

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Preparatory Committee

SAFEGUARDS

Note by the Secretariat

1. This note is issued under the responsibility of the secretariat and is intended to facilitate further discussion in the Preparatory Committee. It seeks to identify, in the light of the discussions recorded in PREP.COM(86)SR/1 and earlier discussions, the main considerations which would appear to be relevant should the Committee decide to formulate recommendations on safeguards. The note is not intended to be a summary of the discussions. It in no way prejudices the views delegations may have as to whether and how the question of safeguards might figure in the Preparatory Committee's recommendations to Ministers, nor should the listing of points for further discussion be regarded as exhaustive.

Main points emerging from the discussion

2. There was general agreement that the question of safeguards should be included in the new round and that the mandate in the 1982 Ministerial Decision to negotiate a comprehensive understanding on safeguards should be taken into account. It was suggested that negotiations on safeguards should also deal with the problem of the so-called "grey area".

3. A number of specific suggestions were made regarding the basis for negotiations on safeguards and reference was made to some suggestions made in the past, including those advanced in 1985 by the Brazilian delegation and those contained in the Leutwiler Report. While some speakers said that certain points should be part of the basic premises for the negotiations, for instance that safeguard measures should only be applied on a non-discriminatory basis, others maintained that the geographical coverage of safeguard measures was one of the main points on which negotiation was required. It was also stated that an eventual agreement on safeguards should become an integral part of the General Agreement, so that rights and disciplines in this area would be applied equally between all contracting parties. It was also stated however that substantive problems should be dealt with before questions of legal form.

4. It was suggested that in the absence of an effective agreement on safeguards it would be impossible to ensure the fulfilment of any commitments on standstill and rollback. It was proposed that a special timetable should be established to ensure that results on safeguards would be obtained at an early stage in the new round.

Points for further discussion

5. What can be said about the objectives of negotiations on safeguards? Past discussions have particularly stressed the issue's importance in terms of providing predictability and security in conditions of access, facilitating trade liberalization and ensuring the temporary and exceptional nature of safeguard actions.

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6. Should a decision seek to provide guidance to the negotiators on specific elements in a safeguards agreement?

7. Should a decision seek to ensure that results on safeguards would be obtained and implemented at an early stage in the new round?

8. Should the decision establish any link between safeguards and other questions, notably with structural adjustment in view of the importance of maintaining pressures for adjustment in response to economic change?