

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations  
Group "Safeguards"

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## STATEMENT BY REPRESENTATIVE OF NORDIC COUNTRIES ON 15 FEBRUARY 1977

As a response to your invitation that the delegations should define more precisely their positions on safeguards, I would like to make some comments on behalf of the four Nordic countries - Iceland, Norway, Sweden and Finland - defining the Nordic positions on certain essential aspects on safeguards.

The work in this group as well as in other MTN-groups is taking place according to the principles set out in the Tokyo declaration. The guiding idea of this declaration is to further liberalize world trade. This aim must be kept in mind also in the safeguard context. It is an undeniable fact that a workable multilateral safeguard system is to many governments a precondition for participating seriously and effectively to further liberalization of world trade. On the other hand it should be carefully avoided that any reformulation or interpretation of the present rules on safeguards result in creating new, and I dare say, in many cases unnecessary trade barriers having the effect of counteracting the basic objective to liberalize world trade.

Many GATT provisions can warrant safeguard action and all these provisions are thereof relevant in the safeguard context as has been proposed by several delegations. On the other hand it seems to us impossible to handle all these provisions within the time limits set for this negotiation round. Therefore we propose, as we have done already before, that we at this stage focus our attention to the interpretation of Article XIX of the GATT. There has been an evident reluctance of governments to rely on Article XIX due to the lack of specificity under the current procedures to adequately protect the interests of both importers and exporters. Our aim should be to remedy this situation and this calls for a clearer definition of the present safeguard mechanism. In an attempt to ameliorate the present safeguard mechanism it would seem to be realistic and advisable not to set for ourselves too ambitious objectives. In the Nordic view the efforts should be concentrated e.g. on a code of conduct, explanatory or interpretative notes, which would derive from Article XIX in its present form.

The existence of serious injury or threat thereof should be required as a condition for the invocation of safeguard measures. The injury or threat thereof should also be connected with the development of imports, thus there must be a casual relationship between injury and imports. An increase in imports cannot, however, constitute an absolute condition for the right to invoke safeguard measures. When assessing the conditions just mentioned as well as the direction, the scope and the application of safeguard measures, a number of factors having relevance in this context should be taken into account.

The requirement for a concrete adjustment assistance programme as an absolute condition for the invocation of safeguard provisions would be difficult to accept to the Nordic countries. It is understood, however, that adjustment assistance measures, which would facilitate the discontinuation of safeguard measures, should be considered.

Let me then turn to the safeguard measures to be allowed in an improved system. In our view in this respect the present formulation of Article XIX would not need further clarification. In other words the choice of measures should not be specified and the governments be free to use the most appropriate measures. The selection of measures should be discussed, among other things, in the framework of the consultation procedure in the context of an improved safeguard system.

The reference period to be used in safeguard action should not be limited e.g. to one year, but as a general rule cover a longer period, the restriction level being determined on the basis of the average imports during that period. On the other hand there may be cases where the representative reference period must be chosen in relation to the special situation. The period should be selected so as to end as close to the invocation of safeguard measures as possible.

Safeguard measures should be permitted for such time period and to the extent as may be necessary to prevent or remedy serious injury. This should, however, be linked with the requirements to review multilaterally after a certain period the measures taken.

Measures taken to safeguard domestic markets against serious injury or threat thereof should be permitted only against imports that have such effects. On the other hand all imports causing serious injury or threat thereof should receive equal treatment in accordance with the principle of non-discrimination. Imports which in consultations or otherwise are not found to be contributing to serious injury or threat thereof should not be subject to safeguard measures.

In cases, however, where the injurious imports cannot clearly be referred to or where such imports cannot clearly be discernible from other imports, the possibility to apply safeguard measures erga omnes should be retained.

The Nordic countries would be prepared to examine particular wishes of the developing countries with regard to their particular interests, but an automatic exemption of the developing countries from all safeguard action in all circumstances is difficult to accept. It might well be that the elimination of the possibility to apply safeguard clauses on imports from the developing countries could even render more difficult the efforts to improve the access of the developing countries to the markets of the industrialized countries by making the latter less willing to grant concessions in these negotiations. The need to apply safeguard measures to imports from developing countries and the character and scope of the measures to be used must be studied case by case.

Notification and consultation procedures should be tightened up in order to achieve increased discipline for safeguarding action. Also appropriate surveillance should be secured. The detailed aspects of procedures will be considered by the Nordic countries against the background of other elements to be included in an improved safeguard system.

It is evident that in cases, where agreement is reached in consultations under Article XIX:2, no retaliatory action will be permitted.