

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Safeguards

STATEMENT MADE BY THE SPOKESMAN FOR THE NORDIC COUNTRIES AT THE MEETING OF 2 APRIL 1982

I would like to start my intervention by stating how much the Nordic countries appreciate your initiative to convene the Safeguards Committee today. As you will recall, we have consistently emphasized the urgency of making further progress in the safeguards negotiations which we find a key issue among the so-called unfinished business facing the GATT. The fact that we are heading towards a Ministerial meeting in November gives obviously even further importance to additional negotiating efforts.

We have studied with great interest the useful document prepared by the secretariat and circulated under code Spec(82)18.

Of course our capitals have not yet had time to examine the document in detail and thus our comments today will be of a preliminary nature. We might also wish to revert to some of these issues in the course of our future work. The note illustrates the situation we are facing in the actual application of various types of measures taken for safeguard purposes. It supports and even increases our concern regarding the proliferation of various "grey zone" measures outside the legal framework of the GATT. A closer analysis of the various types of measures reveals certain factors, inter alia, the selective character of most of the measures and the considerable trade coverage of these measures.

The facts are in front of us, the question is how to proceed from here. Of course the factual basis can be further improved, and we would welcome additional efforts by the secretariat to elaborate the material contained in Spec(82)18. For instance, it might be worthwhile to categorize the so-called "other measures" according to their real effect on trade. Evidently some of those measures affect the pricing of goods, others may have direct impact on the quantities traded. This kind of a distinction would seem to be relevant, if our intention is to get an accurate picture of what is happening in terms of the practical application of various safeguard measures. In this process

we think it to be essential to avoid broadening the study to the extent that it becomes unmanageable. Instead we should focus on work on those measures that are most relevant in terms of their safeguard effect. We for our part are prepared to co-operate with the secretariat to achieve this aim.

Whatever we decide to do about additional documentation and factual analysis, the Nordic countries would find it essential to start a more action-oriented negotiation as soon as possible. What we have in mind is a real, substantive contribution by this Committee to the Ministerial meeting. We would envisage such a contribution to be built of the following blocks:

1. The political "message" of the Ministers or "Declaration", ought to address itself to safeguards. If we are, as it seems from all public statements, in agreement on the need to strengthen the GATT and the application of its rules, it would seem logical that the Ministers commit themselves to avoid the use of different kinds of safeguard measures outside the GATT. We do not underestimate the difficulties involved, but the phasing out of such measures within a limited time-period ought to be a clear objective. In this context we also need to carefully consider the possibilities of phasing out negotiated exceptions to generally applied GATT rules.
2. On the basis of the kind of commitment outlined above, it ought to be possible to agree on a considerably increased transparency in the field of safeguards. The Nordic countries have put some of their ideas on paper, which is at your disposal. In that proposal we have envisaged an operative Safeguards Committee, which could deal with individual safeguard actions, thus providing a forum which we are lacking today. The Ministers could either take the decision proper or, if it is the wish of the members of this Committee, the decision could be taken in advance of the Ministerial meeting, in which case the Ministers could take note of it.
3. We are all aware that there are a number of key questions which can hardly be solved before the Ministerial meeting, nor at the meeting. However, such issues must be resolved in the foreseeable future in order to make the system function properly. What we would expect from the Ministers would be to include the continuation of the safeguards negotiations in the future work programme of the GATT, with a clear deadline for a comprehensive agreement on safeguards.

The outline sketched above is by no means an ideal one. We would have liked to see the Ministers giving their blessing to a comprehensive safeguards agreement, with all the details on modalities, discipline and transparency fully resolved.

The difficulties involved and the time factor make it necessary, however, to consider carefully the prospects for some kind of an interim agreement as a first step towards a comprehensive solution.