
DOM	DOMINICAN REPUBLIC	NZL	NEW ZEALAND		
DRC	DEMOCRATIC REPUBLIC OF THE CONGO	NIC	NICARAGUA		
EEC	EUROPEAN COMMUNITY	NER	NIGER		
ECU	ECUADOR	NGA	NIGERIA		
EGY	EGYPT	NOR	NORWAY		
SLV	EL SALVADOR	OMN	OMAN		
EST	ESTONIA	PAK	PAKISTAN		
FJI	FIJI	PAN	PANAMA		
FIN	FINLAND	PNG	PAPUA NEW GUINEA		
FRA	FRANCE	PRY	PARAGUAY		
GAB	GABON	PER	PERU		
GMB	GAMBIA	PHL	PHILIPPINES		
GEO	GEORGIA	POL	POLAND		
DEU	GERMANY	PRT	PORTUGAL		
GHA	GHANA	PRI	PUERTO RICO		
GRC	GREECE	QUT	QATAR		
GRD	GRENADA	ROM	ROMANIA		
GTM	GUATEMALA	RUS	RUSSIAN FEDERATION		
GNB	GUINEA-BISSAU	RWA	RWANDA		
		KNA	SAINT KITTS & NEVIS		
		LCA	SAINT LUCIA		
		SAU	SAUDI ARABIA		





SECTION X

COMMITTEE ON TECHNICAL BARRIERS TO TRADE



REPORT (1997) OF THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE

1. The Committee held its eighth, ninth, tenth and eleventh meetings on 14 February, 20 June, 3 October, 13 and 18 November 1997 (G/TBT/M/7-10) respectively, and Mr. H. M. Tong (Hong Kong) was Chairman. At those meetings, the Committee heard statements on the implementation and administration of the Agreement. A number of Members informed the Committee of measures taken to ensure the implementation and administration of the Agreement. Several measures were brought to the attention of the Committee by Members who raised concerns about the potential adverse trade effects or inconsistency with the Agreement of those measures.
2. At its eighth meeting, the Committee carried out its Second Annual Review of the Implementation and Operation of the Agreement under Article 15.3 based on background documentation contained in G/TBT/4, and its Second Annual Review of the Code of Good Practice for the Preparation, Adoption and Application of Standards in Annex 3 based on background documentation contained in WTO TBT Standards Code Directory and G/TBT/CS/2/Rev.1. The Committee also heard statements on technical assistance.
3. At its eighth, ninth and tenth meetings, the Committee prepared for the First Triennial Review of the Operation and Implementation of the Agreement under Article 15.4. The Triennial Review was carried out at its eleventh meeting (G/TBT/5).
4. A Technical Working Group was established by the Committee to study certain ISO/IEC Guides and how they might contribute to furthering the objectives of Articles 5 and 6 of the Agreement. The Working Group held meetings on 13 February, 18 June and 2 October (G/TBT/M/7-9).
5. Representatives of the FAO, IEC, IMF, ISO, ITC, OECD, OIE, UNCTAD, UN/ECE, WHO/FAO Codex Alimentarius Commission, WHO and the World Bank attended meetings of the Committee in an observer capacity. ACP, ALADI, EFTA and OIML were granted observer status on an ad hoc basis.



SECTION XI

COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES



REPORT (1997) OF THE COMMITTEE ON  
TRADE-RELATED INVESTMENT MEASURES

I. GENERAL

1. This report is submitted pursuant to Article 7.3 of the Agreement on Trade-Related Investment Measures, which requires the Committee on Trade-Related Investment Measures to report annually to the Council for Trade in Goods. The Report covers the period November 1996-September 1997.<sup>1</sup>

2. The Committee met on 17 March and 15 September 1997 under the chairmanship of Mr. Vassili Notis (Greece) and Mr. Javier Paulinich (Peru), respectively. The minutes of these meetings have been circulated in documents G/TRIMS/M/6 and 7. The meetings of the Committee were open to all Members and governments with observer status in the WTO. At its meeting of 17 March, the Committee accorded regular observer status to international intergovernmental organizations that had enjoyed observer status in the Committee on an *ad hoc* basis (IMF, OECD, UN, UNCTAD and World Bank). The Committee considered requests for observer status made by several other international organizations.

II. IMPLEMENTATION

3. At the meetings held during the period under review, the Committee continued its examination of notifications submitted pursuant to Article 5.1 of the Agreement on Trade-Related Investment Measures. This provision requires Members to notify any trade-related investment measure ("TRIM") inconsistent with the Agreement within 90 days after the entry into force of the WTO Agreement. Article 5.2 of the Agreement gives the benefit of a transition period for the elimination of measures notified under Article 5.1 and which were in existence at least 180 days preceding the entry into force of the WTO Agreement. Pursuant to a decision adopted by the General Council in April 1995, governments eligible to become original WTO Members that accepted the WTO Agreement after 1 January 1995 have a period of 90 days after the date of their acceptance of the WTO Agreement to make the notifications foreseen in Article 5.1, provided that the period for the elimination of TRIMs notified under Article 5.1 continues to be governed by reference to the date of entry into force of the WTO Agreement itself.<sup>2</sup>

4. In addition to the notifications of measures under Article 5.1 that had been submitted prior to the period covered by this report<sup>3</sup>, the Committee received a new notification from Uganda and an addendum to the notification of Argentina. Annex 1 contains a list of all notifications of measures

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<sup>1</sup>The previous annual report is contained in document G/L/133.

<sup>2</sup>WT/L/64

<sup>3</sup>These notifications had been submitted by Argentina, Barbados, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Egypt, Indonesia, India, Mexico, Malaysia, Nigeria, Pakistan, Peru, the Philippines, Poland, Romania, Thailand, Uruguay, Venezuela and South Africa.



under Article 5.1. In the case of some Members, notifications were submitted later than the 90-day period foreseen for them. While there is no obligation to do so, some Members notified the Committee that they did not apply any TRIM inconsistent with the Agreement. During the period under review, such a notification was made by Mali. Annex 2 lists all Members which have made such notifications.<sup>4</sup>

5. In the Committee's discussions on these notifications, some delegations have sought clarification or additional information of a factual nature. Differing views continue to be expressed on issues such as the timing of notifications in relation to the provisions of Article 5.1, the adequacy of the information provided in notifications, the recent introduction or modification of certain measures in relation to the provisions of Articles 2 and 5.4, and the relationship of the provisions of the Agreement to those of other WTO agreements, including the Agreement on Subsidies and Countervailing Measures and the Agreement on Agriculture.

6. Article 5.5 deals with the conditions under which during the transition periods stipulated in Article 5.2 Members may apply TRIMs notified under Article 5.1 to new investments. While a standard format for the submission of notifications under this provision has been adopted by the Committee (G/TRIMS/3), so far no such notifications have been made.

7. A number of Members have submitted notifications as required under Article 6.2 which provides for notification to the Secretariat of publications in which information on TRIMs can be found. A list of these notifications has been circulated in G/TRIMS/N/2/Rev.2. Annex 3 lists the Members which have submitted notifications under Article 6.2.

8. During the period under review, the Committee was informed of the initiation of three proceedings under the Dispute Settlement Understanding which referred *inter alia* to the TRIMs Agreement, as reflected in G/TRIMS/D/6-8.

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<sup>4</sup>Notifications under Article 5.1 circulated in 1995 have been derestricted as of 28 May 1996. Following the decision taken by the General Council on 18 July 1996 on derestriction and circulation of WTO documents, documents containing notifications under Articles 5.1, 5.5 and 6.2 are issued unrestricted. Members may, however, at the time of the submission of a document, indicate to the Secretariat that the document be issued as restricted if they so wish.

ANNEX 1

MEMBERS WHICH HAVE SUBMITTED NOTIFICATIONS UNDER ARTICLE 5.1 OF THE  
AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Argentina	G/TRIMS/N/1/ARG/1	30 March 1995
Argentina	G/TRIMS/N/1/ARG/1/Add.1	21 March 1997
Barbados	G/TRIMS/N/1/BRB/1	31 March 1995
Chile	G/TRIMS/N/1/CHL/1	14 December 1995
Colombia	G/TRIMS/N/1/COL/1	31 March 1995
Colombia	G/TRIMS/N/1/COL/Add.1	4 June 1995
Colombia	G/TRIMS/N/1/COL/2	31 July 1995
Colombia	G/TRIMS/N/1/COL/2/Corr.1	30 September 1996
Costa Rica	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba <sup>5</sup>	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus	G/TRIMS/N/1/CYP/1	29 June 1995
Cyprus	G/TRIMS/N/1/CYP/2	30 October 1995
Dominican Republic	G/TRIMS/N/1/DOM/1	26 April 1995
Ecuador	G/TRIMS/N/1/ECU/1	20 March 1996
Egypt	G/TRIMS/N/1/EGY/1	29 September 1995
Indonesia	G/TRIMS/N/1/IDN/1	23 May 1995
Indonesia	G/TRIMS/N/1/IDN/1/Add.1	28 October 1996
India	G/TRIMS/N/1/IND/1	31 March 1995
India	G/TRIMS/N/1/IND/1/Add.1	22 December 1995
India	G/TRIMS/N/1/IND/1/Add.1/Corr.1	18 March 1996

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<sup>5</sup>The representative of Cuba has informed the Committee that, as a result of a new foreign investment law enacted in 1995, the local content measures notified by Cuba under Article 5.1 are no longer in force (G/TRIMS/M/3, paragraph 5).

<b><u>Member</u></b>	<b><u>Document Symbol</u></b>	<b><u>Date of Communication</u></b>
India	G/TRIMS/N/1/IND/1/Add.2	11 April 1996
Mexico	G/TRIMS/N/1/MEX/1	31 March 1995
Mexico	G/TRIMS/N/1/MEX/1/Rev.1 <sup>6</sup>	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1/Rev.1	14 March 1996
Nigeria	G/TRIMS/N/1/NGA/1	17 July 1996
Pakistan	G/TRIMS/N/1/PAK/1	30 March 1995
Peru	G/TRIMS/N/1/PER/1	30 March 1995
Philippines	G/TRIMS/N/1/PHL/1	31 March 1995
Poland	G/TRIMS/N/1/POL/1	28 September 1995
Poland	G/TRIMS/N/1/POL/1/Add.1	4 December 1996
Romania	G/TRIMS/N/1/ROM/1	31 March 1995
Thailand	G/TRIMS/N/1/THA/1	30 March 1995
Uganda	G/TRIMS/N/1/UGA/1	17 June 1997
Uruguay	G/TRIMS/N/1/URY/1	31 March 1995
Uruguay	G/TRIMS/N/1/URY/1/Add.1	30 August 1995
Venezuela	G/TRIMS/N/1/VEN/1	31 March 1995
South Africa	G/TRIMS/N/1/ZAF/1	19 April 1995

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<sup>6</sup>English only

ANNEX 2

NOTIFICATIONS INDICATING THAT NO TRIMS INCONSISTENT WITH THE  
AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES  
ARE MAINTAINED

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Switzerland	G/TRIMS/N/1/CHE/1	8 August 1995
Israel	G/TRIMS/N/1/ISR/1	24 October 1996
Honduras	G/TRIMS/N/1/HND/1	7 July 1995
Saint Lucia	G/TRIMS/N/1/LCA/1	14 February 1996
Mali	G/TRIMS/N/1/MLI/1	27 May 1997
Mauritius	G/TRIMS/N/1/MUS/1	27 March 1995
Nicaragua	G/TRIMS/N/1/NIC/1	18 July 1996
Singapore	G/TRIMS/N/1/SGP/1	9 October 1996
Slovenia	G/TRIMS/N/1/SVN/1	27 March 1995
Trinidad & Tobago	G/TRIMS/N/1/TTO/1	1 April 1996
Zambia	G/TRIMS/N/1/ZMB/1	13 April 1995

ANNEX 3

MEMBERS WHICH HAVE SUBMITTED NOTIFICATIONS UNDER ARTICLE 6.2 OF THE  
AGREEMENT ON TRADE-RELATED INVESTMENT MEASURES

Argentina  
Australia  
Brunei Darussalam  
Bulgaria  
Chile  
Hong Kong  
India  
Indonesia  
Israel  
Liechtenstein  
Nicaragua  
Norway  
Peru  
Philippines  
Romania  
Singapore  
Switzerland  
Thailand  
Tunisia  
Uganda  
United States  
Venezuela

SECTION XII

INDEPENDENT ENTITY ESTABLISHED PURSUANT  
TO THE AGREEMENT ON PRESHIPMENT INSPECTION



**Agreement on Preshipment Inspection  
Independent Entity**

REPORT (1997) OF THE INDEPENDENT ENTITY TO THE  
COUNCIL FOR TRADE IN GOODS

The Agreement on Preshipment Inspection provides for the establishment of an Independent Entity for the administration of the independent review procedures as set out in Article 4 of the Agreement. The Independent Entity (IE) was established by Decision of the General Council of 13 December 1995 (WT/L/125/Rev.1). Paragraph I.C of the Structures and Functions of the Independent Entity (Annex II of WT/L/125/Rev.1) provides that,

"the IE will report to the Council for Trade in Goods at least once a year but more frequently if necessary."

The report below is presented in accordance with the above requirement.

1. Following the Decision of the General Council, the administrative and procedural requirements necessary to commence operations of the IE were put in place in April 1996. WTO Members were notified that as of 1 May 1996, the IE was prepared to receive applications requesting independent reviews (G/PSI/IE/2). According to paragraph 2 of the Agreement between the WTO, the ICC and the IFIA, the ICC and IFIA shall jointly "draw up, and update annually, their respective lists of experts as provided for in paragraph (b)(i) and (ii) of Article 4 of the PSI Agreement, and assist the IE in drawing up and updating the list of independent trade experts as provided for in paragraph b(iii) of that Article; ...".
2. During the reporting period, the List of Experts was updated and circulated as document G/PSI/IE/1/Rev.1. During this period, the IE received no requests for an independent review.





SECTION XIII

TEXTILES MONITORING BODY



REPORT (1997) OF THE TEXTILES MONITORING BODY

1. This report is presented by the Textiles Monitoring Body (TMB) pursuant to the decision adopted by the General Council on 15 November 1995 on the procedures for an annual overview of WTO activities and for reporting under the WTO (WT/L/105). It covers the period 2 October 1996 to 12 November 1997. During this period, the TMB held 19 meetings. The reports of these meetings are contained in G/TMB/R/19 to 37.<sup>1</sup>

2. Pursuant to Article 8.11 of the Agreement on Textiles and Clothing (ATC), the TMB adopted on 24 July 1997 a comprehensive report on the implementation of the ATC during the first stage of the integration process (G/L/179). This report, which was submitted to the Council for Trade in Goods in order to assist in its major review of the implementation of the ATC, covers in detail most of the notifications which were reviewed or the issues that were addressed by the TMB during the reporting period.

3. The present report does not go into the details of the activities of the TMB during the period covered but rather consists of an inventory of the work carried out by the TMB.

Notifications under Article 2.1 of the ATC: Quantitative Restrictions within Bilateral Agreements Maintained under Article 4 or Notified under Article 7 or 8 of the MFA in Force on the Day before the Entry into Force of the ATC

4. The TMB reviewed under Article 2.21 additions to the notifications received under this provision from Canada and the United States, following Bulgaria's accession to the WTO (G/TMB/R/24 and 26) and from the United States, following the consent by the United States to the application between the United States and Romania of the WTO Agreement and the Multilateral Trade Agreements in Annexes 1 and 2 (G/TMB/R/30).

Notifications under Articles 2.6 and 2.7(b) of the ATC: First Stage of Integration into GATT 1994 of Products Covered by the ATC by Members which have, Pursuant to Article 6.1, Retained the Right to Use the Provisions of Article 6

5. The TMB reviewed under Article 2.21 the notifications made by Egypt (G/TMB/R/19), Liechtenstein (G/TMB/R/22) and South Africa (G/TMB/R/22). It also reverted to its review of the notifications made by Israel (G/TMB/R/21) and Saint Kitts and Nevis (G/TMB/R/23).

Notifications under Articles 2.8(a) and 2.11 of the ATC: Second Stage of Integration into GATT 1994 of Products Covered by the ATC

6. The TMB reviewed under Article 2.21 the notifications made pursuant to Articles 2.8(a) and 2.11 by Bolivia, Costa Rica, the Czech Republic, Egypt, the European Community, India, Japan, Malaysia, Malta, Mauritius, Peru, the Philippines, Romania, Sri Lanka, the United States and Venezuela

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<sup>1</sup>The Report of the 37th Meeting will be issued upon its adoption by the TMB.

(G/TMB/R/30), Norway and Pakistan (G/TMB/R/31), Canada (G/TMB/R/32), Morocco (G/TMB/R/33), Argentina, Tunisia and Uruguay (G/TMB/R/35), Colombia, El Salvador, the Slovak Republic and Switzerland (G/TMB/R/37). Subsequently, the TMB took note of corrections made by Norway to its second stage integration programme, and that the import volume of the products integrated for the second stage of integration by both Pakistan and the Philippines, as earlier noted by the TMB, remained unchanged (G/TMB/R/36).

7. The TMB started its review under Article 2.21 of the programmes of integration notified pursuant to Articles 2.8(a) and 2.11 by Brazil, the Dominican Republic, Guatemala, Hungary, Indonesia, Korea, Liechtenstein, Mexico, Nicaragua, Poland, Saint Kitts and Nevis, Slovenia, South Africa, Thailand and Turkey and decided to revert to its review of these programmes at a subsequent meeting, once further information or clarification is received from them. In the meantime, in pursuance of Article 2.11, the TMB has circulated these notifications to WTO Members.

Notification under Articles 2.8(b), 2.10 and 2.11 of the ATC: Early Integration of Products Covered by the ATC

8. The TMB started its review under Article 2.21 of the programme of integration notified pursuant to Articles 2.8(b) 2.10 and 2.11 by Turkey and, seeking further clarification, decided to revert to its review at a subsequent meeting (G/TMB/R/30).

Notifications under Articles 2.6, 2.7(a) and (b), 2.8(a) and 2.11 of the ATC: Communications Received from Members in Response to Questions Put by the TMB

9. The TMB took note of communications by Argentina, Canada, Colombia, the Czech Republic, Norway, Pakistan, the Philippines, Poland (Stage 1), South Africa, Switzerland, Turkey and Uruguay in response to questions put by the TMB with a view to verifying whether the statistical information provided regarding integration for the first and/or the second stages referred, where appropriate, to those portions of the HS lines covered by the ATC and not to the entire respective 6-digit HS lines (G/TMB/R/32, 35, 36 and 37). The TMB started its examination of the responses provided by Cyprus, the Dominican Republic, Hungary, Japan, Korea, Liechtenstein, Poland (Stage 2), Slovenia, Sri Lanka and Thailand and decided to revert to its consideration of these communications at a subsequent meeting (G/TMB/R/32, 35 and 37).

Notification under Article 2.15 of the ATC: Elimination of Restrictions Maintained Pursuant to Article 2

10. The TMB reviewed the notification made by Norway under Article 2.15 of the elimination in two steps of most of the restrictions remaining under the ATC with respect to WTO Members. The TMB commended Norway for the early elimination of most of the restrictions it maintained under this Agreement (G/TMB/R/36).

Notifications under Article 2.17 of the ATC: Administrative Arrangements

11. The TMB reviewed, pursuant to Article 2.21, the administrative arrangements concluded between the European Community and Argentina, Hong Kong<sup>2</sup>, India, Indonesia, Korea, Macau, Malaysia, Pakistan, Peru, the Philippines, Singapore, Sri Lanka and Thailand, respectively (G/TMB/R/22, 24 and paragraphs 11 to 17 of G/TMB/R/30). The TMB also reviewed notifications made by the United States regarding the administrative arrangements agreed between the United States and Bangladesh,

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<sup>2</sup>The name of this Member has become "Hong Kong, China" as from 1 July 1997 - see WT/L/218.

Brazil, Colombia, Costa Rica, the Dominican Republic, Egypt, Fiji, Guatemala, Haiti, Hungary, India, Indonesia, Jamaica, Kenya, Korea, Macau, Malaysia, Mauritius, Pakistan, the Philippines, Poland, Qatar, Romania, Sri Lanka, Thailand, Turkey, the United Arab Emirates and Uruguay, respectively (G/TMB/R/26, 27, 30 and paragraphs 6 to 23 of G/TMB/R/31). Subsequently, the TMB took note of a communication by Guatemala related to clarifications the TMB had sought from both Guatemala and the United States with respect to the administrative arrangements concluded between Guatemala and the United States and notified by the United States pursuant to Article 2.17 (G/TMB/R/35, paragraph 15).

#### Notifications under Articles 2.17 and 5 of the ATC

12. The TMB started its consideration of the notifications made by Pakistan under Article 2.17 and by the United States under Article 5 of a mutually satisfactory understanding reached, following consultations, between the two Members.<sup>3</sup> Seeking further information and clarification from them, the TMB decided to revert to its review at a subsequent meeting (G/TMB/R/35).

#### Communications under Article 2.21 of the ATC

13. The TMB considered under Article 2.21 a communication from Colombia, made also on behalf of several other WTO Members that are members of the International Textiles and Clothing Bureau (ITCB), relating to particular aspects pertaining to the implementation by WTO Members of the programme of integration of the ATC (G/TMB/N/211, G/TMB/N/212, G/TMB/R/21 and 22).

14. The TMB considered a further notification by Colombia, made also on behalf of a number of WTO Members that are also members of the ITCB, pursuant to Article 2.21, alleging certain discrepancies in the programme of integration notified by the European Community under Article 2.6 of the ATC, and requesting the TMB to review this matter in terms of Article 2.21 (G/TMB/R/27, 28 and paragraphs 5 to 42 of G/TMB/R/29). In this context, the TMB also considered the statement of the EC's representative that several other WTO Members had included products of those HS lines in the Annex for which only part of the line fell under the coverage of the ATC in the list of products to be integrated for the first and/or second stages of implementation of the ATC (G/TMB/R/29, paragraphs 43 to 45).

15. The TMB had a follow-up discussion of the systemic problem mentioned in paragraph 14 above, which led to a conclusion according to which, in principle, all the Members which had notified integration programmes could be affected by technical problems resulting essentially from the non-availability of statistical information corresponding to the precise product descriptions contained in the Annex to the ATC, independently of whether or not they had included "ex HS items" in their respective integration programmes for Stage 1 and/or Stage 2. Therefore, the TMB decided to request that all Members which had submitted integration programmes, including those which had not as yet included in such programmes "ex HS items", ascertain whether the statistical data counted in calculating the total volume of the Member's 1990 imports of the products in the Annex referred to the whole HS lines, or only to that portion of those HS lines which was covered by the ATC. It was the TMB's expectation that Members would report to it on the outcome of such verification (G/TMB/R/34, paragraph 7).

16. In addition, the TMB received a notification from the European Community stressing the need for the application of equality of treatment in respect of the systemic issue outlined above. In light of the comments made by the TMB in its comprehensive report to the Council for Trade in Goods on this systemic issue, and of the TMB's continuing action in respect of those Members that have

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<sup>3</sup>See G/TMB/R/11, paragraph 12.

included “ex HS lines” in their integration programmes, the European Community did not insist on a formal review of this notification as scheduled by the TMB, but reserved its right in respect of its notification.

#### Notifications under Article 3.1 of the ATC

17. The TMB took note of a notification by Morocco pursuant to Article 3.1, after having sought clarification from Morocco (G/TMB/R/22). The TMB also took note of an additional notification made under Article 3.1 by the European Community following Bulgaria’s accession to the WTO (G/TMB/R/24).

18. The TMB also concluded the consideration of the notifications under Article 3.1 by Mexico and Thailand (G/TMB/R/30, paragraphs 18 and 19).

#### Notifications under Article 6.1 of the ATC

19. The TMB took note of the notifications by Brunei Darussalam and Iceland that they did not wish to retain the right to use the provisions of Article 6 (G/TMB/R/21). The TMB also took note of the notifications by Burkina Faso, Liechtenstein, Saint Kitts and Nevis and the United Arab Emirates that they wished to retain the right to use the provisions of Article 6 (G/TMB/R/19, 21, 23 and 27, respectively).

#### Notifications under Article 6.9 of the ATC

20. The TMB reviewed, pursuant to Article 6.9, the notifications by the United States and El Salvador of a restraint measure agreed between the two Members on imports of cotton and man-made fibre skirts (US category 342/642) from El Salvador. On the basis of considerations as detailed in the report of the meeting, the TMB concluded that this restraint measure agreed between the United States and El Salvador was justified in accordance with the provisions of Article 6 of the ATC (G/TMB/R/19).<sup>4</sup> Subsequently, the TMB considered a communication received from El Salvador, related to this review, in which El Salvador, *inter alia*, urged the TMB that it be invited to present its observations on this matter, “so that they will be taken into account if the TMB decides to make recommendations or observations on this case”. In view of the fact that this agreed restraint measure had already been reviewed by the TMB, the TMB decided to seek clarification from El Salvador regarding this communication (G/TMB/R/22, paragraph 12). No further communication was received from El Salvador on this matter.

#### Notifications under Article 6.11 of the ATC: Transitional Safeguard Actions Referred to the TMB

21. The TMB reviewed notifications made by Brazil of a safeguard measure it had introduced provisionally, pursuant to Article 6.11 of the ATC, on imports of products of category 618 (woven artificial filament fabric) from Hong Kong (G/TMB/R/20, paragraphs 4 to 26), as well as of a safeguard measure introduced provisionally by Brazil, pursuant to Article 6.11 of the ATC, on imports of products of category 838 (men’s and boys’ shirts, knitted or crocheted, of other textile materials) from Hong Kong<sup>5</sup> (G/TMB/R/20, paragraphs 27 to 35)<sup>6</sup>.

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<sup>4</sup>The outcome of the TMB review as summarized is contained in the Annex.

<sup>5</sup>See also paragraph 28.

<sup>6</sup>The outcome of the TMB reviews as summarized is contained in the Annex.

22. The TMB reviewed notifications made by Brazil and Korea of restraint measures agreed between the two Members, pursuant to Article 6.11 of the ATC, on imports of artificial and synthetic fibre products of categories 611, 618, 619, 620 and 627 from Korea<sup>7</sup> (G/TMB/R/22, paragraphs 7 and 8, G/TMB/R/23, paragraph 8, and G/TMB/R/27, paragraphs 8 to 37).

Notifications under Article 7 of the ATC

23. In the context of the preparation for the comprehensive report on the implementation of the ATC during its first stage, to be transmitted to the Council for Trade in Goods in the context of the major review envisaged in Article 8.11 of the ATC, the TMB also issued, in February and April 1997, a request for information to WTO Members, reminding them of some notification obligations contained in the ATC (G/TMB/11). Some of the replies received were related to the implementation of Article 7 of the ATC. The TMB received and considered such replies from Colombia, Egypt, the European Community, India, Mauritius, New Zealand, Pakistan and Peru (G/TMB/R/31 to 34).

24. The TMB took note of the communication by the United States, addressed to the TMB pursuant to Article 7.2 of the ATC, that the United States had requested the Dispute Settlement Body to establish a Panel in the matter of *Argentina - Certain Measures Affecting Imports of Footwear, Textiles, Apparel and Other Items* (G/TMB/R/35).

Notifications under Articles 8.5 and 4.2 of the ATC

25. The TMB took note of a communication received from the Philippines that, in view of a mutually agreed solution between the Philippines and the United States, it requested that the matter it had raised, pursuant to Articles 8.5 and 4.2, regarding changes in the United States' rules of origin, should be removed from the TMB's agenda. This was without prejudice to the Philippines' rights under the ATC, in particular under its Article 8 (G/TMB/R/26, paragraph 7).

Notification under Article 8.6 of the ATC

26. The TMB considered a notification received from Korea requesting the TMB to conduct, pursuant to Article 8.6, an examination of safeguard measures introduced by Ecuador, referring to the provisions of the Agreement on Textiles and Clothing, on imports of several textile and clothing products from Korea and Hong Kong (G/TMB/R/21, 22 and paragraphs 9 to 18 of G/TMB/R/23). Subsequently, the TMB took note of a communication by Ecuador that the measure affecting textile imports, referred to the TMB by Korea, had expired on 9 February 1997 (G/TMB/R/30).

Notification under Articles 8.6, 8.7 and 8.8 of the ATC

27. The TMB reviewed a communication from Honduras under Articles 8.6 and 8.7 requesting the TMB to "consider and make a recommendation at its next meeting concerning the appropriateness of the United States maintaining a restraint on Honduran exports under category 435 (women's wool coats and jackets)". Honduras referred also to Article 8.8 which states that "whenever the TMB is called upon to make recommendations or findings, it shall do so, preferably within a period of 30 days, unless a different time period is specified in this Agreement" (G/TMB/R/28, paragraphs 5 to 17). At its thirty-second meeting, the TMB reverted, as agreed, to the matter raised by Honduras. It took note of a communication by the United States, and expected that the United States would rescind the restraint as soon as possible, and that it would communicate the date in question to the TMB at the

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<sup>7</sup>The outcome of the TMB reviews as summarized is contained in the Annex.



latest by 10 July 1997 (G/TMB/R/31, paragraphs 24 to 26). At its thirty-fourth meeting, the TMB reverted, as agreed, to that matter, and took note of communications by both Honduras and the United States (G/TMB/R/33, paragraphs 8 to 11). At its thirty-fifth meeting, the TMB, following up on the matter, as agreed at an earlier meeting, took note of a further communication from the United States and of a statement by Honduras (G/TMB/R/34, paragraphs 4 to 6). Subsequently, the United States informed the TMB that, in pursuance of an earlier communication to the TMB, it had removed the restraint on imports of products of US category 435 from Honduras on 30 September 1997 (G/TMB/R/36, paragraph 14).

#### Notification under Article 8.9 of the ATC

28. The TMB took note of a communication received from Brazil that “in accordance with paragraph 9 of Article 8 of the ATC, the Brazilian Government shall endeavour to accept in full the recommendations of the TMB concerning transitional safeguards applied to imports of categories 618 (woven artificial filament fabrics) and 838 (men’s and boys’ shirts, knitted or crocheted, of other textile materials) from Hong Kong, contained in document G/TMB/9”. The Government of Brazil also “reserved its rights under paragraph 12 of Article 6 of the ATC in relation to such recommendations” (G/TMB/R/22, paragraph 11). Subsequently, the TMB took note of another communication by Brazil that it had decided, with effect as from 6 January 1997, to rescind the transitional safeguard it applied to imports of textile products from Hong Kong classified in category 838 (G/TMB/R/24, paragraph 9).

#### Notification under Article 8.10 of the ATC

29. The TMB considered a communication from Hong Kong under Article 8.10, related to the safeguard measure introduced by Brazil pursuant to Article 6.11 of the ATC on imports of products of category 618 (woven artificial filament fabrics) from Hong Kong<sup>8</sup>, in which Hong Kong conveyed its inability to conform with the recommendation the TMB had made, according to which the measure should be rescinded by Brazil at latest by 31 December 1997 (G/TMB/R/26, paragraphs 8 to 30).<sup>9</sup>

#### Discussion on Panel and Appellate Body Reports Adopted by the Dispute Settlement Body

30. The TMB had a general discussion on the reports of the panels “United States - Restrictions on imports of cotton and man-made fibre underwear” from Costa Rica and “United States - Measure affecting imports of woven wool shirts and blouses from India”, and of the respective subsequent Appellate Body reports. The TMB agreed to revert to this discussion at a future meeting (G/TMB/R/33, paragraph 14).

#### Comprehensive Report under Article 8.11 of the ATC

31. The TMB devoted part of several meetings to the preparation and adoption of its comprehensive report to the Council for Trade in Goods on the implementation of the ATC during its first stage, envisaged in Article 8.11 of the ATC (G/TMB/R/19, 21, 22, 26, 30, 31, 32, 33 and G/TMB/R/34). In this context the TMB decided to send to WTO Members a request for information regarding the implementation of the notification requirements under Article 7.2 of the ATC, as well as of some of its other provisions (G/TMB/R/23). At the request of the TMB, the WTO Secretariat provided Members with background statistical information with respect to trade in textiles and clothing, in time for the major review to be conducted by the Council for Trade in Goods, pursuant to Article 8.11 (G/L/184).

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<sup>8</sup>See also paragraphs 21 and 28.

<sup>9</sup>The outcome of the TMB review as summarized is contained in the Annex.

The TMB also decided to send to WTO Members, in the early part of April 1997, a reminder of the request for information it had sent on 14 February 1997 (G/TMB/R/26).

Working Procedures

32. The TMB took note of the decision of the Dispute Settlement Body on 3 December 1996 to adopt the Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes (G/TMB/R/22).

Composition of the TMB

33. The composition of the TMB during the period under review is contained in paragraphs 2 of G/TMB/R/21, 23, 24, 25, 29, 32, 33, 35, 36 and 37.

ANNEX

Excerpts of TMB Review of Notifications Received Pursuant to  
Articles 6.9, 6.11 and 8.10 of the ATC

Notification under Article 6.9 of the ATC

United States/El Salvador: imports of cotton and man-made fibre skirts (US category 342/642)

The TMB, while examining the specific and relevant factual information (market statement) made available by the United States to El Salvador during the bilateral consultations, observed that considerable efforts had been made by the United States to match the data as closely as possible to the requirements of paragraphs 2, 3 and 4 of Article 6.

The TMB noted that the volume of imports into the United States of products of category 342/642, from all sources, had increased in 1993 and 1994, and had continued to increase in 1995. This had taken place in the context of a product subject to quantitative restrictions for a large number of countries, including some small suppliers in this category.

The TMB observed that certain economic variables such as the declining United States' domestic production, the reduction of the share of the United States' market held by domestic manufacturers to a relatively low level, the decrease in employment, particularly in 1994 and 1995, and the pressure put on domestic prices by imports prices, indicated that the United States' industry producing cotton and man-made fibres skirts was experiencing problems as a result of increased imports. On the other hand, some other economic variables, in particular the evolution of average wages per worker, could point to a different direction. With respect to some other variables, the TMB noted that exports remained at a low level and were declining; productivity had remained stable despite reductions in employment. Data on some elements, supplied at a higher level of industry aggregation, such as, for example, profits, investment, inventories and capacity utilization, could not provide sufficient guidance. The TMB concluded that, taking into account the elements mentioned above, the circumstances described in paragraph 2 of Article 6 were observed in the United States' market for cotton and man-made fibre skirts.

The TMB further observed that imports of products of category 342/642 into the United States from El Salvador had increased significantly, particularly in 1995. This was taking place in the context of increased imports from several other sources, both restrained and un-restrained, whose share of overall imports was larger than that of El Salvador. El Salvador's exports were however, on average, priced substantially below the US average domestic price and, with one exception, below the average prices of imports from countries with a higher share of imports. The TMB therefore considered that the circumstances described in paragraph 2 of Article 6 could be attributed to increased imports from El Salvador.

The TMB noted that the total level of the agreed restraint, as well as that portion of the restraint that was available unconditionally to El Salvador (i.e. the specific limit), were substantially above the rollback level. It observed that no growth rate was provided for with respect to the GAL. However, keeping also in mind indications given by the United States Government that GALs can be increased on request, it is the TMB's understanding and recommendation that the GAL will be increased by no less than 6 per cent annually.

On the basis of the considerations mentioned above, the TMB concluded that this restraint measure agreed between the United States and El Salvador was justified in accordance with the provisions of Article 6 of the Agreement on Textiles and Clothing.

Brazil/Hong Kong: imports of woven artificial filament fabrics (category 618)

Notification by Brazil under Article 6.11 of the ATC

The Brazilian industry was showing somewhat contradictory symptoms and the evolution of a number of economic indicators and their possible inter-relation could lead to diverging interpretations. The slight increase in production, improvement of productivity, increase of exports and rise in wages could allow an interpretation that the industry had already been relatively successful in terms of re-structuring and adjusting to the new competitive conditions. Developments regarding employment, the number of enterprises, capacity utilization, profits and investment could point to the opposite direction. The data provided an unambiguous indication that the industry had been unable to take advantage of the substantial increase in its domestic market. Part of the strength of the domestic demand could be attributed to the implementation of the economic stabilization programme, and in particular to the liberalization of imports undertaken by Brazil during the last decade. Adjustment efforts had been undertaken, which had not enabled the Brazilian industry to compete successfully with imports, in particular given the price levels prevailing in the Brazilian market. The TMB took the view that, under these circumstances, the Brazilian industry producing, *inter alia*, woven artificial filament fabrics was experiencing serious damage.

On the basis of the data submitted by Brazil, it was difficult to assess the extent to which this damage could be attributed specifically to the difficulties experienced by the producers of products of category 618. The TMB, while accepting that serious damage to the industry producing category 618 could be demonstrated, expressed concern that, with respect to some variables, it had to rely on arguments by inference, in view of the lack of sufficiently specific data relating to the category itself.

The TMB therefore had to consider whether this serious damage could be attributed to imports from Hong Kong, in accordance with paragraph 4 of Article 6 of the ATC. In doing so, the TMB, mindful of the fact that, according to this paragraph “none of these factors, either alone or combined with other factors, can necessarily give decisive guidance”, noted the following:

- imports from Hong Kong had shown a substantial increase between 1994 and 1995;
- this increase in imports from Hong Kong had taken place in the context of an even greater increase in imports from all sources;
- the share of imports from Hong Kong in Brazil’s apparent consumption of products of category 618 had increased from 1994 to 1995;
- the average import price for Hong Kong was below domestic prices for products at a comparable stage of commercial transaction. In this respect the TMB considered the argument that products imported from Hong Kong were addressing a different segment of the market from that addressed by domestic products, but, due to the lack of necessary technical information, could not reach a conclusion on this.

Such elements allowed the TMB to conclude that the serious damage experienced by the Brazilian industry could be attributed in part to imports from Hong Kong in accordance with paragraph 4 of Article 6.

The TMB noted that Brazil had invoked the provisions of paragraph 11 of Article 6 and applied the restraint provisionally, as it had considered that its industry was experiencing “highly unusual and critical circumstances, where delay would cause damage which would be difficult to repair”. It took note of the limited information provided by Brazil to Hong Kong on this matter, and of the information it had provided to the TMB, according to which a further increase in imports was imminent, in view of the amount of import licences issued, as well as of the amounts of goods that could be imported into Brazil at short notice from Brazilian customs' warehouses. The TMB noted that these expectations had not materialized.

The TMB was of the view that in cases where the provisions of paragraph 11 of Article 6 were invoked, the expectation was that the elements envisaged in paragraphs 2, 3 and 4 of Article 6 would indicate as unambiguously as possible the highly unusual and critical character of the circumstances. The TMB was also of the view that, unless such circumstances were met, any action taken under Article 6 should be preceded by consultations between the parties.

The TMB observed that paragraph 11 of Article 6 requires it to promptly conduct an examination of the matter, and to make appropriate recommendations to the Members concerned. In this regard the TMB noted that it had arrived at the conclusions according to which:

- a) serious damage to the industry producing products category 618, caused by increased quantities in total imports of these products, could be demonstrated;
- b) the serious damage experienced by the Brazilian industry could be attributed in part to imports from Hong Kong in accordance with paragraph 4 of Article 6.

It observed, however, that there were indications to the effect that the Brazilian industry producing products of category 618 had already been undertaking important restructuring and adjustment. In light of this the TMB considered that a shorter period of time than the maximum time-frame envisaged in paragraph 12(a) of Article 6 should enable the industry in Brazil to successfully accomplish its adjustment to the changed competitive environment. The TMB recommended therefore that the measure taken by Brazil against imports from Hong Kong of products of category 618 should be rescinded at latest by 31 December 1997.

#### Notification by Hong Kong under Article 8.10 of the ATC

As follows from the TMB's observations reflected in particular in paragraphs 17, 20, 22, 23 and 25 [of G/TMB/R/26], the Body agreed with Hong Kong's main contention according to which a determination of serious damage could not be made almost entirely by reference to, and therefore by inferences drawn from, data relating to much broader industries in respect of which damage is claimed. On the other hand, in carefully considering its examination of the particular case (i.e. the Brazilian measures against imports of category 618 products from Hong Kong), the TMB could not reach the same conclusions as Hong Kong did, since in this case the determination of serious damage had not been made almost entirely by reference to data relating to such broader industries, as some important data and factual information provided by Brazil were category-specific.

The TMB recognized, however, that certain formulations of its report on the examination of this matter pursuant to paragraph 11 of Article 6 could be read so as to lead to slightly divergent conclusions, which could be different from the statement contained in the preceding paragraph. This applied in particular to paragraphs 20 and 21 of the report [G/TMB/R/20]. The reference in the report to the fact that the TMB, with respect to some variables, had to rely on arguments by inference in view of the lack of specific data relating the category itself, was aimed at indicating the serious limitations

that the Body had in drawing reliable conclusions on the basis of data which were related to broader industries than to the category 618 industry.

The TMB recalled that it had already expressed concerns with respect to some of the non-category specific data provided by Brazil, which had made it difficult to assess the extent to which developments in some economic variables could be attributed to the evolution of the market in category 618 products. While in light of the conclusions reached in paragraphs 18, 23, 27 and, in particular, 28 [of G/TMB/R/26], the TMB did not consider it appropriate to revise its recommendations adopted in November 1996 or to issue further recommendations, the Body recalled that it had observed that there were indications to the effect that the Brazilian industry producing products of category 618 had already been undertaking important restructuring and adjustment. The TMB, therefore, expected Brazil to keep the developments of the market of category 618 products under review, and recalled that it had recommended to Brazil that the measure taken against imports from Hong Kong of products of category 618 should be rescinded at latest by 31 December 1997.

Brazil/Hong Kong: imports of men's and boys' shirts, knitted or crocheted, of other textile materials (category 838)

Notification by Brazil under Article 6.11 of the ATC

On the basis of the considerations [detailed in paragraphs 31 to 33 of G/TMB/R/20], the TMB came to the conclusion that Brazil had not demonstrated that the Brazilian industry producing products of category 838 had experienced serious damage, as envisaged in paragraph 2 of Article 6, and recommended that Brazil rescind the measure.

The TMB equally observed that the recourse by Brazil to the provisions of paragraph 11 of Article 6 was not appropriate. The TMB reiterated its view that in cases where these provisions were invoked, the expectation was that the elements envisaged in paragraphs 2, 3 and 4 of Article 6 would indicate as unambiguously as possible the highly unusual and critical character of the circumstances, and that, unless such circumstances were met, any action taken under Article 6 should be preceded by consultations between the parties.

Notifications by Brazil and Korea under Article 6.10 of the ATC: imports of artificial and synthetic fibre products of categories 611, 618, 619, 620 and 627

The TMB noted that, with respect to all the categories subject to agreement with Korea, Brazil had invoked the provisions of paragraph 11 of Article 6 and applied the restraints provisionally, as it had considered that its industry was experiencing "highly unusual and critical circumstances, where delay would cause damage which would be difficult to repair". It observed in this regard that Brazil had not provided to Korea in its market statements data as up to date as could be expected to substantiate the critical circumstances. The TMB recalled its view<sup>10</sup> that in cases where the provisions of paragraph 11 of Article 6 were invoked, the expectation was that the elements envisaged in paragraphs 2, 3 and 4 of Article 6 would indicate as unambiguously as possible the highly unusual and critical character of the circumstances. The TMB was also of the view that, unless such circumstances were met, any action taken under Article 6 should be preceded by consultations between the parties.

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<sup>10</sup>See G/TMB/R/20, paragraph 24.

Category 611 - woven fabrics containing 85 per cent or more by weight of artificial staple

The TMB considered all the factors mentioned [detailed in paragraphs 11 to 14, and 16 of G/TMB/R/27], none of which, either alone or combined with other factors, can necessarily give decisive guidance, in assessing whether the Brazilian industry producing products of category 611 was experiencing serious damage. Bearing in mind also its view that product-specific information and data should have a major impact on the overall assessment whether serious damage or actual threat thereof could be demonstrated,<sup>11</sup> the TMB concluded that the circumstances described in paragraph 2 of Article 6 were observed in Brazil's market for woven fabrics containing 85 per cent or more by weight of artificial staple.

The TMB further observed that imports of products of category 611 into Brazil from Korea had increased by more than 287 per cent in volume from 1994 to 1995, so that Korea had consolidated its position as the main supplier on the Brazilian market for category 611. Korea's share of the total volume of imports of products of category 611 into Brazil had increased from 36.8 per cent to 64.1 per cent between 1994 and 1995. The average price of imports of products of category 611 from Korea had fallen over the same period, and was 33 per cent below domestic prices in 1995. The TMB therefore considered that the circumstances described in paragraph 2 of Article 6 could be attributed to a sharp and substantial increase in imports from Korea.

On the basis of the above considerations and bearing in mind the fact that all the elements of the agreement, mentioned in paragraph 8 [of G/TMB/R/27], were in conformity with the relevant paragraphs of Article 6, the TMB concluded that this restraint measure agreed between Brazil and Korea was justified in accordance with the provisions of Article 6 of the ATC.

Category 618 - woven artificial filament fabrics

Considering all the factors mentioned [detailed in paragraphs 11 to 14, and 20 of G/TMB/R/27], none of which, either alone or combined with other factors, can necessarily give decisive guidance, and bearing in mind also its view that product-specific information and data should have a major impact on the overall assessment whether serious damage or actual threat thereof could be demonstrated, the TMB concluded that the circumstances described in paragraph 2 of Article 6 were observed in Brazil's market for woven artificial filament fabrics.

The TMB further observed that imports of products of category 618 into Brazil from Korea had increased by more than 186 per cent in volume from 1994 to 1995, so that Korea had remained the second supplier on the Brazilian market for category 618, although Korea's share of the total volume of imports of products of category 618 into Brazil had decreased from 28.1 per cent to 24.5 per cent. The average price of imports of products of category 618 from Korea had fallen over the same period. The TMB therefore considered that the circumstances described in paragraph 2 of Article 6 could be attributed to a sharp and substantial increase in imports from Korea.

On the basis of the above considerations and bearing in mind the fact that all the elements of the agreement, mentioned in paragraph 8 [of G/TMB/R/27], were in conformity with the relevant paragraphs of Article 6, the TMB concluded that this restraint measure agreed between Brazil and Korea on imports of products of category 618 was justified in accordance with the provisions of Article 6 of the ATC.

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<sup>11</sup>See G/TMB/R/26, paragraph 25.

The TMB further recalled that, in the context of its review of the safeguard measure taken at the same time by Brazil on imports from Hong Kong of products of category 618, it had observed that there were indications to the effect that the Brazilian industry producing products of category 618 had already been undertaking important restructuring and adjustment. In light of this the TMB had considered that a shorter period of time than the maximum time-frame envisaged in paragraph 12(a) of Article 6 should enable the industry in Brazil to successfully accomplish its adjustment to the changed competitive environment, and had therefore recommended that the measure taken by Brazil against imports from Hong Kong of products of category 618 should be rescinded at latest by 31 December 1997.<sup>12</sup>

#### Category 619 - polyester filament fabrics

The TMB considered all the factors mentioned [detailed in paragraphs 11 to 14, and 25 of G/TMB/R/27], none of which, either alone or combined with other factors, can necessarily give decisive guidance, in assessing whether the Brazilian industry producing products of category 619 was experiencing serious damage. Bearing in mind also its view that product-specific information and data should have a major impact on the overall assessment whether serious damage or actual threat thereof could be demonstrated, the TMB concluded that the circumstances described in paragraph 2 of Article 6 were observed in Brazil's market for polyester filament fabrics.

The TMB further observed that imports of products of category 619 into Brazil from Korea had increased by more than 139 per cent in volume from 1994 to 1995, so that Korea had consolidated its position as the main supplier on the Brazilian market for category 619. Korea's share of the total volume of imports of products of category 619 into Brazil had increased from 43.9 per cent to 60.1 per cent between 1994 and 1995. The average price of imports of products of category 619 from Korea had fallen over the same period, and was 44.4 per cent below domestic prices in 1995. The TMB therefore considered that the circumstances described in paragraph 2 of Article 6 could be attributed to a sharp and substantial increase in imports from Korea.

On the basis of the above considerations and bearing in mind the fact that all the elements of the agreement, mentioned in paragraph 8 [of G/TMB/R/27], were in conformity with the relevant paragraphs of Article 6, the TMB concluded that this restraint measure agreed between Brazil and Korea on imports of products of category 619 was justified in accordance with the provisions of Article 6 of the ATC.

#### Category 620 - other synthetic filament fabrics

The TMB considered all the factors mentioned [detailed in paragraphs 11 to 14, and 29 of G/TMB/R/27], none of which, either alone or combined with other factors, can necessarily give decisive guidance, in assessing whether the Brazilian industry producing products of category 620 was experiencing serious damage. Bearing in mind also its view that product-specific information and data should have a major impact on the overall assessment whether serious damage or actual threat thereof could be demonstrated, the TMB concluded that the circumstances described in paragraph 2 of Article 6 were observed in Brazil's market for other synthetic filament fabrics.

The TMB further observed that imports of products of category 620 into Brazil from Korea had increased by more than 600 per cent in volume from 1994 to 1995, so that Korea had become the main supplier on the Brazilian market for category 620. Korea's share of the total volume of imports of products of category 620 into Brazil had increased from 24.9 per cent to 53.5 per cent between 1994

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<sup>12</sup>See G/TMB/R/20, paragraph 26.



and 1995. The average price of imports of products of category 620 from Korea had fallen over the same period, and was 36.9 per cent below the average domestic price in 1995. The TMB therefore considered that the circumstances described in paragraph 2 of Article 6 could be attributed to a sharp and substantial increase in imports from Korea.

On the basis of the above considerations and bearing in mind the fact that all the elements of the agreement, mentioned in paragraph 8 [of G/TMB/R/27], were in conformity with the relevant paragraphs of Article 6, the TMB concluded that this restraint measure agreed between Brazil and Korea on imports of products of category 620 was justified in accordance with the provisions of Article 6 of the ATC.

#### Category 627 - sheeting of staple filament fibre combination

The TMB considered all the factors mentioned [detailed in paragraphs 11 to 14, and 33 of G/TMB/R/27], none of which, either alone or combined with other factors, can necessarily give decisive guidance, in assessing whether the Brazilian industry producing products of category 627 was experiencing serious damage. Bearing in mind also its view that product-specific information and data should have a major impact on the overall assessment whether serious damage or actual threat thereof could be demonstrated, the TMB concluded that the circumstances described in paragraph 2 of Article 6 were observed in Brazil's market for sheeting of staple filament fibre combination.

The TMB further observed that imports of products of category 627 into Brazil from Korea had increased by more than 229 per cent in volume from 1994 to 1995, so that Korea had maintained its position as the main supplier on the Brazilian market for category 627, although Korea's share of the total volume of imports of products of category 627 into Brazil had decreased from 39.7 per cent to 37.3 per cent between 1994 and 1995. The average price of imports of products of category 627 from Korea had fallen over the same period, and was 40.9 per cent below the average domestic price in 1995. The TMB therefore considered that the circumstances described in paragraph 2 of Article 6 could be attributed to a sharp and substantial increase in imports from Korea.

On the basis of the above considerations and bearing in mind the fact that all the elements of the agreement, mentioned in paragraph 8 [of G/TMB/R/27], were in conformity with the relevant paragraphs of Article 6, the TMB concluded that this restraint measure agreed between Brazil and Korea on imports of products of category 627 was justified in accordance with the provisions of Article 6 of the ATC.

SECTION XIV

WORKING PARTY ON STATE TRADING ENTERPRISES



REPORT (1997) OF THE WORKING PARTY ON  
STATE TRADING ENTERPRISES

I. Organization of the work of the Working Party

1. The Working Party on State Trading Enterprises was established by the Council for Trade in Goods at its meeting on 20 February 1995 pursuant to paragraph 5 of the Understanding on the Interpretation of Article XVII of the General Agreement on Tariffs and Trade 1994 (hereinafter "the Understanding"). Membership of the Working Party is open to all Members indicating their wish to serve on it. Observer governments in the General Council of the WTO have observer status in the Working Party. During the period under review, Mr. Peter May (Australia) and Mr. Jacques Teyssier d'Orfeuill (France) respectively served as Chairman of the Working Party.

2. The mandate of the Working Party, as set out in paragraph 5 of the Understanding, is: (1) to review notifications and counter-notifications on state trading; (2) to review, in the light of the notifications received, the adequacy of the questionnaire on state trading (BISD 9S/184-185) and the coverage of state trading enterprises notified under paragraph 1 of the Understanding; and (3) to develop an illustrative list showing the kinds of relationships between governments and enterprises, and the kinds of activities, engaged in by these enterprises, which may be relevant for the purposes of Article XVII.

3. This report is submitted under paragraph 5 of the Understanding. It sets out the activities of the Working Party during the period under review (November 1996 - November 1997).

4. Participants in the Working Party's meetings to date are: Argentina, Australia, Bangladesh, Brazil, Brunei Darussalam, Canada, Chile, Colombia, Costa Rica, Cuba, Cyprus, Czech Republic, Egypt, El Salvador, European Communities and their member States, Hong Kong<sup>1</sup>, Honduras, Hungary, India, Indonesia, Israel, Japan, Korea, Malaysia, Malta, Mauritius, Mexico, Morocco, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Romania, Singapore, Slovak Republic, South Africa, Switzerland, Thailand, Turkey, United States, Uruguay, Venezuela and Zambia. China, Chinese Taipei, Russian Federation and Vietnam participated as observers.

5. The Working Party held three formal meetings during the period under review: on 18 February 1997, 18 July 1997 and 14 November 1997. The Minutes of the Working Party's meetings are contained in documents G/STR/M/7 - 9. In addition, the Chairman convened seven informal meetings with the objective of advancing work on the tasks mandated to the Working Party in the Understanding.

II. Notification and review of Members' state trading activities

6. All Members are required under Article XVII of GATT 1994 and paragraph 1 of the Understanding to submit annually notifications of their state trading activities. In the first and fourth years, "new and full" notifications are required, while in the intervening years an updating notification

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<sup>1</sup>The name of this Member has changed to "Hong Kong, China" as from 1 July 1997.

is to be made indicating any changes since the full notification. At each of the three meetings, the Chairman made a statement concerning the need for timely compliance with the notification requirements under Article XVII and the Understanding.

7. Since the first request for "new and full" notifications of state trading enterprises was circulated (in March 1995), such notifications have been received from 55 Members, counting the European Communities and their member States as one. Updating notifications for 1996 have been received from 28 Members, and for 1997 from 16 Members. (*see* the Annex to this report)

8. At its meeting on 18 February 1997, the Working Party conducted a review of: (1) new and full notifications from Côte d'Ivoire, El Salvador, Iceland, Israel, Jamaica, Slovenia and Tunisia; updating notifications from Colombia, Indonesia, Japan, Slovak Republic, South Africa, Thailand, Peru and the United Arab Emirates. A number of Members raised detailed questions on some of the notifications, both new and updating, and the Chairman commented that some of these questions seemed of the nature of counter-notifications, of which to date none had been made.

9. At its meeting on 18 July 1997, the Working Party conducted a review of new and full notifications from Botswana, Bulgaria, Mexico, Namibia and Venezuela, as well as of updating notifications from Hungary, Korea, Mauritius, Pakistan and the Philippines. One delegation raised the issue of the delay in written responses to written questions submitted on the notifications, and the Chairman stressed the need for the written question-and-answer process to proceed in a timely fashion. The question and answer documents are carried in the series G/STR/Q1/---.

10. At its meeting on 14 November 1997, the Working Party conducted a review of new and full notifications from Liechtenstein and Zambia, and reviewed updating notifications from the following Members: Argentina, Canada, Chile, New Zealand, Norway, Peru, Romania, South Africa, Switzerland, Thailand, Turkey and the United States. A number of questions were put on several of the notifications, and there was an exchange of views on whether or not, under certain circumstances, the granting of licences under tariff rate quotas may constitute an exclusive or special right or privilege in the sense of Article XVII or the Understanding.

### III. Mandated work programme of the Working Party

11. Regarding its mandated work programme, the Working Party decided at its meeting in February 1996 that substantive work on the revision of the 1960 questionnaire on state trading and the development of an illustrative list would be taken up in informal consultations open to any Member wishing to participate.

12. At the meeting on 18 February, the Chairman reported to the Working Party on the informal consultation he had just held on the two issues. He said that while there were still problems to resolve, it appeared that the Group was close to reaching consensus on a draft text of a revised questionnaire (subsequently circulated as G/STR/W/30/Rev.1) that could be put to the Working Party and considered for adoption. He also reported that while work on the illustrative list had not kept pace with that on the questionnaire, there were proposals on the table and it was hoped that a working text of an illustrative list could soon be developed.

13. At the meeting on 18 July, the Chairman reported to the Working Party on the two informal consultations he had held on the two issues. He said that the earlier prognosis for consensus on the draft revised questionnaire had proved to be too optimistic. While good progress had been made on some parts of the text, other parts - particularly the type of statistical information to be requested in the questionnaire - were proving quite difficult. He would continue the informal consultations and

was encouraged by participants' commitment to resolve the outstanding differences. He also recalled the need for parallel work on the illustrative list and the questionnaire.

14. At the meeting on 14 November, it was stressed by a number of Members that the development of an illustrative list should assist in clarifying what constituted an exclusive or special right or privilege in the sense of Article XVII and the Understanding. The Chairman made a progress report on the informal consultation he had held on the two issues. He said that good progress has been made on the revised draft questionnaire and that it seemed possible to reach agreement on a final text in the near future. Work was also accelerating on an illustrative list, and a consolidated draft text would be considered at the next informal meeting. He would continue his informal consultations and hoped to see both tasks completed by the early part of 1998, in order to enable a revised questionnaire to be put in place for the submission of new and full notifications due in 1998.

ANNEX

NOTIFICATIONS<sup>2</sup> SUBMITTED BY WTO MEMBERS UNDER  
ARTICLE XVII:4(a) OF GATT 1994 AND PARAGRAPH 1 OF THE  
WTO UNDERSTANDING ON THE INTERPRETATION OF ARTICLE XVII

Status as of 10 November 1997

Member	New and Full Notification	Updating Notification (1996)	Updating Notification (1997)
Angola			
Antigua and Barbuda			
Argentina	X	X	X
Australia	X	X	
Bahrain			
Bangladesh			
Barbados	X		
Belize			
Benin			
Bolivia			
Botswana	X		
Brazil	X		
Brunei Darussalam			
Bulgaria	X		
Burkina Faso			
Burundi			
Cameroon			
Canada	X	X	X
Central African Republic			
Chad			
Chile	X	X	X
Colombia	X	X	
Congo			
Costa Rica	X		

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<sup>2</sup>An "x" indicates the notification has been made. Where a "new and full" notification was submitted later than the deadline for updating notifications, it was considered as responding also to the relevant request for updating notifications.

Member	New and Full Notification	Updating Notification (1996)	Updating Notification (1997)
Côte d'Ivoire	X		
Cuba			
Cyprus	X		
Czech Republic	X		
Democratic Republic of the Congo			
Djibouti			
Dominica			
Dominican Republic			
Ecuador			
Egypt			
El Salvador	X		
European Community	X	X	
Fiji			
Gabon			
Gambia	X		
Ghana			
Grenada			
Guatemala			
Guinea Bissau			
Guinea, Rep. of	X		
Guyana			
Haiti			
Honduras	X		
Hong Kong	X	X	X
Hungary	X	X	
Iceland	X		
India	X		
Indonesia	X	X	
Israel	X		
Jamaica	X		
Japan	X	X	X
Kenya			
Korea	X	X	
Kuwait			
Lesotho			



Member	New and Full Notification	Updating Notification (1996)	Updating Notification (1997)
Liechtenstein	X	X	X
Macau	X		
Madagascar			
Malawi			
Malaysia	X		
Maldives			
Mali			
Malta	X		
Mauritania			
Mauritius	X	X	X
Mexico	X	X	
Mongolia			
Morocco	X		
Mozambique			
Myanmar			
Namibia	X		
New Zealand	X	X	X
Nicaragua			
Niger			
Nigeria			
Norway	X	X	X
Pakistan	X	X	X
Panama			
Pap. New Guinea			
Paraguay			
Peru	X	X	X
Philippines	X	X	
Poland	X		
Qatar			
Romania	X	X	X
Rwanda			
Saint Kitts & Nevis			
Saint Lucia			
Saint Vincent & Grenadines			
Senegal			

Member	New and Full Notification	Updating Notification (1996)	Updating Notification (1997)
Sierra Leone			
Singapore	X	X	
Slovak Republic	X	X	
Slovenia	X		
Solomon Islands			
South Africa	X	X	X
Sri Lanka			
Suriname			
Swaziland			
Switzerland	X	X	X
Tanzania			
Thailand	X	X	X
Togo			
Trinidad & Tobago			
Tunisia	X		
Turkey	X	X	X
Uganda			
United Arab Emirates	X	X	
United States	X	X	X
Uruguay	X		
Venezuela	X		
Zambia	X		
Zimbabwe			
<b>Total*</b>	<b>55/117</b>	<b>28/117</b>	<b>16/117</b>

\*The denominator used here (117) reflects the fact that for each obligation, the EC submits a single notification that covers all 15 member States. The official total membership of the WTO (132) includes the EC plus the 15 individual member States.



SECTION XV

BODIES ESTABLISHED UNDER THE AUSPICES OF THE  
COUNCIL FOR TRADE IN GOODS

- COMMITTEE OF PARTICIPANTS ON THE EXPANSION OF  
TRADE IN INFORMATION TECHNOLOGY PRODUCTS



REPORT (1997) OF THE COMMITTEE OF PARTICIPANTS ON THE EXPANSION  
OF TRADE IN INFORMATION TECHNOLOGY PRODUCTS

1. The Committee of Participants on the Expansion of Trade in Information Technology Products, hereinafter referred to as the Committee, was established pursuant to the provisions of the Ministerial Declaration on Trade in Information Technology Products (WT/MIN(96)/16), hereafter referred to as the Ministerial Declaration, and the Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/L/160), in order to carry out the provisions of paragraphs 3, 5, 6 and 7 of the Annex to the Declaration.
2. The Committee has held three formal meetings in 1997: on 29 September, 30 October, and 3 December. The minutes of these meetings are contained in documents G/IT/M/1 to G/IT/M/3. It was agreed that Mr. A. Hoda (Deputy Director General) would serve as Chairman of the Committee until such time as the Committee took a formal decision on the issue of the chairmanship.
3. Membership in the Committee is open to representatives of all participants. At its meeting of 30 October 1997, the Committee adopted rules of procedure which provide for observer status in the Committee to WTO Members which are not participants to the Ministerial Declaration and Governments that are observers to the Council for Trade in Goods. Furthermore, requests for observer status by international intergovernmental organizations will be considered on a case-by-case basis. At this meeting, it was also decided that the World Customs Organization (WCO) would be granted observer status to meetings where the issues of HS classification and HS amendments were included in the agenda.
4. During its first two meetings, the Committee discussed and took decisions, where necessary, on organizational matters in particular on chairmanship, rules of procedure, observership, document distribution, and document derestriction.
5. The Committee has also reviewed the status of implementation, a summary of which is provided in document G/IT/1 and its revisions. It was noted that most participants had submitted the formal documentation for rectification and modification of their WTO schedules in order to incorporate the commitments arising from the Ministerial Declaration, and that others who had not done so, had indicated the documentation would be forthcoming. It was further noted that participants which were in the process of acceding to the WTO were implementing the commitments on an autonomous basis.
6. Pursuant to the provisions of the Ministerial Declaration, the Committee met prior to 30 September 1997 to consider the issue of divergences in classifying information technology products. The Committee took note of document G/IT/2 and its corrigendum and addendum, which provide an overview of the divergences in classification of Attachment B items, and agreed to continue work on this issue.

7. The Committee took note of the timeframe of 1 October to 31 December 1997 for participants to submit lists of additional information technology products for possible additional tariff concessions. Many participants indicated that work was ongoing on this matter, and noted that their lists would be forthcoming.

8. Other work of the Committee during its first three meetings concerned the future work programme. Participants stated their interest in examining non-tariff measures, specifically mentioning standards and import licensing, and matters related to the procedures to address the concerns of small- and medium-sized exporting participants regarding their rights under Article XXVIII. In regard to the coverage of products as contained in the Ministerial Declaration, it was further agreed that a survey would be conducted among the participants on their use of mandatory technical regulations, mandatory conformity assessment procedures, and in addition their application with respect to the two specific standards, namely IEC 950 and CISPR 22.

9. The Committee took note of the interest expressed by Latvia and Panama to become participants to the Ministerial Declaration.

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