The revision, in the context of the multilateral trade negotiations, of existing escape clauses, in particular of the safeguard provisions of Article XIX of the General Agreement on Tariffs and Trade, should adequately reflect the interests of both the developed and the developing countries. As an integral part of this revision, special provisions and procedures should be established in order to regulate the application to developing countries of a differentiated treatment in this field. Such a special treatment would be in accordance with existing GATT provisions by which the particular needs and interests of the developing countries are recognized and with the objectives of the multilateral trade negotiations as stated in the summing-up by the Chairman at the twenty-eighth session of the CONTRACTING PARTIES. Furthermore, the special treatment for developing countries would be particularly compatible with the adoption of a selective approach to the application of safeguard measures.

It is proposed that such a special treatment should consist basically of provisions along the following lines.

I. As a general rule, safeguard measures shall not be applied by developed countries to imports of a product in such a manner as to affect the imports of the product in question from developing countries. In particular, imports of the product from developing countries who are new entrants in the markets of the developed countries shall be excluded from the application of safeguard measures. Developed countries have the obligation to implement adjustment assistance measures designed to avoid the need to resort to the application of safeguard measures against imports from developing countries. The application of safeguards to imports of a product by a developed country may only affect the imports of the product from developing countries in compelling and exceptional circumstances, which cannot be corrected within a reasonable period of time by the implementation of adjustment assistance measures or by other appropriate means, subject to all of the criteria set forth in sub-paragraph (a) and in accordance with the procedures and modalities described in sub-paragraph (b).
(a) - **Criteria.** In order to have recourse to the application of safeguards against imports from developing countries, a developed country must be in a position to prove that:

(i) an unforeseeable and substantial increase in the imports of a product from all sources has occurred;

(ii) the global increase is disproportionately greater than the rate of growth of domestic consumption of the product in the importing country and of the rate of growth of exports, if any, of the product by the developed country;

(iii) the major cause of this global increase is an unforeseeable and substantial increase in imports of the product from developing countries;

(iv) the increase in imports of the product from developing countries is the major cause of effectively verified serious injury to domestic producers of like products in the importing country, in terms of a reduction of the levels of production and employment;

(v) the application of the measure shall not cause serious injury to the developing countries, which is to be assessed both in terms of the present and the potential levels of production and employment and in terms of the present and potential importance of the product in question for the overall exports of the developing countries concerned as well as the importance of the market of the particular developed country for the exports of the product by the developing countries.

(b) - **Procedures and modalities.** The application of a safeguards measure by a developed country against imports from developing countries shall be subject to the following procedures and modalities:

(i) the application of safeguards shall in all cases be preceded by consultations with the developing countries concerned with a view, *inter alia,* to assessing the fulfilment of the criteria set forth in sub-paragraph (a), to examining alternative solutions and to determining adequate compensation for the developing countries;

(ii) if such consultations fail to produce satisfactory results, the application of safeguards shall depend on authorization by (an appropriate multilateral body), which shall be guided in its deliberations by the present provisions;
(iii) in the case of the application of safeguards to imports from developing countries in accordance with the procedure described in item (ii) above, and unless the (appropriate multilateral body) determines that the compensation offered is satisfactory, the developing countries shall, individually or collectively, have the right to suspend the application to the trade of the developed country having recourse to the safeguard measure of substantially equivalent concessions or other obligations;

(iv) the application of safeguards by a developed country to imports from developing countries shall always be accompanied by a commitment by the country applying the measure to promptly implement adjustment assistance measures;

(v) safeguard measures against imports from developing countries shall in principle take the form of an appropriate tariff surcharge; only exceptionally may a developed country resort to the adoption of quantitative restrictions;

(vi) safeguards applied to imports from developing countries shall in any case be designed not to secure a reduction of the imports below the level obtained prior to their introduction, but to provide for an adequate rate of increase of the imports in question, greater than the rate applicable, in similar cases, to imports from developed countries;

(vii) safeguard measures against imports from developing countries shall be applied for a period of no longer than twelve months;

(viii) any extension of the period established in item (vii) shall depend on further consultations between the developed country applying the safeguards and the developing countries affected by the measures and, if such consultations fail to produce satisfactory results, on authorization by the (appropriate multilateral body), which shall, inter alia, evaluate the adjustment assistance measures implemented by the country applying the safeguards.

II. Special provisions should be elaborated in order to facilitate the application by developing countries of safeguard measures, in accordance with their particular needs and interests.