

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5496/Add.1

21 November 1983

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## REPORT OF THE COMMITTEE ON SUBSIDIES AND COUNTERVAILING MEASURES

### Addendum

The Committee on Subsidies and Countervailing Measures agreed to add the following paragraphs to its report to the CONTRACTING PARTIES (L/5496).

27. The Committee noted that, in general, the provisions in Part I of the Agreement had contributed to greater transparency regarding the imposition of countervailing duties. The regularized review of countervailing duty actions taken has afforded Signatories the opportunity to examine whether these actions were taken in accordance with the Code and to reiterate the need to adhere faithfully to the provisions of the Code, including their application to developing countries. The systematic examination of national legislations has ensured greater transparency and surveillance of the implementation of the Agreement by Signatories. The Group of Experts set up to facilitate the task of the Committee in reaching an understanding on the calculation and definition of subsidies is actively pursuing its discussions. Although some fundamental issues remain to be resolved some progress has been made towards the objectives of reducing the scope for unilateral interpretations.

28. As for the Agreement's provisions in Part II concerned with the use of subsidies, the Committee felt that there was greater transparency and compliance with the obligations concerning the notifications of subsidies granted or maintained, though there was room for improvement. The Committee considered that the conciliation procedures under Article 17 should be more effectively utilized. The Committee further recognized that in the operation of the Agreement some fundamental issues have emerged, bearing upon the interpretation and application of important provisions of the Agreement and noted that divergent perceptions existed in the Committee in this regard. Because of these difficulties the Committee is still considering certain matters referred to it under Articles 13 and 18 of the Agreement and has not yet made recommendations to parties concerned with a view to resolving disputes brought before it. The Committee therefore recognized an urgent need to examine these issues with a view to arriving at a uniform interpretation and effective application of the provisions in question, in order to achieve fully the objectives of the Agreement.

29. The Committee noted that work in the Committee on Trade in Agriculture has also involved subsidy issues.