

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Multilateral Trade Negotiations

Group "Safeguards"

NEXT MEETING OF THE GROUP

Proposal by the Chairman

1. The Chairman proposes the following check list of questions as the agenda for the next meeting of the Group, on the understanding that it is not exhaustive, that it does not indicate priorities and that it is without prejudice to the adequacy or inadequacy of the existing multilateral safeguard system:

- (a) What is the relevance to the work of the Group of the fact that actions are frequently taken outside Article XIX and sometimes taken even outside the GATT and that action taken has not always been transparent (i.e. known to all)?
- (b) Is there need for greater precision in the criteria for invocation of safeguard clause, including the terms "cause serious injury" and "threaten serious injury"?
- (c) Is it necessary to strengthen mechanism for prior notification and consultations?
- (d) Should there be greater precision for criteria with regard to "critical circumstances" in which prior consultation is not required?
- (e) Is it necessary or desirable to fix a minimum level for imports, to fix definite time-limits and also to agree on a concept of degressivity for safeguard action?
- (f) Should the existence of a domestic adjustment programme be a prior condition for action?
- (g) In what circumstances are retaliation or compensation appropriate?
- (h) Should Article XIX action continue to be applied on a most-favoured-nation basis?

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(i) Is differentiated treatment for developing countries necessary and desirable in this area and should all developing countries be automatically exempted from safeguard action taken by developed countries?

(j) Should there be multilateral surveillance?

(k) What mechanism should there be, if any, for the settlement of disputes and for arbitration?

(l) Is there a lack of balance of obligation between importing and exporting countries?

(m) Should there be provision for burden sharing among importing countries?

(n) How should the interests of third countries be taken into account?

(o) Is there a need to distinguish between short and long-term problems?

2. Other points could be proposed by delegations as a basis for a systematic discussion of whether improvements in the present system could be achieved.