

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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SUBSIDIES AND COUNTERVAILING MEASURES

Communication from the Permanent
Mission of the Republic of Korea

The following letter has been received by the Director-General from the Permanent Representative of the Republic of Korea.

My Government has advised me to inform you of its concern with regard to Annex VIII of Article 27 of the draft text on Subsidies and Countervailing Measures (Document MTN.GNG/NG10/23).

After a careful review of the Tokyo Round Subsidies Code, particularly Article 14.5, it is apparent that Annex VIII presents a major divergence from the framework established in our previous negotiations. In light of the past practices of GATT, Korea, as a developing country, finds the concept of recategorization or graduation as implied in Annex VIII of the text, politically unacceptable. Additionally, monitoring of such a complicated mandatory phase-out scheme seems neither practical nor feasible.

As an alternative fully consistent with past GATT practices, my delegation wishes to propose that all developing country signatories except the least-developed countries, enter into a standardized commitment for the elimination of export subsidies over a predetermined period of years. Flexibility to grant extensions to those developing countries unable to meet the reduction goal would be offered. The above uniform approach is likely to be more acceptable and could provide a transition period until subsidies are eliminated.

By proceeding in a manner consistent with the established practice of GATT, the concerns of developing countries can be protected in this particular area. My Government supports strengthened disciplines of subsidies, but opposes any effort to classify developing countries into various sub-groups.