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1 ANNEX VII

1.1 Text of Annex VII

ANNEX VII

DEVELOPING COUNTRY MEMBERS REFERRED TO IN PARAGRAPH 2(a) OF ARTICLE 27

The developing country Members not subject to the provisions of paragraph 1(a) of Article 3 under the terms of paragraph 2(a) of Article 27 are:

- (a) Least-developed countries designated as such by the United Nations which are Members of the WTO.
- (b) Each of the following developing countries which are Members of the WTO shall be subject to the provisions which are applicable to other developing country Members according to paragraph 2(b) of Article 27 when GNP per capita has reached \$1,000 per annum⁶⁸: Bolivia, Cameroon, Congo, Côte d'Ivoire, Dominican Republic, Egypt, Ghana, Guatemala, Guyana, Honduras, India, Indonesia, Kenya, Morocco, Nicaragua, Nigeria, Pakistan, Philippines, Senegal, Sri Lanka and Zimbabwe.

(footnote original) ⁶⁸ The inclusion of developing country Members in the list in paragraph (b) is based on the most recent data from the World Bank on GNP per capita.

1.2 Annex VII (b)

1.2.1 Rectification to include Honduras

1. On 15 December 2000, the General Council adopted a decision to include Honduras in Annex VII(b):

"Taking into account the unique situation of Honduras as the only original Member of the WTO with a GNP per capita of less than US\$ 1000 that was not included in Annex VII(b) to the Agreement on Subsidies and Countervailing Measures (SCM Agreement), Members call upon the Director-General to take appropriate steps, in accordance with WTO usual practice, to rectify the omission of Honduras from the list of Annex VII(b) countries."¹

1.2.2 Graduation methodology

2. With regard to the graduation methodology from Annex VII(b), paragraph 10.1 of the November 2001 Doha Ministerial Decision on Implementation-Related Issues and Concerns provides for a modification of a consecutive three-year period where the US\$GNP per capita requirement must be fulfilled accordingly:

¹ [WT/L/384](#), para. 6.1. See also Procès-Verbal of Rectification of the Agreement on Subsidies and Countervailing Measures, rectifying the text of Annex VII(b) to include Honduras in the list of countries. ([WT/LET/371](#), 20 January 2001).

"Annex VII(b) to the Agreement on Subsidies and Countervailing Measures includes the Members that are listed therein until their GNP per capita reaches US \$1,000 in constant 1990 dollars for three consecutive years. This decision will enter into effect upon the adoption by the Committee on Subsidies and Countervailing Measures of an appropriate methodology for calculating constant 1990 dollars. If, however, the Committee on Subsidies and Countervailing Measures does not reach a consensus agreement on an appropriate methodology by 1 January 2003, the methodology proposed by the Chairman of the Committee set forth in [G/SCM/38](#), Appendix 2 shall be applied. A Member shall not leave Annex VII(b) so long as its GNP per capita in current dollars has not reached US \$1000 based upon the most recent data from the World Bank."²

3. As of 1 January 2003, because no alternative methodologies were proposed, the methodology set out in Appendix 2 of [G/SCM/38](#) applies.

4. In 2001, four Members listed in Annex VII(b) reserved rights, as provided for in the procedures for extensions under Article 27.4³, to seek extensions of the transition period for the exemption from the prohibition on export subsidies in Article 3.1(a), in the event that they graduate from Annex VII during the period in which other Members have extensions in effect under these procedures.⁴ For further information on extension of the transition period under Article 27.4, see the document on Article 27 of the SCM Agreement (Practice).

5. In 2018, the Central African Republic on behalf of the LDC Group introduced a document to the General Council and Council for Trade in Goods containing a request and a draft decision to be adopted by the General Council concerning the possibility for graduated LDC Members to benefit from the exception provided under Article 27.2(a) of the SCM Agreement to developing countries listed in Annex VII(b).⁵

6. As foreseen in paragraph 10.1 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns, and in application of the graduation methodology in [G/SCM/38](#), the Secretariat has annually informed the Committee of updated calculations reflecting: (i) GNI per capita in constant 1990 dollars covering the three most recent years for which data are available; and (ii) GNI per capita in current dollars for the years 2001 and 2002 (see documents [G/SCM/110 Add.1](#)).⁶

1.2.3 Re-inclusion of Member in Annex VII (b)

7. With regard to re-inclusion in Annex VII(b), paragraph 10.4 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns provides that "if a Member has been excluded from the list in paragraph (b) of Annex VII to the Agreement on Subsidies and Countervailing Measures, it shall be re-included in it when its GNP per capita falls back below US\$ 1,000."⁷

Current as of: July 2020

² [WT/MIN\(01\)/17](#), para. 10.1.

³ [G/SCM/39](#).

⁴ These four Members consist of: Bolivia ([G/SCM/N/74/BOL](#) and [Suppl.1](#)); Honduras ([G/SCM/N/74/HND](#)); Kenya ([G/SCM/N/74/KEN](#)); and Sri Lanka ([G/SCM/N/74/LKA](#)).

⁵ [WT/GC/W/742](#) - [G/C/W/752](#).

⁶ These annual updates are found in the following documents: [G/SCM/110](#) for 2001; [G/SCM/110/Add.1](#) for 2002; [G/SCM/110/Add.2](#) for 2003; [G/SCM/110/Add.3](#) for 2004; [G/SCM/110/Add.4](#) for 2005; [G/SCM/110/Add.5](#) for 2006; [G/SCM/110/Add.6](#) for 2007; [G/SCM/110/Add.7](#) for 2008; [G/SCM/110/Add.8](#) for 2009; [G/SCM/110/Add.9](#) for 2010; [G/SCM/110/Add.10](#) for 2011; [G/SCM/110/Add.11](#) for 2012; [G/SCM/110/Add.12](#) for 2013; and [G/SCM/110/Add.13](#) for 2014; [G/SCM/110/Add.14](#) for 2015; and [G/SCM/110/Add.15](#) for 2016; [G/SCM/110/Add.16](#) for 2017; and [G/SCM/110/Add.17](#) for 2018.

⁷ [WT/MIN\(01\)/17](#), para. 10.4.