

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATEMENT BY THE NIGERIAN REPRESENTATIVE ON SAFEGUARDS

1. This delegation has given serious consideration to the question of safeguards and adjustment assistance in the context of the forthcoming trade negotiation and the Nigerian delegation with the concurrence of the majority of the developing countries, members and non-members of GATT, has come to the belief that nothing short of the acceptance of the following general principles and objectives in respect of the application of safeguards and adjustment assistance could create the desirable conditions in international trade and result in additional benefits for the export trade of the developing countries from those negotiations. Hence, the Nigerian delegation wishes to put on record for the serious consideration of this Committee, the following important points.
2. In the use of safeguard and adjustment assistance measures, the developed countries should be guided by their declared objective of ensuring a rapid and sustained expansion of the export earnings of the developing countries, particularly the least developed among them, as well as their solemn undertaking to refrain from introducing or intensifying the incidence of trade barriers on imports from developing countries.
3. In order that the tariff reductions, bindings and preference, the liberalization of non-tariff barriers and other concessions that may be obtained by developing countries in the multilateral trade negotiations will be of real benefit to these countries, which will have to plan the development of their export production and allocate their investment resources on a long-term basis, the developed countries should undertake to rely primarily if not exclusively on national and regional adjustment assistance measures for solving any problems that might arise from an increase in imports of specific products from developing countries, and to desist from using safeguard measures against such imports.
4. To this end there shall be established, in the context of the multilateral negotiations, a set of rules governing the use of safeguard and adjustment assistance measures, applicable in the industrial as well as agricultural sector, which would ensure the continued and effective implementation of all benefits for developing countries, including the additional benefits which should be obtained by them particularly the least developed, in the forthcoming negotiations.

5. No safeguard action through the application of restrictions should be taken by developed countries against imports from any developing country. If, however, in compelling and exceptional circumstances such as those defined as a situation of "market disruption", such action is considered unavoidable in a specific case, the developed country should consult with any developing country concerned before the action is taken or, if this is for justifiable reasons impracticable, immediately thereafter.

6. Any such action should be the subject of an established procedure and requires in each case a specific authorization after examination in the light of the following criteria and considerations:

- (a) The application of a safeguard measure against imports from a developing country must be due to compelling and exceptional circumstances which could not be met by other means.
- (b) Application of the safeguard measure should be accompanied by action to bring about domestic adjustment so that the use of the safeguard mechanism will in fact be temporary.
- (c) Import relief against imports from a developing country can be provided only in the face of serious injury caused to the domestic industry by a sudden influx of imports from that developing country, and not by imports from other sources or other factors unconnected with imports. A sudden rise in imports in itself shall be no sufficient justification for such action. Both the influx in imports and the serious injury must be substantiated and not merely considered likely by the importing country.
- (d) The import relief measure should in no case result in a reduction in imports from the developing country concerned below the level attained prior to its introduction. On the contrary there should be provision for a reasonable annual increase if the measure is applied beyond one year.
- (e) A developed country taking safeguard action shall be required to provide adequate compensation in the form of concessions on other products or other benefits to the developing countries whose export interest is affected by the action.

7. The GATT articles and rules concerning safeguards should be modified in order to make them consistent with paragraphs 4 and 5 above, and should, inter alia, have the effect of (i) exempting the developing countries from the effects of safeguard measures which under present rules would be applied to imports from all sources even when the disruption was caused by the exports of a developed country, (ii) substantially tightening the conditions for the application of safeguard measures against imports from developing countries, and (iii) preserving the rights of developing countries to maintain and to introduce safeguard measures under rules and procedures which are no more stringent than at present provided in GATT, due account being taken of their developmental needs in this regard.

8. In regard to all the points made above, a distinction should be drawn between the least developed countries and other developing countries so that the special circumstances and requirements of the former will be duly taken into account in the modified provisions on safeguards.
9. The developed countries should undertake measures for anticipatory structural re-adjustments and other measures in order to establish a new and equitable international division of labour, by enabling developing countries to diversify their economies, to increase the access of their products to the markets of developed countries and thus accelerate the rate of growth of the developing countries. Such adjustment assistance policies and programmes in developed countries should cover all domestic industrial and agricultural sectors which are sensitive to increased imports from developing countries.
10. In order to avoid the use of safeguard measures against imports from developing countries, the developed countries should undertake to adopt adjustment assistance measures whenever an increase in such imports causes or is likely to cause difficulties to domestic industry.
11. The objective of any policy of adjustment assistance in developed countries should be to facilitate the re-allocation of resources to lines of production which are efficient and desirable in the light of domestic and world demand with due regard to the export interests of developing countries, and not to modernize inefficient lines of production competing with imports from developing countries.
12. The criteria governing eligibility for adjustment assistance in developed countries should be explicit and liberal.
13. Multilateral consultative and supervisory machinery should be set up for the purpose of reviewing the policies and measures of adjustment assistance in developed countries, of interest to developing countries.
14. To reiterate the point that I have made above, the facts of my statement have the support of the majority of the developing countries in and outside the GATT.