

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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Special Distribution

Multilateral Trade Negotiations

NOTE BY THE SECRETARIAT

This paper is being circulated by the secretariat on its own responsibility in order to try to facilitate the negotiations on this subject.

FRAMEWORK: DRAFT DECISION ON SAFEGUARD ACTION FOR DEVELOPMENT PURPOSES

Draft text

1. The CONTRACTING PARTIES recognize that the implementation of programmes and policies of economic development may involve, in addition to the establishment of particular industries, the development and diversification of the structure of production and trade in various sectors of the economy. Accordingly, they agree that a less-developed contracting party may, for these purposes, modify or withdraw concessions included in the appropriate schedules annexed to the General Agreement as provided for in Section A of Article XVIII, or take measures not otherwise consistent with the provisions of the General Agreement as referred to in Section C of that Article.
2. The CONTRACTING PARTIES recognize further that there may be circumstances where delay in the application of measures which a less-developed contracting party wishes to introduce under Section C of Article XVIII may give rise to difficulties in the application of its programmes and policies of economic development for the aforesaid purposes. They agree, therefore, that in such circumstances, the less-developed contracting party concerned may deviate from the provisions of paragraphs 14, 15 and 17 of Section C of Article XVIII, to the extent necessary for introducing the measures contemplated immediately after notification.
3. The provisions of the Decision on "Reciprocity and Contributions by Less-Developed Contracting Parties" taken by the CONTRACTING PARTIES on ... shall apply to their examination of the compensatory adjustment offered by a less-developed contracting party under paragraph 7(b) of Article XVIII or of the suspension of concessions by a developed contracting party under paragraph 21 of that Article.

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4. The procedures and provisions of Sections A and C of Article XVIII shall apply to the measures referred to in paragraph 1 above except as otherwise provided for in this Decision. The Notes and Supplementary Provisions set out in Annex I under these Sections shall apply in like manner.

5. Before ..., the CONTRACTING PARTIES shall review this Decision in the light of experience with its operation, with a view to determining whether it should be extended, modified or discontinued.