

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

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**REPORT (1993) OF THE COMMITTEE ON  
SUBSIDIES AND COUNTERVAILING MEASURES**

**I. Organization of the work of the Committee**

1. The Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement (the Agreement) entered into force on 1 January 1980. On 28 October 1993 the following were the signatories of the Agreement: Australia, Austria, Brazil, Canada, Chile, Colombia, Egypt, the European Economic Community, Finland, Hong Kong, India, Indonesia, Israel, Japan, Korea, New Zealand, Norway, Pakistan, Philippines, Sweden, Switzerland, Turkey, United States and Uruguay. Argentina and Poland have signed the Agreement subject to ratification.

2. The signatories of the Agreement are ipso facto members of the Committee on Subsidies and Countervailing Measures established under the Agreement. During the period under review the Committee has held five meetings: on 26 November 1992 (SCM/M/63), on 25 January 1993 (SCM/M/64), on 28-29 April 1993 (SCM/M/65), on 4 June 1993 (SCM/M/66), and on 27-28 October 1993 (SCM/M/67).

3. Twenty-six contracting parties and four non-contracting parties have observer status. Furthermore, two international organizations (IMF and UNCTAD) have attended meetings of the Committee in an observer capacity.

**II. Notification and examination of countervailing duty laws and/or regulations of signatories of the Agreement (Article 19:5)**

4. As of 28 October 1993, twenty-three signatories have submitted their legislation concerning countervailing duty procedures or made communications in this respect to the Committee (SCM/1 and addenda). One signatory (Egypt) has not, as yet, made a formal notification to the Committee under Article 19:5 of the Agreement.

5. During the period under review, the Committee has received notifications regarding amendments to countervailing duty laws and/or regulations from Australia (SCM/1/Add.18/Rev.1/Suppl.6), Brazil (SCM/1/Add.26/Suppl.3 and 4), and Colombia (SCM/1/Add.29/Rev.1).

6. At its two regular meetings held during the period under review, the Committee reverted to and concluded<sup>1</sup> its examination of the countervailing duty legislation of Australia (SCM/1/Add.18/Rev.1/Suppl.5) and (SCM/1/Add.18/Rev.1/Suppl.6) and Chile (SCM/1/Add.16/Rev.2). The Committee continued its examination of the legislation of Brazil (SCM/1/Add.26/Suppl.3 and 4), Colombia (SCM/1/Add.29/Rev.1) and Korea (SCM/Add.13/Rev.1/Suppl.2). Pending before it are

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<sup>1</sup>The Committee may revert to particular aspects of any legislation or implementing regulations at a later stage or in the light of their practical implementation.

questions regarding whether certain legislation of Uruguay (SCM/W/301) and Israel should be notified.

### III. Semi-annual reports on all countervailing duty actions

7. Article 2:16 of the Agreement provides that the signatories shall submit, on a semi-annual basis, reports of any countervailing duty actions taken within the preceding six months. In this regard a standard form for such reports has been worked out (SCM/79). During the period under review, the following reports have been submitted and circulated to the Committee:

- (a) reports for the period 1 July 1992-31 December 1992 have been circulated in addenda to SCM/156. The following signatories have notified the Committee that they have not taken any countervailing duty action during that period: Austria, Colombia, the EEC, Egypt, Finland, Hong Kong, India, Israel, Japan, Korea, New Zealand, Norway, Pakistan, Philippines, Sweden, and Turkey (Add.1). Countervailing duty actions have been notified by Chile (Add.2); Brazil (Add.3); the United States (Add.4); Canada (Add.5); and Australia (Add.6). No report has been received from Indonesia, Switzerland and Uruguay.
- (b) reports for the period 1 January 1993-30 June 1993 have been circulated in addenda to SCM/170. The following signatories have notified the Committee that they have not taken any countervailing duty action during that period: Chile, Colombia, Egypt, Finland, Hong Kong, India, Japan, Korea, Norway, Pakistan, the Philippines, Sweden, Switzerland, and Turkey. Countervailing duty actions have been notified by New Zealand (Add.2); Australia (Add.3); the United States (Add.4); Canada (Add.5); the EEC (Add.6) and Austria (Add.7). No report has been received from Brazil, Indonesia and Israel.

8. The Committee has examined reports circulated in addenda to SCM/156 and SCM/170. A table summarizing the cases where investigations have been opened and provisional or final actions taken during the period 1 July 1992-30 June 1993 is reproduced in Annex I.

### IV. Reports on all preliminary or final countervailing duty actions

9. Notifications under the procedures provided for in Article 2:16 have been received from Chile and the United States and circulated in documents SCM/W/279, 285, 290, 292 and 295.

### V. Notification of subsidies

10. In accordance with the Decision of the CONTRACTING PARTIES at their twentieth session (BISD, Eleventh Supplement, page 58), contracting parties should submit, every third year, new and full responses to the questionnaire on subsidies (BISD, Ninth Supplement, pages 193-194) and bring these notifications up-to-date in the intervening years. New and full notifications were due in 1993 (L/7162 and addenda). The present status of new and full notifications for 1993 by signatories is reproduced in Annex II.

11. During the period under review the Committee intended to begin its examination of full notifications under Article XVI:1 submitted in 1993 (L/7162 and addenda). In light of the fact that only nine of the twenty-four signatories had provided notifications as of 28 October 1993, however, the Chairman postponed convening of a special meeting to examine the notifications. The Committee continued its examination of full notifications under Article XVI:1 submitted in 1990 (L/6630 and addenda) and updating notifications for 1991 (L/6805 and addenda) and for 1992 (L/6973 and addenda). Written questions and answers regarding individual notifications are reproduced in documents SCM/W/277, 280, 283, 284, 286, 287, 288, 291, 293 and corr.1, and 296.

VI. Dispute settlement procedures

12. The Committee has before it the following reports:

- (a) Report of the Panel on EEC subsidies on export of wheat flour (SCM/42) submitted to the Committee on 21 March 1983;
- (b) Report of the Panel on EEC subsidies on export of pasta products (SCM/43) submitted to the Committee on 19 May 1983;
- (c) Report of the Panel on the imposition by Canada of countervailing duties on imports of boneless manufacturing beef from the EEC (SCM/85) submitted to the Committee on 13 October 1987;
- (d) Report of the Panel on countervailing duties on non-rubber footwear from Brazil (SCM/94) submitted to the Committee on 4 October 1989; and
- (e) Report of the Panel on the German exchange rate scheme for Deutsche Airbus (SCM/142) submitted to the Committee on 28 April 1992;
- (f) Report of the Panel on the imposition by the United States of countervailing duties on imports of fresh and chilled Atlantic salmon from Norway (SCM/153) submitted to the Committee on 4 December 1992.

13. During the period under review, reports (a) through (e) were discussed at the regular meetings of 28-29 April 1993 and 27-28 October 1993. Item (f) was first presented to the Committee at its meeting of April 1993 and was discussed at that meeting. As to the reports referred to in (a) to (e) above, the Chairman expressed his serious concern over the blockage of the dispute settlement procedures under the Code.

14. At its special meeting of 26 November 1992, the Committee established a Panel at the request of the EEC regarding the imposition by Australia of countervailing duties on imports of glacé cherries from France and Italy in application of the Australian Customs Amendment Act 1991. The terms of reference and composition of the panel were circulated to the Committee in a document dated 14 January 1993 (SCM/158). The Chairman informed the Committee at its regular meeting of 27-28 October 1993 that the EEC had withdrawn the complaint with the concurrence of Australia, and that a Report of the Panel would be circulated shortly.

15. At its special meeting of 25 January 1993 the Committee established a Panel at the request of the EEC concerning the imposition by Brazil of provisional and definitive countervailing duties on milk powder and certain types of milk from the EEC. The terms of reference and composition of the Panel were circulated to the Committee on 3 March 1993 (SCM/164).

16. At its regular meeting of 28-29 April 1993 the Committee considered a request from the EEC to undertake conciliation under Article 17 of the Agreement concerning (a) the United States' definitive affirmative countervailing duty determinations on imports of certain hot-rolled lead and bismuth bars from France, Germany and the United Kingdom and (b) the United States' preliminary affirmative countervailing duty determinations on imports of certain cut-to-length carbon steel plate and of certain hot-rolled, cold-rolled and corrosion-resistant flat products from Belgium, France, Germany, Italy, Spain and the United Kingdom. The Committee encouraged signatories involved to continue their efforts to reach a mutually acceptable solution consistent with the Code.

17. At its special meeting of 4 June 1993 the Committee established a Panel at the request of the EEC concerning the imposition by the United States of countervailing duties on certain steel products originating in several member states of the EEC. The terms of reference and composition of the Panel were circulated to the Committee on 3 August 1993.

18. At its regular meeting of 27-28 October 1993 the Committee adopted the Report of the Panel on United States measures affecting imports of softwood lumber from Canada (SCM/162), submitted to the Committee on 19 February 1993.

19. Also at its regular meeting of 27-28 October 1993, the Committee considered a request from the United States to undertake conciliation under Article 17 of the Agreement concerning subsidies provided by the EEC with regard to thyristors. It also considered a request from the EEC to undertake conciliation concerning the imposition by the United States of countervailing duties on certain carbon steel flat products from several member states of the EEC. The Committee encouraged signatories involved to reach a mutually acceptable solution consistent with the Code.

29. Also at its regular meeting of 27-28 October 1993, the attention of the Committee was drawn to the Report of the Panel concerning United States measures affecting the export of pure and alloy magnesium from Canada. The Report indicated that Canada had withdrawn its complaint in the dispute.

#### VII. Other Matters

- (a) Consultations regarding subsidies granted by the EEC on the export of glacé cherries (meeting of 28-29 April 1993).
- (b) Workshop on Anti-Dumping and Countervailing Measures (meeting of 28-29 April 1993).
- (c) Adoption of information requirements for observers (meeting of 27-28 October 1993).
- (d) Granting to Chinese Taipei of observer status (meeting of 27-28 October 1993).
- (e) Semi-annual reports of countervailing duty actions - suggestions of the Chairman (meeting of 27-28 October 1993).

# ANNEX I

## Summary of Countervailing Duty Actions 1 July 1992-30 June 1993

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Initiation		Provisional measures		Definitive duties		Undertakings		Out-standing cvd actions
No.	Countries' involved	No.	Countries' involved	No.	Countries' involved	No.	Countries' involved	
12	AR ID KR TH  BR IN PK ZA  <u>AUSTRALIA</u> CA MY(2) SG	1	ZA	0	0	0		11
4	CZ(2) SK(2)  <u>AUSTRIA</u>	-	-	-	-	-	-	0
1	US  <u>BRAZIL</u> <sup>2</sup>	1	US	-	-	-	-	n.a.
-	-  <u>CANADA</u>	-	-	-	-	-	-	8
2	BR PK  <u>CHILE</u>	-	-	1	AR	-	-	n.a.



	Initiation	Provisional measures	Definitive duties	Undertakings	Out-standing cvt actions
No.	Countries' involved	No.	Countries' involved	No.	Countries' involved
1	TH	1	TH	-	n.a.
	<u>EEC</u>				
0	NEW ZEALAND	0		0	1
	<u>UNITED STATES</u>				
42	AT BE(3) BR(4) DE(4) ES(2) FR(4) GB(2) IN IT(3) KR(4) MX(2) NZ(3) SE(2) TW(2) ZA(4) VE	37 AT BE(3) BR(6) DE(5) ES(2) FR(5) GB(2) IN IT(2) KR(4) MX(2) NZ SE(2) VE	BR CA DE FR GB IN MY VE(2)	0	95

<sup>1</sup>Countries or customs territories. The abbreviations used are those adopted by the ISO. AR = Argentina, AT = Austria, AU = Australia, BD = Bangladesh, BE = Belgium, BR = Brazil, CA = Canada, CE = EEC, CH = Switzerland, CL = Chile, CN = China, CO = Colombia, CR = Costa Rica, CS = Czech and Slovak Federal Republic, CZ = Czech Republic, DE = Germany, EC = Denmark, ES = Spain, FI = Finland, FR = France, GB = United Kingdom, GR = Greece, HK = Hong Kong, HU = Hungary, ID = Indonesia, IE = Ireland, IL = Israel, IN = India, IT = Italy, JP = Japan, KR = Korea, LK = Sri Lanka, LU = Luxembourg, MX = Mexico, MY = Malaysia, NL = Netherlands, NO = Norway, NZ = New Zealand, PA = Panama, PE = Peru, PH = Philippines, PK = Pakistan, PL = Poland, PT = Portugal, QA = Qatar, RO = Romania, RU = Russia, SA = Saudi Arabia, SE = Sweden, SG = Singapore, SK = Slovak Republic, SU = USSR, SV = El Salvador, TH = Thailand, TR = Turkey, TT = Trinidad and Tobago, TW = Chinese Taipei, US = United States, UY = Uruguay, VE = Venezuela, ZA = South Africa, ZW = Zimbabwe.

<sup>2</sup>Brazil's data relates to only the second half of 1992. Brazil did not provide a report for the period 1 January-30 June 1993.

n.a. Not available

Note: Numbers in brackets indicate the number of products subject to countervailing measures.

ANNEX II

Notifications under Article XVI:1 of the General Agreement  
by Signatories of the Code on Subsidies and  
Countervailing Measures (1993)

	L/7162 New and Full Notifications for 1993
Australia	Add.5
Austria	
Brazil	Add.11
Canada	Add.6
Chile	Add.9
Colombia	Add.8
Egypt	
Finland	Add.7
Hong Kong	Add.1
India	
Indonesia	
Israel	
Japan	
Korea	
New Zealand	Add.2
Norway	
Pakistan	
Philippines	
Sweden	
Switzerland	
Turkey	
United States	
Uruguay	Add.10

All signatories have made new and full notifications for 1990 (contained in document L/6630 and addenda)



	L/7162 New and Full Notifications for 1993
EEC	
Belgium	
Denmark	
France	
Germany, F.R.	
Greece	
Ireland	
Italy	
Luxembourg	
Netherlands	
Portugal	
Spain	
United Kingdom	