

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/SG/W/46

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Multilateral Trade Negotiations

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## STATEMENT MADE BY THE SPOKESMAN FOR FINLAND, ICELAND, NORWAY AND SWEDEN AT THE MEETING OF GROUP "SAFEGUARDS" ON 13 DECEMBER 1978

The Nordic Countries have followed with increasing concern the seemingly worsening deadlock around Chapter 4 of the planned code on safeguards. Without a satisfactory solution of the unsettled issues under that Chapter there will not be a generally acceptable code. This seems to be clear. We on the Nordic side attach great importance to securing a code in this sector of the negotiations. We are prepared to show flexibility in order to promote that end. I should like to recall that we for our part were not satisfied with the way in which the two first paragraphs of Chapter 4 in MTN/SG/W/39 were drafted, because they implied that safeguard action on an MFN basis would be the general rule and deviations from that rule would be allowed only in very exceptional circumstances. This would clearly be in conflict with the generally accepted principle of avoiding unnecessary disturbances of international trade and would create extra serious problems especially for smaller exporters.

We think that in today's increasingly complex world of interdependent economies, which is totally different from the world of the drafters of the GATT in the late forties, no one should be interested in disturbing trade flows more than necessary in order to cope with emergency situations of an exceptional character related to unforeseen developments in imports. We therefore tabled MTN/SG/W/40, according to which a safeguard measure should be limited to the injurious imports and in a non-discriminatory manner in respect of those imports, whenever they could be clearly distinguished from other imports of a particular product. Our negotiations are approaching an end. We are realistic enough to see that it will not be possible on this occasion to achieve the results we have been working for. We are, however, still convinced, that the future will show that our approach, involving a possibility to limit restrictions to an absolute minimum, complemented with an extra amount of discipline and surveillance, was the most fruitful one to further the aim of increasing international trade.

It is a major move on our side when we now state that we are prepared to go along with a code that would establish the MFN as the general rule in the application of safeguards. We judge that the achievement of increased discipline in the area of safeguards, bringing export restraints arrangements and other practices of that nature under multilateral surveillance, still is of such importance for the strengthening of the world trading system that we are prepared to contribute

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towards success in the negotiations on a code in this field. However, once this concession has been made we would like to make it quite clear that a code, which does not allow countries to request others to exclude exports which are not injurious from the application of safeguard measures in clearly specified cases - a possibility which is of particular importance to small countries - would no longer be a code in line with our views and interests. Nor would it be in our interests to have a code that would prevent us from taking action, limited to injurious imports, in critical circumstances speedily after due bilateral consultations and without prior approval. Nor would such a code for that matter be in the general interest of furthering international trade. We take it that we are all genuinely interested in bringing about a code in this field, and we therefore sincerely hope that it will be possible for all parties to mobilize the necessary flexibility at this final stage of the negotiations to enable us to arrive at a satisfactory Chapter 4.