

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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Special Distribution

Multilateral Trade Negotiations

NOTE BY THE SECRETARIAT

Revision

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 aimed at raising the standard of living of the people may involve, in addition to the establishment of particular industries, the development and diversification of production and trade in specific sectors of the economy. Accordingly, they agree that a less-developed contracting party may, to achieve these objectives, modify or withdraw concessions included in the appropriate schedules annexed to the General Agreement as provided for in Section A of Article XVIII or, where no measure consistent with the other provisions of the Agreement is practicable to achieve these objectives, have recourse to the provisions and procedures of Section C of Article XVIII with the additional flexibility or understanding provided for in this Decision.
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. It is understood that all other requirements of the preambular part of Article XVIII and of Sections A and C of that Article, as well as the Notes and Supplementary Provisions set out in Annex I under these Sections will continue to apply to the measures to which this Decision relates.

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.