

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## STANDSTILL, ROLLBACK AND SAFEGUARDS

### Revision

The following communication, dated 19 March 1986, has been received from the delegation of Brazil with the request that it be circulated on behalf of the following less-developed contracting parties: Argentina, Brazil, Côte d'Ivoire, Cuba, Egypt, Gabon, India, Nicaragua, Nigeria, Pakistan, Peru, Tanzania and Yugoslavia.

"The following constitute the elements to be included in a global commitment for adoption by GATT contracting parties prior to the launching of a new round of trade negotiations on standstill, rollback and safeguards:

The commitments to standstill, rollback and to conclude a comprehensive agreement on safeguards are mutually reinforcing undertakings which represent a crucial contribution to the preservation and strengthening of the GATT system.

Contracting parties thus agree that:

#### I. Standstill

1. Before the launching of a new round of multilateral trade negotiations (MTNs) a firm and credible individual commitment to standstill will be required from all contracting parties.
2. The decision to standstill shall constitute a commitment not to introduce any new restrictive import measures, and not to agree with any such measures if proposed by the legislative branch of government, unless the new measures are adopted in strict conformity with the General Agreement on Tariffs and Trade, particularly with:
  - (a) Article VI - Anti-dumping and countervailing duties;
  - (b) Article XIX - Emergency action on imports of particular products;
  - (c) Article XII - Restrictions to safeguard the balance of payments;
  - (d) Article XVIII - Governmental assistance to economic development.
3. The decision to standstill shall apply to all sectors of trade in goods including textiles and clothing. Any new restrictive trade measures will have to conform fully with the provisions of the General Agreement as per paragraph 2 above.

4. The decision to standstill shall be taken at the highest level of the executive branch of government, by executive order or presidential decree or by instrument of equivalent legal status; wherever necessary by constitutional requirement it will have to be supported by appropriate legislative sanction.

5. The individual commitments to standstill shall be notified to GATT before the launching of a new round of MTNs. The commitments shall become effective upon the launching of a new round of MTNs.

6. The GATT Council shall establish the proper machinery for the monitoring and surveillance of the individual standstill commitments notified to GATT.

## II. Rollback

1. In order for a new round of multilateral trade negotiations (MTNs) to be launched a firm and credible individual commitment to roll back measures inconsistent with GATT or not based on specific GATT provisions will be required from developed contracting parties in favour of developing contracting parties.

2. The decision to rollback by developed contracting parties shall apply to all sectors of trade in goods, including textiles and clothing, and shall constitute a commitment to "phase out", in accordance with a time-bound scheme not exceeding 3 years, all existing restrictive import measures applied on imports from developing contracting parties, inconsistent with GATT or not based on specific provisions of the General Agreement on Tariffs and Trade.

3. The decisions to rollback shall be taken at the highest level of the executive branch of government, by executive order or presidential decree or by instrument of equivalent legal status; wherever necessary by constitutional requirement, it will have to be supported by appropriate legislative sanction.

4. The individual commitment to rollback shall be notified to GATT before the launching of a new round of MTNs.

5. The GATT Council shall establish the proper machinery for the monitoring and surveillance of the individual commitments notified to GATT.

## III. Safeguards

1. The question of safeguards is the first priority within a new round of MTNs and as such a matter for agreement, independently of the results of negotiations in other areas, at the very first stage of negotiations.

2. The agreement on safeguards must be based on the MFN principle.

3. The agreement on safeguards must be comprehensive, as foreseen in the Ministerial Declaration of 1982.

4. The agreement on safeguards must clarify and reinforce the disciplines of Article XIX and be an integral part of the General Agreement".