

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/SG/W/26

9 March 1977

Special Distribution

Multilateral Trade Negotiations
Group "Safeguards"

Original: English

STATEMENT BY REPRESENTATIVE OF SOUTH AFRICA ON 15 FEBRUARY 1977

I should like to state briefly my delegation's views on the various elements which have been suggested for the improvement of the multilateral safeguard system.

Basically our view is that, since it is generally felt that Article XIX is not used as often as it should be used and since safeguard action is frequently taken outside Article XIX, the safeguard system should be made easier to use, not more difficult.

It seems to me that the most convenient manner in which to deal with the various aspects is to follow the ten-point layout in the United States proposal in MTN/SG/W/11.

Firstly, the United States proposes to bring within the new system all types of measures imposed to provide domestic industries with temporary relief from injurious import competition. We would like to make the comment that we do not regard the withdrawal or modification of concessions under Article XXVIII as temporary relief, but as longer-term relief which falls outside the field of safeguards.

Secondly, with regard to retaliation, we see no need to depart from the existing provisions of Article XIX:3(a).

Thirdly, we see no reason to change the criteria for import relief measures in Article XIX:1(a).

Fourthly, on public domestic investigations, we feel there is no need to bring the procedures of all signatories of a code into line with the procedures followed at present by a very limited number of countries.

Fifthly, with regard to the conditions which would govern the imposition of safeguard measures, we can agree that safeguard measures should be limited to a specified time period, but we are not in favour of degressivity, we are not in favour of a provision for no rollback and we are not in favour of obligatory adjustment efforts by domestic industry, because, as I have already indicated, we feel that the safeguard system should be made easier to use, not more difficult.

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Points 6 and 7 of the United States proposal deal with prior notification and consultation. We feel that the provisions of paragraph 2 of Article XIX should not be modified or amplified to the disadvantage of importing countries. We attach importance to the provision permitting safeguard action prior to consultation in critical circumstances, because we feel that prior consultation is only feasible when serious injury is in the "threaten" stage. When it is already taking place, governmental authorities should be able to act without delay.

As regards points 8 and 9 of the United States proposal, we fail to see the need for monitoring machinery. Given that we accept that there should be time-limits for safeguard measures, we are not aware of any remaining problems with the existing procedures provided for in Article XIX which would justify the creation of new machinery.

Finally, it is our view that Article XIX action should continue to be applied on an m.f.n. basis. We feel that it would be a far-reaching and unjustifiable step to include in a code on safeguards a provision that would be irreconcilable with Article I of the General Agreement.