

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

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Group "Safeguards"

STATEMENT BY REPRESENTATIVE OF JAPAN ON 14 FEBRUARY 1977

The Japanese Delegation would like to make some general remarks in respect of the general relationship of developing countries with the multilateral safeguard system. Before I proceed, I would like to say that this afternoon there was a reference to the absence in the Japanese view (MTN/SG/W/16) submitted in the last meeting; absence of any reference to questions relating to developing countries. I have gone out of my way to emphasize when I presented the Japanese views, that this should not be construed as lack of attention or disinterest. It has been our traditional stance, whenever we have not been able to think through on an issue of major importance, we have felt it advisable to remain silent and this is the correct context in which the Japanese statement should be read.

This afternoon I would like to make some general reference to the relationship of the concerns of the developing countries to the multilateral safeguard system. It would not be our intention to respond to specific proposals or suggestions made by the developing countries but I feel it is pertinent to try to relate some of the concern that has been expressed in these suggestions to the general work that we are undertaking at this stage. My delegation notes that considerable concern is discernible in the developing countries' statements as to the possible abusive use of safeguard measures. We feel that this concern is a legitimate one which we share ourselves, which is why when we have presented our views on the multilateral safeguard system we have stressed that our major objectives and concerns were how to prevent the possible abusive invocation of safeguard measures and that this would be essential in preserving the results of further liberalization achieved through the MFN.

Some of the following points, which this Delegation has raised in its paper, have a close bearing on the concern of the developing countries and are related to the measures that the developing countries have suggested with a view to preventing the abusive use of safeguard measures.

Those points are, first of all, the criteria for determining the existence of serious injury. We ought to have clearer criteria so that we can prevent an abusive invocation of safeguard measures. We have in this respect suggested that it

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might be realistic to examine the elements that should be taken into account and be considered in determining the existence of serious injury.

Secondly, in respect to the question of prior notification, we did try to stress that safeguard measures are, in principle, required to be notified prior to their introduction, but in practice this has not always been the case. We have emphasized that it is necessary to establish a system whereby obligations under Article XIX are fully observed in its actual application.

I must say that we fully share the views of the Canadian Delegation when they have made reference to this point that the question is not the provisions but that of observance.

Thirdly, another element which we have stressed with a view to limiting unwarranted invocation of safeguard measures was the question of time-limit and degressivity. We feel that we must come to an understanding regarding the time-limit and degressivity of safeguard measures which would reflect the fact that safeguard measures are in essence temporary relief to an industry, and that it is essential to keep to the minimum the possible adverse effects of these measures on exporting countries.

And lastly, I would like to say in general, because I would not wish to go into much detail at this stage, that we have stressed the necessity of maintaining the deterrents, which in our view are built into Article XIX as presently drafted, so that we would be able to prevent the abusive use of safeguard measures. And for the same reason we have also stressed the importance of multilateral surveillance in the actual implementation of the rules.

The Japanese paper on the multilateral safeguard system contains these elements. Although a short reference was made this afternoon to the contrary, this Delegation is convinced that an agreement, if reached in line with our suggestions, will respond, to a very large extent, to the concerns expressed by developing countries in this respect and will in itself offer substantial benefits to these countries.

We feel that both Japan and the developing countries do share some of the same approaches to some of the elements of a multilateral safeguard system. But at the same time I would like to add that the nature and the purpose of safeguard is, by definition, to relieve domestic producers temporarily from serious injury caused by imports and that relief would have to be considered irrespective of the sources of supply. Given the nature and the purpose of such a system, no country, I believe, can declare a priori not to resort to safeguard measures against imports from particular sources.

In concluding my remarks, I would like to add that Japan has never taken safeguard action under Article XIX. We believe this reflects the serious efforts that my authorities have undertaken so far against invocation of safeguard measures.